(4) Authorized officials of any organization whose members are producers delivering milk to any such plant or in any such municipal milk shed may sign petitions for such auditing service or for the discontinuance thereof for and on behalf of the producer members of such organization.

(5) Any person who violates this section by failing to pay to the department the deductions required by this section, or by failing to make or to keep the required records or reports, or by wilfully making any false entry in such records or reports, or by wilfully failing to make full and true entries in such records or reports, or by obstructing, refusing or resisting other than through judicial process any department audit of such records, shall be punished by a fine of not more than $100 or by imprisonment in the county jail not more than 6 months, or by both such fine and imprisonment.

(6) Action to enjoin violation of this section may be commenced and prosecuted by the department in the name of the state in any court having equity jurisdiction.

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No. 437, A.] [Published June 10, 1945.

CHAPTER 274.

AN ACT to repeal 25.17 (8), (9) (f) and (h), 42.32 (last paragraph after (4)); to repeal and recreate 25.28 (1) and 42.47; to amend 25.17 (1) and (4), 42.24, 42.32 (Introductory paragraph) and (4), 42.33 (1) (c), 42.34, 42.40, 42.41 (1), 42.49 (1) (Introductory paragraph) and (2) (Introductory paragraph) and (b), 42.50 (1), (2) (b) (d) and (3); to create 25.17 (1a) and 42.23, relating to the teachers' state retirement system.

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

SECTION 1. 25.17 (1) of the statutes is amended to read:

25.17 (1) To have exclusive control of the investment and collection of the principal and interest of all moneys loaned or invested from any of the following funds: The several funds of the state retirement system, the life fund, the state insurance fund, the soldiers' rehabilitation fund, the funds created by sections *25.31,* 102.49 and 102.59, *the state employes' retirement fund, the postwar rehabilitation trust fund, the postwar construction and improvement fund and other similar postwar and trust funds,* and all other funds of the state or of any state department or institution, except operating funds, all funds which by the constitution are required to be controlled and invested by the commissioners of public lands, *and* * * * moneys in the University trust funds * * *.

SECTION 2. 25.17 (4) of the statutes is amended to read:

25.17 (4) To accept when necessary to protect a mortgage loan, a quit claim deed *or warranty deed* to the mortgaged property in full satisfaction of the mortgage debt, and to manage, operate, lease, *exchange,* sell * * * *and* convey, *by land contract,* * * * *quit claim* deed *or warranty deed, and grant easement rights in, any real* property * * * acquired *by said board.*

SECTION 3. 25.17 (1a) of the statutes is created to read:

25.17 (1a) To invest any of the funds specified in subsection (1) in loans to the Wisconsin university building corporation secured by mortgages upon income producing property or upon leasehold estates in improved real property for a term of years where 25 years or more of the term is unexpired.

SECTION 4. 25.17 (8), (9) (f) and (h) of the statutes are repealed.

SECTION 5. 25.28 (1) of the statutes is repealed and recreated to read:

25.28 (1) The moneys paid into the retirement deposit fund as provided in sections 42.39 to 42.46 and all other money received by it from any legal source, excepting sums legally disbursed from said fund and excepting sums transferred therefrom to the general fund or the annuity reserve fund, shall constitute the retirement deposit fund; the moneys legally transferred from the retirement deposit fund to the annuity reserve fund and all other moneys received by said latter fund from any legal source, excepting sums legally disbursed from said fund, constitute the annuity reserve fund; the moneys derived from the surtax and set apart for the contingent fund under section 71.26 and all other money received by said fund from any legal source, excepting sums legally disbursed therefrom, constitute the contingent fund; and are appropriated to the state annuity and investment board for carrying into effect the provisions of sections 42.20 to 42.54.

SECTION 6. 42.23 of the statutes is created to read:

42.23 The state annuity and investment board may refund any money paid in error into any of the funds of the state retirement system, including money paid in error by an employer. To effect such a refund the director of investments shall certify to the secretary of state the name of each person entitled to a refund and the amount thereof. Thereupon, and notwithstanding section 20.06, the secretary of state shall draw his warrant for the amount and in favor of the person so certified, and the state treasurer shall pay the same and charge it to the appropriation made by section 20.725 (4).

