

## Chapter S-L 10

## BONUS PLAN

S-L 10.01	Bonus plan	S-L 10.03	Bonus plan. Certificate
S-L 10.02	Bonus plan. Certificates of savings accounts issued in amounts of \$1,000 or multiples thereof and held by the member for not less than 12 consecutive months.		of savings accounts issued in amounts of \$1,000 or multiples thereof and held by the member for not less than 6 consecutive months.

S-L 10.01 Bonus plans. (1) PLAN. Any association may offer a bonus earnings for systematic savings by members by the adoption of any one of the resolutions as contained in Wis. Adm. Code sections S-L 10.01 (2) "120 Monthly Payment Plan," S-L 10.01 (3) "200 Monthly Payment Plan," S-L 10.01 (4) "36 Monthly Payment Plan," or S-L 10.01 (5) "60 Monthly Payment Plan." → Cr (a) + (b)

(2) BONUS EARNINGS—120 MONTH PAYMENT PLAN. (a) The form and content of the resolution to be adopted by the board of directors for bonus earnings for systematic monthly savings for the 120 month payment plan shall be in the following form: Reg Jan 1967

**SPECIMEN RESOLUTION FOR BONUS EARNINGS FOR  
SYSTEMATIC MONTHLY SAVINGS**

*(120 Month Payment Plan)*

Upon motion of \_\_\_\_\_ seconded by \_\_\_\_\_ and unani-  
mously carried, the following resolution, relative to Bonus Earnings  
pursuant to section IV (6) (a) of the Bylaws, was adopted:

"WHEREAS, the directors of the \_\_\_\_\_ Savings and Loan As-  
sociation of \_\_\_\_\_, Wisconsin, have given consideration  
for Bonus Earnings to members making regular and systematic,  
monthly payments on their savings accounts,

"NOW, THEREFORE, IT IS RESOLVED, that, effective on the next succeed-  
ing earnings distribution date, the \_\_\_\_\_ Savings and Loan  
Association of \_\_\_\_\_, Wisconsin, shall be obligated to pay a  
Bonus Earnings to members for making regular and systematic,  
monthly payments on their savings accounts, subject to the conditions  
hereinafter set forth:

"1. Any member of the association desiring to participate in Bonus  
Earnings shall agree to make regular monthly payments of a specified  
amount on a savings account until the withdrawal value thereof is  
equal to at least 120 times the agreed monthly payment.

"2. If the agreed monthly payments are made each and every  
month thereafter until the withdrawal value of such savings account  
is equal to at least 120 times the agreed monthly payment, without  
a delay of more than 60 days in the payment of any agreed monthly  
payment and without any prepayment of more than 12 months, and  
if within such period no application has been made for a withdrawal  
of any part of such instalment savings share account, the Bonus

Earnings shall be payable on the date on which the withdrawal value of such savings account equals or exceeds 120 times the agreed monthly payment.

"3. The rate of Bonus Earnings on such savings accounts shall be 1% per annum and the amount of the Bonus Earnings shall be determined by dividing the dollar amount of each semi-annual, regular earnings distribution on such savings account by a figure equal to the annual rate of such semi-annual earnings distribution, and the amount of the Bonus Earnings shall be the sum of the quotients obtained: provided, however, that if a member who has agreed to make regular monthly payments on a savings account under this plan shall apply for the withdrawal of such savings account in part or in full, or shall fail to meet any of the other terms of the Bonus Earnings Agreement after withdrawal value of such account shall have reached:

a. At least 30, but less than 60, times the agreed monthly payment on such account in accordance with the terms of the agreement, such member shall be entitled to receive in addition to the withdrawal value of such account, a Bonus Earnings equivalent to 25 percent of the amount of the Reserve for Bonus which is, at the time of such withdrawal, properly allocable to such account;

b. At least 60, but less than 90, times the agreed monthly payment, 50 percent of such amount; and

c. At least 90, but less than 120, times the agreed monthly payment, 75 percent of such amount.

