

## CHAPTER 80.

[ H. B. 5. ]

## TEACHERS' RETIREMENT SYSTEM.

AN ACT relating to the Washington State Teachers' Retirement System, repealing chapter 221, Laws of 1937, as amended by chapters 40 and 86, Laws of 1939, chapter 97, Laws of 1941, and chapter 116, Laws of 1943 (secs. 4995-1 to 4995-15a, incl., Rem. Rev. Stat.; secs. 773-1 to 773-25, incl., PPC), and making an appropriation, and declaring that this act shall take effect July 1, 1947.

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

SECTION 1. The following words and phrases as used in this chapter, unless a different meaning is plainly required by the context, shall have the following meaning: Definitions.

(A) "Accumulated Contributions" means the sum of all regular annuity contributions together with regular interest thereon less cost of operation. "Accumulated contributions."

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

(C) "Annuity" means the moneys payable per year during life by reason of accumulated contributions of a member. "Annuity."

(D) "Contract" means any agreement for service and compensation between a member and an employer. "Contract."

(E) "Creditable Service" means membership service plus prior service for which credit is allowable. "Creditable service."

(F) "Disability Allowance" means monthly payments during disability. "Disability allowance."

(G) "Earnable Compensation" means the full rate of compensation that would be paid to a member if he worked the full normal working time during the school year, except that any part of any salary in excess of thirty-six hundred dollars (\$3600) "Earnable compensation."

per annum shall be excluded in determining the earnable compensation of a member. In all cases where compensation includes maintenance the Board of Trustees shall fix the value of that part of the compensation not paid in money.

"Employer." (H) "Employer" means the State of Washington, the school district, or any agency of the State of Washington by which the member is paid.

"Fiscal year." (I) "Fiscal Year" means a year which begins July 1 and ends June 30 of the following year.

"Former state fund." (J) "Former State Fund" means the state retirement fund in operation for teachers under chapter 187, Laws of 1923, as amended.

"Local fund." (K) "Local Fund" means any of the local retirement funds for teachers operated in any school district in accordance with the provisions of chapter 163, Laws of 1917, as amended.

"Member." (L) "Member" means any teacher included in the membership of the retirement system. Also, any other employee of the public schools who, on the effective date of this act, had not elected to exempt himself from membership and who, prior to that date, had by an authorized payroll deduction contributed to the annuity fund.

"Membership service." (M) "Membership Service" means service rendered subsequent to the first date of eligibility of a person to membership in the retirement system.

"Pension." (N) "Pension" means the moneys payable per year during life from the pension fund.

"Pension fund." (O) "Pension Fund" means a fund from which all pension obligations are to be paid.

"Pension reserve fund." (P) "Pension Reserve Fund" is a fund in the state treasury in which shall be accumulated an actuarial reserve adequate to meet present and future pension liabilities of the system.

"Prior service." (Q) "Prior Service" means service rendered prior to the first date of eligibility to membership in the retirement system for which credit is allowable.

"Prior service contributions." (R) "Prior Service Contributions" means con-

tributions made by a member to secure credit for prior service.

(S) "Public School" as used in this act shall mean any institution or activity operated by the State of Washington or any instrumentality or political subdivision thereof employing teachers except the University of Washington and the State College of Washington. "Public school."

(T) "Regular Contributions" means the amounts required to be deducted from the compensation of a member and credited to his individual account in the annuity fund. "Regular contributions."

(U) "Regular Interest" means the interest on funds of the retirement system for the current school year and such other earnings as may be applied thereon by the Board of Trustees. "Regular interest."

(V) "Retirement Allowance" means the sum of the annuity and pension or any optional benefits payable in lieu thereof. "Retirement allowance."

(W) "Retirement System" means the Washington State Teachers' Retirement System. "Retirement system."

(X) "Service" means the time during which a member has been employed by an employer for compensation. "Service."