SECTION 7. 42.24 of the statutes is amended to read:

42.24 The state treasurer shall be ex-officio treasurer of the state annuity and investment board and of the state retirement system, and shall give an additional bond in such amount and with such corporate sureties as shall be required and approved by the state annuity and investment board, the cost of which shall be borne by said board. *Any of the securities purchased by the state annuity and investment board for any of the funds whose investment is under the control of said board may be deposited by the state annuity and investment board or the state treasurer in vaults or other safe depositories outside of the office of the state treasurer, and either in or outside of the state of Wisconsin, but a safe-keeping receipt shall be delivered to the state treasurer for all securities so deposited. Every such safe-keeping receipt shall describe the securities covered thereby and be payable on demand without conditions to the state annuity and investment board or to any designated fund under the control of said board or to the state treasurer.*

SECTION 8. 42.32 (Introductory paragraph) of the statutes is amended to read:

42.32 (Introductory paragraph) The annuity and investment board shall receive, hold, invest and pay out according to law, all deposits by the members and by the state and all accretions thereto and other moneys belonging to the several funds. The funds shall be invested in securities in which domestic life insurance companies are authorized to invest their assets * * *. In making loans, preference shall be given to applications in the following order:

SECTION 9. 42.32 (4) of the statutes is amended to read:

42.32 (4) For all other types of loans authorized by section *25.17* * * *.

SECTION 10. 42.32 (last paragraph after (4)) of the statutes is repealed.

SECTION 11. 42.33 (1) (c) of the statutes is amended to read:

42.33 (1) (c) In the "Contingent Fund" * * * *as follows: The assets held in the contingent fund shall as of June 30 of each year be at least equal to the following ratios to the present value of all future payments of benefits from the contingent fund, namely: The actual percentage of such assets to such present value on June 30, 1922, which percentage shall be increased by 2-1/2 per cent for each year thereafter, so that such assets shall equal such present value in not exceeding 40 years from June 30, 1922.*

SECTION 12. 42.34 of the statutes is amended to read:

42.34 * * * The *state* annuity *and investment* board shall make such investigations of the mortality, disability, service and compensation experience of the several funds as shall be necessary. On the basis of such investigation the annuity board shall determine, adopt and certify the rates at which the annuities and other benefits shall be granted. The rates shall be adequate to provide for all benefits as near as may be at actual cost, but shall not be less than the rates based on the minimum standard prescribed by law for granting annuities in this state. No revision of rates shall affect adversely the rights of any beneficiary *or annuitant* under an application made prior to *the date when* such revision *becomes effective*. The *state* annuity *and investment* board shall from time to time order and make such distribution of gains and savings as it may deem equitable.

SECTION 13. 42.40 of the statutes is amended to read:

42.40 Each senior teacher shall make a * * * *deposit* in the retirement deposit fund equal to 5 per cent of all compensation *received* * * * for *teaching* service * * * *performed by such* teacher * * *. 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 42.20 to 42.54* * * *.

SECTION 14. 42.41 (1) of the statutes is amended to read:

42.41 (1) Every employer shall deduct and withhold from the compensation as a teacher of each senior teacher on each and every pay roll for each and every pay roll period *here*after * * * 5 per cent of the compensation of such senior teacher, *which is paid by such employer.* Any person or officer whose duty it is to prepare the pay roll for the payment of any of said teachers who receive their salaries from the state treasury shall, on each such pay roll, 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 pay roll the total of such deductions as the amount to be paid to the retirement deposit fund.

SECTION 15. 42.47 of the statutes is repealed and recreated to read:

42.47 As of June 30 of each year the state annuity and investment board shall determine the earnings to be apportioned to the several funds. Such earnings shall be apportioned and credited to the several funds at the rates determined by the board, provided that the rate of apportionment to the annuity reserve fund shall be at least equal to the interest rate used in the valuation of the benefits payable from such fund.

