

**CHAPTER 722.**

AN ACT to amend 66.901 (6) and (13), 66.903 (1) (b), 66.904 (1) (b), 66.906 (2) (a) 1. and 2., (2) (b) 1. and 2., (2) (d), (3) (a) and (e), (4) (a), 66.907 (1) (a), (1) (b) 1. and (1) (d), (2) (a) 1., (2) (d) and (f), 66.908 (1) (a) and (c), (2) (b), 66.909 (1) (a) and (b), (2) (introductory paragraph) and (a), 66.91 (1) and (2), 66.912 (1) (b), 66.915 (2) and (5), and 66.918 (1) (b); and to create 66.901 (4a), 66.905 (5) and (6), 66.906 (2) (b) 3., (3a) (a) and (b), 66.912 (1a), 66.915 (5a) and 66.918 (5) of the statutes, relating to the Wisconsin retirement fund.

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

SECTION 1. 66.901 (4a) of the statutes is created to read:

66.901 (4a) PARTICIPATING EMPLOYEE. An employe currently in the service of a participating municipality, or an employe who is on a leave of absence, subject to the limitations in section 66.903 (1) (b).

SECTION 2. 66.901 (6) and (13) of the statutes are amended to read:

66.901 (6) \* \* \* PARTICIPANT. Any person included within the provisions of this fund *by virtue of being or having been a participating employe.*

(13) The person so designated by a \* \* \* participant or annuitant in the last written designation of beneficiary on file with the board; or if no person so designated survives, or if no designation is on file, the estate of such \* \* \* participant or annuitant.

SECTION 3. 66.903 (1) (b) of the statutes is amended to read:

66.903 (1) (b) Every leave of absence granted by a participating municipality to a participating employe *except a military leave* shall automatically terminate at the end of 2 years for the purposes of this fund if not previously terminated by the participating municipality, and after any termination *or after entering employment not covered by the Wisconsin Retirement Fund* such person shall not be eligible for a disability annuity or his estate or beneficiaries for the \$500 death benefit as an employe of such participating municipality until such employe resumes active performance of duty for the participating municipality. No leave of absence shall be deemed to have been ended or interrupted until the participating employe shall have resumed active performance of duty for the participating municipality which granted such leave of absence for at least \* \* \* 18 working days within a period of 30 consecutive calendar days, except that a participating employe who has resumed such active employment may become eligible for a disability annuity and his estate or beneficiaries eligible for such death benefit as long as he continues to be so actively employed.

SECTION 4. 66.904 (1) (b) of the statutes is amended to read:

66.904 (1) (b) The credits of each individual \* \* \* participant shall be accumulated in a separate account for each type of credit, and interest shall be credited thereon as follows:

1. All balances at the beginning of each year remaining in such accounts at the end of the year shall be improved with interest, at the end of each year, at the effective rate of interest for the year.

2. All amounts credited to \* \* \* participants during the year because of re-entrance into the service in accordance with paragraph (a) 3 or because of certifications in accordance with paragraph (a) 4 remaining in such accounts at the end of the year shall be improved with interest at the end of such year for each full month elapsing between the date of credit and the end of the year, at one-twelfth of the effective rate of interest for the year.

3. All balances at the beginning of any year, and all amounts credited to \* \* \* participants during the year in accordance with paragraph (a) 3, not remaining in such accounts at the end of the year because of the granting of annuities or benefits during the year, shall be improved with interest, on the first day of the month in which the first annuity or benefit payment is due, for each full month elapsing between the first day of the year or the date of credit, as the case may be, and the first day of the month in which such first annuity or benefit payment is due, at one-twelfth of the effective rate of interest for the preceding year.

4. Upon the granting of a retirement annuity, a disability annuity, a death benefit or a separation benefit, because of any \* \* \* participant, all the individual accumulated credits of such \* \* \* participant shall thereupon be terminated.

