

No. 519, S.]

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## CHAPTER 441.

AN ACT to repeal and recreate chapter 396, laws of 1937, section 1 (4); section 1 (12); section 5 (1) as amended by chapter 308, laws of 1941; section 5 (4) as amended by chapter 308, laws of 1941; section 5 (6); section 9 (5); and section 10; to amend chapter 396, laws of 1937, section 1 (3) (b); section 1 (6), (7), (13), and (15); section 2; section 3 (6) as amended by chapter 308 of the laws of 1941; section 4 (6); section 5 (2) and (3); section 6 (3) and (4); section 7 (7); section 8 (1) as amended by chapter 308, laws of 1941; section 8 (3) (a) and (b), (4), (5), (6); section 9 (1) as amended by chapter 191, laws of 1943, and 9 (3); to renumber chapter 396, laws of 1937, section 14 to be section 16; to renumber chapter 396, laws of 1937, section 15 to be section 17; and to create chapter 396, laws of 1937, section 5 (5), section 14 and section 15; and to create subsection 68 of section 1, chapter 589, laws of 1921; and to create subsection 68 of section 1 of chapter 423, laws of 1923; relating to the establishment and administration of retirement systems in cities of the first class for the payment of benefits to the employes of such cities and to the widows and children of such employes.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. Chapter 396, laws of 1937, section 1 (3) (b) is amended to read:

(Chapter 396, Laws of 1937) Section 1 (3) (b) "City agency" shall mean any board, commission, division, department, office or agency of the city government, *including its sewerage commission, school board, auditorium board, fire and police departments, annuity and pension board, board of vocational and adult education, and public school teachers' annuity and retirement fund*, by which an employe of the city or city agency is paid.

SECTION 2. Chapter 396, laws of 1937, section 1 (4) is repealed and recreated to read:

(Chapter 396, Laws of 1937) Section 1 (4) "Employe" shall mean any person who:

(a) Receives earnings out of the general funds of the city

or city agency or out of any special fund or funds controlled by any city or city agency as payment for personal services;

(b) Whose name appears on a regular payroll of such city or city agency;

(c) "Fireman" shall mean a person employed in the fire department whose duty it is to extinguish fires and to protect property and life therefrom, including the chief and all other firemen officers;

(d) "Policeman" shall mean a person employed in the police department whose duty it is to preserve peace and good order of the city, having the power of arrest without warrant, including the chief and all other policemen officers.

(e) EXCEPTIONS. The definition of employe shall not include persons:

1. Who are eligible to be included within the teachers' retirement act.

2. Who are elected to office by vote of the people unless such elected person shall request the board in writing to be included within the provisions of this fund.

3. In the event of a question arising as to the right of any person in the service of the city to be classified as an employe under this act, the decision of the board shall be final.

SECTION 3. Chapter 396, laws of 1937, section 1 (6) is amended to read:

(Chapter 396, Laws of 1937) Section 1 (6) "Annuity" shall mean the annual payments for life derived from contributions made by a member. All annuities shall be paid in equal monthly instalments. *When the annuity begins after the first day of the month or ends before the last day of the month, the pro rata amount shall be paid for that month.*

SECTION 4. Chapter 396, laws of 1937, section 1 (7) is amended to read:

(Chapter 396, Laws of 1937) Section 1 (7) "Pension" shall mean the annual payments for life derived from contributions made by the city. All pensions shall be paid in equal monthly instalments. *When the pension begins after the first day of the month or ends before the last day of the month, the pro rata amount shall be paid for that month.*

SECTION 4a. Chapter 396, laws of 1937, section 1 (12) is repealed and recreated to read:

(Chapter 396, Laws of 1937) Section 1 (12) "Prior service"

shall mean the service of a member as an employe rendered prior to the date of the establishment of the retirement system, either in the service of the city or city agency, certified on a prior service certificate and allowable as provided in section 4 of this act. In the event, however, that a person ineligible for membership in the retirement system is made eligible by this or subsequent amendments to chapter 396 of the laws of 1937, as amended, prior service shall be defined to mean all service of a member rendered prior to the effective date of the amendment which made him eligible for such membership.

SECTION 5. Chapter 396, laws of 1937, section 1 (13) is amended to read:

(Chapter 396, Laws of 1937) Section 1 (13) "Membership service" shall mean service as an employe since last becoming a member of the retirement system and on account of which contributions are made by the city or city agency.