(Y) "Teacher" means any person qualified to teach who is engaged by a public school in an instructional, administrative, or supervisory capacity, including, state, county, city superintendents and their assistants; and in addition thereto any qualified school librarian, any registered nurse or any full time school doctor who is employed by a public school and renders service of an instructional or educational nature. "Teacher."

SEC. 2. The name of the retirement system provided for in this act shall be the "Washington State Teachers' Retirement System" and by this name all of its business shall be transacted and all of its Title designated.

funds invested and all of its cash, securities and other property held.

Assets credited to certain funds.

SEC. 3. All of the assets of the retirement system shall be credited according to the purposes for which they are held, to one of two (2) funds to be maintained in the state treasury, namely, the teachers' retirement pension reserve fund and the teachers' retirement fund. In the records of the teachers' retirement system the teachers' retirement fund shall be subdivided into the annuity fund, the pension fund, the disability reserve fund and the expense fund.

Administration of act.

SEC. 4. The general administration and responsibility for the proper operation of the retirement system are vested in a Board of Trustees; the members of the Board of Trustees shall be the State Superintendent of Public Instruction, ex officio, the State Insurance Commissioner, ex officio, and five members of the retirement system to be chosen by the State Board of Education for a term of three years, and at least three of said members shall be classroom teachers.

Board of trustees.

Members.

Term of office.

SEC. 5. Upon expiration of the term of office of a trustee of the retirement system a successor shall be appointed by the State Board of Education for a term of three years. Any vacancy in the Board of Trustees shall be filled by the State Board of Education by the appointment of a member for the unexpired term, except in the case of an ex officio member.

Vacancies.

Compensation.

SEC. 6. The members of the Board of Trustees shall serve without compensation but they shall be reimbursed from the expense fund for all necessary expenses which they may incur through service on the board.

SEC. 7. Each member of the Board of Trustees shall within ten days after his appointment or elec-

tion take an oath of office that so far as it devolves upon him he will diligently and honestly administer the affairs of said board, and that he will not knowingly violate or willingly permit to be violated any provisions of the law applicable to the retirement system. Such oath shall be subscribed to by the members making it and certified by the officer before whom it is taken and immediately filed in the office of the Secretary of State.

Oath of office.

SEC. 8. Each trustee shall be entitled to one vote in the board. Four favorable votes shall be necessary for a decision by the trustees at any meeting of the board.

Votes.

Quorum.

SEC. 9. The State Treasurer, the State Auditor, and the Attorney General shall be ex officio treasurer, auditor and legal adviser, respectively, of the Board of Trustees and shall be liable respectively upon their official bonds for the faithful performance of their duties under this chapter, but no charge shall be made for this service.

Ex officio treasurer, auditor and legal advisor.

SEC. 10. The Board of Trustees shall from its membership annually at the first meeting in July elect a chairman. The board shall by a majority vote of all its members appoint a secretary-manager who shall not be a member of the board and who shall serve until a successor is appointed. The secretary-manager shall engage, upon authorization of the Board of Trustees, such clerical and technical services as shall be required to transact the business of the retirement system. The compensation of all persons engaged or authorized by the Board of Trustees and all other expenses of the board necessary for the operation of the retirement system shall be paid at such rates and in such amounts as the Board of Trustees shall approve.

Chairman.

Secretary-manager.

Compensation.

SEC. 11. The Board of Trustees shall keep in convenient form such data as shall be necessary for actuarial evaluation of the various funds of the re-

Keeping of data for actuarial evaluation.

tirement system and for checking the experience of the retirement system.

Record.

Annual report.

SEC. 12. The Board of Trustees shall keep a record of all its proceedings which shall be open to public inspection. It shall publish annually on or before the first day of January a report showing the fiscal transactions of the retirement system for the preceding school year; the amount of the accumulated cash and securities of the system, and the last balance sheet showing the financial condition of the system by means of an actuarial valuation of the assets and liabilities of the retirement system.

Medical director.

