

Approval
required to
be filed.

department, division office or institution of the state or any political subdivision thereof, employing such person or group of persons, and filed with the State Auditor; or in the case of political subdivisions of the State of Washington, with the auditor of such political subdivision or the person authorized by law to draw warrants against the funds of said political subdivision.

Warrants
payable to
person
designated.

SEC. 2. Upon being authorized by any employee or group of employees so to do under the provisions of section 1 of this act, the auditor or other person authorized to draw warrants against the funds involved is hereby authorized to draw and issue a proper warrant or warrants directly to and in favor of the person, firm or corporation or organization named in the authorization for the total amount authorized to be deducted from the payroll of any such office, department, division or institution.

Passed the Senate February 13, 1947.

Passed the House February 27, 1947.

Approved by the Governor March 5, 1947.

CHAPTER 71.

[S. B. 17.]

CITY EMPLOYEES RETIREMENT SYSTEM LAW.

AN ACT relating to pension, relief, disability and retirement systems of officers and employees of cities and towns; authorizing the creation and establishment of a statewide system for such purposes; providing a method for producing revenues for the operation thereof; prescribing the conditions upon and to whom allowances and benefits and amounts thereof shall be paid and fixing rates of contribution and providing for the administration of said system.

Be it enacted by the Legislature of the State of Washington:

Short title.

SECTION 1. This act shall be known and may be cited as the "Statewide City Employees Retirement System Law."

SEC. 2. The purpose of this act is to provide for an actuarially sound system for the payment of annuities and other benefits to officers and employees and to beneficiaries of officers and employees of cities and towns thereby enabling such employees to provide for themselves and their dependents in case of old age, disability and death, and effecting economy and efficiency in the public service by furnishing an orderly means whereby such employees who have become aged or otherwise incapacitated may, without hardship or prejudice, be retired from active service.

Purpose of act.

SEC. 3. *Definitions.* Unless a different meaning is plainly required by the context the following words and phrases as hereinafter used in this act shall have the following meanings:

Definitions.

(1) "Retirement System" shall mean "Statewide City Employees Retirement System" provided for herein.

"Retirement System."

(2) "City" or "Cities" shall include town or towns.

"City."

(3) "Employee" shall mean any appointive officer or employee and shall include elective officials to the extent specified herein.

"Employee."

(4) "Member" shall mean any person included in the membership of the Retirement System as provided herein.

"Member."

(5) "Board" shall mean the "Board of Trustees" provided for herein.

"Board."

(6) "Retirement Fund" shall mean "Statewide City Employees Retirement Fund" provided for herein.

"Retirement Fund."

(7) "Service" shall mean service rendered to a city for compensation; and for the purpose of this act a member shall be considered as being in service only while he is receiving compensation from the city for such service or is on leave granted for service in the armed forces of the United States as contemplated in section 12 hereof.

"Service."

"Prior Service."

(8) "Prior Service" shall mean the service of a member for compensation rendered a city prior to the effective date and shall include service in the armed forces of the United States to the extent specified herein.

"Current Service."

(9) "Current Service" shall mean service after the employee has become a member of the system.

"Creditable Service."

(10) "Creditable Service" shall mean such service as is evidenced by the record of normal contributions, plus prior service credit as evidenced by prior service certificate.

"Beneficiary."

(11) "Beneficiary" shall mean any person in receipt of a pension, annuity, retirement allowance, disability allowance, or any other benefit provided herein.

"Compensation."

(12) "Compensation" shall mean the compensation payable in cash, plus the monetary value, as determined by the Board of Trustees, of any allowance in lieu thereof (but for the purposes of this act such "Compensation" shall not exceed three hundred dollars (\$300) per month).

"Compensation Earnable."

(13) "Compensation Earnable" shall mean the full rate of compensation that would be payable to an employee if he worked the full normal working time (but for the purposes of this act, such "Compensation Earnable" shall not exceed three hundred dollars (\$300) per month).

"Final Compensation."

(14) "Final Compensation" shall mean the average annual compensation earnable by a member during the ten (10) years immediately preceding his retirement.

"Matching Contribution."

(15) "Matching Contribution" shall mean the contribution of the city deposited in an amount equal to the normal contributions of the employee.

"Normal Contributions."

(16) "Normal Contributions" shall mean contributions at the rate provided for in section 13 of this act.

"Released Matching Contributions."

(17) "Released Matching Contributions" shall

mean such "Matching Contributions" as are no longer held for the benefit of the employee.

(18) "Regular Interest" shall mean interest compounded annually at such rate as shall have been adopted by the Board of Trustees in accordance with the provisions of this act.

"Regular Interest."

(19) "Accumulated Normal Contributions" shall mean the sum of all normal contributions, deducted from the compensation of a member, standing to the credit of his individual account, together with regular interest thereon.