SECTION 6. Chapter 396, laws of 1937, section 1 (15) is amended to read:

(Chapter 396, Laws of 1937) Section 1 (15) "Accumulated contributions" shall mean the sum of the contributions, together with regular interest, *credited at the end of each year on the balance in the account at the beginning of each year*, of a member deducted from his salary and held for his \* \* \* benefit in the annuity savings fund provided in section 8 of this act.

SECTION 7. Chapter 396, laws of 1937, section 2, is amended to read:

(Chapter 396, Laws of 1937) Section 2. EFFECTIVE DATE. The date on which the retirement system provided for in this act shall become effective in any such city shall be the first day of January next following the date on which the common council or other governing body of any such city shall, by resolution, adopted by a majority vote, approve and adopt the provisions of this act. The retirement system of any city shall have all of the powers and privileges of a corporation, as enumerated in chapters 180 and 182 of the statutes, including the power to contract with its members, and shall be known as the "Employes' Retirement System" of the city by which it is established, and by such name shall all of its business be transacted, all its funds invested, and all its cash and securities

and other property held in trust for the purpose for which received.

SECTION 8. Chapter 396, laws of 1937, section 3 (6), as amended by chapter 308, laws of 1941, is amended to read:

(Chapter 396, Laws of 1937) Section 3 (6) **TERMINATION OF MEMBERSHIP**. Should any member in a period of 10 consecutive years after last becoming a member be absent from service more than 5 years, except as provided in section 4 (2) (b) and except as provided in section 5 (6) (b) 2. of this act, \* \* \* or should he become a beneficiary or die, he shall thereupon cease to be a member.

SECTION 9. Chapter 396, laws of 1937, section 4 (6) is amended to read:

(Chapter 396, Laws of 1937) Section 4 (6) **VOIDANCE OF CERTIFICATE; RENEWAL**. When membership ceases for any cause other than retirement, a prior service certificate shall become void and shall not be renewed upon any return to service as an employe except as provided in section 5 (6) \* \* \* (b) 4. and section 6 (4) of this act.

SECTION 10. Chapter 396, laws of 1937, section 5 (1), as amended by chapter 308, laws of 1941, is repealed and re-created to read:

(Chapter 396, Laws of 1937) Section 5. **BENEFITS**. (1) **SERVICE RETIREMENT ALLOWANCE**. (a) Any member in active service, except as hereinafter provided, who has attained his minimum retirement age, shall be retired upon filing with the board a request for retirement, on a form provided by the board for that purpose, stating a date not less than 30 nor more than 90 days subsequent to the filing thereof when the retirement is to be effective.

(b) The minimum ages for service retirement shall be, in the case of firemen and policemen age 57, and for all other members, age 60.

(c) Each member in active service except firemen and policemen who has attained the age of 70, and in the case of firemen and policemen the age of 63, on the date of the establishment of the retirement system or who thereafter attains such age, shall be retired at the end of the month at which such age is attained. The board, however, may permit an employe to continue in the service if a request has been made to the board by the head of the city agency employing such member. Such

further employment shall be for a period of not more than 2 years next following such request or a renewal thereof.

(d) The service retirement allowance except for firemen and policemen shall consist of:

1. An annuity which is the actuarial equivalent of the member's accumulated contributions, and

2. A pension equal to one-one hundred fortieth of the member's final average salary for each year of membership service, and

3. If the member has a prior service certificate in full force and effect, a pension of one-seventieth of the member's final average salary for each year of creditable prior service.

4. If the retirement allowance of a member entitled to prior service is less than \$60 per month, the pension shall be increased so that the retirement allowance is equal to \$3 per month for each creditable year of service, provided that such increase shall not result in a total retirement allowance in excess of \$60 per month. The retirement allowance of a part time employe shall be reduced in proportion to the ratio of part time hours to normal full time hours, or should such ratio be indeterminate, then in ratio of the part time salary to the full time salary.

5. The total pension of any member payable under the provisions of this section shall not exceed \$125 per month, provided that this \$125 per month pension limit shall not apply to any person who was an employe on the date chapter 308, laws of 1941, became effective.

