

No. 220, S.]

[Published April 4, 1957.

CHAPTER 12

AN ACT to amend 20.650 (2), 42.20 (2) (c) and (9), 42.25, 42.27, 42.28, 42.40, 42.41 (1), 42.42 (3), 42.45 (1) and 42.475; to create 20.005 (2) (a) (lines 516a, 789a, 789b, 791m and 880s), 20.551 (11a), 20.810 (71a) and (71b), 20.812, 20.850 (16), 39.35 (14), 42.20 (1m), (3m), (6r), (7m), (12g), (12m) and (15m), 42.241, 42.242, 42.49 (intro. par.) (2) (ab) and (9) (e) and 66.99 (1) (ab) and (3b) of the statutes, relating to combining coverage under the state teachers retirement system and the federal old-age and survivors insurance system, granting rule-making authority and making appropriations.

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

SECTION 1. 20.005 (2) (a) (lines 516a, 789a, 789b, 791m and 880s) of the statutes are created to read:

20.005 (2) (a)		1956-57	1957-58	1958-59
516a. Teachers OASI	20.551 (11a) S	\$	\$	
789a. OASI coverage	20.810 (71a) S	\$	\$	
789b. Disability program	20.810 (71b) S		\$	\$
791m. OASI transfer	20.812 (72) S		\$	\$
880s. Disability determinations	20.850 (16) S		\$ 1,000	\$ 1,000

SECTION 1m. 20.551 (11a) of the statutes is created to read:

20.551 (11a) TEACHERS OASI. There is appropriated from the general fund annually, beginning January 1, 1958, such sums as may be necessary to make the contributions required for members of the state teachers retirement system pursuant to ss. 42.241 and 66.99.

SECTION 2. 20.650 (2) of the statutes is amended to read:

20.650 (2) A sum sufficient for the \*\*\* fiscal year 1957-1958 for the administration of his functions under s. 39.35 and for making the payments provided for therein.

SECTION 3. 20.810 (71a) and (71b) of the statutes are created to read:

20.810 (71a) **TEACHERS OASI COVERAGE.** On March 15, 1957, a sum sufficient to defray the administrative costs of carrying out the procedures set forth in s. 42.241, for the purpose of extending OASI coverage to members who desire such coverage.

(71b) **DISABILITY DETERMINATIONS.** On July 1, 1957, and annually thereafter, a sum sufficient to reimburse the general fund for amounts actually expended in making determinations of disability under ss. 20.850 (16) and 42.242 (4).

SECTION 4. 20.812 of the statutes is created to read:

20.812 **TEACHERS OASI COVERAGE.** (71) The state teachers retirement board is authorized and directed to take such actions as may be necessary to complete the inclusion of the members of the combined group of the state teachers retirement system under federal old-age and survivors insurance as provided in s. 42.241, as of January 1, 1955.

(72) Said board shall certify to the director of budget and accounts the amounts to be transferred from the state teachers retirement system to the public employes social security fund to provide for the contributions which will thereby become payable to the federal old-age and survivors insurance system as employer and employe contributions for such employes as the result of making such coverage effective as of January 1, 1955, and said board is also authorized and directed to deduct such amounts from the respective accounts of such members in the state teachers retirement system.

(73) If the payment of the contributions under sub. (72) is not made to the federal old-age and survivors insurance system before any interest or penalty accrues thereon under federal regulations as defined in s. 66.99 (1) (b), the board is authorized to pay such interest or penalty and charge the same to the interest income of the state teachers retirement system.

SECTION 4m. 20.850 (16) of the statutes is created to read:

20.850 (16) **DISABILITY DETERMINATIONS.** Annually, beginning July 1, 1957, a sum sufficient not to exceed \$1,000 to make determinations of disability under s. 42.242 (4).

SECTION 5. 39.35 (14) of the statutes is created to read:

39.35 (14) (a) Notwithstanding the provisions of subs. (1) to (12), any person who is deemed an active member of the state teachers retirement system under s. 42.241 (7) shall be placed upon the roster of substitute teachers established by this section, and shall be paid the compensation provided for under sub. (6) without regard to the restrictions and limitations contained in subs. (1) to (12). Such compensation shall be paid to any such person until he again receives an annuity under the state teachers retirement system.

(b) The executive secretary of the state teachers retirement system shall certify to the state superintendent the names of the persons who are entitled to be placed on the roster under par. (a) and such persons shall immediately be placed on such roster without applying therefor.

