

NEW SECTION. Sec. 10. Sections 1 through 9 of this act shall constitute a new chapter in Title 36 RCW.

Passed the Senate February 15, 1972.

Passed the House February 12, 1972.

Approved by the Governor February 25, 1972.

Filed in Office of Secretary of State February 28, 1972.

CHAPTER 151

[Engrossed Substitute Senate Bill No. 438]

WASHINGTON PUBLIC EMPLOYEES' RETIREMENT SYSTEM

AN ACT Relating to public employment; amending section 1, chapter 274, Laws of 1947 as last amended by section 2, chapter 271, Laws of 1971 ex. sess. and RCW 41.40.010; amending section 11, chapter 274, Laws of 1947 as last amended by section 2, chapter 127, Laws of 1967 and RCW 41.40.100; amending section 18, chapter 274, Laws of 1947 as last amended by section 7, chapter 128, Laws of 1969 and RCW 41.40.170; amending section 19, chapter 274, Laws of 1947 as last amended by section 7, chapter 271, Laws of 1971 ex. sess. and RCW 41.40.180; amending section 20, chapter 274, Laws of 1947 as last amended by section 5, chapter 271, Laws of 1971 ex. sess. and RCW 41.40.190; amending section 22, chapter 274, Laws of 1947 and RCW 41.40.210; amending section 23, chapter 274, Laws of 1947 as last amended by section 8, chapter 271, Laws of 1971 ex. sess. and RCW 41.40.220; amending section 26, chapter 274, Laws of 1947 as last amended by section 10, chapter 128, Laws of 1969 and RCW 41.40.250; amending section 28, chapter 274, Laws of 1947 as last amended by section 11, chapter 128, Laws of 1969 and RCW 41.40.270; amending section 34, chapter 274, Laws of 1947 as last amended by section 10, chapter 271, Laws of 1971 ex. sess. and RCW 41.40.330; amending section 4, chapter 231, Laws of 1957 as last amended by section 11, chapter 271, Laws of 1971 ex. sess. and RCW 41.40.361; repealing section 25, chapter 274, Laws of 1947 and RCW 41.40.240; adding new sections to chapter 41.40 RCW; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section 1, chapter 274, Laws of 1947 as last amended by section 2, chapter 271, Laws of 1971 ex. sess. and RCW 41.40.010 are each amended to read as follows:

As used in this chapter, unless a different meaning is plainly required by the context:

(1) "Retirement system" means the state employees' retirement system provided for in this chapter.

(2) "Retirement board" means the board provided for in this chapter to administer said retirement system.

(3) "State treasurer" means the treasurer of the state of Washington.

(4) "Employer" means every branch, department, agency, commission, board, and office of the state and any political subdivision or association of political subdivisions of the state admitted into the retirement system; and the term shall also include any labor guild, association, or organization the membership of a local lodge or division of which is comprised of at least forty percent employees of an employer (other than such labor guild, association, or organization) within this chapter. The term may also include any city of the first class that has its own retirement system.

(5) "Member" means any employee included in the membership of the retirement system, as provided for in RCW 41.40.120.

(6) "Original member" of this retirement system means:

(a) Any person who became a member of the system prior to April 1, 1949;

(b) Any person who becomes a member through the admission of an employer into the retirement system on and after April 1, 1949, and prior to April 1, 1951;

(c) Any person who first becomes a member by securing employment with an employer prior to April 1, 1951, provided he has rendered at least one or more years of service to any employer prior to October 1, 1947;

(d) Any person who first becomes a member through the admission of an employer into the retirement system on or after April 1, 1951, provided, such person has been in the regular employ of the employer for at least six months of the twelve-month period preceding the said admission date;

(e) Any member who has restored all his contributions that may have been withdrawn by him as provided by RCW 41.40.150 and who on the effective date of his retirement becomes entitled to be credited with ten years or more of membership service except that the provisions relating to the minimum amount of retirement allowance for the member upon retirement at age seventy as found in RCW 41.40.190 (4) shall not apply to the member;

(f) Any member who has been a contributor under the system for two or more years and who has restored all his contributions that may have been withdrawn by him as provided by RCW 41.40.150 and who on the effective date of his retirement has rendered five or more years of service for the state or any political subdivision prior to the

time of the admission of the employer into the system; except that the provisions relating to the minimum amount of retirement allowance for the member upon retirement at age seventy as found in RCW 41.40.190(4) shall not apply to the member.

(7) "New member" means a person who becomes a member on or after April 1, 1949, except as otherwise provided in this section.

(8) "Compensation earnable" means salaries or wages earned during a payroll period for personal services and where the compensation is not all paid in money maintenance compensation shall be included upon the basis of the schedules established by the member's employer.