(e) The service retirement allowance of firemen and policemen shall consist of:

1. An annuity which is the actuarial equivalent of the member's accumulated contributions, and

2. A pension equal to one-one hundredth of the member's final average salary for each year of membership service.

SECTION 11. Chapter 396, laws of 1937, section 5 (2) is amended to read:

(Chapter 396, Laws of 1937) Section 5 (2) ORDINARY DISABILITY RETIREMENT ALLOWANCE. (a) Upon the application of a member in service or of the head of the agency employing him, any member who has had 15 or more years of creditable service may be retired by the board not less than 30 and not more than 90 days next following the date of filing

such application on an ordinary disability retirement allowance, provided the medical board, after a medical examination of such member, shall certify that such member is mentally or physically incapacitated for the further performance of duty, that such incapacity is likely to be permanent, and that such member should be retired. *If, however, such member has less than 15 years of creditable service, he may apply for disability retirement allowance, but such allowance shall be limited in the duration of its payment to a period of time equal to one-fourth of the entire period of service rendered by such member.*

(b) The ordinary disability retirement allowance *except for firemen and policemen* shall consist of:

1. An annuity which is the actuarial equivalent of his accumulated contributions, and

2. A pension which together with his annuity shall provide a total retirement allowance equal to 90 per cent of one-seventieth of his final average salary multiplied by the number of years of service creditable to him at retirement, if such retirement allowance exceeds 25 per cent of his final average salary. If such retirement allowance does not exceed 25 per cent of his final average salary, a pension shall be payable which together with his annuity shall provide a total retirement allowance of 25 per cent of his final average salary, provided \* \* \* that no retirement allowance shall exceed 90 per cent of one-seventieth of his final average salary multiplied by the number of years of total service which would be credited to the member were his service continued to age 60.

(c) *In the case of firemen and policemen the ordinary disability retirement allowance shall consist of:*

1. An annuity which is the actuarial equivalent of his accumulated contributions, and

2. A pension which together with his annuity shall provide a total retirement allowance equal to 90 per cent of one-fiftieth of his final average salary multiplied by the number of years of service creditable to him at retirement, if such retirement allowance exceeds 25 per cent of his final average salary. If such retirement allowance does not exceed 25 per cent of his final average salary, a pension shall be payable which together with his annuity shall provide a total retirement allowance of 25 per cent of his final average salary, provided that no retirement allowance shall exceed 90 per cent of one-fiftieth of his

*final average salary multiplied by the number of years of total service which would be credited to the member were his service continued to age 57.*

SECTION 12. Chapter 396, laws of 1937, section 5 (3) is amended to read:

(Chapter 396, Laws of 1937) Section 5 (3) (a) \* \* \* **DUTY DISABILITY RETIREMENT ALLOWANCE.** (a) Any member in active service who shall become permanently and totally incapacitated for duty as the natural and proximate result of an \* \* \* *injury* occurring at some definite time and place while in the actual performance of duty shall, upon filing a request for retirement with the board on a form provided by the board for that purpose, be entitled to a \* \* \* *duty* disability retirement allowance to begin not less than 30 nor more than 90 days after the filing of the application therefor, provided the medical board after a medical examination of such member shall certify that such member is mentally or physically incapacitated for further duty as a result of such service \* \* \* *injury* and such incapacity is likely to be permanent and such member should be retired. No beneficiary entitled to (a) \* \* \* *duty* disability retirement allowance shall receive any allowance on account of ordinary disability.

(b) The \* \* \* *duty* disability retirement allowance shall equal the service retirement allowance if such member has attained age 60, otherwise it shall consist of:

1. The annuity which is the actuarial equivalent of his accumulated contributions, plus
2. A pension equal to 75 per cent of his final average salary.

SECTION 13. Chapter 396, laws of 1937, section 5 (4), as amended by chapter 308, laws of 1941, is repealed and re-created to read:

(Chapter 396, Laws of 1937) Section 5 (4) **ORDINARY DEATH BENEFIT; WIDOW'S, CHILD'S ANNUITY.** Upon the receipt of proper proofs of death of a member in active service which is not the result of an accident in the actual performance of duty as defined in subsection (5) of this section, his accumulated contributions shall be paid to such person, if any, as he has nominated by written designation duly executed and filed with the board, otherwise to his executors or administrators, and if such member has completed one or more years of creditable service, there shall be so paid in addition a

lump sum benefit of one-half the final average salary of such deceased member. The beneficiary may elect to receive the return of the contributions and lump sum benefit as follows:

(a) The total amount of accumulated contributions and lump sum benefit due immediately; or

(b) Monthly payments in equal instalments until the principal amount and interest have been exhausted; or

(c) An annuity payable in equal monthly instalments, the amount of such annuity to be determined at the time of the member's death on the basis of the age of the beneficiary at that time; provided that the monthly payments be not less than \$10 per month.

(d) Should a beneficiary die before receiving the full amount of the death benefits, the balance shall be paid to such person whom the beneficiary shall nominate by written designation duly acknowledged and filed with the board.