(c) This section shall be continued in effect until June 30, 1958, for the purposes of this subsection in addition to other purposes authorized by law.

SECTION 6. 42.20 (1m), (3m), (6r), (7m), (12g), (12m) and (15m) of the statutes are created to read:

42.20 (1m) "Board" means the state teachers retirement board.

(3m) "Executive secretary" means the executive secretary of the state teachers retirement board.

(6r) (a) "Member" means a person who, as the result of having been engaged in Wisconsin teaching, has a credit in the retirement deposit fund or a reserve in the annuity reserve fund, or who is or may be entitled to a present or future benefit under the teachers' insurance and retirement law as provided by s. 42.51.

(b) For the purposes of s. 42.241:

1. "Active member" means a member who is not receiving an annuity under s. 42.242, 42.49 or 42.51 and who has made a required deposit in the retirement deposit fund based on earnings after June 30, 1956, or is deemed an active member under s. 42.241 (7), or is on a leave of absence from a Wisconsin teaching position.

2. "Inactive member" means a member who is not receiving an annuity under s. 42.242, 42.49 or 42.51, who has not made a required deposit in the retirement deposit fund based on earnings after June 30, 1956, and is not on a leave of absence from a Wisconsin teaching position.

3. "Retired member" means a member who is receiving an annuity under s. 42.242, 42.49 or 42.51.

4. A member is not receiving an annuity while benefits are being withheld under s. 42.242 (6) or 42.49 (13).

(c) Each member shall be a member of the separate group or the combined group, upon completion of the procedures under s. 42.241; except that if less than a majority of the members of the combined group vote in favor of OASI coverage in a referendum under s. 42.241 (11), all members shall thereafter be deemed members of the separate group.

(7m) "OASI" means federal old-age and survivors insurance, as provided under Title II of the federal social security act.

(12g) "Straight life annuity" means an annuity payable monthly to a member for life, as provided under s. 42.49 (2) (a).

(12m) "System" means the state teachers retirement system.

(15m) "Wisconsin teaching" means teaching in the public schools, the state colleges or the university in this state.

SECTION 7. 42.20 (2) (c) and (9) of the statutes are amended to read:

42.20 (2) (c) "Required deposit" means the deduction in accordance with ss. 42.40 and 42.41 (1) from the compensation received by a \* \* \* teacher deposited in the retirement deposit fund.

(9) "Public schools" means all schools supported wholly or in part by public funds, and under the control and management of this state, or any subdivision thereof, *and state departments performing educational functions*, empowered by law to employ teachers, except schools under the control and management of the board of regents of state colleges or the regents of the university of Wisconsin and except schools in cities of the first class included under s. 38.24.

SECTION 8. 42.241 and 42.242 of the statutes are created to read:

42.241 SYSTEM DIVIDED; REFERENDUM ON OASI. (1) DIVISION INTO GROUPS. The state teachers retirement system is divided into two parts known as the separate group and the combined group.

(2) COMBINED GROUP. The combined group shall be composed of:

(a) Members who indicate in accordance with this section that they desire coverage under an agreement under section 218 of Title II of the federal social security act;

(b) Individuals who become members after the effective date of this section (1957);

(c) Inactive and retired members who become active members after said date; and

(d) Persons who become members of the combined group under par. (b) or (c) shall become members of the combined group on or after July 1, 1957.

CHAPTER 12

(3) **SEPARATE GROUP.** The separate group shall be composed of all other members.

(4) **INFORMATION AND FORMS TO BE FURNISHED TO MEMBERS.** Not later than April 15, 1957, or not more than 15 days after the effective date of this section (1957) if such date is after March 31, 1957, the executive secretary shall mail or deliver to each person who is an active member on the effective date of this section (1957) information concerning the contributions, benefits and other features of the 2 groups into which the system is divided under this section, together with an envelope addressed to the system, with postage prepaid, and a form to be signed and returned to the office of the system by each member who desires to become a member of the combined group. A member who chooses to become a member of the combined group shall thereby elect to become subject to the laws relating to the combined group, and the form provided under this subsection shall contain a statement to that effect.

(5) **EVIDENCE OF MAILING.** The executive secretary shall certify and file with the board and the governor a list of the names and addresses of all members to whom he delivers the materials specified in sub. (4). Upon being filed, the certified list shall constitute prima facie evidence of compliance with sub. (4).

