

No. 715, A.]

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CHAPTER 430

AN ACT to amend 25.17 (2a) and (2b) and 38.24 (9) (a) and (c), (10) and (12) (a) and (20), as amended by chapter 78, laws of 1957 (Bill No. 378, S.) ; to repeal and recreate 20.552 (42) and 71.14 (8) ; and to create 20.005 (2) (a) (line 516m), 20.551 (75) and 38.24 (1) (d) and (e) of the statutes, relating to the transfer of the investment functions of the board of trustees of teachers annuity and retirement funds in cities of the first class to the state of Wisconsin investment board, and making an appropriation.

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

SECTION 1. 20.005 (2) (a) (line 516m) of the statutes is created to read:

20.005 (2) (a)		1957-58	1958-59
516m. Milwaukee teachers retirement fund (75)	S	\$	\$

SECTION 2. 20.551 (75) of the statutes is created to read:

20.551 (75) MILWAUKEE TEACHERS RETIREMENT FUND. There is appropriated from the teachers annuity and retirement fund of each city of the first class to the city treasurer of such city:

(a) Annually, the amount required for administrative expenses under s. 38.24 (1) (d).

(b) Monthly, the amount required for the payment of annuities and other benefits under s. 38.24 (1) (e).

SECTION 3. 20.552 (42) of the statutes is repealed and recreated to read:

20.552 (42) Annually, such portion of the revenues derived during the fiscal year as may be necessary to pay to the teachers annuity and retirement fund of each city of the first class its share of the teachers' surtax equivalent and the funds provided for under ss. 38.24 and 71.14 (8) and (9).

SECTION 4. 25.17 (2a) and (2b) of the statutes are amended to read:

25.17 (2a) To have exclusive control of the investment and collection of the principal and interest of all moneys loaned or invested from the Wisconsin retirement fund created by ss. 66.90 to 66.918 *and each teachers annuity and retirement fund established under s. 38.24.*

(2b) To invest the funds of the state teachers retirement system * * *, the Wisconsin retirement fund *and each teachers annuity and retirement fund created under s. 38.24* in loans, securities or investments in addition to those permitted by any other section of the statutes, * * * *but* the aggregate of the loans, securities and investments made under this subsection shall not exceed 15 per cent of the admitted assets of each of said funds * * *. All of the common stocks or preferred stocks purchased pursuant to authority conferred by this subsection shall qualify as investments under the applicable provisions of s. 201.25 (1) (ff), (fg) and (fh).

SECTION 7. 38.24 (1) (d) and (e) of the statutes are created to read:

38.24 (1) (d) An administrative account in the custody of the city treasurer, which shall be made up of an amount certified annually by the board of trustees to be sufficient for the expenses of administering the fund. The board of trustees shall certify to the director of budget and accounts not later than July 1 each year the amount required for such expenses for the fiscal year beginning the following September 1. The director of budget and accounts shall not later than September 1 draw an order upon the state treasurer for such amount which shall be transferred from the teachers annuity and retirement fund, to the city treasurer for the administrative account of the fund. If additional amounts are required for administrative expenses during the fiscal year they shall be provided in the same manner upon the certification of the board of trustees.

(e) An annuity account in the custody of the city treasurer, which shall be made up of an amount certified monthly by the board of trustees for the payment of annuities and other benefits. The board of trustees shall certify monthly to the city treasurer the amount of each annuity and benefit payable on the first day of the following month, and to the director of budget and accounts the total amount of such annuity and benefit payments. Upon such certification the director of budget and accounts shall draw an order upon the state treasurer for such amount, which shall be transferred to the city treasurer for the annuity account of the fund.

SECTION 8. 38.24 (9) (a) and (c), (10) and (12) (a) of the statutes are amended to read:

38.24 (9) (a) * * * *1. The board of trustees shall * * * administer the annuity and retirement fund * * *, and beginning January 1, 1958, the state of Wisconsin investment board shall have control of the investment and collection of the principal and interest of the annuity and retirement fund, investing the funds thereof in accordance with s. 25.17.*

2. The board of trustees and the treasurer of the annuity and retirement fund are authorized and directed to take all actions necessary to transfer the custody of the assets of such fund to the state treasurer as of January 1, 1958. In transferring the moneys of such fund the city treasurer shall retain in the administrative account established under sub. (1) (d) the amount estimated by the board of trustees to be necessary for the payment of administrative expenses until September 1, 1958; and shall retain in the annuity account established under sub. (1) (e) the amount certified by the board of trustees to be necessary to pay on January 1, 1958, the annuities payable for the month of December, 1957.

3. Said board of trustees shall have the power to require each teacher employed in the public schools of such city to file a statement or statements in such form as such board shall direct, concerning all service rendered by such teacher, and such other information which said board shall need in the performance of its duties. The board of trustees shall receive and consider all applications for annuity under this section, shall determine the amount thereof, if not otherwise provided, and direct payment of the annuities.

(c) * * * The board of trustees shall have power and authority to deduct from the compensation of each full-time employe of such board who is or becomes a member of the employes' retirement system provided for in chapter 396, laws of 1937, and from every monthly payment of any such employe's compensation after chapter 396, laws of 1937, shall have become or becomes effective in any such city, the amounts certified to such board of trustees by the annuity and pension board mentioned in chapter 396, laws of 1937. Out of the funds * * * administered by it the board of trustees shall have power and authority to make public contributions to such employes' retirement system for the benefit of such board's employe members of such employes' retirement system in the amounts certified to such board of trustees by the annuity and pension board mentioned in chapter 396, laws of 1937. All such deductions and contributions made by such board of trustees shall be paid into such employes' retirement system for the purposes mentioned in chapter 396, laws of 1937. All acts of such board of trustees and its members, officers, agents and employes in making any such deductions, contributions and payments prior to * * * March 31, 1939, in any such city are ratified and confirmed.