SEC. 13. The Board of Trustees shall designate a medical director. If required, other physicians may be employed to report on special cases. The medical director shall arrange for and pass upon all medical examinations required under the provisions of this act; he shall investigate all essential statements and certificates by or on behalf of a member in connection with an application for a disability allowance, and shall report in writing to the Board of Trustees his conclusions and recommendations upon all matters referred to him.

Reports.

Actuary.

SEC. 14. The Board of Trustees shall designate an actuary who shall be the technical adviser of the Board of Trustees on matters regarding the operation of the funds of the system and shall perform such other duties as are required in connection therewith.

Actuarial investigation, valuation and adoption of tables.

SEC. 15. Before the year 1951, and at least once in each five-year period thereafter, the actuary shall make an actuarial investigation into the mortality, earnable interest, service and compensation experience of the members and beneficiaries of the retirement system, and shall make a valuation of the assets and liabilities of the funds of the system; taking into account the results of such investigation and valuation, the Board of Trustees shall adopt for the re-

tirement system such tables as shall be deemed necessary.

SEC. 16. The Board of Trustees shall, from time to time, establish rules and regulations for the administration of the funds created by this act and for the transaction of its business. The Board of Trustees shall be empowered within the limits of this act to decide on all questions of eligibility.

Rules and regulations.

Eligibility.

SEC. 17. The Board of Trustees shall hold regular meetings on the first Saturday which is not a holiday of January, April, July and October of each year, and may hold as many other meetings as may be found necessary to properly transact the business of the retirement system. Special meetings may be called by the chairman of the board either on his own initiative or at the request in writing of four other members of the Board of Trustees.

Board meetings.

SEC. 18. At each regular meeting, the Board of Trustees shall authorize payment of retirement allowances, disability allowances, salaries and other regular disbursements to be made during the succeeding three months. At the first regular meeting in each fiscal year, the board shall designate two of its members whose signatures shall appear upon its vouchers. Retirement and disability allowances shall be paid monthly.

Authoriza-  
tion of pay-  
ment of  
allowances.

Vouchers.

SEC. 19. From interest and other earnings on the moneys of the retirement system, at the close of each fiscal year the Board of Trustees shall make such allowance of regular interest on the balance which was on hand at the beginning of the fiscal year in each of the funds as they may deem advisable: *Provided*, That no interest shall be credited to the expense fund.

Interest and earnings.

SEC. 20. The Board of Trustees shall be the trustees of the several funds created by this act and shall authorize the State Finance Committee to invest and

Investment  
by State  
Finance  
Committee.

Reinvest-  
ment.

School  
warrants.

reinvest such funds, according to the requirements for the investment of permanent school funds; subject to those requirements, the State Finance Committee shall have full power to hold, purchase, sell, assign, transfer and dispose of any of the securities and investments in which any of the funds created herein shall have been invested, as well as the proceeds of said investments and any moneys belonging to said funds: *Provided*, That the State Finance Committee shall have power to invest these funds in school warrants.

Examination  
by Insur-  
ance Com-  
missioner.

Report.

SEC. 21. The Insurance Commissioner shall, at least every three years, have an examination made of the Teachers' Retirement funds by his department examiners and actuary, in the same manner in which he examines licensed insurance companies in the State of Washington, and shall file a report of his findings with the Board of Trustees of the Teachers' Retirement System, the Governor, the Attorney General and the State Treasurer.

State  
Treasurer  
custodian  
of funds.

Payments  
by voucher.

Resolution  
to be filed  
with  
Auditor.

SEC. 22. The treasurer of the state shall be the custodian of all moneys received by him for the retirement system. All payments from several funds of the retirement system shall be made only upon vouchers signed by two members of the Board of Trustees. A duly attested copy of a resolution by the Board of Trustees designating those members and bearing on its face specimen signatures of those members shall be filed with the State Auditor as his authority for issuing warrants upon such vouchers. No voucher shall be drawn unless it has been previously authorized by resolution of the Board of Trustees.

Trustee or  
employee  
of Board  
not to be  
endorser  
or surety.