(6) **DELIVERY OTHER THAN MAILING.** In lieu of mailing the materials specified in sub. (4) to individual members, the executive secretary may with the approval of the governor mail or deliver sufficient supplies of such materials to other responsible persons, who shall deliver such materials to members as specified by the executive secretary. Such delivery to the individual members may be accomplished personally, by mail, or by means of a regularly constituted institutional or departmental delivery service. A certificate signed by any such person stating that on the dates specified therein he has so delivered such materials to the members named in a list attached to said certificate, when filed with the board, shall constitute prima facie evidence of compliance with sub. (4) with respect to the members named in such list. Delivery may be made under this subsection as to some members and under sub. (4) as to other members.

(7) **ACTIVE STATUS FOR RETIRED MEMBERS.** (a) Any retired member who has made required deposits based on earnings during 2 or more calendar quarters after December 31, 1954, shall be deemed an active member if before December 1, 1957, he requests that the annuity he is then receiving be discontinued. Such request shall be made on a form furnished for that purpose by the executive secretary, who shall also inform such retired members of the provisions of ss. 42.241 and 42.242.

(b) When a person deemed to be an active member under this subsection becomes a member of the combined group, the reserve held in the annuity reserve fund based on the accumulations from member's deposits and state deposits, and the reserve held in the contingent fund based on any prior service computation, of such member, shall be transferred to the retirement deposit fund until an annuity is again granted to such member. Such reserve shall be based on the member's attained age when such funds are transferred. An annuity subsequently granted to any such member shall be in the same optional form as the discontinued annuity.

(c) A person deemed to be an active member under this subsection shall be entered upon the teachers roster as provided for under s. 39.35 (14).

(9) **MEMBER TO INDICATE CHOICE.** Each member to whom the materials are sent under sub. (4) shall indicate whether he desires to be a member of the separate group or the combined group on the form furnished for that purpose, and mail or deliver said form to the office of the system. Such form must be received by the board not later than May 20, 1957, or not more than 50 days after the effective date of this section (1957) if

such date is after March 31, 1957. Each such member shall enter on such form the address at which he will receive mail, or from which first class mail will be forwarded to him, during the following 120 days.

(10) EXECUTIVE SECRETARY TO CERTIFY MEMBERSHIP OF COMBINED GROUP. On or before June 5, 1957, or not more than 65 days after the effective date of this section (1957) if such date is after March 31, 1957, the executive secretary shall certify to the governor the names and addresses of the members of the combined group.

(11) REFERENDUM TO BE HELD. When the executive secretary has certified to the governor the names and addresses of the members of the combined group under sub. (10), the governor shall forthwith take all actions necessary for the conduct of a referendum under s. 66.99 (3a), so that the members of the combined group may vote in favor of or against coverage under the federal old-age and survivors insurance system. If a majority of the members of the combined group vote in favor of such coverage this section (1957) shall be fully operative. If less than a majority vote in favor of such coverage this section (1957) shall not continue in effect and the state teachers retirement system shall not be divided into the separate group and the combined group.

(12) OASI COVERAGE RETROACTIVE TO JANUARY 1, 1955. Coverage of members of the combined group under OASI shall be effective as of January 1, 1955, or the date on which covered earnings were first paid to any such member, if such date is later. The employer contributions to the public employes social security fund in behalf of such members, for covered employment under OASI between January 1, 1955, and the end of the calendar quarter in which the agreement extending such coverage is executed, shall be paid by transferring the amounts necessary to make such payment from the accumulations from state deposits in the account of each such member. The employe contributions for such period shall be paid by transferring the amounts necessary to make such payment from the accumulation from required deposits in the account of each such member. If such accumulations are not sufficient to make such payment the additional amount necessary to make such payment shall be paid from the contingent fund. Such funds shall be transferred pursuant to s. 20.812. For the purposes of this subsection covered earnings are earnings upon which required deposits are based.

(13) NATURE OF CONTRACTUAL RIGHTS UNCHANGED. It is not intended that the enactment of chapter , laws of 1957, shall extend or impair the nature of any contractual rights of members of the state teachers retirement system.

(14) EXTENSION OF DATES. The governor may extend the time within which certain actions are to be taken under subs. (4), (9) and (10), if the circumstances indicate that such extension is desirable.

42.242 BENEFITS UNDER THE COMBINED GROUP. This section shall apply only to members of the combined group.

(1) RETIREMENT ANNUITIES. (a) When a member of the combined group has ceased to be employed as a teacher, and is not on leave of absence from a teaching position, the accumulation from the member's and state deposits may be applied by the member as a net single premium at the rate certified by the board, to the purchase of an annuity or annuities, the first payment to be made in such month and year after the application for the annuity is received by the board as the member directs, which annuity or annuities at the option of the member may be in any of the forms provided in s. 42.49 (2) (a) to (d). A member may elect to receive an annuity or annuities from member's deposits in one form and an annuity or annuities from state deposits in another form.