(9) "Service" means periods of employment rendered to any employer for which compensation is paid, and includes time spent in office as an elected or appointed official of an employer. Full time work for ten days or more or an equivalent period of work in any given calendar month shall constitute one month of service. Only months of service shall be counted in the computation of any retirement allowance or other benefit provided for in this chapter. Years of service shall be determined by dividing the total number of months of service by twelve. Any fraction of a year of service as so determined shall be taken into account in the computation of such retirement allowance or benefits. Service by a state employee officially assigned by the state on a temporary basis to assist another public agency, shall be considered as service as a state employee: PROVIDED, That service to any other public agency shall not be considered service as a state employee if such service has been used to establish benefits in any other public retirement system.

(10) "Prior service" means all service of an original member rendered to any employer prior to October 1, 1947.

(11) "Membership service" means:

(a) In the case of any person who first becomes a member through the admission of an employer into the retirement system on and after April 1, 1949, all service rendered after October 1, 1947, including all service after October 1, 1947, to any municipal corporation of the state of Washington prior to the time of its admission into the retirement system: PROVIDED, That an amount equal to the employer contributions which would have been paid to the retirement system on account of such service by an employer admitted to the retirement system, shall have been paid to the retirement system prior to retirement of such person, by the employee or his employer, except as qualified by RCW 41.40.120;

(b) In the case of all other members, all service as a member, and any additional service to the employer if the employer has paid the employer contributions for such service;

(c) Service not to exceed six consecutive months of probationary service rendered after April 1, 1949, and prior to becoming a member, in the case of any member, upon payment in full by such member, prior to July 1, 1972 of the total amount of the employer's contribution to the retirement fund which would have been required under the law in effect when such probationary service was rendered if the member had been a member during such period.

(d) Service not to exceed six consecutive months of probationary service, rendered after October 1, 1947, and before April 1, 1949, and prior to becoming a member, in the case of any member, upon payment in full by such member prior to July 1, 1972, of five percent of such member's salary during said period of probationary service.

(12) "Beneficiary" means any person in receipt of a retirement allowance, pension or other benefit provided by this chapter.

(13) "Regular interest" means such rate as the retirement board may determine.

(14) "Accumulated contributions" means the sum of all contributions ((for the purchase of annuities)) standing to the credit of a member in his individual account together with the regular interest thereon.

(15) "Average final compensation" means the annual average of the greatest compensation earnable by a member during any consecutive two year period of service for which service credit is allowed; or if he has less than two years of service then the annual average compensation earnable during his total years of service for which service credit is allowed.

(16) "Final compensation" means the annual rate of compensation earnable by a member at the time of termination of his employment.

(17) "Annuity" means payments for life derived from accumulated contributions of a member. All annuities shall be paid in monthly installments.

(18) "Pension" means payments for life derived from contributions made by the employer. All pensions shall be paid in monthly installments.

(19) "Retirement allowance" means the sum of the annuity and the pension.

(20) "Employee" means any person who may become eligible for membership under this chapter, as set forth in RCW 41.40.120.

(21) ("Contributions for the purchase of annuities" means amounts deducted from the compensation of a member, under the provisions for RCW 41.40.336; other than contributions to the retirement system expense fund

(22)) "Actuarial equivalent" means a benefit of equal value

when computed upon the basis of such mortality and other tables as may be adopted by the retirement board.

((123)) 122 "Retirement" means withdrawal from active service with a retirement allowance as provided by this chapter.

((124)) 123 "Eligible position" means:

(a) Any position which normally requires five or more uninterrupted months of service a year for which regular compensation is paid to the occupant thereof;

(b) Any position occupied by an elected official or person appointed directly by the governor for which compensation is paid.

((125)) 124 "Ineligible position" means any position which does not conform with the requirements set forth in subdivision ((124)) 123.

((126)) 125 "Leave of absence" means the period of time a member is authorized by the employer to be absent from service without being separated from membership.

((127)) 126 "Totally incapacitated for duty" means total inability to perform the duties of a member's employment or office or any other work for which the member is qualified by training or experience.

Sec. 2. Section 11, chapter 274, Laws of 1947 as last amended by section 2, chapter 127, Laws of 1967 and RCW 41.40.100 are each amended to read as follows:

For the purpose of the internal accounting record of the retirement board and not the segregation of moneys on deposit with the state treasurer there are hereby created the employees' savings fund, the benefit account fund, the income fund and such other funds as may from time to time be required.

(1) The employees' savings fund shall be the fund in which shall be accumulated the contributions from the compensation of members for the purchase of annuities. The retirement board shall provide for the maintenance of an individual account with each member of the retirement system showing the amount of the member's contributions together with interest accumulations thereon. The contributions of a member returned to him upon his withdrawal from service, or paid in event of his death, as provided in this chapter, shall be paid from the employees' savings fund. Any accumulated contributions forfeited by failure of a member, or his estate, to claim the same as provided for in this chapter shall be transferred from the employees' savings fund to the income fund. The accumulated contributions of a member, upon the commencement of his ((annuity payments)) retirement, shall be transferred from the employees' savings fund to the benefit account fund.