SEC. 23. No trustee or employee of the Board of Trustees shall become an endorser or surety or an obligor for moneys loaned by the Board of Trustees.

SEC. 24. All teachers employed in the public schools shall be members of the system except those



who, prior to the effective date of this act, shall have exempted themselves unless such exempted teachers shall, prior to January 1, 1948, or thereafter within six months from the date of re-employment by a public school file with the Board of Trustees a formal written request that their exemption certificates be cancelled.

All teachers are members.

Exemptions.

SEC. 25. Under such rules and regulations as the Board of Trustees shall adopt, each teacher, upon becoming a member of the retirement system, shall file with the Board of Trustees during his first year of service a detailed statement of all services as a teacher rendered by him in this state and elsewhere under the jurisdiction of the government of the United States prior to becoming a member, together with a statement of such other facts as the board shall require. The Board of Trustees may, at the option of a member, accept the service record of a member of a local fund or the former state fund in lieu of such detailed statement; and issue a prior service certificate to the applicant for such prior service.

Service record to be filed.

Board may accept record of member of other fund.

SEC. 26. Any member who serves the United States as a member of its military, naval or air service, may upon becoming re-employed in the public schools, receive credit for such service upon presenting satisfactory proof, and contributing to the annuity fund, either in a lump sum or installments, such amounts as shall be determined by the Board of Trustees.

Military, naval or air service for the United States.

SEC. 27. Service rendered for four fifths ( $\frac{4}{5}$ ) or more of the official school year of the school district or institution in which a teacher is employed shall be credited as a year's service regardless of the length of the school term, but in no case shall more than one year of service be creditable for service rendered in one fiscal year. Service rendered for less than four fifths ( $\frac{4}{5}$ ) of the official school year

Service rendered for  $\frac{4}{5}$  of school year.

Service rendered less than  $\frac{1}{4}$  of school year.

Minimum service.

Service certificate.

Modification or correction of certificate.

Credit for prior services conditioned.

Limitations on service credit.

shall be credited for that portion of the school year for which it was rendered: *Provided*, That no service of less than twenty (20) days in any school year shall be creditable.

SEC. 28. As soon as practicable after the filing of statements of services, the Board of Trustees shall determine the number of years of service with which an applicant shall be credited and shall issue a prior service certificate to the applicant therefor. The member shall be bound by the terms of this certificate unless within one year of the date of issuance thereof he shall request the Board of Trustees to modify or correct the same.

SEC. 29. No credit shall be given for services rendered in a district which at the time such service was rendered was under the jurisdiction of a local fund or the former state fund or under the Teachers' Retirement System as it existed immediately prior to the effective date of this act, unless contributions were made to such local fund or the former state fund or retirement system during such time, except upon making the contributions as provided under sections 32 and 38 hereof.

SEC. 30. A total of not more than ten years of service outside of the state is to be credited to a member who has entered public school employment in this state subsequent to April 1, 1938, and not more than fifteen years of service to a member who entered public school employment in this state prior to the above date. No member who establishes out-of-state service credit after the effective date of this act shall at retirement for pension payment purposes be allowed credit for out-of-state service in excess of the number of years credit which he shall have earned in the public schools of the State of Washington.

SEC. 31. Any member who has rendered service for which credit has not been previously established

may apply for such service credit prior to January 1, 1948, or, if not employed on the effective date of this act, within the first six months of his re-employment.

Service not previously credited.

SEC. 32. Any teacher who leaves the state after becoming a member, upon his becoming re-employed in the public schools of the state, may be credited with membership service in an amount, which when added to the out-of-state credits for prior service shall not exceed the allowable total, conditioned upon satisfactory proof and upon contribution to the annuity fund. Service rendered in the State of Washington subsequent to April 1, 1938, for which credit has not been established prior to the effective date of this act shall upon the establishment of such credit be paid for on the same basis together with regular interest as would have been paid had such service been rendered under the retirement system.