"Accumulated Normal Contributions."

(20) "Pension" shall mean payments derived from contributions made by the city as provided herein.

"Pension."

(21) "Annuity" shall mean payments derived from contributions made by a member as provided herein.

"Annuity."

(22) "Retirement Allowance" shall mean the pension plus the annuity.

"Retirement Allowance."

(23) "Fiscal Year" shall mean any year commencing with January 1st, and ending with December 31st next following.

"Fiscal Year."

(24) "Miscellaneous Personnel" shall mean officers and employees other than those in the uniformed police or fire service.

"Miscellaneous Personnel."

(25) "Uniformed Personnel" shall mean any employee who is a policeman in service or who is subject to call to active service or duty as such.

"Uniformed Personnel."

(26) "Effective Date" when used with regard to employees shall mean the date on which any individual or group of employees became members of any retirement system and when used with regard to any city or town shall mean the date on which it became a participant.

"Effective Date."

(27) "Actuarial Equivalent" shall mean a benefit of equal value when computed at regular interest upon the basis of such mortality tables as shall be adopted by the Board of Trustees.

"Actuarial Equivalent."

(28) "Persons Having an Insurable Interest in

"Persons
Having
Insurable
Interest."

His Life" shall mean and include only such persons who, because of relationship from ties of blood or marriage, have reason to expect some benefit from the continuation of the life of a member.

Retirement
system
authorized.

SEC. 4. *Authorization and Creation.* A Retirement System is hereby authorized for employees of cities, same to become operative after the requisite city or cities or combination thereof, have signified their intention to participate in the retirement system and the board has been appointed and qualified as herein provided. The board may begin to function, establish an office, employ an actuary and such other personnel as necessary and undertake the work of establishing the retirement system but it shall not be required to undertake such work unless necessary monies are made available through negotiated loans or advances from cities or otherwise.

When
Board
appointed.

Whenever cities have notified the governor of election to join the retirement system to an extent which would place three hundred (300) or more employees under the system, the governor shall appoint board members as provided herein and the system so created and established shall be forthwith constituted. The date when the system shall become operative as to any city shall be fixed by the board.

Decision to
participate.

SEC. 5. *Method of Participation.* Any city or town of the first, second, third or fourth class may elect to participate in the retirement system established by this act: *Provided*, That a first class city may establish or maintain any other retirement system authorized by any other law or its charter. The manner of election to participate in a retirement system under this act shall be as follows:

Legislative
action.

(a) The legislative body therein by ordinance making such election;

Initiative.

(b) Approval by vote of the people of an ordinance initiated by the voters making such election;

(c) Approval by vote of the people of an ordinance making such election referended to the people by the legislative body. Referendum.

Any ordinance providing for participation therein may on petition of the voters be referended to the voters for approval or disapproval.

The referendum or initiative herein provided for shall be exercised under the law relating to legislative initiative or referendum of the particular city; and if the city be one for which the law does not now provide such initiative or referendum, it shall be exercised in the manner provided for legislative initiative and referendum of cities having a commission form of government under chapter 116, Laws of 1911, the city council performing the duties and functions under that law devolving on the commission. A majority vote in the legislative body or by the electorate shall be sufficient to carry or reject. Whenever any city has elected to join the retirement system proper authorities in such city shall immediately file with the board an application for participation under the conditions included in this act on a form approved by the board. In such application the city shall agree to make the contributions required of participating cities in the manner prescribed herein and shall state which employee group or groups are to originally have membership in the system. Method of exercising initiative or referendum.

SEC. 6. *Exclusion From the Act.* Policemen in first-class cities and all city firemen shall be excluded from the provisions of this act. Policemen and firemen excluded.

SEC. 7. *Board of Trustees.* (a) The Board of Trustees shall consist of seven (7) members, one of whom shall be the state insurance commissioner, ex-officio; three elective city officials and three city employees eligible to the benefits of the system who shall be appointed by the Governor from a list of six city officials and six city employees submitted by the Membership of Board of Trustees.

executive committee of the association of Washington cities as the official representative of cities and towns in the state after considering recommendations of city employees as to employee members. Original terms of office of the appointees in the two groups shall be one, two and three years as designated by the Governor; thereafter terms shall be for three years duration. Appointments to fill vacancies, other than those caused by expiration of a term, shall be for the unexpired term. Appointees shall serve until successors have been appointed and qualified.

Terms of
office.

Officers.

(b) The board shall annually, dating from the first officially recorded meeting, elect a chairman and secretary. Four members shall constitute a quorum.

Quorum.

Oath of
Office.

(c) Each member of the board shall take an oath of office that he will diligently and honestly administer the affairs of the board, and that he will not knowingly violate or wilfully permit to be violated any of the provisions of this act.