"4. The owner of a savings account with a Bonus Earnings Agreement authorized by prior bylaws, upon the exchange of such savings account with a Bonus Earnings provision, authorized by prior bylaws, for savings accounts with Bonus Earnings under the provisions of the ----- Bylaws, have the rights and privileges, and be subject to the duties and liabilities, provided in this resolution, as if originally created under the provisions hereof: provided, that the savings account so exchanged entitled the holder thereof, at the time of such exchange, to an interest in any Reserve for Bonus created under the provisions of prior bylaws.

"5. The association may credit to the accounts of all members holding savings accounts with Bonus Earnings Agreements in good standing, that amount in the Reserve for Bonus to which they would be entitled if their savings accounts were withdrawn at the time of such credit, and may transfer to Undivided Profits or to other reserves any other amounts in any Reserve for Bonus, and further Bonus Earnings shall be credited to the accounts of members thereto entitled."

(b) A certified copy of the Resolution shall be submitted to the commissioner after adoption by the board of directors.

Bonus Earnings shall be credited to the accounts of members thereto entitled."

(b) A certified copy of the resolution shall be submitted to the commissioner after adoption by the board of directors.

(c) Any member desiring to participate in this Bonus Plan shall execute a "Bonus Earnings Agreement," the form and content of which follows:

**BONUS EARNINGS AGREEMENT**  
*(60 Month Payment Plan)*

Account No. \_\_\_\_\_

-----  
 (To be typed)      (Surname)      (First Name)      (Middle Name)  
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 \*

The undersigned, as a member of \_\_\_\_\_ Savings and Loan Association of \_\_\_\_\_, Wisconsin, agrees to make regular monthly payments, on the \_\_\_\_\_ day of each month after date, of \_\_\_\_\_ Dollars (\$\_\_\_\_\_ ) on the undersigned's savings account No. \_\_\_\_\_ until the withdrawal value thereof equals \_\_\_\_\_ Dollars (\$\_\_\_\_\_ ) with the understanding that failure by the undersigned to comply with the conditions provided in the resolution adopted by the directors and approved by the Commissioner of Savings and Loan Associations will merely prevent obtaining any Bonus Earnings.

(Signed) \_\_\_\_\_  
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 \*

Date \_\_\_\_\_  
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\* If the member is a co-tenancy, each holder of such joint account should sign the Bonus Earnings Agreement.

**History:** Cr. Register, January, 1964, No. 97, eff. 2-1-64; r. and recr. (1), cr. (4) and (5), Register, January, 1966; No. 121, eff. 2-1-66.

**S-L 10.02 Bonus plan. Certificates of savings accounts issued in amounts of \$1,000 or multiples thereof and held by the member for not less than 12 consecutive months. (1) PLAN.** Any association may offer a bonus earning up to ½ of 1% per annum on certificates of savings accounts issued in amounts of \$1,000 or multiples thereof and held by the member for not less than 12 months.

**(2) DISCRETIONARY SELECTION OF RATE OF BONUS EARNINGS.** Under this plan, the association may by resolution agree to pay one rate or varying rates of bonus earnings on specified amounts of certificates of savings accounts. Any combination of rates up to ½ of 1% per annum, on specified amounts of certificates of savings accounts held by the member for such period of time as set by the directors, provided the minimum period of ownership by the member is for at least 12 consecutive months.

*Cr. (5) Reg. Sec. 1967*

(3) SPECIMEN RESOLUTION FOR BONUS EARNINGS ON SAVINGS ACCOUNT CERTIFICATES. "Upon motion of \_\_\_\_\_ seconded by \_\_\_\_\_ and carried, the following resolution relative to Bonus Earnings, pursuant to Sec. IV (6) (a) of the bylaws was adopted:

"WHEREAS, the directors of the \_\_\_\_\_ Savings and Loan Association of \_\_\_\_\_, Wisconsin, have given consideration for Bonus Earnings up to  $\frac{1}{2}$  of 1% per annum to members purchasing Certificates of Savings Accounts of \$1,000 or multiples thereof and holding such Certificates of Savings Accounts for at least 12 consecutive months, under the permissive authority of Wis. Adm. Code section S-L 10.02 (1)."