SECTION 14. Chapter 396, laws of 1937, Section 5 (5) is created to read:

(Chapter 396, Laws of 1937) Section 5 (5) ACCIDENTAL DEATH BENEFIT; WIDOW'S, CHILD'S ANNUITY. Upon receipt of proper proofs of the death of a member in active service containing evidence acceptable to the board that such death was the natural and proximate result of an accident occurring at some definite time and place while the member was in the actual performance of duty, the board shall grant, in lieu of the ordinary death benefit of a lump sum payment of one-half the final average salary of such deceased member, a pension of one-half the final average salary of such deceased member:

(a) To his widow to continue during her widowhood; or

(b) If there be no widow, or if the widow dies or remarries before any child of such deceased member attains the age of 18, then to his child or children under said age, divided in such manner as the board in its discretion shall determine, to continue as a joint and survivor pension until every such child dies or attains said age; or

(c) If there be no widow or child under the age of 18 years surviving such deceased member, then to his dependent father or mother, as the deceased member shall have nominated by written designation duly acknowledged and filed with the board; or if there be no such nomination, then to his dependent father



or to his dependent mother, as the board in its discretion shall direct, to continue for life.

SECTION 15. Chapter 396, laws of 1937, section 5 (6) is repealed and recreated to read:

(Chapter 396, Laws of 1937) Section 5 (6) WITHDRAWAL BENEFITS. (a) Should a member cease to be an employe except by death or retirement under the provisions of this act he shall be paid his accumulated contributions as they were at date of separation from service, upon filing with the board a request for such return of contributions on a form provided by the board for that purpose.

(b) A member who is removed or otherwise involuntarily separated from service for any cause, other than fault or delinquency on his part, shall have the option:

1. To withdraw his accumulated contributions, as provided in paragraph (a), or

2. To leave his accumulated contributions in the fund until such member attains the minimum retirement age, at which time he shall be entitled to a retirement allowance calculated in the same manner as provided in section 5 of this chapter, providing his retirement allowance at the above-mentioned age equals or exceeds \$10 per month. The provisions of section 5 (1) (d) 4 shall not apply in calculating the retirement allowance provided for in this subdivision, or

3. To receive a retirement allowance beginning immediately having a value equal to the present value of the deferred retirement allowance otherwise payable under subdivision 2.

4. Should any member who has exercised the option provided in subsection (6) (b) 3 of this section be restored to active service prior to attaining the minimum retirement age, he shall again become an active member of the retirement system and shall contribute thereafter at the same rate at which he contributed prior to his separation from service, and the credits for service which he had at the time of such separation shall be restored to him. Upon his subsequent retirement, he shall be credited with all his service as a member subsequent to his last restoration to active membership and shall receive a retirement allowance to which he will be entitled at that age on account of his service as a member.

5. Should a beneficiary receiving a retirement allowance under the provisions of subsection (6) (b) 2 be restored to

active service, his allowance shall cease, and he shall again become a member of the retirement system, and shall make contributions as if he were then first becoming a member. Upon his subsequent retirement he shall be credited with all his service as a member subsequent to his last restoration to membership, and shall receive a pension therefor as if he were a new entrant, and, in addition, he shall receive the pension which he was receiving immediately prior to his last restoration.

6. Upon the death of any such person before the effective date of his deferred retirement allowance, as provided in subdivision 2. above, there shall be paid to his estate or to such person as he has nominated by written designation, duly executed and filed with the board, his accumulated contributions.

SECTION 16. Chapter 396, laws of 1937, section 6 (3) and (4) are amended to read:

(Chapter 396, Laws of 1937) Section 6 (3) Should any disability beneficiary be restored to active service at a salary less than his final average salary at the time of retirement he shall not become a member at that time. No disability beneficiary restored to active service after attaining \* \* \* *the minimum retirement age* shall become a member.

(4) Should any disability beneficiary be restored to active service prior to attaining \* \* \* *the minimum retirement age* and at a salary equal to or greater than his final average salary at the time of retirement, or should any disability beneficiary be at any time in active service prior to attaining \* \* \* *the minimum retirement age* at a salary equal to or greater than his final average salary at the time of retirement, his disability retirement allowance shall cease, and he shall again become a member of the retirement system and shall contribute thereafter at the same rate at which he contributed prior to his disability retirement. Any prior service certificate on the basis of which his allowance was computed at the time of his disability retirement shall be restored to full force and effect, and in addition, upon his subsequent retirement he shall be credited with all his membership service on the basis of which his allowance was computed at the time of his disability retirement, but should he be restored to active service after the attainment of age 50, his pension upon subsequent retirement shall not exceed the sum of the pension which he was receiving immediately prior to his last restoration to membership and the

pension that he would have received on account of his service since such last restoration had he first become a member at that time.