Board's
powers and
duties.

SEC. 8. *Powers and Duties of the Board of Trustees.* The administration of the system is hereby vested in the Board of Trustees created in section 7 of this act and the board shall:

Preserve
information

(a) Keep in convenient form such data as shall be deemed necessary for actuarial valuation purposes;

Make
actuarial
studies.

(b) From time to time, through its actuary, make an actuarial investigation into the mortality and service experience of the beneficiaries under this act and the various accounts created for the purpose of showing the financial status of the retirement fund;

Adopt
statistical
tables.

(c) Adopt for the retirement system the mortality tables and such other tables as shall be deemed necessary.

(d) Certify annually the amount of appropria-

tion which each city shall pay into the retirement fund in the next fiscal year, at such a time that the local authorities shall have ample opportunity for including such expense in the budget.

Certify appropriations necessary.

(e) Keep a record of all its proceedings, which shall be open to inspection by the public;

Keep records.

(f) From time to time adopt such rules and regulations not inconsistent with this act, for the administration of the provisions of this act, for the administration of the fund created by this act and the several accounts thereof, and for the transaction of the business of the board.

Adopt rules.

(g) Provide for investment, reinvestment, deposit and withdrawal of funds;

Handle funds.

(h) Prepare and publish annually a financial statement showing the condition of the fund and the various accounts thereof, and setting forth such other facts, recommendations and data as may be of use in the advancement of knowledge concerning the statewide city employees retirement system, and furnish a copy thereof to each city which has joined the retirement system, and to such members as may request copies thereof;

Publish annual financial statement.

(i) Serve without compensation but shall be reimbursed for expense incident to service as individual members thereof;

No compensation.

(j) Determine equitable amount of administrative expense and death-in-line-of-duty benefit expense to be borne by each city;

Pro-rate expenses.

(k) Make available to any city considering participation in the system, the services of the actuary employed by the board for the purpose of ascertaining the probable cost of such participation. The cost of any such calculation or valuation shall be paid by the city requesting same to the retirement system.

Assist cities to determine costs.

(l) Perform such other functions as are required for the execution of the provisions of this act.

Perform other functions.

Amounts
to be paid
by cities.

SEC. 9. *Obligations and Contributions of Cities.*

(a) There shall be paid into the retirement fund by contributions of each city the amounts necessary to pay the following:

(1) Contributions equal to those deposited by employees.

(2) Prior service credits at such rate as may be selected.

(3) That part of a retirement allowance necessary to raise it to a specified minimum.

(4) An equitable share of the administrative costs, all of which costs are to be paid by the cities.

(5) An equitable share of the cost of the death-in-line-of-duty benefit, all of which costs are to be paid by the cities.

When
payable.

(b) Payment of the obligations set forth in subsection (a) of this section may be made in advance or may be paid currently as contributions are received from employees and pensions are paid to retired members: *Provided*, That the share of administrative expense and expense of the death-in-line-of-duty benefit shall be paid as soon as funds are available to make such payment. From time to time each city may apply reserves in payment of the obligations set forth above as contemplated in section 20.

Board to
furnish
estimates.

(c) The board shall furnish each city with an estimate of the amount necessary to pay the obligations of the city in the ensuing fiscal year and the city shall provide therefor in its budget. The board shall cause to be kept an account with each city, crediting the account with such advances and payments as are made by the city and debiting the account with such charges as properly accrue against the city. The board shall furnish each city with a monthly statement of the amount of matching contributions, prior service charges and charges for minimum retirement allowances properly accruing

Monthly
statements.

by reason of payment of retirement allowances and deposit of contributions of members.

(d) Notwithstanding anything to the contrary, the retirement system shall not be liable for the payment of any retirement allowances or other benefits on account of the employees or retired members of any city under this act, for which reserves or guarantees have not been properly set up by such city or its employees to pay such retirement allowances or other benefits.

When retirement system not liable.

(e) Any city may, by majority vote of its electors, withdraw from participation in the retirement system two years after giving written notice to the board of such action by the electorate. It is hereby specifically provided, however, that the city's obligation to those members receiving or eligible to a retirement allowance prior to such termination of participation shall continue in full force and effect as provided in this act. Members not receiving or being eligible to a retirement allowance at time of such termination shall be paid their accumulated contributions on demand. Should it develop that any such city is entitled to a refund such refund shall be made within one year following demand of city entitled thereto.

Withdrawal of cities.

Members protected.

Reimbursement to members.

Refunds.

SEC. 10. *Creation of Retirement Fund.* (a) A fund is hereby created and established to be known as the "Statewide City Employees Retirement Fund," and shall consist of all monies paid into it in accordance with the provisions of this act, whether such monies shall take the form of cash, securities or other assets.

Retirement Fund created.