(b) The first payment of an annuity under this section shall not be made before the fiftieth birthday anniversary of the member unless he has qualified for a disability annuity under sub. (4) or s. 42.49 (9).

(2) **OPTIONAL INTEGRATED ANNUITY.** (a) Any member of the combined group who is eligible to receive a retirement annuity under this section, which annuity is to begin before the member reaches the age of eligibility for an OASI retirement benefit, and who has sufficient quarters of OASI coverage to qualify for an OASI benefit upon reaching the age of eligibility therefor, may with the approval of the board elect in lieu of such annuity to take the actuarial equivalent thereof as:

1. A reduced annuity payable monthly for life; and

2. A temporary annuity payable monthly and terminating at death or with the payment due in the month in which the participant attains the age specified in the application for such annuity.

(b) The purpose of this option is to provide a life annuity and temporary annuity in such amounts that the member's total anticipated retirement benefits from the state teachers retirement system and primary OASI will be approximately the same both before and after attainment of the age of eligibility for an OASI retirement benefit, assuming that the member has no further wages credited to his account under OASI after payment of such annuity begins.

(3) **INCREASED ANNUITIES.** (a) The annuity of any member of the combined group who before the effective date of this section (1957) was a member as defined in s. 42.20 (6r) (a), when computed as a straight life annuity, shall be increased by an amount sufficient so that such annuity, when added to the primary OASI benefit for which the member is or may be eligible as of the date payment of such annuity is to begin, is equal to:

1. The total annuity, when computed as a straight life annuity, for which such member would have been eligible under s. 42.49 (4), (5), (6) and (7) if he had remained a member of the separate group excluding any portion of such annuity based on additional deposits; plus

2. For a member who, upon the date payment of such annuity is to begin, has attained the age of 60 years, an amount equal to 5 per cent of the amount computed under subd. 1; plus

3. Three-fourths of one per cent of the amount computed under subd. 1 for each full 3-month period by which the attained age of the member, upon the date payment of such annuity is to begin, exceeds 60 years, excluding any period beyond the sixty-fifth birthday anniversary of the member.

(b) 1. In computing the amount of the primary OASI benefit for which a member is or may be eligible the actual amount of such benefit, according to the best available information, shall be used if the member has attained the age of 65 years or more. If the member is under 65 years of age the amount used in making such computation shall be based on the actuarial equivalent value, for the sex and then attained age of the member, of the estimated OASI benefit which will be payable at age 65 according to the best available information. In all such cases it will be assumed that the OASI benefit formula will remain unchanged and that the member will have no further wages credited to his account under OASI after payment of such annuity begins.

2. If the OASI benefit actually received is different from the estimated OASI benefit, except as the result of a change in the OASI benefit formula or the earning of additional covered wages by the member, the increased annuity will be adjusted up or down as to future payments in order to compensate for such difference to the extent practicable. No such adjustments shall be made which would require a change of less than \$2 per month in the annuity being received by any member. This subdivision does not apply in the case of an annuity under sub. (2).

(c) For purposes of computing additional annuities under this section, OASI benefits taken into account shall be based on the OASI

benefit formulas in effect on the effective date of this section (1957). To the extent that the OASI benefit formulas are changed thereafter the combined benefits under this subsection shall be changed accordingly.

(d) If any such member does not qualify for an OASI primary benefit his annuity shall be increased by an amount such that said annuity, when computed as a straight life annuity, is equal to the total annuity for which such member would have been eligible under s. 42.49 (4), (5), (6) and (7) if he had remained a member of the separate group, excluding any portion of such annuity based on additional deposits. An annuity under this paragraph shall cease if such member subsequently qualifies for an OASI benefit, and such member may then receive an annuity for which he qualifies otherwise.

(e) When an annuity is increased under this subsection the increase in the annuity shall be paid from the contingent fund.

(f) An annuity under this subsection may, at the option of the member, be in any of the forms provided in s. 42.49 (2) (a) to (d), on an actuarial equivalent basis. Section 42.49 (8) shall not apply to annuities under this subsection.

