

No. 801, A.]

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CHAPTER 533

AN ACT to amend 38.24 (4) (g), as created by chapter 78, laws of 1957, 42.242 (5) and (9), as created by chapter 12, laws of 1957, 66.901 (20), as amended by chapter 60, laws of 1957, and 66.905 (2) (a); and to create 25.28 (3), 38.24 (3) (g) 4 and (23) and 42.241 (7) (d), (e) and (f) of the statutes, relating to clarification of the laws governing teachers annuity and retirement funds in cities of the first class, the state teachers retirement system and the Wisconsin retirement fund, required as the result of recent enactments.

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

SECTION 1. 25.28 (3) of the statutes is created to read:

25.28 (3) Notwithstanding sub. (2), the amounts deposited by the state under s. 38.24 (6) (c) and (11) (f) after August 31, 1958, and under ss. 42.243 (2) and 42.45 after June 30, 1957, including interest or

other earnings on such deposits, and released or forfeited after said dates under s. 38.24 (4) (g) and (6) (j) and ss. 42.242 (5), 42.243 (7) (e) and 42.49 (14) shall be paid into the state general fund.

SECTION 2. 38.24 (3) (g) 4 of the statutes is created to read:

38.24 (3) (g) 4. If any member dies after his annuity is discontinued under this paragraph and before an annuity is again granted to him, a death benefit shall be paid as provided in sub. (16). Said benefit shall be the full amount transferred to the general fund under subd. 2, reduced by the amounts transferred under par. (k) as employer and employe OASI contributions for retroactive coverage. For purposes of such death benefit a member may file a new designation of beneficiary with the board.

SECTION 3. 38.24 (4) (g) of the statutes, as created by chapter 78, laws of 1957, is amended to read:

38.24 (4) (g) 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 board before the fifty-fifth 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. Such state deposit accumulations shall thereupon be transferred to the state general fund *in accordance with s. 25.28 (3)*. Withdrawal of member's deposits made before said member became a member of the combined group shall be governed by sub. (16).

SECTION 3m. 38.24 (23) of the statutes is created to read:

38.24 (23) WITHDRAWALS FROM STATE TEACHERS RETIREMENT SYSTEM. (a) When a member of the state teachers retirement system ceases to be employed in a school or school system to which the state teachers retirement law applies and becomes employed in a position in a school or school system to which this section applies such member may elect in writing, filed with the state teachers retirement board, to withdraw the accumulation from such member's deposits in the state teachers retirement system based on teaching service before September 1, 1958, under s. 42.49 (1), and to discharge, release, waive and forfeit all interest, right or claim on the part of such member or his heirs, assigns, beneficiaries or estate under the state teachers retirement law.

(b) Paragraph (a) shall apply in all cases of withdrawals under s. 42.49 (1) after June 30, 1951, notwithstanding the repeal of s. 38.24 (22), statutes of 1949, by chapter 511, laws of 1951.

SECTION 4. 42.241(7) (d), (e) and (f) of the statutes are created to read:

42.241 (7) (d) If any member dies after his annuity is discontinued under this subsection and before an annuity is again granted to him, a death benefit shall be paid as provided in s. 42.50. Said death benefit shall be the full amount transferred to the retirement deposit fund under par. (b), reduced by the amounts transferred under sub. (12) as employer and employe OASI contributions for retroactive coverage. For purposes of such death benefit a member may file a new designation of beneficiary with the board.

(e) Notwithstanding s. 42.49 (13), any retired member who is employed in a position in which he makes required deposits after the effective date of this paragraph (1957) and before the date on which an agreement is executed extending coverage under OASI to the members of the com-

bined group under this section and s. 66.99, shall be deemed an active member, his annuity shall be discontinued, and the reserve held in the annuity reserve fund based on accumulations from member's and state deposits, and the reserve held in the contingent fund based on any prior service computation under s. 42.51 or annuity under s. 42.49, of such member, shall be transferred to the retirement deposit fund until an annuity is again granted to such member. Such reserves 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. Paragraph (c) shall not apply to members who become active members under this paragraph.

(f) The reserve held in the contingent fund based on a prior service computation or an annuity under s. 42.49, which is transferred to the retirement deposit fund under par. (b) or (e), shall for the purposes of s. 42.242 (1) be deemed an accumulation from state deposits.

SECTION 5. 42.242 (5) and (9) of the statutes, as created by chapter 12, laws of 1957, are amended to read:

42.242 (5) 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 *based on teaching service performed after June 30, 1957*, 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 * * * *based on teaching service performed after June 30, 1957*. 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.

(9) * * * An annuity under sub. (1), (2) (a) 1 or (3) may at the option of the member be granted *in any of the optional forms set forth in s. 42.49 (2) (a) to (d), or in addition 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 6. 66.901 (20) of the statutes, as amended by chapter 60, laws of 1957, is amended to read:

66.901 (20) The rate of interest to be used for all calculations of amounts of annuities and benefits, as determined and certified by the board on the basis of the probable average effective rate of interest earnable on investments on a long term basis. * * * Until the board certifies otherwise * * *, such rate will be 3 per cent per annum compounded annually.

SECTION 7. 66.905 (2) (a) of the statutes is amended to read:

66.905 (2) (a) The uniform annual amount required, after allowance for anticipated employe separations, at * * * *the prescribed rate of interest*, to amortize, over the remainder of the period of 40 years following the effective date, the amount, as of the beginning of such year, of the obligation for the prior service credits granted to the employes of the municipality.

Approved August 6, 1957.