Re-employment after leaving state.

Service rendered prior to April 1, 1938.

SEC. 33. The Board of Trustees may allow credit for leave of absence for professional preparation to a member taking such leave of absence subsequent to last becoming a member, upon satisfactory proof of such leave of absence and the payment of contributions to the annuity fund in such an amount, either in a lump sum or in installments approved by the Board of Trustees, as would have been paid had such member been employed regularly in the public schools of this state: *Provided*, That not more than two such leaves of absence may be granted to any member, and not more than one such leave may be granted in any ten-year period of service.

Leave of absence.

Proof of payments required.

Maximum leaves of absence.

SEC. 34. Creditable service of a member at retirement shall consist of the membership service rendered by him for which credit has been allowed, and also, if he has a prior service certificate that is in full force and effect, the amount of the service certified on his prior service certificate.

Creditable service of member at retirement.

SEC. 35. Throughout each year during which he is employed each member shall contribute five per

Contribution by members to disability reserve fund.

cent (5%) of his earnable compensation. These contributions shall be placed in the annuity and disability reserve funds in the proportions specified in section 45 of this act.

Contribution to be sufficient to provide benefits.

SEC. 36. Throughout each year during which he is employed each member except one who has reached age sixty (60) or has thirty (30) years of creditable service shall contribute such sum as will, with regular interest, create a fund sufficient according to the actuarial tables adopted by the Board of Trustees to provide disability benefits for the members whose claims will be approved by the Board of Trustees during that year. These accumulations shall be placed in the disability reserve fund.

Transfers by State Treasurer.

SEC. 37. The State Treasurer, upon the certificate of the Board of Trustees, shall annually transfer from the pension reserve fund to the teachers' retirement fund that portion of the funds accumulated in the pension reserve fund which since the date of the last preceding transfer has become allocable under the actuarial tables for the payment of current pensions to all members who shall have retired.

Pension reserve fund.

SEC. 38. There shall be placed in the pension reserve fund all appropriations made by the legislature for the purpose of establishing and maintaining an actuarial reserve and all gifts and bequests to the pension reserve fund, and contributions of persons entering the retirement system who have established prior service credit. Members establishing prior service credit shall contribute to the pension reserve fund as follows:

Contributions to pension reserve fund.

For the first ten (10) years of prior service \$15.00 per year;

For the second ten (10) years of prior service \$30.00 per year;

For the third ten (10) years of prior service \$45.00 per year.

SEC. 39. Contributions for prior service credits may be made in a lump sum or in monthly installments approved by the Board of Trustees. At least twenty per cent (20%) of the total amount due shall be paid at the time of application for prior service credits. Any unpaid installments at the time the member is retired for service or disability shall constitute a first, paramount and prior lien against his retirement allowance.

Contributions for prior service credits.

Unpaid installments.

SEC. 40. At the regular July meeting next preceding a regular session of the legislature the Board of Trustees shall prepare an estimate of the total disbursements of the retirement system to be made during the next biennium, separately showing the amounts required for payment of pensions, annuities, disability allowances and expenses. In addition the board shall compute the amount necessary to be appropriated during the next legislative session to establish and maintain an actuarial reserve adequate to meet all pension commitments of the system. These estimates must be submitted to the Governor by the secretary-manager of the retirement system for inclusion in the budget. The legislature shall make the necessary appropriations to the teachers' retirement fund and the pension reserve fund after considering the estimates as prepared and submitted and shall appropriate from the teachers' retirement fund the amounts to be expended during the next biennium.

Estimates for budget and appropriation.

Appropriations.

SEC. 41. At the close of each fiscal year the Board of Trustees shall withdraw from the pension fund and the annuity fund in equal amounts a sum sufficient to defray the expenses of the retirement system as estimated by them for the ensuing year and place that amount in the expense fund. The deductions from the annuity fund less withdrawal fees shall be prorated from the annuity contributions of the members for the year just closed.

Deductions for the expense fund.

Report by  
employer.