SECTION 5. 66.905 (5) and (6) of the statutes are created to read:

66.905 (5) Notwithstanding any other provisions of this section, each participating municipality which has no participating employes as of the beginning of the year shall make contributions to the fund 4 times during the year, in addition to any contribution under section 66.905 (1) (b). Such contributions shall be due and be deposited in the office of the fund by the municipality not later than February 15, May 15, August 15 and November 15 of the year. The amount of each such municipality contribution shall be one-fourth of the amount required for the year under section 66.905 (2) (a) and (b) assuming that the municipality will have no participating employes during the year.

(6) Whenever any school district which is a participating municipality shall have its existence terminated because of consolidation or for any other reason, the school district or municipality which thereafter includes the area of such school district shall be liable for all prior service obligations or other obligations payable to the Wisconsin retirement fund by such district. If the territory of such former participating municipality is attached to 2 or more school districts or municipalities, the total obligation to the Wisconsin retirement fund shall be allocated to such school districts or municipalities in proportion to the equalized valuation of each area so attached. The amount of such obligation and the allocation thereof to the respective school districts or municipalities shall be certified by the board of trustees of the Wisconsin retirement fund to the clerk of each such school district or municipality. If the school district or municipality to which the territory is so added is or becomes a participating municipality the obligation so certified to its clerk shall be added to its obligation under section 66.905. If the school district or municipality to which any part of such district is added is not a participating municipality the obligation shall be liquidated by an annual payment to be made not later than May 1 in each year following a certification which shall be made by the board in conformity with section 66.905 (2) (a). Whenever such obligation is discharged pursuant to the law, the board shall refund any overpayment.

SECTION 6. 66.906 (2) (a) 1. and 2. of the statutes are amended to read:

66.906 (2) (a) 1. Any \* \* \* Participant who, regardless of cause, is separated from the service of all municipalities \* \* \*.

2. Such annuities shall begin on the date specified by the \* \* \* participant in the written application therefor, provided such date is not prior to the date of separation from the last participating municipality by which such \* \* \* participant was employed, and provided such date is not more than 60 days prior to the date of receipt of such application by the board; and provided the credits of the \* \* \* participant are sufficient as of such date to provide an annuity of at least \$10 beginning immediately; and provided the \* \* \* participant has attained the age of 55; and provided the participant is not entitled to receive earnings from any municipality on or after such date.

SECTION 7. 66.906 (2) (b) 1. and 2. of the statutes is amended to read:

66.906 (2) (b) 1. The annuity which can be provided, on the date such annuity begins, from the total accumulated additional and normal credits of the \* \* \* participant at such time not used to provide a reversionary annuity, and

2. The annuity which can be provided, on the date such annuity begins, from the total accumulated municipality and prior service credits of the \* \* \* participant at such time; subject, however, to the limitation that in no event shall any annuity arising out of the total of the accumulated municipality and prior service credits, exceed either of the following: (a) The amount which, when added to the annuity provided, on the date such annuity begins, from the accumulated normal credits of the \* \* \* participant at such time, will equal 50 per cent of the final rate of earnings of the \* \* \* participant, or (b) the amount of the annuity which could have been provided at age 65 from the accumulations at age 65, or on the effective date of participation for \* \* \* participants who are over age 65 on such date, assuming the \* \* \* participant as then exactly age 65, from the total municipality and prior service credits of the \* \* \* participant, assuming that the prior service credits of such \* \* \* participant had been accumulated on the basis of a contribution rate equal to the sum of the rates of normal and municipality credits as they were on the effective date of participation of such \* \* \* participant.

SECTION 8. 66.906 (2) (b) 3. of the statutes is created to read:

66.906 (2) (b) (3). When no prior service credits are involved the 50 per cent limitation under (b) 2. shall be inapplicable and in lieu thereof the limitation on the annuity to be provided from municipality credits shall be 25 per cent of the final rate of earnings of the participant.