(g) In computing the total annuity for which a member would have been entitled under s. 42.49 (4), (5), (6) and (7) if he had remained a member of the separate group, as provided for in pars. (a) and (d), in those cases only where the annuity would have been increased in accordance with s. 42.49 (4), (6) (b) or (7), that part of such total annuity which is based on accumulations from required deposits shall be based on the actual accumulations from required deposits and not the accumulations from required deposits which would have resulted if the member had remained a member of the separate group.

(4) DISABILITY ANNUITIES. (a) If, before attaining age 50, a member who has made required deposits for not less than a school year during each of 5 fiscal years and who was employed in teaching or was on leave of absence from teaching in this state, within the 12-month period immediately preceding the occurrence of disability, becomes unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration, and furnishes due proof thereof and that such disability has then existed for 60 days, the member shall be paid from the contingent fund an annuity during the continuance of such disability, in monthly payments of \$100 each, in addition to any other benefit payable to such member. The state teachers retirement board may at any time not more than once in any year require proof of the continuance of such disability and if the member fails to furnish satisfactory proof thereof, or if it appears at any time that the member has become able to engage in any substantial gainful activity, such annuity shall cease.

(b) If a member receiving a disability annuity under par. (a) becomes eligible to receive an OASI disability or primary retirement benefit the amount of such annuity paid from the contingent fund shall be reduced by the amount of such OASI benefit. If any such member fails to apply for an OASI benefit upon reaching the age of eligibility therefor, or fails to pursue any such application in good faith, the portion of such annuity paid from the contingent fund shall cease.

(c) Each initial determination of disability under this subsection shall be made by the state agency designated to make determinations of disability by agreement with and for the secretary of health, education and welfare under the federal social security laws. An initial determination of ineligibility shall be binding upon the board. An initial determination of eligibility may be accepted or rejected by the board. Continued eligibility for benefits under this subsection shall be determined in the same

manner. As a condition of continued payment of the portion of the annuity paid from the contingent fund, the board may require a member receiving a disability annuity under this subsection to reapply for an OASI disability benefit on the basis of any examination or determination under this subsection, or to apply for the freezing of his OASI earning record on the basis of his disability.

(d) A member may not receive an annuity under this subsection and s. 42.49 (9) at the same time.

(e) Payments to members who qualify for the disability annuity under par. (a) shall begin on or after January 1, 1958.

(5) SEPARATION BENEFITS. Any member who has ceased to be employed as a teacher, and is not on leave of absence from a teaching position, may be paid the accumulation from the member's deposits made while a member of the combined group, on filing with the state teachers retirement board before the fiftieth birthday anniversary of such member a written request therefor and a full and complete discharge and release of all right, interest or claim on the part of such member to state deposit accumulations which accrued while he was a member of the combined group. Withdrawal of accumulations from member's deposits made before said member became a member of the combined group shall be governed by s. 42.49.

(6) BENEFITS WITHHELD WHILE MEMBER IS PAID FOR TEACHING. Any benefit payable for any month during which the member receives compensation as a teacher, as defined in s. 42.20 (13), shall be withheld from the member and be paid into the retirement deposit fund to be accumulated and applied, on the application of the member, toward the purchase of an annuity under s. 42.242; or paid as a death benefit under s. 42.50. Any part of the benefit which is payable from the contingent fund shall be withheld for the benefit of the contingent fund.

(7) LUMP SUM PAYMENT OF DEPOSITS OF \$3,000 OR LESS. Any member, who has attained the age of 50 years, has ceased to be employed as a teacher, has not previously been granted an annuity, and whose total accumulation from required deposits and state deposits does not exceed \$3,000, may be paid such accumulation in a single payment upon filing an application therefor in such form as the board may require. No such accumulation shall be paid in a single payment to a member to whom an annuity has once been granted.

(8) INFORMATION ON OASI BENEFITS. Each member may be required by the board, as a condition of receiving benefits under sub. (3) or (4), to authorize the social security administration to provide the state teachers retirement system with information regarding the present or future OASI benefits payable or to become payable to such member.

(9) ADDITIONAL ANNUITY OPTIONS. In addition to the optional forms of annuities set forth in s. 42.49 (2) (a) to (d), an annuity under sub. (1), (2) (a) 1 or (3) may at the option of the member be granted in any form of life annuity established by rule of the board on the basis of actuarial equivalent values, with due regard for selection against the fund. The amount payable monthly to the member during life under any such additional form shall be not less than the amount payable to others upon the death of the member.

