

Senate Bill 338

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CHAPTER 482

AN ACT to amend 42.242 (1) (a), 42.243 (2) (a) and (b) and (7) (g) 2a, 42.40 (4) and (5), 42.49 (2) (ba) and (3) and 42.50 (3); and to create 42.243 (7) (g) 7, 42.40 (7) and 42.49 (2) (f) of the statutes, providing for technical improvements of the state teachers retirement system.

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

SECTION 1. 42.242 (1) (a) of the statutes is amended to read:

42.242 (1) (a) When a member of the combined group has ceased to be employed as a teacher in the public schools, state colleges or university in this state, and is not on leave of absence from a teaching position in the public schools, state colleges or university in this state, the accumulation from the member's required deposits, additional deposits or 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. A member may elect to receive an annuity or annuities from member's required deposits in one form and an annuity or annuities from state deposits in another form. He may elect to receive his additional deposits in a lump sum or in the form of an annuity or annuities. *Small amounts remaining in the retirement deposit fund to the credit of a member which may have been omitted in the purchase of an annuity or annuities may, at the discretion of the board, be paid to the member in a single payment in lieu of an adjustment to the annuity or annuities purchased under this subsection.*

SECTION 2. 42.243 (2) (a) and (b) and (7) (g) 2a of the statutes are amended to read:

42.243 (2) (a) Each member of the combined group, or any prospective member of such group who has signed a contract or accepted an appointment to teach for the ensuing school year, may elect, by written notice filed with the board upon a form furnished by said the board, to have 50 percent of his required deposits and state deposits paid into the retirement deposit fund of the variable annuity division and reserved for the purchase of a variable annuity.

(b) Said election may be made at any time by the member, and shall become effective as to deposits based on earnings after the following June 30 unless the board adopts rules for more frequent elections which permit an election to become effective earlier.

(7) (g) 2a. ~~At~~ A variable annuity payable monthly to the member during life, with a guarantee of at least 180 monthly payments, and in the event of the death of the member before 180 monthly payments have been made, the remainder of the monthly payments shall be continued to one beneficiary designated by the member, and in the event of the death of said beneficiary before 180 monthly payments have been made, the remainder of the 180 monthly payments shall be continued to a secondary beneficiary or beneficiaries designated by the primary beneficiary; in the absence of such designation by the primary beneficiary, or in the event of the prior death of the person so designated by the primary beneficiary, the then present value of the remainder of the monthly payments shall be paid in a single sum to the estate of the primary beneficiary; in the event of the death of the secondary beneficiary after he has become entitled to receive monthly payments but before he has received all of them, the then present value of the remaining payments shall be paid in a single sum to the estate of the secondary beneficiary; or

SECTION 3. 42.243 (7) (g) 7 of the statutes is created to read:

42.243(7) (g) 7. Small amounts remaining in the retirement deposit fund to the credit of a member which may have been omitted in the purchase of an annuity or annuities may, at the discretion of the board, be paid to the member in a single payment in lieu of an adjustment to the annuity or annuities purchased under this paragraph.

SECTION 4. 42.40 (4) and (5) of the statutes are amended to read:

42.40 (4) No deposit shall be made under sub. (1) ~~or~~, (2) or (6) 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.

(5) No deposit shall be made under sub. (1) ~~or~~, (2) or (6) by any person who was contributing to the employes retirement system of the

county of Milwaukee on September 10, 1959, while such person is contributing to such system.

SECTION 4m. 42.40 (7) of the statutes is created to read:

42.40 (7) No deposit shall be made under sub. (1), (2) or (6) by any part-time teacher at the state colleges below the grade of faculty assistant.

SECTION 5. 42.49 (2) (ba) of the statutes is amended to read:

42.49 (2) (ba) An annuity payable monthly to the member during life, with a guarantee of at least 180 monthly payments, and in the event of the death of the member before 180 monthly payments have been made, the remainder of the monthly payments shall be continued to one beneficiary designated by the member, and in the event of the death of said beneficiary before 180 monthly payments have been made, the remainder of the 180 monthly payments shall be continued to a secondary beneficiary or beneficiaries designated by the primary beneficiary; in the absence of such designation by the primary beneficiary, or in the event of the prior death of the person so designated by the primary beneficiary, the then present value of the remainder of the monthly payments shall be paid in a single sum to the estate of the primary beneficiary; in the event of the death of the secondary beneficiary after he has become entitled to receive monthly payments but before he has received all of them, the then present value of the remaining payments shall be paid in a single sum to the estate of the secondary beneficiary; or

SECTION 6. 42.49 (2) (f) of the statutes is created to read:

42.49.(2) (f) Small amounts remaining in the retirement deposit fund to the credit of a member which may have been omitted in the purchase of an annuity or annuities may, at the discretion of the board, be paid to the member in a single payment in lieu of an adjustment to the annuity or annuities purchased under this subsection.

SECTION 7. 42.49 (3) of the statutes is amended to read:

42.49 (3) When a member has ceased to be employed as a teacher in the public schools, state colleges or university in this state, and is not on leave of absence from a teaching position in the public schools, state colleges or university in this state, the accumulations from state deposits may be applied by the member, except as provided in sub. (15), to the purchase of an annuity in the same manner as provided in sub. (2) (a), (b), (c) (d) or (e), except that the first payment cannot be made before the 50th birthday anniversary of the member unless he has qualified for a disability annuity under sub. (9) (a). *Small amounts remaining in the retirement deposit fund to the credit of a member which may have been omitted in the purchase of an annuity may, at the discretion of the board, be paid to the member in a single payment in lieu of an adjustment of the annuity purchased under this subsection.*

SECTION 8. 42.50 (3) of the statutes is amended to read:

42.50 (3) In any case under this section where the member ~~shall~~ has not ~~have~~ designated the method of payment of the death benefit, the beneficiary may elect which of the methods of payment specified in sub. (2) (a), (c) or (d) shall be used, and if the plan specified in par. (c) is selected, he may designate the secondary beneficiary or beneficiaries thereunder, as the member could have. *The beneficiary may elect under this subsection to withdraw the accumulation from all the member's deposits in a single payment or any part thereof.* In such a case where there are 2

or more beneficiaries, they may elect that the method of payment specified in sub. (2) (b) or (d) shall be used and if said beneficiaries cannot agree upon either one of such methods, the state teachers retirement board may make payments in a single sum to each beneficiary upon the expiration of 4 months after the death of the member.

Approved December 15, 1965.