(b) The Board of Trustees shall be the custodian of the retirement fund and shall arrange for the safekeeping thereof. Subject to such provisions as may be prescribed by law for the deposit of city funds in banks, cash belonging to the retirement fund may be deposited in any licensed national bank

Board custodian of fund.

Depositories. or banks in the State of Washington, or in any bank, banks or corporations authorized or licensed to do a banking business and organized under the laws of the State of Washington; and may be withdrawn on order of the board for the purpose of making such payments as are authorized and required by this act.

Investment of retire-
ment fund. (c) The investment of all or any part of the retirement fund shall be subject to the terms, conditions and limitations and restrictions imposed by the laws of the State of Washington upon the making of investments by mutual savings banks.

Membership. SEC. 11. *Membership.* (a) Subject to paragraph (b) of this section, membership of this retirement system shall be composed of the following groups of employees in any participating city or cities:

Miscella-
neous
personnel. (1) Miscellaneous personnel as defined in this act.

Uniformed
personnel. (2) Uniformed personnel, as defined in this act, not eligible to benefits under any existing state pension law.

Elective
officials. (3) Elective officials, who shall have the right to membership in this retirement system upon filing written notice of such election with the Board of Trustees.

Retirement
system
employees. (4) Employees of the retirement system itself shall be entitled to membership and any costs in connection with such membership shall be a part of the cost of administration.

Groups
may be
excluded. (b) Any city may, when electing to participate in this retirement system in the manner set forth in section 5 hereof, include any one group or combination of the groups above mentioned but must include or exclude all employees in any group. Groups (3) and (4) shall be considered as being composed of miscellaneous personnel as far as benefits and obligations are concerned except when the contrary is clearly indicated.

(c) Subject to paragraph (b) of this section,

membership in this retirement system shall be compulsory for all employees in groups (1) and (2). Compulsory membership.

(d) Subject to paragraph (b) of this section, all employees in city service on the effective date shall become members on that date and all those entering city employment thereafter shall become members as of the date of their respective employments. Become members when.

(e) It shall be the duty of the proper persons in each city to immediately report to the board routine changes in the status of personnel and shall immediately furnish such other information regarding the employment of members as the board may from time to time require. Reports concerning members.

(f) Should any member withdraw more than one-quarter ($\frac{1}{4}$) of his accumulated contributions, or should he die or be retired, he shall thereupon cease to be a member. Withdrawal of members.

(g) Transfer of any employee from one city to another shall not cause the employee to lose membership in the system providing the city to which he transfers participates in the retirement system created herein. Transfer of employees.

SEC. 12. *Prior Service Credit.* (a) Subject to subsection (d) of this section the following members shall be entitled to prior service credit: Certain members entitled to prior service credit.

(1) Each member in service on the effective date.

(2) Each member entering after the effective date if such entry is within one year after rendering service prior to the effective date.

As soon as practicable, the board shall issue to each member entitled to prior service credit a certificate certifying the aggregate length of service rendered prior to the effective date. Such certificate shall be final and conclusive as to his prior service unless hereafter modified by the board, upon application of the member. Certificate issued.

(b) Each city joining the system shall have the

Calculating
pensions.

privilege of selecting the rate at which prior service pensions shall be calculated for its employees and may select any one of the three rates set forth below:

Rates.

(1) 1.33% of final compensation multiplied by the number of years of prior service credited to the member. This rate may be referred to as "full prior service credit."

(2) 1.00% of final compensation multiplied by the number of years of prior service credited to the member. This rate may be referred to as "three-fourths prior service credit."

(3) .667% of final compensation multiplied by the number of years of prior service credited to the member. This rate may be referred to as "one-half prior service credit."

Ages at
which rates
applicable.

(c) The above rates shall apply at the age of sixty-two (62) or over for members included in the miscellaneous personnel and at age sixty (60) or over for members in the uniformed personnel: *Provided*, That if a member shall retire before attaining either of the ages above referred to the total prior service pension shall be reduced by percentages computed actuarially, for Miscellaneous Personnel at ages 61-60; and for Uniform Personnel at ages 59-58-57-56-55.

Prior ser-
vice credit
for sick,
injured, and
veterans.

(d) If sickness, injury or service in the armed forces of the United States during the national emergency identified with the First World War and/or the Second World War, prevents any regular employee from being in service on the effective date, the board shall grant prior service credit to such person when he is again employed. The legislative authority in each participating city shall specify the amount of prior service to be granted or current service credit to be made available to such employees. Certificate of honorable discharge from and/or documentary evidence of such service shall be submitted to the board before any such credit may be

granted or made available. Prior and/or current service rates for such employees shall not exceed the rates established for fellow employees.

SEC. 13. *Contributions by Employees.* (a) The normal rates of contribution of members shall be based on sex and age at time of entry into the system, which age shall be the age at the birthday nearest the date of such entry.