(2) The benefit account fund shall be the fund in which shall be accumulated the reserves for the payment of all ((pensions and in

which shall be held the reserves for annuity payments)) retirement allowances and death benefits, if any, in respect of any beneficiary ((receiving annuity payments)). The amounts contributed by the employer to provide pension benefits shall be credited to the benefit account fund. The benefit account fund shall be the fund from which shall be paid all ((pensions, and all annuities)) retirement allowances, or benefits in lieu thereof because of which reserves have been transferred from the employees' savings fund to the benefit account fund. At the time a recipient of a retirement allowance again becomes a member there shall be transferred from the benefit account fund to the employees' savings fund and credited to the individual account of such a member a sum that shall be equal to the ((then present value)) excess, if any, of ((the annuity portion of his retirement allowance, computed upon the interest and mortality basis then in use by the retirement system for the computation of annuities)) his individual account at the date of his retirement over any service retirement allowance received since that date.

(3) An income fund is hereby created for the purpose of crediting regular interest on the amounts in the various other funds with the exception of the retirement system expense fund, and to provide a contingent fund out of which special requirements of any of the other funds may be covered. Transfers for such special requirements shall be made only when the amount in the income fund exceeds the ordinary requirements of such fund as evidenced by a resolution of the retirement board recorded in its minutes. The retirement board shall quarterly allow regular interest to each of the funds enumerated in subdivisions (1) and (2) of this section, and the amount so allowed shall be due and payable to said funds and shall be quarterly credited on the previous quarterly balance by the retirement board and paid from the income fund.

All accumulated contributions standing to the account of a terminated member and unclaimed after the expiration of fifteen years from the date of such termination except as provided in RCW 41.40.150(3) and 41.40.170, shall thereafter become an integral part of the income fund. All income, interest, and dividends derived from the deposits and investments authorized by this chapter shall be paid into the income fund with the exception of interest derived from sums deposited in the retirement system expense fund. The retirement board is hereby authorized to accept gifts and bequests. Any funds that may come into the possession of the retirement system in such manner, or any funds which may be transferred from the employees' savings fund by reason of lack of claimant, or because of a surplus in any fund created by this chapter, or any other moneys the disposition of which is not otherwise provided for herein, shall be credited to the income fund.

Sec. 3. Section 18, chapter 274, Laws of 1947 as last amended by section 7, chapter 128, Laws of 1969 and RCW 41.40.170 are each amended to read as follows:

(1) A member ((of the retirement system)) who has served or shall serve on active federal service in the military or naval forces of the United States and who left or shall leave an employer to enter such service shall be deemed to be on military leave of absence if he has resumed or shall resume employment as an employee within one year from termination thereof((, or if he has applied or shall apply for reinstatement of employment and is refused employment for reasons beyond his control within one year from termination of the military service shall upon resumption of service within ten years from termination of military service or shall in all events after completing twenty-five years of creditable service have his service in such armed forces credited to him as a member of the retirement system: PROVIDED, That no such military service in excess of five years shall be credited: AND PROVIDED FURTHER, That he restore all withdrawn accumulated contributions, which restoration must be completed within five years of membership service following his first resumption of employment)).

(2) If he has applied or shall apply for reinstatement of employment, within one year from termination of the military service, and is refused employment for reasons beyond his control, he shall, upon resumption of service within ten years have such service credited to him.

(3) In any event, after completing twenty-five years of creditable service, any member may have his service in the armed forces credited to him as a member whether or not he left the employ of an employer to enter such armed service: PROVIDED, That in no instance, described in subsection (1), (2) and (3) of this section, shall military service in excess of five years be credited: AND PROVIDED FURTHER, That in each instance the member must restore all withdrawn accumulated contributions, which restoration must be completed within five years of membership service following his first resumption of employment: AND PROVIDED FURTHER, That this section will not apply to any individual, not a veteran within the meaning of RCW 41.06.150, as now or hereafter amended: AND PROVIDED FURTHER, That in no instance, described in subsection (1), (2) and (3) of this section, shall military service be credited to any member who is receiving full military retirement benefits pursuant to 10 USC 3911 or 3914, as now or hereafter amended.

Sec. 4. Section 19, chapter 274, Laws of 1947 as last amended by section 7, chapter 271, Laws of 1971 ex. sess. and RCW 41.40.180 are each amended to read as follows:

(1) On and after April 1, 1949, any member with five years of

creditable service who has attained age sixty ((or over)) and any original member who has attained age sixty may retire upon his written application to the retirement board, setting forth at what time, not less than thirty days, nor more than ninety days subsequent to the execution and filing thereof, he desires to be retired: PROVIDED, That in the national interest, during time of war engaged in by the United States, the retirement board may extend beyond age sixty, subject to the provisions of subsection (2) of this section, the age at which any member may be eligible to retire.