SECTION 9. 66.906 (2) (d), (3) (a) and (e) of the statutes are amended to read:

66.906 (2) (d) If any \* \* \* participant elects a reversionary annuity in accordance with section 66.907 (1), the amount of the retirement annuity to which such \* \* \* participant would otherwise be entitled shall be reduced to the amount which can be

provided from the total accumulated credits remaining after deduction of those required to provide the reversionary annuity.

(3) (a) Notwithstanding any other provision of section 66.90 to 66.919, any \* \* \* participant who is eligible to receive an ordinary retirement annuity under section 66.906 (2) may elect, in lieu of such annuity, to take the actuarial equivalent thereof as a retirement annuity payable monthly for the life of the \* \* \* participant as the annuitant, with a guaranty of 180 monthly payments, and in the event of his death before 180 monthly payments have been made, the remainder of the 180 monthly payments shall be continued to one beneficiary or divided as specified by the \* \* \* participant, and equally if not specified, between 2 or more beneficiaries designated by such \* \* \* participant, until payments shall have been made for 180 consecutive months after such annuity began.

(e) Whenever a \* \* \* participant elects to take an annuity provided for under this subsection, then upon the death of such \* \* \* participant, no death benefit shall be payable under the provisions of section 66.908 (2) (c).

SECTION 10. 66.906 (3a) (a) and (b) of the statutes are created to read:

66.906 (3a) (a) Notwithstanding any other provision of sections 66.90 to 66.919, any participant who is eligible to receive an ordinary retirement annuity under section 66.906 (2) may elect, in lieu of such annuity, to take the actuarial equivalent thereof as an annuity payable monthly to the participant during life, and after the death of the participant, monthly payments of 75% of the monthly amounts paid to the participant to be continued to such one beneficiary during life as the participant shall have designated in his original application for an annuity.

(b) Whenever a participant elects to take an annuity provided for under this subsection, then upon the death of such participant, no death benefit shall be payable under the provisions of section 66.908 (2) (c).

SECTION 11. 66.906 (4) (a) of the statutes is amended to read:

66.906 (4) (a) Notwithstanding the fact that any annuity is payable for life, if any annuitant receiving a retirement annuity enters the service of any municipality, the annuity payable to such annuitant at that time shall be terminated as of the end of the month prior to the date upon which such person entered such service, except that no annuity shall be terminated when the total earnings of the annuitant in all such service shall not exceed \$360 in any calendar year. *Such annuitant shall not be treated as a participating employe until his earnings exceed \$360 in any calendar year.*

SECTION 12. 66.907 (1) (a), (1) (b) 1., and (1) (d) of the statutes are amended to read:

66.907 (1) (a) Any \* \* \* participant entitled to \* \* \* a disability or retirement annuity may elect to provide a reversionary annuity for a beneficiary, provided, that at the time such disability or retirement annuity begins the accumulated additional credit of such \* \* \* participant is sufficient to provide a reversionary annuity for the designated beneficiary of the \* \* \* participant of at least \$10 per month and the remaining credits of such \* \* \* participant are sufficient to provide an immediate annuity of at least \$10 per month for the \* \* \* participant.

(1) (b) 1. If written notice thereof by the \* \* \* participant is received by the board together with the application of the \* \* \* participant for the annuity, and

(1) (d) Any such reversionary annuity shall begin on the first day of the calendar month in which the death of the \* \* \* participant annuitant occurs, provided the beneficiary is alive at such time. If the beneficiary is not alive at such time, no reversionary annuity shall be payable, but only the death benefit as provided in section 66.908.