SECTION 9. 42.25, 42.27 and 42.28 of the statutes are amended to read:

42.25 The membership of the public school retirement association \* \* \* consists of all \* \* \* teachers \* \* \* and former teachers in the public schools who \* \* \* are members as defined in s. 42.20 (6r).

42.27 The membership of the state colleges retirement association \* \* \* consists of all \* \* \* teachers \* \* \* and former teachers in the state colleges who \* \* \* are members as defined in s. 42.20 (6r).



42.28 *The membership of the university retirement association \* \* \* consists of all \* \* \* teachers \* \* \* and former teachers in the university who \* \* \* are members as defined in s. 42.20 (6r) \* \* \*.*

SECTION 10. 42.40 and 42.41 (1) of the statutes are amended to read:

42.40 (1) Each \* \* \* teacher shall make a deposit in the retirement deposit fund equal to 6 per cent of all compensation received for teaching service performed by such teacher.

(2) *Beginning on the first day of the first calendar quarter which begins after the execution of an agreement extending coverage under OASI to the members of the combined group under s. 42.241, each teacher who is a member of the separate group shall make a deposit in the retirement deposit fund equal to 6 per cent, and each other teacher shall make a deposit in such fund of 4-1/2 per cent, of all compensation received for teaching service performed by such teacher.*

(3) Any member, or any person on behalf of any member, may make additional deposits whenever said member has any credits in the retirement deposit fund. All amounts deposited by or on behalf of any teacher shall be held for the benefit of the individual teacher in the retirement deposit fund for the purpose of providing an annuity or other benefit as provided by ss. 42.20 to 42.54.

(4) *No deposits shall be made under sub. (1) or (2) by any part-time teacher at the university below the grade of instructor or any teacher who is or may be entitled to any benefit from the Carnegie foundation for the advancement of teaching under any plan in force prior to November 17, 1915.*

42.41 (1) Every employer shall deduct and withhold from the compensation as a teacher \* \* \* paid by such employer to each \* \* \* teacher on each \* \* \* payroll for each \* \* \* payroll period \* \* \* such per cent of the compensation of \* \* \* each teacher, \* \* \* as such teacher is required to deposit under s. 42.40 (1) and (2). Any person or officer whose duty it is to prepare the payroll for the payment of any of said teachers who receive their salaries from the state treasury shall, on each such payroll, indicate the entire monthly salary of each teacher, the amount to be paid such teacher, and the amount, if any, to be deducted for the retirement deposit fund, and shall indicate on said payroll the total of such deductions as the amount to be paid to the retirement deposit fund. *The executive secretary shall provide any such person or officer information as to whether a teacher is a member of the separate group or combined group.*

SECTION 11. 42.42 (3) of the statutes is amended to read:

42.42 (3) Upon receiving notice of the employment of a \* \* \* teacher for the first time, the state teachers retirement board shall immediately mail to the teacher a blank calling for such information as the board may require for the identification of the teacher and the determination of the state deposit and other rights of the teacher, which blank properly filled shall be returned to the board promptly. The state deposit for the fiscal year shall not be made for any teacher unless such information is received on or before July 31 of the following fiscal year.

SECTION 12. 42.45 (1) of the statutes is amended to read:

42.45 (1) (a) *Except as provided in pars. (b) and (c), the state deposit on behalf of each teacher who is required to make deposits under s. 42.40 (1) or (2) shall be an amount equal to the following percentage upon the required deposit made by such teacher during the fiscal year, namely, to 50 per cent of the required deposit add 5 per cent of the required deposit for each year of teaching experience excluding the year for which deposit is made, provided that the total shall not exceed 200 per cent of the re-*

quired deposit; provided, that in computing the state deposit, any amount of required deposit on account of any amount of annual compensation in excess of \$3,000 shall be disregarded in applying the above percentages. If the teacher received compensation for service as a teacher in the public schools, the state colleges \* \* \* or the university, for not less than a school year during the fiscal year, the state deposit shall be increased by \$25.

(b) *Beginning on July 1 following the execution of an agreement extending coverage under OASI to the members of the combined group under s. 42.241, the state deposit on behalf of each teacher who is a member of the separate group shall be computed in accordance with par. (a) and the state deposit for each other teacher shall be an amount equal to the required deposit made by such teacher under s. 42.40 (2).*

(c) *For the fiscal year July 1, 1957, to June 30, 1958, the state deposit on behalf of a teacher who becomes a member of the combined group shall be not less than the state deposit would have been if such teacher had remained a member of the separate group.*

(d) All state deposits shall be credited as of June 30 except that whenever, prior to the end of the fiscal year, a member's deposit accumulation is to be paid out in a single sum as a withdrawal pursuant to s. 42.242 (5) or 42.49 (1), or as a death benefit pursuant to s. 42.50, or transferred pursuant to s. 42.48 immediately before such withdrawal or transfer, the account of the member shall be credited with the same state deposit which it would have received on the following June 30. All amounts credited as state deposits shall be charged to the sums transferred to the state teachers retirement system therefor pursuant to s. 42.46.