(2) On and after April 1, 1949, any member who has attained age seventy shall be retired forthwith on the first day of the calendar month next succeeding that in which the said member shall have attained the age of seventy: PROVIDED, That a member who has attained the age of seventy is possessed of special skill in the performance of particular duties, the retirement board shall continue such member in service for such period or periods as may be applied for by the governing body of the political subdivision where the member is employed or the head of the department, agency, commission, board and offices of the state: PROVIDED FURTHER, That any member holding elective office, having a fixed term to which he has been elected; who has attained age seventy may, at any time thereafter while still in office, apply for and receive a retirement allowance under RCW 41.40.190 and RCW 41.40.290, if otherwise eligible therefor, while continuing to serve as an elective official but such person shall no longer be a member of the retirement system after his retirement as provided for in this subsection.

(3) On and after April 1, 1953, any member who has completed thirty years of service may retire on his written application to the retirement board setting forth at what time, not less than thirty days, nor more than ninety days subsequent to the execution and filing thereof, he desires to be retired, subject to war measures.

(4) On and after May 21, 1971 any member who has completed twenty-five years of service and attained age fifty-five may retire on his written application to the retirement board setting forth at which time, not less than thirty days, nor more than ninety days subsequent to the execution and filing thereof, he desires to be retired, subject to war measures.

(5) The retirement board is authorized to waive advance notice of retirement upon good cause shown.

NEW SECTION. Sec. 5. There is added to chapter 41.40 RCW a new section designated RCW 41.40.185 to read as follows:

Upon retirement from service, as provided for in RCW 41.40.180 or 41.40.210, a member shall be eligible for a service retirement allowance computed on the basis of the law in effect at the time of retirement, together with such post-retirement pension increases as

may from time to time be expressly authorized by the legislature. The service retirement allowance payable to members retiring on and after the effective date of this 1972 amendatory act shall consist of:

(1) An annuity which shall be the actuarial equivalent of his additional contributions made pursuant to RCW 41.40.330(2).

(2) A membership service pension, subject to the provisions of subsection (4) of this section, which shall be equal to two percent of his average final compensation for each year or fraction of a year of membership service.

(3) A prior service pension which shall be equal to one-seventieth of his average final compensation for each year or fraction of a year of prior service not to exceed thirty years credited to his service accounts. In no event, except as provided in this 1972 amendatory act, shall any member receive a retirement allowance pursuant to subsections (2) or (3) of this section of more than sixty percent of his average final compensation: PROVIDED, That no member shall receive a pension under this section of less than nine hundred dollars per annum if such member has twelve or more years of service credit, or less than one thousand and two hundred dollars per annum if such member has sixteen or more years of service credit, or less than one thousand five hundred and sixty dollars per annum if such member has twenty or more years of service credit.

(4) Upon making application for a service retirement allowance under RCW 41.40.180, a member who is eligible therefor shall make an election as to the manner in which such service retirement shall be paid from among the following designated options, calculated so as to be actuarially equivalent to each other:

(a) Standard Allowance. A member selecting this option shall receive a retirement allowance, which shall be computed as provided in subsections (1), (2) and (3) of this section. The retirement allowance shall be payable throughout his life. However, if he dies before the total of the retirement allowance paid to him equals the amount of his accumulated contributions at the time of retirement, then the balance shall be paid to such person or persons having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the retirement board, or if there be no such designated person or persons, still living at the time of his death, then to his surviving spouse, or if there be neither such designated person or persons still living at the time of his death nor a surviving spouse, then to his legal representative.

(b) Option II. A member who selects this option shall receive a reduced retirement allowance which upon his death shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written

designation duly executed and filed with the retirement board at the time of his retirement.

(c) Option III. A member who selects this option shall receive a reduced retirement allowance and upon his death, one-half of his reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the retirement board at the time of his retirement.

Sec. 6. Section 20, chapter 274, Laws of 1947 as last amended by section 5, chapter 271, Laws of 1971 ex. sess. and RCW 41.40.190 are each amended to read as follows:

((Upon retirement from service, as provided for in RCW 41.40.186, a member shall be eligible for a service retirement allowance computed on the basis of the law in effect at the time of retirement, together with such post-retirement pension increases as may from time to time be expressly authorized by the legislature. The service retirement allowance payable to members retiring on and after May 24, 1974)) In lieu of the retirement allowance provided in RCW 41.40.185, an individual who was a member, on the effective date of this 1972 amendatory act, may after complying with RCW 41.40.180 or 41.40.210 make an irrevocable election to receive the retirement allowance provided by this section which shall consist of:

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

(2) A basic service pension of one hundred dollars per annum; and

(3) A membership service pension, subject to the provisions of subdivision (4) of this section, which shall be equal to one one-hundredth of his average final compensation for each year or fraction of a year of membership service credited to his service account; and

(4) A prior service pension which shall be equal to one-seventieth of his average final compensation for each year or fraction of a year of prior service not to exceed thirty years credited to his service accounts. In no event shall any original member upon retirement at age seventy with ten or more years of service credit receive less than nine hundred dollars per annum as a retirement allowance, nor shall any member upon retirement at any age receive a retirement allowance of less than nine hundred dollars per annum if such member has twelve or more years of service credit, or less than one thousand and two hundred dollars per annum if such member has sixteen or more years of service credit, or less than one thousand five hundred and sixty dollars per annum if such member has twenty or more years of service credit. In the event that the retirement allowance as to such member provided by subdivisions (1),

(2), (3), and (4) hereof shall amount to less than the aforesaid minimum retirement allowance, the basic service pension of the member shall be increased from one hundred dollars to a sum sufficient to make a retirement allowance of the applicable minimum amount (PROVIDED, That in order to be eligible to receive the annuity portion derived from the member's accumulated contributions under subdivision (4) and the pension portions provided by the employer under subdivisions (2) and (3) of this section, a new member must have at least five years of membership service credited to his service account, unless he becomes eligible for benefits provided for herein under RCW 41.46.200, 41.46.210 and 41.46.220).

(5) Notwithstanding the provisions of subsections (1) through (4) of this section, the retirement allowance payable for service where a member was elected or appointed pursuant to Articles II or III of the Constitution of the state of Washington or RCW 48.02.010 and the implementing statutes shall be a combined pension and annuity. Said retirement allowance shall be equal to three percent of the average final compensation for each year of such service. Any member covered by this subsection who upon retirement has served ten or more years shall receive a retirement allowance of at least one thousand two hundred dollars per annum; such member who has served fifteen or more years shall receive a retirement allowance of at least one thousand eight hundred dollars per annum; and such member who has served twenty or more years shall receive a retirement allowance of at least two thousand four hundred dollars per annum: PROVIDED, That the initial retirement allowance of a member retiring only under the provisions of this subsection shall not exceed the average final compensation upon which the retirement allowance is based. The minimum benefits provided in this subsection shall apply to all retired members or to the surviving spouse of deceased members who were elected under the provisions of Article II of the Washington state Constitution.

(6) Upon making application for a service retirement allowance under RCW 41.40.180, a member who is eligible therefor shall make an election as to the manner in which such service retirement shall be paid from among the following designated options, calculated so as to be actuarially equivalent to each other:

Option 1A. A member electing this option shall receive a retirement allowance payable throughout his life only with termination at death, which shall be computed as provided for in subsections (1) through (4) or (5) of this section.

Option I. If he dies before the total of the annuity portions of the retirement allowance paid to him equals the amount of his accumulated contributions at the time of retirement, then the balance shall be paid to such person or persons having an insurable interest

in his life, as he shall have nominated by written designation duly executed and filed with the retirement board, or if there be no such designated person or persons, still living at the time of his death, then to his surviving spouse, or if there be neither such designated person or persons still living at the time of his death nor a surviving spouse, then to his legal representative; or

Option II. Upon his death his reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the retirement board at the time of his retirement. Unless payment shall be made under RCW 41.40.270, option II shall automatically be given effect as if selected for the benefit of the surviving spouse upon the death in service, or while on authorized leave of absence for a period not to exceed one hundred and twenty days from the date of payroll separation, of any member who is qualified for a service retirement allowance or has completed ten years of service at the time of death, except that if the member is not then qualified for a service retirement allowance, such option II benefit shall be based upon the actuarial equivalent of the sum necessary to pay the accrued regular retirement allowance commencing when the deceased member would have first qualified for a service retirement allowance; or

Option III. Upon his death, one-half of his reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the retirement board at the time of his retirement.

((~~{7}~~ Retirement allowances paid to members eligible to retire under the provisions of RCW ~~41.40.180~~ ~~{2}~~, ~~41.40.200~~, ~~41.40.210~~, ~~41.40.220~~, ~~41.40.230~~, ~~41.40.240~~ and ~~41.40.250~~ shall accrue from the first day of the calendar month immediately following the calendar month during which the member is separated from service. Retirement allowances paid to members eligible to retire under any other provisions of this chapter shall accrue from the first day of a calendar month but in no event earlier than the first day of the calendar month immediately following the calendar month during which the member is separated from service.))

NEW SECTION. Sec. 7. There is added to chapter 41.40 RCW a new section to read as follows:

Retirement allowances paid to members eligible to retire under the provisions of RCW 41.40.180, 41.40.200, 41.40.210, 41.40.220, 41.40.230, 41.40.240 and 41.40.250 shall accrue from the first day of the calendar month immediately following the calendar month during which the member is separated from service. Retirement allowance paid to members eligible to retire under any other provisions of this

1972 amendatory act shall accrue from the first day of a calendar month but in no event earlier than the first day of the calendar month immediately following the calendar month during which the member is separated from service.