"NOW THEREFORE, IT IS RESOLVED, That, effective this date, the \_\_\_\_\_ Savings and Loan Association of \_\_\_\_\_, Wisconsin, shall be obligated to pay Bonus Earnings to members purchasing Certificates of Savings Accounts of \$1,000 or multiples thereof at the following rates:

(List the rate or rates of Bonus Earnings to be paid, the specified amounts of Certificates of Savings Accounts and the period of ownership by members.)

"Any member desiring to participate in Bonus Earnings on Certificates of Savings Accounts under the terms and conditions set forth in this resolution shall execute an "APPLICATION AND AGREEMENT FOR BONUS", the form and content which follows:

**"APPLICATION AND AGREEMENT FOR BONUS  
ON CERTIFICATES OF SAVINGS ACCOUNTS**

The undersigned hereby executes this Application and Agreement for participation in Bonus Earnings under the Bonus Plan of the (1) \_\_\_\_\_ Savings and Loan Association of (2) \_\_\_\_\_, Wisconsin, hereinafter set forth, subject to the Association's Articles of Incorporation, Bylaws, Chap. 215, Wisconsin Statutes, Wisconsin Administrative Code, and the Rules and Regulations for Insurance of Accounts of the Federal Savings and Loan Insurance Corporation.

It is understood and agreed that funds evidenced by Certificate of Savings Account No. (3) \_\_\_\_\_, in the amount of (4) \$\_\_\_\_\_ shall be maintained at that amount for at least (5) \_\_\_\_\_ months, commencing with the date of this agreement, may receive Bonus Earnings of (6) \_\_\_\_\_ of 1% per annum in addition to the regular earnings distributed on such accounts.

It is understood and agreed that Bonus Earnings applicable to such Certificate of Savings Account during the required period shall be paid on the next succeeding earnings distribution date following the maturity date of said certificate. If the Certificate of Savings Account is maintained beyond the required period stated herein, and if the association authorizes continued distribution of earnings of such accounts in accordance with the terms of this agreement, the Bonus Earnings applicable thereto shall be paid at each regular earnings distribution date.

Signed at \_\_\_\_\_, Wisconsin, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

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Signature of member.

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Signature of member.

- (1) Insert name of association
- (2) Insert name of City
- (3) Insert number of Certificate of Savings Account
- (4) Insert dollar amount of Certificate
- (5) Insert number of months Certificate of Savings Account must be held
- (6) Insert rate of Bonus Earnings Distribution

"A certified copy of this resolution shall be submitted to the Savings and Loan Commissioner after adoption by the board of directors."

(4) COMPUTATION OF BONUS EARNINGS. Bonus earnings on certificates of savings accounts shall be determined by dividing the dollar amount of each regular, semi-annual earnings distribution on such certificates by a figure equal to the annual rate of such semi-annual earnings distribution, and multiplying the quotient thus obtained by the decimal rate of bonus earnings.

(5) **FORFEITURE OF BONUS.** In the event a member applies for a part or entire withdrawal of a certificate of savings account during the required period specified in the bonus agreement or during the period of maturity to the next succeeding earnings distribution date, all right to participate in bonus earnings shall be forfeited.

(6) **PAYMENT OF BONUS EARNINGS.** (a) Bonus earnings on certificates of savings accounts, during the required term of ownership shall be credited to a "Reserve for Bonus" account and shall be paid to the holders of such certificates on the next succeeding semi-annual distribution date following the maturity date of said certificate.

(b) In the event that the board of directors, by resolution, authorizes the continuance of bonus earnings on certificates of savings accounts after the minimum period of ownership of said certificates by the members, the bonus earnings applicable on such certificates shall be paid at each regular earnings distribution date.

(7) **TERMINATION OF BONUS EARNINGS.** (a) Participation of bonus earnings on certificates of savings account shall terminate on the regular distribution date next succeeding the maturity date of such certificate, unless the continuance of bonus earnings on such certificates of savings accounts is specifically authorized by a resolution of the board of directors of the association.