Notification  
of system  
to new  
employees.

County super-  
intendent.

Salary  
deductions.

Drawing of  
warrants to  
State  
Treasurer on  
deductions.

SEC. 42. On or before the first of September in each year every employer shall file a report with the Board of Trustees of the retirement system on a form provided, stating the name of the employer and with respect to each employee: (1) The full name, (2) the address, (3) the date of commencement of employment, (4) the length of the employment contract, (5) the length of the school term, (6) the annual salary, and (7) such other information as the board shall require, and at the same time notify each new employee in writing with reference to the Washington State Teachers' Retirement System and that an application for prior service credit may be filed with the Board of Trustees thereof on a form furnished by the board. On the fifth day of each succeeding month during the school year the employer shall report any changes in personnel to the board. The county superintendent shall perform the duties imposed by this section for the employers in second and third class school districts and the city superintendents for the employers in first class school districts. The chief executive officers of other institutions shall perform such duties.

SEC. 43. Every officer authorized to issue salary warrants to teachers shall deduct from each salary payment to any member five per cent (5%) of the amount of salary paid up to thirty-six hundred dollars (\$3600) in any fiscal year on account of the disability reserve and annuity funds.

SEC. 44. On or before the tenth of such months as are designated by the trustees of the system for remittance, the officers authorized to issue salary warrants to members shall draw warrants in favor of the State Treasurer out of the appropriate funds, covering the amounts of deductions made from the salaries of members of the retirement system and forthwith remit them to the trustees of the system accompanied by a report listing the names of the

members and the amount of each deduction, also the serial number, date and amount of each warrant remitted.

SEC. 45. The office of the retirement system shall apply the amounts received first to pay the contributions of each member to the disability reserve fund as provided in section 36 of this act and the remainder as contributions to the annuity fund, and the treasurer shall deposit the sums received in the appropriate funds according to the segregation so made. The office of the retirement system shall register all warrants received and forthwith transmit them to the State Treasurer, with a detailed report segregating registered and cash warrants. The State Treasurer shall place the proceeds from these warrants to the credit of the proper funds of the retirement system.

Application of deductions.

Registration and transmittal of warrants to Treasurer.

SEC. 46. The deductions from salaries of members of the retirement system for their contributions to the system are not considered diminution of pay and every member is conclusively presumed to consent thereto as a condition of his employment. All contributions to the annuity fund shall be credited to the individual for whose account the deductions from salary were made. Regular interest shall be credited to each member's account at the end only of each fiscal year, based upon the balance in his account at the beginning of the year.

Deduction not diminution of pay.

Presumption.

Interest.

SEC. 47. One must have been a member of the retirement system, the former state fund, or a local fund, or both together for at least five years in order to be entitled to a retirement allowance.

Qualification for membership.

SEC. 48. (a) Any member having attained age sixty (60) years and having completed thirty (30) years of creditable service may retire upon written application to the Board of Trustees setting forth at which time he desires to be retired. Upon retirement such member shall receive a retirement allow-

Retirement age 60, service 30 years.

ance consisting of: An annuity which shall be the actuarial equivalent of his accumulated contributions at his age of retirement and a pension of one hundred dollars (\$100) per month to be paid from the pension fund.

Age less than 60, service 30 years.

(b) Any member not having attained age sixty (60) years but having completed thirty (30) years of creditable service shall be entitled to retire, and upon retirement, shall receive a retirement allowance consisting of: An annuity which shall be the actuarial equivalent of his accumulated contributions at his age of retirement and a pension of one hundred dollars (\$100) per month less two dollars (\$2) per month for each year that such member upon date of retirement shall be under age sixty (60) years.

Annuity.

Age 60 service less than 30 years.

(c) Any member who has attained age sixty (60) years, but who has completed less than thirty (30) years of creditable service, may retire upon a retirement allowance consisting of: An annuity which shall be the actuarial equivalent of his accumulated contributions at his age of retirement and a pension consisting of as many thirtieths (not to exceed thirty thirtieths) of one hundred dollars (\$100) per month as he has years of creditable service.