Sec. 8. Section 22, chapter 274, Laws of 1947 and RCW 41.40.210 are each amended to read as follows:

Upon retirement for disability, as provided in RCW 41.40.200, a member who has attained age sixty, regardless of his creditable service shall receive a service retirement allowance ((as provided for in REW 41.40.199)).

Sec. 9. Section 23, chapter 274, Laws of 1947 as last amended by section 8, chapter 271, Laws of 1971 ex. sess. and RCW 41.40.220 are each amended to read as follows:

Upon retirement for disability, as provided in RCW 41.40.200, a member who has not attained age sixty shall receive the following benefits, subject to the provisions of RCW 41.40.310 and 41.40.320:

(1) A disability retirement pension of two-thirds of his average final compensation to his attainment of age sixty, subject to the provisions of RCW 41.40.310. The disability retirement pension provided by the employer shall not exceed forty-two hundred dollars per annum, and

(2) Upon attainment of age sixty, the disabled member shall receive a ((pension, as provided for in REW 41.40.199, subdivisions (2), (3), and (4), together with an annuity which shall be the equivalent of the annuity he would have received had he continued contributions to the employees' savings fund; said contributions to be based upon his final compensation at the time of his disability)) service retirement allowance as provided in RCW 41.40.210. Such disabled member shall be given membership service for the period of time prior to age sixty he was out of such service due to such disability.

(3) During the period a disabled member is receiving a disability pension, as provided for in subdivision (1) of this section, his contributions to the employees' savings fund shall be suspended and his balance in the employees' savings fund, standing to his credit as of the date his disability pension is to begin, shall remain in the employees' savings fund: PROVIDED, That if the disabled member should die before attaining age sixty, while a disability beneficiary, upon receipt by the retirement board of proper proof of death, his accumulated contributions standing to his credit in the employees' savings fund, shall be paid to such person or persons, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the retirement board: PROVIDED, HOWEVER, That if there be no such designated person or persons still living at the time of the member's

death, his accumulated contributions standing to his credit in the employees' savings fund shall be paid to his surviving spouse as if in fact such spouse had been nominated by written designation as aforesaid, or if there be no such surviving spouse, then to his legal representative.

NEW SECTION. Sec. 10. There is added to chapter 41.40 RCW a new section which shall read as follows:

Upon retirement, a member shall receive a nonduty disability retirement allowance equal to two percent of average final compensation for each year of service: PROVIDED, That such allowance shall be reduced by two percent of itself for each year or fraction thereof that his age is less than fifty-five years: PROVIDED FURTHER, That in no case may the allowance provided by this section exceed sixty percent of average final compensation.

Sec. 11. Section 26, chapter 274, Laws of 1947 as last amended by section 10, chapter 128, Laws of 1969 and RCW 41.40.250 are each amended to read as follows:

((Upon retirement for disability, as provided in RCW 41.40.230, a member who has not attained age sixty shall receive a disability retirement allowance;)) In lieu of the nonduty disability retirement allowance provided in RCW 41.40.240, an individual who was a member, on the effective date of this 1972 amendatory act may upon qualifying pursuant to RCW 41.40.230, make an irrevocable election to receive the nonduty disability retirement allowance provided in subsections (1) and (2) of this section subject to the provisions of RCW 41.40.310 and 41.40.320. Upon attaining or becoming disabled after age sixty he shall receive a service retirement allowance as provided for in RCW 41.40.190 except that the annuity portion thereof shall consist of a continuation of the cash refund annuity previously provided to him. His disability retirement allowance prior to age sixty shall consist of:

(1) A cash refund annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement; and

(2) A pension, in addition to the annuity, equal to one one-hundredth of his average final compensation for each year of service. If the recipient of a retirement allowance under this section shall die before the total of the annuity portions of the retirement allowance paid to him equals the amount of his accumulated contributions at the date of retirement, then the balance shall be paid to such person or persons having an insurable interest in his life as he shall have nominated by written designation duly executed and filed with the retirement board, or if there be no such designated person or persons, still living at the time of his death, then to his surviving spouse, or if there be neither such designated

person or persons still living at the time of his death nor a surviving spouse, then to his legal representatives.