Basis of normal rates of contribution.

(b) The normal rates of contribution for miscellaneous personnel shall be so fixed as to provide an annuity which, together with the pension provided by the city, shall produce as nearly as may be, a retirement allowance at the age of sixty-two (62) years, of $1\frac{1}{3}\%$ of the final compensation multiplied by the number of years of service of the retiring employee. The normal rate established for age sixty (60) shall be the rate for any member who has attained a greater age before entrance into the retirement system and the normal contribution established for age twenty-four (24) shall be the rate for any member who enters the system at an earlier age.

Normal rates for miscellaneous personnel.

(c) The normal rates of contribution for uniformed personnel shall be so fixed as to provide an annuity which, together with the pension provided by the city, shall produce as nearly as may be a retirement allowance at the age of sixty (60) years, of $1\frac{1}{3}\%$ of the final compensation multiplied by the number of years of service of the retiring employee. The normal rate established for age fifty-eight (58) shall be the rate for any member who has attained a greater age before entrance into the retirement system and the normal contribution established for age twenty-two (22) shall be the rate for any member who enters the system at an earlier age.

Normal rates for uniformed personnel.

(d) Subject to the provisions of this act, the board shall adopt rules and regulations governing the making of deductions from the compensation of

Board certifies rates of deductions.

Rates applied
to compensation
not over \$300.

employees and shall certify to the proper officials in each city the normal rate of contribution for each member provided for in paragraphs (b) and (c) of this section. The proper officials in each city shall apply such rate of contribution to so much of the compensation of a member as does not exceed three hundred dollars (\$300) per month, and shall certify to the board on each and every payroll the total amount to be contributed and shall furnish immediately to the board a copy of each and every payroll; and each of said amounts shall be forwarded immediately to the board and the board shall credit the deduction shown on such payroll to individual accounts of the members represented on such payrolls.

Members
deemed to
consent.

(e) Every member shall be deemed to consent and agree to the contribution made and provided for herein, and shall receipt in full for his salary or compensation. Payment less said contributions shall be a full and complete discharge of all claims and demands whatsoever for the service rendered by such person during the period covered by such payment, except his claim to the benefits to which he may be entitled under the provisions of this act.

Retirement.

SEC. 14. *Service Retirement.* Retirement of a member for service shall be made by the board as follows:

Compulsory
retirement
of miscellaneous
personnel.

(a) Each member included in the miscellaneous personnel in service on the effective date, who, on or before such effective date, has attained the age of sixty-five (65) years or over shall be compulsorily retired forthwith: *Provided*, That there shall be no compulsory retirements for a period of two years immediately following the effective date. Members included in the miscellaneous personnel attaining age sixty-five (65) after the effective date shall be retired on the first day of the calendar month next succeeding the month in which the member shall

Exceptions.

have attained sixty-five (65): *Provided*, That none of such members shall be subject to compulsory retirement until two years after the effective date: *Provided further*, That the legislative authority of the city shall have the privilege at all times of extending time for retirement to attainment by such member of age sixty-seven (67).

(b) Any member included in the miscellaneous personnel may retire by filing with the board a written application duly attested, setting forth on what date he desires to be retired, such application to be made at least thirty (30) days prior to date of retirement: *Provided, however*, That said member, at the time specified for his retirement, shall have twenty (20) years of creditable service, as defined in this act, and shall have attained the age of sixty (60) years: *Provided further*, That during the two years immediately following the effective date voluntary service retirement of such members under sixty-two (62) years of age shall not be granted.

Voluntary
retirement
of miscella-
neous per-
sonnel.

(c) Each member included in the uniformed personnel in service on the effective date who on or before such effective date has attained the age of sixty (60) years or over shall be compulsorily retired forthwith: *Provided*, That there shall be no compulsory service retirements for a period of two years immediately following the effective date. Members included in the uniformed personnel attaining age sixty (60) after the effective date shall be retired on the first day of the calendar month next succeeding the month in which the member shall have attained the age of sixty (60). None of such members shall be subject to compulsory retirement until two years after the effective date. The legislative authority shall have the privilege at all times of extending time for retirement to attainment by such member of age sixty-four (64).

Compulsory
retirement
of uniformed
personnel.

Exceptions.

Voluntary
retirement
of uniformed
personnel.

(d) Any member included in the uniformed personnel may retire by filing with the board a written application duly attested, setting forth on what date he desires to be retired, such application to be made at least thirty (30) days prior to date of retirement: *Provided*, That said members, at the time specified for retirement, shall have twenty-five (25) years of creditable service and shall have attained the age of fifty-five (55) years: *Provided*, That during the two years immediately following the effective date voluntary service retirement of such members under age sixty (60) shall not be granted.

Retirement
allowance.

