

No. 193, S.]

[Published July 31, 1953.

CHAPTER 527

AN ACT to amend 71.14 (8); to repeal and recreate 38.24 (8) and to create 38.24 (20) (e) of the statutes, relating to public school teachers' annuity and retirement funds in cities of the first class and to establish an actuarial reserve basis for such funds.

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

SECTION 1. 38.24 (8) of the statutes is repealed and recreated to read:

38.24 (8) FUNDS. A teachers' annuity and retirement fund is hereby created in cities of the first class, and the fund shall consist of (a) a reserve fund, and (b) a general fund. The reserve fund shall be made up of amounts transferred from the general fund for the payment of annuities granted pursuant to the provisions of this section and interest accretions thereto. The general fund shall be made up of (a) contributions by teachers, (b) contributions from public sources, (c) gifts and legacies, and (d) amounts received from any other source, together with interest accretions thereto.

SECTION 2. 38.24 (20) (e) of the statutes is created to read:

38.24 (20) (e) The board of trustees shall at all times maintain assets in the annuity and retirement fund: (a) in the reserve fund at least equal to the present value of the prospective benefit payments under annuities which have been granted; (b) in the general fund, as of August 31 of each year, at least equal to the following ratios to the present value of all future payments of benefits from the general fund, namely: the actual percentage of such assets to such present value on August 31, 1953, which percentage shall be increased by 2½ per cent for each year thereafter, but not to exceed 100 per cent. The board of trustees shall as of August 31 of each year cause a valuation to be made of the funds on such basis as they may establish to determine the amount necessary to maintain the assets of the fund as provided in this subsection, and shall certify the amount required to maintain the assets of the fund each year to the state treasurer.

SECTION 3. 71.14 (8) of the statutes is amended to read:

71.14 (8) The whole amount collected as surtax imposed by s. 71.01 (2) shall, through the same channel as other income taxes are paid, be paid into the state treasury, and this section shall not apply to said surtax. The amount of said surtax herein imposed is hereby levied and shall be collected as herein set forth and shall be paid into the general fund of the state treasury and set apart for the retirement deposit fund and contingent fund as provided in this act. The state treasurer shall, in the same manner as other income taxes are remitted and paid, annually remit and pay to the city treasurer of each city of the first class in which a teachers' annuity and retirement fund is maintained under the provisions of s. 38.24, * * * *the amount certified by the board of trustees of such annuity and retirement fund as necessary to maintain the assets of such fund, except that in any year in which the ratio of assets to the present value of future payments in the general fund of such annuity and retirement fund is less than 100 per cent, the amount remitted shall be not less than 40 per cent of the surtax imposed by s. 71.01 (2) levied and collected from the taxpayers in such city, and except that the amount remitted in any year shall not exceed 50 per cent of the surtax imposed by s. 71.01 (2) levied and collected from the taxpayers in such city, and it shall be the duty of the city treasurer of such city to pay the whole amount, so remitted and paid, into the general fund of such teachers' annuity and retirement fund of such city to constitute a part of said fund.*

Approved July 14, 1953.