Sec. 12. Section 28, chapter 274, Laws of 1947 as last amended by section 11, chapter 128, Laws of 1969 and RCW 41.40.270 are each amended to read as follows:

(1) Should a member die before the date of his retirement the amount of the accumulated contributions standing to his credit in the employees' savings fund, at the time of his death, shall be paid to such person or persons, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the retirement board((+ PROVIDED, That)). If there be no such designated person or persons still living at the time of the member's death, his accumulated contributions standing to his credit in the employees' savings fund shall be paid to his surviving spouse as if in fact such spouse had been nominated by written designation as aforesaid, or if there be no such surviving spouse, then to his legal representatives((+ PROVIDED, HOWEVER, That this section, unless elected, shall not apply to any member who shall hereafter die while still in service leaving a surviving spouse who is entitled to, and elects to take an option II benefit as provided for in RCW 41.40.190+)): (2) Upon the death in service, or while on authorized leave of absence for a period not to exceed one hundred and twenty days from the date of payroll separation, of any member who is qualified but has not applied for a service retirement allowance or has completed ten years of service at the time of death, and who has designated a beneficiary, the designated beneficiary may elect to waive the payment provided by subsection (1) of this section and option II of RCW 41.40.190(6) shall automatically be given effect as if selected for the benefit of the surviving spouse, except that if the member is not then qualified for a service retirement allowance, such option II benefit shall be based upon the actuarial equivalent of the sum necessary to pay the accrued regular retirement allowance commencing when the deceased member would have first qualified for a service retirement allowance; (3) PROVIDED FURTHER, That subsection (1) of this section, unless elected, shall not apply to any member who has applied for service retirement in RCW 41.40.180 and thereafter dies between the date of his separation from service and his effective retirement date, where the member has selected either options II or ((option)) III in RCW 41.40.190 or 41.40.185. The beneficiary named in the member's final application for service retirement may elect to receive either a cash refund or monthly payments according to the option selected by the member.

Sec. 13. Section 34, chapter 274, Laws of 1947 as last amended by section 10, chapter 271, Laws of 1971 ex. sess. and RCW 41.40.330 are each amended to read as follows:

(1) ((Beginning October 1, 1947)) Each employee who is a member of the retirement system shall contribute five percent of ((that part of)) his total compensation earnable((, not in excess of thirty-six hundred dollars in a calendar year, except as provided herein and in subsection (2) hereof, to the employees' savings fund, and shall contribute one dollar and fifty cents per annum to the retirement system expense fund)): PROVIDED, HOWEVER, That ((beginning January 1, 1950, such)) a retirement system expense fund contribution ((shall be increased to the amount)) of two dollars and fifty cents per annum ((and)) shall be ((made by)) transferred in semiannual payments of one dollar and twenty-five cents ((beginning January 1, 1950, and thereafter each employee entering membership shall contribute the sum of one dollar and twenty-five cents to the retirement system expense fund for the fractional portion of the semiannual period during which he enters or reenters membership: AND PROVIDED FURTHER, That beginning July 1, 1969, the expense fund contributions shall be transferred)) from ((all)) each employee account balance((s)) in the employees' savings fund to the retirement expense fund account, as set forth in this section. On and after ((April 1, 1953)) July 1, 1973, each employee who is a member of the retirement system shall contribute ((five)) six percent of his total compensation earnable. The officer responsible for making up the payroll shall deduct from the compensation of each member, on each and every payroll of such member for each and every payroll period subsequent to the date on which he became a member of the retirement system((, an amount equal to five percent of such member's compensation earnable,)) the contribution as provided by this section.

(2) Any member may, pursuant to regulations formulated from time to time by the board, provide for himself, by means of an increased rate of contribution to his account in the employees' savings fund, an increased prospective retirement allowance pursuant to RCW 41.40.190 and 41.40.185.

(3) The officer responsible for making up the payroll shall deduct from the compensation of each member covered by the provisions of RCW 41.40.190 (5) on each and every payroll of such member for each and every payroll period subsequent to the date on which he thereafter becomes a member of the retirement system, an amount equal to seven and one-half percent of such member's compensation earnable.

Sec. 14. Section 4, chapter 231, Laws of 1957 as last amended by section 11, chapter 271, Laws of 1971 ex. sess. and RCW 41.40.361 are each amended to read as follows:

(1) For the purpose of this section, the "fundable employer liability" at any date shall be the present value of

(a) all future pension benefits payable in respect of all

members in the retirement system at that date, and

(b) all future benefits in respect of beneficiaries then receiving retirement allowances or pensions.

(2) The contributions by the employer for benefits under the retirement system shall consist of the sum of a percentage of the compensation of members to be known as the "normal contribution", a percentage of such compensation to be known as the "unfunded liability contribution" and in the case of employers admitted to the retirement system after April 1, 1949, a percentage of such compensation to be known as the "additional contribution". The rates of such contributions shall be determined by the retirement board on the basis of assets and liabilities as shown by actuarial valuation: PROVIDED, That as to state employers effective July 1, 1973 the total combined contributions of the normal contribution and unfunded liability contribution shall not exceed a total combined percentage rate of ~~((six))~~ seven percent for each employer unless authorized by the legislature.