SEC. 15. *Allowance on Service Retirement.* (a) A member, upon retirement for service, shall receive a retirement allowance subject to the provisions of paragraph (b) of this section, which shall consist of:

Annuity.

(1) An annuity which shall be the actuarial equivalent of his accumulated normal contributions at the time of his retirement; and

Pension.

(2) A pension provided by the contributions of the city, equal to the annuity purchased by the accumulated normal contributions of the member.

Prior
service
pension.

(3) For any member having credit for prior service an additional pension, provided by the contributions of the city, as set forth in section 12 hereof at the rate selected by the city employing the member.

Forty
dollars
per month
minimum.

(4) Any member who has ten (10) or more years of creditable service and who is retired by reason of attaining the age of sixty-five (65) or over if included in the miscellaneous personnel or the age of sixty-two (62) or over if included in the uniformed personnel, and whose retirement allowance is calculated to be less than forty dollars (\$40) per month, shall receive such additional pension, provided by the contributions of the city, as will

make his total retirement allowance equal to forty dollars (\$40) per month.

(b) If the retirement allowance of the member as provided in this section, is in excess of one-half ($\frac{1}{2}$) of his final compensation, the pension of the member, purchased by the contributions of the city, shall be reduced to such an amount as shall make the members retirement allowance equal to one-half ($\frac{1}{2}$) of his final compensation.

Maximum of one-half final compensation.

SEC. 16. *Disability Retirement.* Any member who has at least five (5) years of creditable service within the fifteen (15) years immediately preceding retirement, and has not attained age sixty-five (65) may be retired by the board for permanent and total disability, either ordinary or accidental, upon examination as follows:

Disability retirement.

Any member while in service, or while physically or mentally incapacitated for the performance of duty, if such incapacity has been continuous from discontinuance of city service, shall be examined by such medical authority as the board shall employ, upon the application of the head of the office or department in which the member is employed with approval of the legislative body, or upon application of said member, or a person acting in his behalf, stating that said member is permanently and totally incapacitated, either physically or mentally, for the performance of duty and ought to be retired. If examination shows, to the satisfaction of the board, that the member should be retired, he shall be retired forthwith: *Provided*, The board shall retire the said member for disability forthwith: *Provided*, That the disability retirement allowance shall be effective on the first of the month following that in which the member last received salary or wages in city service.

Medical examination.

Retired immediately.

The board shall secure such medical services and advice as it may deem necessary to carry out the purpose of this section and section 18 of this act.

Board to secure medical services.

When disability allowance not payable.

The provisions of this section shall not be applicable to employees pensioned for total and permanent disability, as defined in and pursuant to state or federal law, except as to the amount of retirement allowance provided for herein may exceed the pension provided by state or federal law; nor shall the provisions of this section in so far as it provides for permanent and total disability from accident in course of employment apply to any member who is within and entitled to the benefits of the State Workmen's Compensation Act and Medical Aid Act.

Allowance on disability retirement.

SEC. 17. *Allowance on Disability Retirement.*

(a) On retirement for permanent and total disability a member shall receive a retirement allowance which shall consist of:

Annuity.

(1) An annuity which shall be the actuarial equivalent of his accumulated normal contributions; and

Pension.

(2) A pension provided by the contributions of the city which, together with his annuity provided by his accumulated normal contributions, shall make the retirement allowance equal to one and one-fourth per centum ($1\frac{1}{4}\%$) of his final compensation multiplied by the number of years of service credited to him, if such retirement allowance exceeds forty dollars (\$40) per month; otherwise he shall receive a retirement allowance of forty dollars (\$40) per month.

\$60 minimum if disability incurred in line of duty.

(3) If it appears to the satisfaction of the board that disability was incurred in line of duty and the retirement allowance to be provided under subsection (1) and (2) of this section is less than sixty dollars (\$60) per month, then there shall be provided by contributions of the city such additional pension as shall make the retirement allowance equal to sixty dollars (\$60) per month.

(4) No disability retirement allowance shall exceed fifty per cent (50%) of final compensation, anything herein to the contrary notwithstanding.

Maximum of one-half final compensation.

(5) Upon the death of a member while in receipt of a disability retirement allowance, his accumulated contributions, as they were at the date of his retirement, less any annuity payments made to him, shall be paid to his estate, or to such persons having an insurable interest in his life as he shall have nominated by written designation duly executed and filed with the board.

Payment upon death.

(6) If disability is due to intemperance, willful misconduct or violation of law, on the part of the member, the board, in its discretion, may pay to said member, in one lump sum his accumulated contribution, in lieu of a retirement allowance, and such payment shall constitute full satisfaction of all obligations of the city to such member.

Payment if disability due to bad conduct.