(10) TREASURER AND ATTORNEY. (a) The * * * state treasurer shall be the custodian of said annuity and retirement fund, and shall make such payments therefrom as may be directed by the state of Wisconsin investment board under s. 25.17, or otherwise required by law, including the payment to reimburse the state general fund under s. 20.480 for the services of the state of Wisconsin investment board.

(b) The city treasurer shall be the treasurer of the administrative and annuity accounts of the annuity and retirement fund, and shall make such payments therefrom as are directed by the board of trustees under this section; he shall keep the * * * records concerning such * * * accounts, in such manner as may be prescribed by said board of trustees, which * * * records shall always be subject to the inspection of the board of trustees, or any member thereof, and any contributing teacher. He shall furnish to said board of trustees a bond in such amount as the said board may designate, which bond shall indemnify the said board of trustees against any loss which may result from any action or failure to act on the part of such * * * city treasurer or any of his agents. All fees and charges incidental to the procuring and giving of such bond shall be paid by said board of trustees.

(c) The city attorney of such city shall act as the legal advisor of and attorney for the board in all matters referred to him by the board, except as the board may otherwise direct.

(12) (a) All applications or claims for annuity or for refund of contributions, and proofs in support of any such claim, shall be made to the board of trustees in such manner and form as the board of trustees may prescribe or deem sufficient, and the board of trustees may make reasonable rules and regulations for making, hearing and determining claims and for carrying into effect the provisions of this section. The city treasurer, upon order or warrant of the board of trustees, shall pay out of the annuity account of said annuity and retirement fund, in monthly payments, to each retired teacher an annuity in such sum as such retired

teacher * * * is entitled to * * * as * * * determined by said board of trustees, in accordance with * * * this section.

SECTION 9. 38.24 (20) of the statutes, as amended by chapter 78, laws of 1957 (Bill No. 378, S.) is amended to read:

38.24 (20) 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 retirement deposit fund equal to the liabilities for deposits and interest accretions; and (c) 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, 1957, which percentage shall be increased by 2-1/2 per cent * * * on August 31, 1957; and the actual percentage of such assets to such present value on August 31, 1958, which percentage shall be increased by 2-1/2 per cent on August 31, 1958, and on August 31 of each year thereafter, but not to exceed 100 per cent. The board of trustees shall as of August 31 of each year beginning in 1957 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 10. 71.14 (8) of the statutes is repealed and recreated to read:

71.14 (8) (a) Any surtaxes imposed by s. 71.01 (2) collected on and after July 1, 1953, shall lose their identity as such and shall be included in the normal income taxes from which the 14 per cent and 8 per cent referred to in sub. (2a) are determined, and such 14 per cent and 8 per cent shall be paid into the general fund of the state treasury and set apart for the retirement deposit fund and contingent fund of the state teachers retirement system and the retirement deposit fund and general fund of the teachers annuity and retirement funds established under s. 38.24.

(b) On or before July 20 of each year before 1959 the commissioner of taxation shall certify to the director of budget and accounts the net amounts (exclusive of amounts collected under sub. (10)) of the normal income taxes collected during the preceding fiscal year on taxable income having had a situs in each city of the first class in which a teachers annuity and retirement fund is maintained under s. 38.24 from corporations and persons other than corporations. Within 10 days after the receipt of such certification the director of budget and accounts shall transfer from the state general fund an amount equal to the sum of 5.6 per cent of the certified normal income taxes collected from such corporations and 3.2 per cent of the certified normal income taxes collected from such persons other than corporations, and the state treasurer shall credit such amount to such teachers annuity and retirement fund of such city in accordance with s. 38.24, to constitute a part of said fund. As soon after August 31 of each year as practicable, the board of trustees of said teachers annuity and retirement fund shall certify to the director of budget and accounts, in such form as he prescribes, the amount necessary to pay the state deposits and maintain the assets of such fund as provided in s. 38.24. Within 10 days after receipt of such certification the director of budget and accounts shall transfer from the state general fund the amount as certified by the board of trustees, and the state treasurer shall credit such amount to such teachers annuity and retirement fund in accordance with s. 38.24, to constitute a part of said annuity and retirement fund. No such transfers shall be made which would result in a ratio of assets

to the present value of all future payments of benefits from the general fund of the teachers annuity and retirement fund of said city in excess of 100 per cent.

(c) Beginning in 1958, the board of trustees of said teachers annuity and retirement fund shall annually, prior to August 15, estimate the amount of the payment to be made by the state to such fund during the fiscal year beginning on the next September 1, to maintain the assets of the fund as provided in s. 38.24 (20). The board shall certify such estimate to the director of budget and accounts who shall prepare a warrant each month for one-twelfth of said estimated amount and upon such warrants the state treasurer shall transfer the sums specified therein to the teachers annuity and retirement fund from funds appropriated for that purpose. When the board has determined the exact amounts payable by the state to the fund for such fiscal year in accordance with s. 38.24 (20), a final certification thereof shall be made by said board to the director of budget and accounts and a final transfer shall be made to or from the fund, as determined from said final certification.

(d) The payments by the state to the teachers annuity and retirement fund, as required under s. 38.24 (20), shall be made under par. (b) for fiscal years before September 1, 1958, and under par. (c) for the fiscal year beginning September 1, 1958, and thereafter.

SECTION 11. SECTION 9 of this act shall take effect upon passage and publication. All other SECTIONS of this act shall take effect on January 1, 1958, except that actions necessary to carry out the provisions of section 38.24 (9) (a) of the statutes, as amended by SECTION 8 of this act, may be taken before January 1, 1958.

Approved July 20, 1957.