(3) After the completion of each actuarial valuation subsequent to the first actuarial valuation of June 30, 1953, the retirement board shall determine the normal contribution rate and such contribution rate shall become effective in the ensuing biennium. In addition the board shall determine the additional employer contribution rate necessary to fund the benefits granted officials holding office pursuant to Articles II and III of the Constitution of the state of Washington and RCW 48.02.010. Said additional employer contribution rate shall be paid in the same manner as the normal contribution and the unfunded liability contribution. Until the unfunded liability contribution shall have been discontinued, such normal contribution rate shall be computed to be sufficient, when applied to the present value of the future compensation of the average new member entering the system, to provide for the payment of all prospective pension benefits in respect of such member. After the unfunded liability contributions have been discontinued, such normal contribution rate shall be determined as the uniform and constant percentage of the prospective compensation of all members of the retirement system at the date of such valuation which is equivalent to the excess of the fundable employer liability over the amount of funds currently standing to the credit of the benefit account fund.

(4) After the completion of each actuarial valuation subsequent to the first actuarial valuation of June 30, 1953, the retirement board shall determine the unfunded liability contribution, and such rate shall become effective in the ensuing biennium. The unfunded liability contribution rate shall not be less than the uniform and constant percentage of the prospective compensation of

all members of the retirement system for the forty-year period following the date of such valuation which is equivalent to the unfunded liability. The unfunded liability shall be determined at such date as the excess of the fundable employer liability over the sum of the present value of the future normal contributions payable in respect of all members in the retirement system at that date, and the amount of all funds currently standing to the credit of the benefit account fund. The unfunded liability contributions shall continue until there remains no unfunded liability.

(5) Any employer admitted to the retirement system after April 1, 1949, shall make an additional contribution until such time as the sum of such additional contributions equals the amount of contributions which such employer would have been required to contribute between April 1, 1949, and the date of such employer's admission to the retirement system: PROVIDED, All additional contributions hereunder and under the provisions of RCW 41.40.160(2) must be completed within fifteen years from the date of the employer's admission.

(6) For the biennium beginning July 1, 1971, and ending June 30, 1973, only, and notwithstanding any other provision of the chapter, the rate determined by the board for state employer contributions shall be only the percentage of compensation for members equal to the "normal contribution" computed to be four and thirty six one-hundredths percent of compensation.

NEW SECTION. Sec. 15. Section 25, chapter 274, Laws of 1947 and RCW 41.40.240 are each hereby repealed.

NEW SECTION. Sec. 16. This 1972 amendatory act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate February 16, 1972.

Passed the House February 11, 1972.

Approved by the Governor February 25, 1972 with the exception of an item in section 6 which is vetoed.

Filed in Office of Secretary of State February 28, 1972.

Note: Governor's explanation of partial veto is as follows:

"...This significant piece of legislation makes major changes in the retirement system for state and local employees. The improvements contained in this bill are desirable and have my full endorsement.

Veto
Message

In section 6 of the bill, amendatory language is

inserted in RCW 41.40.190 which provides to persons who are members of the Retirement System a choice of benefits under either the new formula or the existing retirement formula, but does not provide that choice to persons who may become members of the system in the future. I have determined that it is appropriate to veto from section 6 the item which limits the choice of benefits to present members only in order to extend the choice of benefits to both present and future members of the system equally.

Veto
Message

With the exception of the item deleted in section 6, I have approved the remainder of the bill."

CHAPTER 152

[Engrossed Senate Bill No. 146]

WASHINGTON STATE PATROL--SECTION ON IDENTIFICATION--
ADVISORY COUNCIL ON CRIMINAL JUSTICE SERVICES

AN ACT Relating to state government; creating a section for identification within the Washington state patrol; adding new sections to chapter 43.43 RCW; repealing section 3, chapter 27, Laws of 1967 ex. sess. and RCW 43.43.520; repealing section 8, chapter 63, Laws of 1970 ex. sess. and RCW 43.43.660; repealing section 43.89.020, chapter 8, Laws of 1965, section 3, chapter 60, Laws of 1965 ex. sess. and RCW 43.89.020; repealing sections 1 through 6, chapter 256, Laws of 1969 ex. sess. and RCW 72.50.120 through 72.50.170; making an appropriation; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Section 1. There is hereby established within the Washington state patrol a section on identification hereafter referred to as the section.

In order to aid the administration of justice the section shall install systems for the identification of individuals, including the fingerprint system and such other systems as the chief deems necessary. The section shall keep a complete record and index of all information received in convenient form for consultation and comparison.

The section shall obtain from whatever source available and file for record the fingerprints, palmprints, photographs, or such other identification data as it deems necessary, of persons who have been or shall hereafter be lawfully arrested and charged with, or convicted of any criminal offense. The section may obtain like information concerning persons arrested for or convicted of crimes under the laws of another state or government.