

## Chapter S-L 7

## EMPLOYMENT CONTRACTS AND COMPENSATION

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income.

**S-L 7.01 Employment contracts.** (s. 215.50 (7), Stats.) An association may enter into an employment contract with an officer or employe of an association. No employment contract may exceed 5 years in duration.

History: Cr. Register, June, 1989, No. 402, eff. 7-1-89.

**S-L 7.02 Director compensation.** (ss. 215.50 (7) and 215.70 (2), Stats.) Members of an association's board of directors may be paid fees which are reasonable and customary. For their work on the board of directors, directors may not receive a bonus or profit sharing proceeds. This does not preclude directors of capital stock associations from receiving stock options to the extent permitted under federal law.

History: Cr. Register, June, 1989, No. 402, eff. 7-1-89.

**S-L 7.03 Plans for the deferral of earned income.** (s. 215.50 (7), Stats.) An association may contract with an officer, director or employe of the association to defer payment of a portion of current income to a later date if the remuneration is currently earned and the deferral is charged to current earnings and is reflected as an association liability.

History: Cr. Register, June, 1989, No. 402, eff. 7-1-89.

**S-L 7.04 Other plans.** (s. 215.50 (7), Stats.) (1) Except as provided by s. S-L 7.03 and sub. (2), an association may enter into a pension plan or deferred compensation agreement, or otherwise provide retirement benefits, only for active or retired full-time officers or employes and not for directors of the association and only if the commissioner and the review board give prior specific approval of each plan or agreement.

(2) Full-time officers and employes of an association's subsidiaries may be included under an association's pension plan or deferred compensation agreement if the subsidiary pays its pro rata share of costs incurred.

History: Cr. Register, June, 1989, No. 402, eff. 7-1-89.