(b) Any resolution by the board of directors authorizing the continuance of distribution of bonus earnings on certificates of savings accounts beyond the maturity date of such certificates shall be in effect for periods not in excess of 12 months at any time. Resolutions of this type relating to the continuance distribution of bonus earnings shall be adopted annually.

(c) Appropriate notice to the holders of certificates of savings accounts shall be made when the board of directors decides, by resolution, to discontinue the payment of bonus earnings on certificates of savings accounts held by such members beyond the maturity date of such certificates.

(8) **ABOLISHMENT OF BONUS PLAN ON CERTIFICATES OF SAVINGS ACCOUNTS.** The board of directors may, by resolution, abolish the bonus plan on certificates of savings accounts, as authorized by this section, but all contractual obligations on savings account certificates issued prior to the date of the abolishment of such bonus plan shall participate in bonus earnings in accordance with the terms of "APPLICATION AND AGREEMENT FOR BONUS" signed by the members.

**History:** Cr. Register, January, 1966, No. 121, eff. 2-1-66; r. and recr. Register, March, 1966, No. 123, eff. 4-1-66.

*Cr 8-210.03 Reg July 966*

S-L 10.03 Bonus plan. Certificate of savings accounts issued in amounts of \$1,000 or multiples thereof and held by the member for not less than 6 consecutive months. (1) PLAN. Any association may offer a bonus earnings up to  $\frac{1}{2}$  of 1% per annum on certificates of savings accounts issued in amounts of \$1,000 or multiples thereof and held by the member for not less than 6 months. *Cr (a) + 1*

(2) DISCRETIONARY SELECTION OF RATE OF BONUS EARNINGS. Under this plan, the association may by resolution agree to pay one rate or varying rates of bonus earnings on specified amounts of certificates of savings accounts. Any combination of bonus earnings rates up to  $\frac{1}{2}$  of 1% per annum on specified amounts of certificates of savings accounts, provided the minimum period of ownership of said certificate of savings account by the member is for at least 6 consecutive months. *Key*  
*1967*

(3) SPECIMEN RESOLUTION FOR BONUS EARNINGS ON CERTIFICATES OF SAVINGS ACCOUNTS. "Upon motion of \_\_\_\_\_, seconded by \_\_\_\_\_ and carried, the following resolution relative to Bonus Earnings, pursuant to Sec. IV (6) (a) of the bylaws was adopted:

"WHEREAS, the directors of the \_\_\_\_\_ Savings and Loan Association of \_\_\_\_\_, Wisconsin, have given consideration for Bonus Earnings up to  $\frac{1}{2}$  of 1% per annum on Certificates of Savings Accounts, issued in amounts of \$1,000 or multiples thereof purchased by members and held by them for not less than 6 months under the permissive authority of Sec. S-L 10.03 (1), Wis. Adm. Code.

"Now, THEREFORE, BE IT RESOLVED, that effective this date, the \_\_\_\_\_ Savings and Loan Association of \_\_\_\_\_, Wisconsin, shall be obligated to pay Bonus Earnings on Certificates of Savings Accounts, issued in amounts of \$1,000 or multiples thereof and held by the member for at least 6 months, at the following rates:

(List rate or rates of Bonus Earnings to be paid and the specified amounts of the Certificates of Savings Accounts)

"Any member, desiring to participate in Bonus Earnings on Certificates of Savings Accounts held for a period of not less than 6 months, shall execute an "APPLICATION AND AGREEMENT FOR BONUS," the form and content which follows:

**"APPLICATION AND AGREEMENT FOR BONUS  
ON CERTIFICATES OF SAVINGS ACCOUNTS  
HELD FOR A PERIOD OF NOT LESS THAN 6 MONTHS**

The undersigned hereby executes this Application and Agreement for participation in Bonus Earnings under the Bonus Plan of the (1) \_\_\_\_\_ Savings and Loan Association of (2) \_\_\_\_\_, Wisconsin, hereinafter set forth subject to the association's Articles of Incorporation, Bylaws, Chap. 215, Wisconsin Statutes, Wisconsin Administrative Code, and Rules and Regulations for Insurance of Accounts of the Federal Savings and Loan Insurance Corporation.