SECTION 13. 66.907 (2) (a) 1. of the statutes is amended to read:

66.907 (2) (a) 1. Any participating employe who has not attained age 65 and irrespective of the amount of accumulated credits at the time, is separated from the service of all participating municipalities, and who at such time is totally disabled, either mentally or physically, by a disability which is likely to be permanent. *The participating municipality shall certify to the fund that such separation occurred because of the disability. For the purposes of this subsection a participant shall, within the limitations of section 66.903 (1) (b), be considered to be a participating employe if no other employment has intervened since service for the participating municipality, and if the termination of active service for the participating municipality was due to such disability.*

SECTION 14. 66.907 (2) (d) and (f) of the statutes are amended to read:

66.907 (2) (a) *The Board may require that any annuitant receiving a disability annuity \* \* \* shall be examined by at least one licensed and practicing physician appointed by the board \* \* \* during any period such annuitant shall receive such annuity and prior to age 65. A \* \* \* written report of such examination which shall indicate whether or not the annuitant is still totally and permanently disabled, shall*

be filed *with the board* by each such physician \* \* \*.

(f) Notwithstanding the fact that any annuity granted is for life, if any annuitant receiving a disability annuity enters the service of any municipality, the annuity payable to such employe at that time shall be terminated as of the end of the calendar month prior to the date upon which such person entered such service, except that no annuity shall be terminated when the total earnings of the annuitant in all such service shall not exceed \$360 in any calendar year. *Such annuitant shall not be treated as a participating employe until his earnings exceed \$360 in any calendar year.*

SECTION 15. 66.908 (1) (a) and (c) and (2) (b) are amended to read:

66.908 (1) (a) The beneficiary of any \* \* \* *participant* or of any annuitant on the date of death of the \* \* \* *participant* or annuitant.

(c) Whenever any death benefit is payable in a single cash sum, it shall be paid to the beneficiary as soon as practicable after receipt by the board of: 1. A certified copy of the death certificate of the \* \* \* *participant* or annuitant; 2. a written application of the beneficiary for such benefit, and 3. such additional evidence as the board deems necessary or desirable.

(2) (b) Upon the death of \* \* \* *a participant* after such \* \* \* *participant* has been separated from the service of all participating municipalities but before becoming an annuitant, except as provided in paragraphs (a) and (c), the sum of the accumulated additional and normal credits of such \* \* \* *participant* on the date of \* \* \* *separation from service.*

SECTION 16. 66.909 (1) (a) and (b), (2) (introductory paragraph) and (a) are amended to read:

66.909 (1) (a) The beneficiary is the widow of the \* \* \* *participant* or annuitant, or

(b) The beneficiary is other than the widow of the \* \* \* *participant* or annuitant, but such beneficiary has specified in the application for the death benefit, or the \* \* \* *participant* prior to his death has so specified in a written notice received by the board, that such benefit shall be paid as an annuity.

(2) (introductory paragraph) Whenever any death benefit is payable in the form of an annuity, such annuity shall begin on the day following the date of death of the \* \* \* *participant* or annuitant provided the board has received:

(a) A certified copy of the death certificate of the \* \* \* *participant* or annuitant, and

SECTION 17. 66.91 (1) and (2) of the statutes is amended to read:

66.91 (1) Any \* \* \* *participant* who is not employed by a participating municipality and who at the time of application therefor would not be entitled to either a retirement or disability annuity beginning immediately.

(2) Such separation benefits shall be paid in the form of a single cash sum as soon as practicable after receipt by the board of both a written application by the \* \* \* *participant* for such benefits, and a written notice from the last employing municipality certifying that such \* \* \* *participant* has been separated from the service. The amount of any separation benefit shall be the sum of the accumulated additional credits and normal credits of the \* \* \* *participant* as of the \* \* \* *beginning of the year in which the date of separation occurs plus any normal or additional contributions made to the fund during the year in which the date of separation occurs.*

SECTION 18. 66.912 (1) (b) of the statutes is amended to read:

66.912 (1) (b) Consider and pass on all applications for annuities and benefits, authorize the payments of all annuities and benefits and \* \* \* *terminate* any such payment, all in accordance with the provisions of sections 66.90 to 66.919, except that separation benefits may be paid upon the approval of the executive director and the actuary. *The executive director with the approval of the legal advisor may suspend an annuity pending final action by the board when the annuitant is not eligible to receive such annuity.* No application shall be filed with the board unless the date therein specified on which an annuity is to begin shall be not later than 90 days after the date of receipt of such application by the board.