SECTION 17. Chapter 396, laws of 1937, section 7 (7) is amended to read:

(Chapter 396, Laws of 1937) Section 7 (7) The board shall elect from its membership a chairman and shall by a majority vote of all its members appoint a secretary, who may be, but need not be, one of its members. It *shall appoint an executive director and* shall engage such actuarial and other service as shall be required to transact the business of the retirement system. The compensation of all persons engaged by the board and all other expenses of the board necessary for the operation of the retirement system shall be paid at such rates and in such amounts as the board shall approve.

SECTION 18. Chapter 396, laws of 1937, section 8 (1), as amended by Chapter 308, laws of 1941, is amended to read:

(Chapter 396, Laws of 1937) Section 8 (1) (a) The annuity savings fund shall be a fund in which shall be accumulated contributions from the compensation of members to provide for their annuities. Upon the basis of such tables as the board shall adopt, and regular interest, the actuary of the retirement system shall determine for each member the proportion of earnable compensation which, when deducted from each payment of his prospective earnable annual compensation prior to his attainment of \* \* \* *the minimum retirement age* and accumulated at regular interest until his attainment of such age, shall be computed to provide at that time an annuity equal to the pension to which he will be entitled at that age on account of his service as a member. The provisions of section 5 (1) (d) 4. shall not be considered in making such computation. Such proportion of compensation shall be computed to remain constant. The proportion as so computed for a member age 59, *or in the case of firemen and policemen age 56*, shall be applied to a member who has attained a greater age before he becomes a member of the retirement system. *In like manner, the normal rate of contribution established for age 20 shall be the rate for any member who enters the retirement system at a lesser age.*

(b) The board shall certify to the head of each city agency, and the head of each city agency shall cause to be deducted from the salary of each member on each and every payroll of

such agency for each and every payroll period the proportion of earnable compensation of each member so computed. But the head of any city agency shall not have any deduction made for annuity purposes from the compensation of a member who elects not to contribute if he has attained \* \* \* *the minimum retirement age and has become eligible for a retirement allowance of one-half of final average salary.* In determining the amount earnable by a member in a payroll period, the board may consider the rate of annual compensation payable to such member on the first day of the payroll period as continuing throughout such payroll period, and it may omit deduction from compensation for any period less than a full payroll period if an employe was not a member on the first day of the payroll period, and to facilitate the making of deductions it may modify the deduction required of any member by such an amount as shall not exceed one-tenth of one per cent of the annual compensation upon the basis of which such deduction is to be made.

(c) The deductions provided for herein shall be made notwithstanding *that* the minimum compensation provided for by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided for herein and shall receipt for his full salary or compensation, and payment of salary or compensation less said deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment, except as to the benefits provided under this act. The head of each city agency shall certify to the board on each and every payroll or in such manner as the board may prescribe, the amounts to be deducted; and each of said amounts shall be deducted, and when deducted shall be paid into said annuity savings fund, and shall be credited, together with regular interest thereon to the individual account of the member from whose compensation such deduction was made.

(d) In addition to the contributions deducted from compensation as hereinbefore provided, \* \* \* any member may deposit therein by a single payment or by an increased rate of contribution an amount computed to be sufficient to purchase an additional annuity, which, together with his prospective retirement allowance *at the minimum retirement age,* will provide for him

a total retirement allowance not exceeding one-half of his prospective final average salary at \* \* \* *the minimum retirement age*. Such additional amounts so deposited, *improved with interest at such interest rate actually earned by the fund*, shall become a part of his accumulated contributions except in the case of disability retirement, when they shall be treated as excess contributions returnable to the member in cash or as an annuity of equivalent actuarial value. The accumulated contributions of a member withdrawn by him, or paid as provided in this act to his executors or administrators or to his designated beneficiary in event of his death, shall be paid from the annuity savings fund. Upon the retirement of a member his accumulated contributions shall be transferred from the annuity savings fund to the annuity reserve fund.