It is understood and agreed that funds evidenced by Certificate of Savings Account No. (3) \_\_\_\_\_ in the amount of (4) \$\_\_\_\_\_, shall be maintained at that amount for at least (5) \_\_\_\_\_ months, commencing with the date of this agreement, may receive Bonus Earnings of (6) \_\_\_\_\_ of 1% per annum in addition to the regular earnings distributed on such accounts.

It is understood and agreed that Bonus Earnings applicable to such Certificate of Savings Accounts during the required period of ownership shall be paid at the maturity date of said Certificate or on the next succeeding earnings distribution date following the maturity date of said Certificate. If the Certificate of Savings Account is maintained beyond the required 6 month period stated herein and if the association authorizes continued distribution of Bonus Earnings of such accounts in accordance with the terms of this Agreement, the Bonus Earnings applicable thereto shall be paid at each regular earnings distribution date.

Signed at \_\_\_\_\_, Wisconsin, this \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

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Signature of Member

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Signature of Member

- (1) Insert name of association
- (2) Insert name of City
- (3) Insert Certificate number
- (4) Insert dollar amount of Certificate
- (5) Insert number of months
- (6) Insert rate of Bonus Earnings Distribution"

"A certified copy of this resolution shall be submitted to the Commissioner after adoption by the Board of Directors."

(4) **FORFEITURE OF BONUS.** In the event a member applies for a part or entire withdrawal of a certificate of savings account during the required 6 month period of minimum retention, all right to participate in bonus earnings shall be forfeited.



(5) PAYMENT OF BONUS EARNINGS. (a) Bonus earnings on certificate of savings accounts, issued in amounts of \$1,000 or multiples thereof and held by the member for at least 6 months, shall be paid to the member on the maturity date of said certificates or on the next succeeding earnings distribution date following the maturity date of said certificate.

(b) In the event that the board of directors, by resolution, authorizes the continuance of bonus earnings on 6 month certificates of savings accounts, after the initial required period of ownership of said certificates, the bonus earnings shall be paid at the next succeeding semiannual distribution date following the maturity date of the certificate.

(6) TERMINATION OF BONUS EARNINGS. (a) Participation in bonus earnings on certificates of savings accounts, issued in amounts of \$1,000 or multiples thereof and held by the members for at least 6 months, shall terminate on the maturity date of such certificates, unless the continuance of bonus earnings on such certificates of savings accounts is specifically authorized by a resolution of the board of directors of the association.

(b) Any resolution by the board of directors authorizing the continuance of bonus earnings on certificates of savings accounts, issued in amounts of \$1,000 or multiples thereof and held for the required period of 6 months, beyond the maturity date of such certificates, shall be for periods not in excess of 6 months at any time. Resolutions of this type relating to the continuance of distribution of bonus earnings must be made at such intervals prior to the occurrence of maturity dates of existing certificates.

(c) Appropriate notice to holders of certificates of savings accounts shall be made when the board of directors decides, by resolution, to discontinue the payment of bonus earnings on certificates of savings accounts, issued in amounts of \$1,000 or multiples thereof beyond the 6 month maturity date or extended maturity date of such certificates.

(7) ABOLISHMENT OF BONUS PLAN ON 6 MONTH CERTIFICATES OF SAVINGS ACCOUNTS. The board of directors, may by resolution, abolish the bonus plan on 6 month certificates of savings accounts, as authorized by this section, but all contractual obligations on certificates of savings accounts, issued prior to the abolishment date of such bonus plan, shall participate in bonus earnings in accordance with the terms of the "APPLICATION AND AGREEMENT FOR BONUS" signed by the members.

History: Cr. Register, August, 1966, No. 128, eff. 9-1-66.

02(10.04)

Next page is numbered 43