SECTION 19. 66.912 (1a) of the statutes is created to read:

66.912 (1a) The executive director, upon the certification of the actuary, may correct any annuity or benefit if the total amount of any such correction shall not exceed \$5 for any benefit or monthly annuity. The executive director shall report all such corrections at the subsequent meeting of the board.

SECTION 20. 66.915 (2) and (5) of the statutes are amended to read:

66.915 (2) As each municipality contribution becomes due, in accordance with section 66.905 (1) (a) *and (5)*, it shall be prorated in the same proportion that the amount for

each purpose under section 66.905 (2), is of the total of all amounts under such subsection for the corresponding year. The proportions applicable to the prior service obligation, and the current service obligation shall be credited to the corresponding account of the participating municipality from which it is receivable. The proportions of such contributions applicable to disability, death and expense shall not be credited to the municipality required to make such contributions, but shall be credited to the respective surplus accounts maintained for disability, death and expense purposes.

(5) Interest for the year, at the prescribed rate, shall be charged or credited as the case may be, at the end of each year, on the balances at the beginning of the year in the prior service obligation account and in the current service obligation account. Interest shall be credited at the end of the year on all contributions for prior service in accordance with section 66.905 (1) (a) and (5) at the prescribed rate, assuming that all contributions were received by the fund on the due date and also assuming that the contribution for each month was one-twelfth of the total contribution for prior service for the year. Interest shall be credited at the end of the year on all contributions for prior service received in accordance with section 66.905 (1) (b) at the prescribed rate from the date of receipt. Interest, at the rate of one-twelfth of the effective rate then in effect, for each month or fraction thereof, shall be charged to the current service account, at the end of the year, or on accounts receivable from any municipality, except the state of Wisconsin, for both employe and municipality contributions which are not received by the fund within the calendar month following the due date. Any such interest chargeable on employe and municipality contributions from a department, board or commission of the state of Wisconsin shall be payable if the monthly payroll report provided for by section 66.903 (2) (e) shall not be received by the fund on or before the twentieth day of the calendar month following the due date; when any such interest is payable the board of trustees shall certify the amount thereof with an explanation of such charge, together with a voucher in payment therefor to the director of budget and accounts who shall forthwith approve such voucher and charge the same to the appropriation of the department, board or commission which failed to submit its payroll report to the board of trustees on time. The state treasurer shall forthwith issue his check or checks therefor to the Wisconsin retirement fund.

SECTION 21. 66.915 (5a) of the statutes is created to read:

66.915 (5a) For purposes of charging interest to obligations under section 66.915 (5) and for the purposes of determining rates of municipality contributions, interest computations should be on the basis of 100 per cent of obligations and credits rather than on the actuarially discounted value thereof.

SECTION 22. 66.918 (1) (b) of the statutes is amended to read:

66.918 (1) (b) The board may retain out of any annuity or benefit such amount as the board in its discretion may determine, for the purpose of reimbursing the fund for any money paid to any annuitant or employe through misrepresentation, fraud or error. *Upon the request of the board any participating municipality shall withhold from any sum due an annuitant or participant and remit to the board any amount which the board paid to such annuitant or participant through misrepresentation, fraud or error.*

SECTION 23. 66.918 (5) of the statutes is created to read:

66.918 (5) Whenever any annuitant shall receive any annuity payment while in the service of any municipality contrary to the provisions of sections 66.906 (4) or 66.907 (2) (f), it shall be the duty of such municipality to withhold a sum equal to the annuity paid erroneously to the extent of any sums payable by such municipality, and any amount not recovered by the fund from the municipality may be procured by the fund pursuant to section 66.918 (1) (b) or by action brought against such annuitant or his estate.

Approved August 3, 1951.