SECTION 19. Chapter 396, laws of 1937, section 8 (3) (a) is amended to read:

(Chapter 396, Laws of 1937) Section 8 (3) (a) The pension accumulation fund shall be the fund in which shall be accumulated all reserves for the payment of all pensions and other benefits payable from contributions made by the city *or city agency* and from which shall be paid all pensions and other benefits on account of members with prior service credit and the lump sum death benefits payable from contributions made by the city *or city agency*. Contributions to any payments from the pension accumulation fund shall be made as follows:

SECTION 20. Chapter 396, laws of 1937, section 8 (3) (b) is amended to read:

(Chapter 396, Laws of 1937) Section 8 (3) (b) On account of each member there shall be paid annually into the pension accumulation fund by the city *and city agencies* for the preceding fiscal year an amount equal to a certain percentage of the earnable compensation of each member to be known as the "normal contribution", and an additional amount equal to a percentage of his earnable compensation to be known as the "accrued liability contribution". The rates per cent of such contributions shall be fixed on the basis of the liabilities of the retirement system as shown by actuarial valuation *and as certified to by the annuity and pension board*. Until the first valuation the normal contribution shall be 3-4/10 per cent, and the accrued liability contribution shall be 3-1/10 per cent of the annual compensation of all members.

SECTION 21. Chapter 396, laws of 1937, section 8 (4) is amended to read:

(Chapter 396, Laws of 1937) Section 8 (4) The pension reserve fund shall be the fund in which shall be held the reserves on all pensions granted on account of members not entitled to credit for prior service and from which such pensions and benefits in lieu thereof shall be paid. Should such a beneficiary, retire on account of disability or on account of involuntary separation from service as provided under section 5 (6) (b) of this act, again become a member of the retirement system his pension reserve shall be transferred from the pension reserve fund to the pension accumulation fund. Should the pension of such a disability beneficiary be reduced as a result of an increase in his earning capacity the amount of the annual reduction in his pension shall be paid annually into the pension accumulation fund during the period of such reduction. *Should a beneficiary of an employe dying in service elect to receive the amount or amounts otherwise payable in a lump sum in the form of an annuity, then the amount or amounts otherwise payable in the lump sum shall be transferred to the pension reserve fund and the annuity shall be paid from this fund.*

SECTION 22. Chapter 396, laws of 1937, section 8 (5) is amended to read:

(Chapter 396, Laws of 1937) Section 8 (5) The expense fund shall be the fund to which shall be credited all money provided by the city to pay the administration expenses of the retirement system, and from which shall be paid all the expenses necessary in connection with the administration and operation of the system. Annually, the board shall estimate the amount of money which shall be deemed necessary to be paid into the expense fund during the ensuing year to provide for the expense of operation of the retirement system, and such amount shall be paid to the expense fund for this purpose by the \* \* \* city and city agencies.

SECTION 23. Chapter 396, laws of 1937, section 8 (6) is amended to read:

(Chapter 396, Laws of 1937) Section 8 (6) (a) On or before September 1 in each year, the board shall certify to the common council or other governing body, and city agencies, the amounts which will become due and payable during the year next following to each of the funds of the retirement system,

together with a statement of the percentage of the payroll of all members, which is equivalent to the total amount. The amount so ascertained shall be included by the common council or other governing body *and city agencies* in their budgets and shall be appropriated and paid to the retirement system by the city *and city agencies* in the fiscal year next following.

(b) In order to meet the requirements of this act, the common council or other governing body *or city agency* is authorized to levy a tax annually, which tax shall be in addition to all other taxes such common council or other governing body *or city agency* has been authorized to levy upon all taxable property, real and personal. Such tax shall be levied and collected at the same time and in the same manner as other city *or city agency* taxes are levied and collected according to the law.

(c) *Such city agencies not authorized by law to levy a tax upon taxable property shall upon the direction of the board include the necessary amounts so needed in their respective budgets.*

SECTION 24. Chapter 396, laws of 1937, section 9 (1), as amended by Chapter 191, laws of 1943, is amended to read:

(Chapter 396, Laws of 1937) Section 9 (1) The board shall be the trustees of the several funds of the system and shall have full power in its sole discretion to invest and reinvest, alter and change these funds, and the board shall not be held liable for the exercise of more than ordinary care and prudence in the selection of such investments and shall not be limited to so-called "legal investments for trustees", but all funds of the system, except as hereinafter set forth, shall be invested subject to all of the conditions, limitations and restrictions imposed by law upon life insurance companies in the state of Wisconsin in the making and disposing of their investments. The board may cause to be invested such funds as it deems advisable in tax sale certificates of any city of the first class and shall be vested with the same rights as other purchasers. Whenever investments shall be made in tax sale certificates of such city, the city treasurer shall repurchase all certificates the board may desire to dispose of upon proper assignment being made. The board may also invest its funds in any short term notes issued by *the federal government or any city of the first class, and further has the authority to organize as a redevelopment corporation under sections 66.405 and 66.406 of the statutes and*