SECTION 13. 42.475 of the statutes is amended to read:

42.475 Whenever a member's deposit accumulation, or state deposit accumulation, or both, are to be paid out in a single sum, either as a withdrawal by the member pursuant to s. 42.242 (5) or 42.49 (1) or as a death benefit pursuant to s. 42.50, or shall be transferred to the annuity reserve fund pursuant to s. 42.48, interest shall be credited to the amount to be so paid out or transferred for each 3-month period which shall have elapsed since the preceding June 30 at one-fourth of the rate at which earnings were apportioned on such June 30. The interest so credited shall be charged to the earnings for the current fiscal year and shall be paid out or transferred, as the case may be, with the amount to which it was so credited.

SECTION 14. 42.49 (intro. par.), (2) (ab) and (9) (e) of the statutes are created to read:

42.49 (intro. par.) Except as provided otherwise, this section shall apply only to members of the separate group.

(2) (ab) An annuity payable monthly to the member during life, and if the member dies before he has received as annuity, in monthly payments, an aggregate amount equal to the accumulations from such member's deposits at the time of his application for said annuity, the designated beneficiary of such member shall be entitled to receive an amount equal to the difference between the accumulations from such member's deposits and the amount paid to said member as an annuity during his life.

(9) (e) This subsection shall apply to members of both the separate group and the combined group. Persons receiving benefits under s. 42.242 (4) shall not receive benefits under this subsection.

SECTION 15. 66.99 (1) (ab) and (3b) of the statutes are created to read:

66.99 (1) (ab) With respect to members of the state teachers retirement system "public agency" means the state, except that for the purposes of sub. (6), and the applicable portions of subs. (7), (8) and (8a)

"public agency" means the employer school district or other local unit of government.

(3b) For the purposes of sub. (3a) the members of the combined group of the state teachers retirement system constitute a coverage group. Members of the state teachers retirement system may be included under the federal old-age and survivors insurance system under sub. (3a) only in accordance with s. 42.241.

SECTION 16. In printing the statutes, the revisor of statutes is directed to insert in section 42.241 (4), (9) and (10) of the statutes the proper dates for the performance of the acts specified therein, which dates are dependent upon the effective date of this act, and the chapter number in s. 42.241 (13).

SECTION 17. Section 15.11 of the statutes shall not apply to this bill.

SECTION 18. This act shall be effective on passage and publication except that SECTIONS 7 and 10 shall take effect on July 1, 1957.

Approved March 27, 1957.

NOTE: For certificates affecting Chapter 12, see Appendix.

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## APPENDIX

[Published April 19, 1957.]

United States of America

State of Wisconsin }  
Executive Department } ss.

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:  
**EXTENSION OF TIME FOR DELIVERY OF MATERIALS  
TO MEMBERS OF THE STATE TEACHERS' RETIREMENT  
SYSTEM AND FOR THE FILING OF FORMS BY SAID MEM-  
BERS UNDER CHAPTER 12, LAWS OF 1957.**

WHEREAS, ch. 12, Laws of 1957, became effective on the 5th day of April, 1957, and

WHEREAS, sec. 42.241 (4), Wis. Stats., as created by said ch. 12, Laws of 1957, provides that the executive secretary of the state teachers retirement system shall mail or deliver to each person who is an active member of the state teachers retirement system on April 5, 1957 information concerning the contributions, benefits and other features of the combined group and the separate group into which the state teachers retirement system has been divided under said sec. 42.241, together with an envelope addressed to said system, with postage prepaid, and a form to be signed and returned to the office of the system by each member who desires to become a member of the combined group, and

WHEREAS, said sec. 42.241 (4) provides that said action must be taken by said executive secretary not more than 15 days after April 5, 1957, to-wit, not later than April 20, 1957, and