SEC. 18. *Safeguards of Disability Retirement.*

(a) The board may, at its pleasure, require any disability beneficiary under age sixty-two (62) in the miscellaneous personnel and under age sixty (60) in the uniformed personnel to undergo medical examination by medical authority designated by the board. Upon the basis of such examination the board shall determine whether such disability beneficiary is still totally and permanently incapacitated, either physically or mentally, for service in the office or department of the city where he was employed or in any other position in that city, the duties of which he might reasonably be expected to carry out.

Subsequent medical examination may be required.

(b) If the board shall determine that said beneficiary is not so incapacitated his retirement allowance shall be cancelled and he shall be reinstated forthwith in city service. If the city is unable to find employment for a disability beneficiary found to be no longer totally and permanently disabled,

May be reinstated in service.

the board shall continue the disability retirement allowance of the beneficiary until such time as employment is available, except as provided in paragraph (d) of this section.

May again
become
member.

(c) Should a disability beneficiary re-enter city service and be eligible for membership in the retirement system, his retirement allowance shall be cancelled and he shall immediately become a member of the retirement system, his rate of contribution for future years being that established for his age at the time of such re-entry. His individual account shall be credited with his accumulated contributions less the annuity payments made to him. An amount equal to the accumulated normal contributions so credited to him shall again be held for the benefit of said member and shall no longer be included in the amounts available to meet the obligations of the city on account of benefits that have been granted. Such member shall receive credit for prior service in the same manner as if he had never been retired for disability.

Amounts
credited to
account.

Refusal to
take medical
examination.

(d) Should any disability beneficiary under age sixty-two (62) in the miscellaneous personnel or under age sixty (60) in the uniformed personnel, refuse to submit to medical examination, his retirement allowance may be discontinued until his withdrawal of such refusal, and should refusal continue for one year, his retirement allowance may be cancelled. Should said disability beneficiary, prior to attaining age sixty-two (62) or age sixty (60), as the case may be, engaged in a gainful occupation the board shall reduce the amount of his retirement allowance to an amount, which when added to the compensation earned by him in such occupation, shall not exceed the amount of the final compensation on the basis of which his retirement allowance was determined. Should the earning capacity of such beneficiary be further altered, the board may further alter his retirement allowance as indicated

Deduction if
gainfully
employed.

above. When said disability beneficiary reaches age sixty-two (62), if included in the miscellaneous personnel, or age sixty (60), in the uniformed personnel, his retirement allowance shall be made equal to the amount upon which he was originally retired, and shall not again be modified for any cause except as provided in section 25 hereof.

Payment
at retire-
ment age.

(e) Should the retirement allowance of any disability beneficiary be cancelled for any cause other than re-entrance into city service, he shall be paid his accumulated contributions, less annuity payments made to him.

Payment
when
allowance
cancelled.

SEC. 19. *Withdrawal: Return to Service: Death in Service.* (a) Should service of a member be discontinued, except by death, he shall be paid six (6) months after the day of discontinuance such part of his accumulated contributions as he shall demand: *Provided*, That the board may in its discretion, grant the privilege of withdrawal at any time following such discontinuance. The board may establish rules and regulations to govern withdrawal and/or redeposit of contributions.

Contribution
repayable
after
withdrawal.

(b) Should a former member return to service in the same city in which he was employed he may restore to the fund in such manner as may be agreed upon by such person and the board, his withdrawn contributions as they were at the time of his separation from service and upon completion of such redeposit all his reights [rights] and privileges existing at the time of discontinuance of service shall be restored and his obligations as a member shall begin again. The rate of contribution of such returning member shall be the same as it was at the time he separated from service.

Member
re-employed
may restore
contribu-
tions.

(c) Upon the death of any person who has not been retired, pursuant to the provisions of this act, there shall be paid to his estate, or to such persons having an insurable interest in his life as herein-

Payment
upon death
before
retirement.

before defined, as he shall have nominated by written designation duly executed and filed with the board, his accumulated contributions less any payments therefrom already made to him. Such payment may be made in one lump sum or may be paid in installments over a period of not to exceed five (5) years, as may be designated by the member or his beneficiary, with such rate of interest as may be determined by the board.

Former
member
re-employed
by another
city.

(d) If a former member shall, within one (1) year from date of discontinuance of service, be employed by another city participating in this retirement system he shall have the privilege of redepositing and the matching contributions deposited by the city or cities in which he was formerly employed shall again be held for the benefit of such member. If such redepositing member possessed a prior service certificate the city employing him at time of retirement shall accept the liability evidenced by such certificate. Reinstatement of a prior service certificate shall be effective only upon a showing that normal contributions are on deposit in the retirement fund, to the credit of the member, covering all current service.

Releasing
matching
contributions
when
member
withdraws.