*invest therein not more than 10 per cent of its admitted assets.*

SECTION 25. Chapter 396, laws of 1937, section 9 (3) is amended to read:

(Chapter 396, Laws of 1937) Section 9 (3) The board annually shall allow regular interest *to the annuity savings fund* and on the mean amount for the preceding year in each of the *other* funds with the exception of the expense fund. The amounts so allowed shall be due and payable to said funds, and shall be annually credited thereto by the board from interest and other earnings on the moneys of the retirement system. Any additional amount required to meet the interest on the funds of the retirement system shall be paid by the city, and any excess of earnings over such amount required shall be deductible from the amounts to be contributed by the city. Regular interest shall mean such rate, compounded annually, as shall be determined by the board on the basis of the interest earnings of the system for the preceding year and of the probable earnings to be made, in the judgment of the board, during the immediate future, such rate to be limited to a minimum of 3 per cent and a maximum of 4 per cent, with the latter rate applicable during the first year of operation of the retirement system.

SECTION 26. Chapter 396, laws of 1937, section 9 (5) is repealed and recreated to read:

(Chapter 396, Laws of 1937) Section 9 (5) INTEREST IN OR USE OF FUND. Except as herein provided no member of the board and no employe of the board shall have any interest, direct or indirect, in the gains or profits of any investment made by the board. No member of the board or employe thereof shall directly or indirectly, for himself or as an agent, in any manner use the funds or deposits of the retirement system except to make such current and necessary payments as are authorized by the board; nor shall any member or employe of the board become an endorser or surety or in any manner an obligor for moneys loaned by or borrowed from the board.

SECTION 27. Chapter 396, laws of 1937, section 10 is repealed and recreated to read:

(Chapter 396, Laws of 1937) Section 10 GUARANTY AND SUPERVISION. The creation and maintenance of reserves in the pension accumulation fund, the maintenance of annuity reserves and pension reserves as provided for, and regular



interest creditable as provided for to the various funds, shall be mandatory and shall be obligations of the city. The payment of all pensions, annuities, retirement allowances, refunds and other benefits granted under the provisions of this act shall be deemed deferred pay of such member, and the payment of all pensions, annuities, retirement allowances, refunds and other benefits granted under the provisions of this act and all expenses in connection with the administration and operation of the retirement system are hereby made obligations of the city and city agencies. The legal title to the funds created by this act shall be in the retirement system and shall be held by it in trust for the purposes for which they were contributed under this act, and no amendment to the act shall reduce the benefits of any member below those which can be provided by the reserves of the system held in his account, nor shall the reserves held on account of any member be diluted by the addition of new members or annuitants receiving benefits of any members. The various funds of the retirement system shall be subject to periodic examination by the insurance department of the state of Wisconsin for the purpose of insuring that the technical features of this act are observed.

SECTION 28. Chapter 396, laws of 1937, section 14 is re-numbered to be section 16.

SECTION 29. Chapter 396, laws of 1937, section 15 is re-numbered to be section 17.

SECTION 30. Chapter 396, laws of 1937, a new section 14 is created to read:

(Chapter 396, Laws of 1937) Section 14 (1) LEGISLATIVE POLICY. Employes have been attracted to and have remained in the public service in cities of the first class despite the prevailing higher wages in other employments because of the deferred compensation for their services promised to them in the form of retirement annuities and death benefits in the retirement system to which they have been admitted as contributing members. The purpose of this act is to strengthen the public service in cities of the first class by establishing the security of such retirement and death benefits.

(2) CONTRACTS TO ASSURE BENEFITS. The benefits of members, whether employes in service or retired as beneficiaries, and of beneficiaries of deceased members in the retire-

ment system created by chapter 396, laws of 1937, as amended, shall be assured by benefit contracts as herein provided:

(a) Every such member and beneficiary shall be deemed to have accepted the provisions of this act and shall thereby have a benefit contract in said retirement system of which he is such member or beneficiary as of the effective date of this act unless, within a period of 30 days thereafter, he files with the board administering the system a written notice electing that this act shall not apply to him. The annuities and all other benefits in the amounts and upon the terms and conditions and in all other respects as provided in the law under which the system was established as such law is amended and in effect on the effective date of this act shall be obligations of such benefit contract on the part of the city and of the board administering the system and each member and beneficiary having such a benefit contract shall have a vested right to such annuities and other benefits and they shall not be diminished or impaired by subsequent legislation or by any other means without his consent.