WHEREAS, sec. 42.241 (6), Wis. Stats., provides that in lieu of mailing the aforesaid materials specified in said sec. 42.241 (4) to individual members of the state teachers retirement system, the executive secretary of said system may, with the approval of the governor, mail or deliver sufficient supplies of such materials to other responsible persons who shall deliver such materials to members as specified by the executive secretary personally, by mail or by means of a regularly constituted institutional or departmental delivery service, and such approval has been given by me, and

WHEREAS, sec. 42.241 (9), Wis. Stats., provides that each member to whom the aforesaid materials are sent shall indicate whether he desires to be a member of the separate group or the combined group on the form furnished for that purpose and mail or deliver said form to the office of the state teachers retirement system so that it will be received by the state teachers retirement board not later than May 25, 1957, and

WHEREAS, sec. 42.241 (14), Wis. Stats., provides that the governor may extend the time within which the aforesaid actions are to be taken if the circumstances indicate that such an extension is desirable, and

WHEREAS, the circumstances do indicate that such an extension is desirable.

Now, therefore, pursuant to the provisions of sec. 42.241 (14), Wis. Stats., as governor of the State of Wisconsin, I hereby extend the time

within which the executive secretary of the state teachers retirement system and/or the responsible persons designated by him shall deliver the aforesaid materials to the members of the state teachers retirement system as specified in sec. 42.241 (4) and (6), respectively, Wis. Stats., from April 20, 1957 to and including May 1, 1957, and

Pursuant to the provisions of sec. 42.241 (14), Wis. Stats., as governor of the State of Wisconsin, I also hereby extend the time by which the aforesaid forms are to be received by the state teachers retirement board from May 25, 1957 to and including May 31, 1957.

Notice of the extensions of time which are hereby granted shall be given by publication hereof in one issue of the official state paper not later than April 19, 1957.

IN TESTIMONY WHEREOF I have hereunto set my hand and caused the Great Seal of the State of Wisconsin to be affixed. Done at the Capitol in the city of Madison this sixteenth day of April in the year of our Lord one thousand nine hundred and fifty-seven.

VERNON W. THOMSON  
*Governor*

(Great Seal)

By the Governor:

ROBERT C. ZIMMERMAN  
*Secretary of State*

[Published May 31, 1957.]

United States of America

State of Wisconsin }  
Executive Department } ss.

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:  
EXTENSION OF TIME FOR FILING OF FORMS BY MEMBERS OF THE STATE TEACHERS RETIREMENT SYSTEM AND CERTIFYING OF NAMES AND ADDRESSES OF THE MEMBERS OF THE COMBINED GROUP THEREOF UNDER CHAPTER 12, LAWS OF 1957.

WHEREAS, sec. 42.241 (9), Wis. Stats., as created by ch. 12, Laws of 1957, provides that each member of the state teachers retirement system to whom a form has been sent for the purpose of choosing membership in either the combined group or the separate group into which such system was divided shall mail or deliver said form to the office of the state teachers retirement system so that it would be received by the state teachers retirement board not later than May 25, 1957, which date was duly extended by me to May 31, 1957, and

WHEREAS, sec. 42.241 (10), Wis. Stats., provides that not more than 65 days after April 5, 1957, when ch. 12, Laws of 1957, became effective, the executive secretary of the state teachers retirement system shall certify to me the names and addresses of the members of the combined group of the state teachers retirement system, and

WHEREAS, sec. 42.241 (14), Wis. Stats., provides that the governor may extend the time within which the aforesaid actions are to be taken if the circumstances indicate that such an extension is desirable, and

WHEREAS, the circumstances do indicate that such an extension is desirable.

Now, therefore, pursuant to sec. 42.241 (14), Wis. Stats., I hereby extend the time by which the aforesaid forms for choice of membership in the combined group or the separate group of the state teachers retirement system shall be received by the state teachers retirement board from May 31, 1957 to, and including, June 8, 1957.

Pursuant to said sec. 42.241 (14) I also hereby extend the time by which the executive secretary of the state teachers retirement system shall certify to me the names and addresses of the members of the combined group of the state teachers retirement system to and including June 17, 1957.

Notice of the extensions of time which are hereby granted shall be given by publication hereof in one issue of the official state paper not later than May 31, 1957.

(Great Seal)

IN TESTIMONY WHEREOF I have hereunto set my hand and caused the Great Seal of the State of Wisconsin to be affixed. Done at the Capitol in the city of Madison this twenty-ninth day of May in the year of our Lord one thousand nine hundred and fifty-seven.

VERNON W. THOMSON  
*Governor*

By the Governor:

ROBERT C. ZIMMERMAN  
*Secretary of State*