SECTION 16. 42.49 (1) (Introductory paragraph) of the statutes is amended to read:

42.49 (1) (Introductory paragraph) Upon the expiration of 6 months after filing application with the retirement board having jurisdiction by a member who has ceased to be employed as a teacher, *and who is not on a leave of absence from a teaching position,* the accumulation from the member's deposits, *or any part thereof,* may be withdrawn:

SECTION 17. 42.49 (2) (Introductory paragraph) of the statutes is amended to read:

42.49 (2) (Introductory paragraph) When a member has ceased to be employed as a teacher, *and is not on a leave of absence from a teaching position,* the accumulation from the member's deposits may be applied by the member as a net single premium at the rate certified by the annuity board, to the purchase of an annuity, 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 shall direct, which annuity may be:

SECTION 18. 42.49 (2) (b) of the statutes is amended to read:

42.49 (2) (b) An annuity payable monthly to the member during life, *with a guaranty 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 180 monthly payments shall be continued to one beneficiary or divided equally, or as the member otherwise specified, between 2 or more beneficiaries designated by the member until payments shall have been made for 180 consecutive months after such annuity began. Unless prohibited by the member in his designation, any such beneficiary may elect at any time to receive the then present value of his benefit in a single sum. Upon the death of any designated beneficiary after he has become entitled to receive monthly payments hereunder, the then present value of his benefit shall be paid in a single sum to his estate. *Upon the death of the member before payment has been made for 180 months, the then present value of the remainder of such payments shall be paid in a single sum to the estate of the member in cases where no beneficiary was designated or where the member's estate was designated as beneficiary.* In the event of the death of any designated beneficiary prior to the death of the member, then upon the death of the member, the then present value of the benefit, if any, which would have been payable to said beneficiary, shall be paid in a single sum to the estate of the member; or

SECTION 19. 42.50 (1) of the statutes is amended to read:

42.50 (1) Any member may, by written notice to the retirement board having jurisdiction, in such form as it shall approve, designate a sole beneficiary, or 2 or more beneficiaries to whom any death benefit payable at the death of the member shall be paid. The member may, from time to time, by a like written notice, change any of the aforesaid designations. If no beneficiary shall have been named by the member, or if no designated beneficiary survives the member, such death benefit shall be paid in a single sum to the estate of the member. Such death benefit shall be the full amount of the accumulation *in the retirement deposit fund* to the credit of the member from all member's deposits and all state deposits.

SECTION 20. 42.50 (2) (b) of the statutes is amended to read:

42.50 (2) (b) As an annuity payable monthly for life to each of 2 or more beneficiaries, with the death benefit used to purchase such annuities divided as specified by the member. If the member does not specify the division of the death benefit, it shall be divided equally in the purchase of the annuities. *If one or more of the designated beneficiaries dies before the member, the benefit, if any, which would have been payable to the deceased beneficiary or beneficiaries shall be payable to the surviving beneficiary or beneficiaries in equal shares.*

SECTION 21. 42.50 (2) (d) of the statutes is amended to read:

42.50 (2) (d) To one beneficiary, or divided equally or as the member otherwise specified between 2 or more beneficiaries in instalments certain or in a single sum. In the event that any beneficiary dies after he has become entitled to receive part, but has not received all, of the benefit which would be payable to him under this paragraph, the then present value of his benefit shall be paid to his estate in a single sum. *If the member does not specify the division of the death benefit, it shall be divided equally in the purchase of the annuities. Where 2 or more beneficiaries are designated hereunder and one or more of the designated beneficiaries dies before the member, the benefit, if any, which would have been payable to the deceased beneficiary or beneficiaries shall be payable to the surviving beneficiary or beneficiaries in equal shares.*

SECTION 22. 42.50 (3) of the statutes is amended to read:

42.50 (3) In any case under this section where the member shall not have designated the method of payment of the death benefit, the * * * beneficiary * * * may elect which of the methods of payment specified in subsection (2) *(a), (c) or (d)* shall be used, *and if the plan specified in paragraph (c) is selected, he may designate the secondary beneficiary or beneficiaries thereunder, as the member could have; in such a case where there are 2 or more beneficiaries, they may elect that the method of payment specified in subsection (2) (b) or (d) shall be used* and if said beneficiaries cannot agree upon * * * *either* one of such methods, the state annuity and investment board * * * *may make payment in a single sum to each beneficiary upon the expiration of 4 months after the death of the member.* * * *

Approved June 6, 1945.