(b) The board administering the system may issue to each member and beneficiary who shall have a benefit contract under this act a written or printed contract or may supplement the membership certificate or other evidence of participation of the member or beneficiary in the system by endorsement showing that the member or beneficiary has a benefit contract according to the terms of this act but the contract shall be in full force and effect whether or not any written or printed evidence thereof shall be so issued.

(c) Every future entrant who shall become a member of this retirement system after the effective date of this act shall have a similar benefit contract and vested right in the annuities and all other benefits in the amounts and on the terms and conditions and in all other respects as provided in the law under which the retirement system was established as such law shall have been amended and be in effect at the date of commencement of his membership.

SECTION 31. Chapter 396, laws of 1937, section 15 is created to read:

(Chapter 396, Laws of 1937) Section 15 (1) For the purpose of giving to cities of the first class the largest measure of self-government with respect to pension annuity and retirement

systems compatible with the constitution and general law, it is hereby declared to be the legislative policy that all future amendments and alterations to this act are matters of local affair and government and shall not be construed as an enactment of state-wide concern. Cities of the first class are hereby empowered to amend or alter the provisions of this act in the manner prescribed by section 66.01 of the statutes; provided that no such amendment or alteration shall modify the annuities, benefits or other rights of any persons who are members of the system prior to the effective date of such amendment or alteration.

(2) For the further purpose of safeguarding the stability of pension systems in cities of the first class, the governing body shall appoint a pension study commission which shall have jurisdiction over all proposed amendments, alterations and modifications to existing pension, annuity or retirement systems. The commission shall advise the governing body as to the actuarial soundness of any suggested proposal, amendment, alteration or modification to existing pension, annuity or retirement systems, and the necessary additional contributions, if any, required of the city and employe. All proposed salary increases shall be referred to the commission, so that it can inform the governing body of the effect such increases will have on the pension liabilities of the city. The membership of the commission shall consist of 3 citizens, one of whom shall have actuarial experience, appointed by the chairman of the common council or other governing body (subject to the confirmation of such common council or other governing body) for a term of 3 years. The initial terms of the first 3 members so appointed shall expire at the end of 1, 2 and 3 years respectively. Following the completion of the initial terms, the terms of office of such members shall be 3 years. None of the members so appointed shall be elected officials or employes of the city.

SECTION 32. Chapter 589, laws of 1921, subsection 68 of section 1, is created to read:

(Chapter 589, Laws of 1921) Section 1 (68). No person who had not contributed to and become a member of, a policemen's annuity and benefit fund in a city of the first class established pursuant to chapter 589 of the laws of 1921 shall be permitted to contribute to such fund or become a member thereof on or after the passage of this act nor shall he or his widow or his child be, or become, entitled to receive any benefit from

such fund. Only persons who are members of such fund created by chapter 589, laws of 1921, on the day before this act becomes effective may contribute to such fund or be members thereof after said date.

SECTION 33. Chapter 423, laws of 1923, subsection 68 of section 1, is created to read:

(Chapter 423, Laws of 1923) Section 1 (68). No person who had not contributed to and become a member of a firemen's annuity and benefit fund in a city of the first class established pursuant to chapter 423 of the laws of 1923 shall be permitted to contribute to such fund or become a member thereof on or after the passage of this act nor shall he or his widow or his child be, or become, entitled to receive any benefit from such fund. Only persons who are members of such fund created by chapter 423, laws of 1923, on the day before this act becomes effective may contribute to such fund or be members thereof after said date.

SECTION 34. SEVERABILITY. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect the provisions or application of this act which can be given effect without the invalid provision or application and to this end the provisions of this act are declared to be severable.

Approved July 23, 1947.

No. 321, S.]

[Published July 25, 1947.

### CHAPTER 442.

AN ACT to create 234.26 of the statutes, relating to the emergency control of rentals of and evictions from housing accommodations, and providing a penalty.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

234.26 of the statutes is created to read:

234.26 EMERGENCY CONTROL OF RENTALS. (1) DECLARATION OF PUBLIC EMERGENCY. The legislature hereby finds that a serious public emergency exists in the housing of a considerable number of persons in the state of Wisconsin which emergency has come as a result of the economic disruptions at