SEC. 20. *Released Matching Contributions.* Whenever a member withdraws his accumulated normal contributions the matching contributions of the city so released shall be transferred to a reserve account created for the purpose of showing the amount of credits due each city through such operation. Such credits may be used by the city to apply on any charges made against the city but only so much thereof as will insure leaving in such account an amount estimated to be sufficient to again match contributions redeposited by employees returning to service as contemplated in section 19 herein. The board may credit such reserve accounts with interest at such rate as the board deems equitable.

SEC. 21. *Death-in-Line-of-Duty Benefit.* Upon the death of any member who dies from injuries or disease arising out of or incurred in the performance of his duty or duties, of which the Board of Trustees shall be the judge, if death occurs within one (1) year from date of discontinuance of city service caused by such injury, there shall be paid to his estate or to such person or persons having an insurable interest in his life, as hereinbefore defined, as he shall have nominated by written designation duly executed and filed with the board, the sum of one thousand dollars (\$1,000), purchased by the contributions of the cities participating in the retirement system. Cost of this benefit shall be determined by actuarial calculation and prorated equitably to each city. This benefit shall be exclusive of any other benefits due the member under this act. The provisions of this section in so far as it provides benefits from death in the performance of duty shall not apply in the case of any member who is within and entitled to the benefits of the State Workmen's Compensation Act and Medical Aid Act.

Death-in-line-of-duty benefit.

Sum of \$1,000.

Cost prorated among cities.

Exclusive of other benefits.

When not payable.

SEC. 22. *Optional Allowance on Retirement.* A member may elect to receive in lieu of the retirement allowance provided for in section 15, its actuarial equivalent in the form of a lesser retirement allowance, payable in accordance with the terms and conditions of one of the options set forth below in this section. Election of any option must be made by written application filed with the board at least thirty (30) days in advance of retirement and shall not be effective unless approved by the board prior to retirement of the member.

Optional retirement allowance.

Election.

Option A. The lesser retirement allowance shall be payable to the member throughout his life: *Provided*, That if he die before he receives in annuity payments referred to in paragraph (1) of subdivision (2) of section 15 a total amount equal to the amount

Payment for life of member.

of his accumulated contributions as it was at date of his retirement, the balance of such accumulated contributions shall be paid in one sum to his estate or to such person having an insurable interest in his life as he shall nominate by written designation duly executed and filed with the board.

Payment
for life of
member and
half payment
to spouse
after mem-
ber's death.

Option B. The lesser retirement allowance shall be payable to the member throughout life, and after death of the member, one-half of the lesser retirement allowance shall be continued throughout the life of and paid to the wife or husband of this member.

Payment
for life of
member and
spouse.

Option C. The lesser retirement allowance shall be payable to the member throughout life, and after death of the member it shall be continued throughout the life of and paid to the wife or husband of the member.

Other bene-
fits may be
granted.

A member may apply for some other benefit or benefits and the board may grant such application provided such other benefit or benefits, together with the reduced retirement allowance, shall be certified by the actuary to be of equivalent value to his retirement allowance.

Monthly
payments.

SEC. 23. *Monthly Payments.* A pension, annuity, or a retirement allowance granted under the provisions of this act, unless otherwise specified herein, shall be payable in monthly installments, and each installment shall cover for the current calendar month.

Payments
not subject
to execution.

SEC. 24. The right of a person to a pension, annuity or a retirement allowance, to the return of contribution, the pension, annuity or retirement allowance itself, any optional benefit, any other right accrued or accruing to any person under the provisions of this act, and the monies in the fund created under this act shall not be subject to execution, garnishment, or any other process whatsoever.

SEC. 25. *Suspension of Retirement Allowance.*

The payment of any retirement allowance to a member who has been retired from service shall be suspended during the time that the beneficiary is in receipt of compensation for service to the State of Washington, any municipal corporation, or other public service thereof paid from direct or indirect, state or municipal taxes or revenues, or revenues of publicly owned utilities, except as to the amount by which such retirement allowance may exceed such compensation for the same period. It is the intent of this section to prevent any retired person from being able to receive both his retirement allowance and compensation for service to public institutions in the State of Washington: *Provided, however,* That nothing in this section shall prevent county or state welfare departments from furnishing to any retired employee under the terms of this act the hospital, medical, dental and other benefits granted to pensioners under the provisions of section 15 of chapter 1, Laws of 1941, as amended by chapter 159, Laws of 1943, or any amendments thereof.

Allowance
suspended
when retired
member
in public
employment.

May receive
certain aid
from welfare
departments.

SEC. 26. *Constitutionality.* If any provision of this act, or the application thereof to any person or circumstance, is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the provision or application so held invalid, and for such purposes the provisions of this act are declared to be severable.

Severability
clause.

Passed the Senate March 1, 1947.

Passed the House February 27, 1947.

Approved by the Governor March 5, 1947.