Annuity.

Former members receiving pensions.

SEC. 49. Any former member of the retirement system or a former fund who is receiving a pension on the effective date of this act shall in lieu of any pension allowance under any former law receive a pension equal to as many thirtieths (not to exceed thirty thirtieths) of one hundred dollars (\$100) per month as he has had years of creditable service: *Provided*, That any former member who has not yet attained age sixty (60) years upon the effective date of this act shall receive a pension of one hundred dollars (\$100) per month less two dollars (\$2) per month for each year such former member shall be



under age sixty (60) years on the effective date of this act.

SEC. 50. Membership in the retirement system is terminated and the prior service certificate becomes void when a member retires, is placed on permanent disability, dies, withdraws his accumulated contribution from the annuity fund or is unemployed as a teacher for more than five consecutive years: *Provided*, That a member who has served thirty (30) years prior to age sixty (60) may retain his membership by leaving his contributions in the annuity fund even though he is absent or unemployed for a period of more than five (5) years prior to age sixty (60).

Termination  
of mem-  
bership.

SEC. 51. Should a member cease to be employed as a teacher and request upon a form provided by the Board of Trustees a refund of his accumulated contributions with interest to the June thirtieth next preceding, this amount shall be paid to him less a withdrawal fee of five dollars (\$5) which shall be deposited to the annuity fund's share of the cost of operation. The amount withdrawn, together with regular interest from date of payment to date of re-entry must be paid if he desires to reacquire his former status upon re-entering the retirement system. Upon termination of membership, interest on accumulated contributions in the annuity fund shall cease and all accumulated contributions unclaimed after the expiration of ten years thereafter become an integral part of the annuity fund.

Refund of  
contribu-  
tions.

Withdrawal  
fee.

Repayment  
of with-  
drawals with  
interest.

SEC. 52. Upon receipt of proper proofs of death of any member before retirement or before the first installment of his retirement allowance shall become due his accumulated contributions shall be paid to his estate or to such persons as he shall have nominated by written designation duly executed and filed with the Board of Trustees.

Death of  
member  
before re-  
tirement.

Retirement application.  
Election to receive actuarial equivalent for life.

SEC. 53. Upon an application for retirement approved by the Board of Trustees every member shall receive the maximum retirement allowance available to him throughout life unless prior to the time the first installment thereof becomes due he has elected, by executing the proper application therefor, to receive the actuarial equivalent of his retirement allowance in reduced payments throughout his life with the following options:

Option 1.

Option 1. If he dies before he has received the present value of his accumulated contributions at the time of his retirement in annuity payments the unpaid balance shall be paid to his estate or to such person as he shall have nominated by written designation executed and filed with the Board of Trustees.

Option 2.

Option 2. Upon his death his adjusted retirement allowance shall be continued throughout the life of and paid to such person as he shall have nominated by written designation duly executed and filed with the Board of Trustees at the time of his retirement.

Option 3.

Option 3. Upon his death one half of his adjusted retirement allowance shall be continued throughout the life of and paid to such person as he shall have nominated by written designation executed and filed with the Board of Trustees at the time of his retirement.

Option 4.

Option 4. Such other benefits shall be paid as the member may designate for himself or others equal to the actuarial value of his retirement annuity at the time of his retirement: *Provided*, That the Board of Trustees shall limit withdrawals of accumulated contributions to such sums as will not reduce the member's retirement allowance below one hundred dollars (\$100) per month.

Retirement on disability allowance.

Medical examination.

SEC. 54. Upon application of a member in service or of his employer any member may be retired by the Board of Trustees on a disability allowance if the medical director, after a medical examination of such member, shall certify that such member is

mentally or physically incapacitated for the further performance of duty and that such member be retired. The disability allowance will be in the amount of sixty dollars (\$60) per month payable from the disability reserve fund for a period not to exceed two years, but no payments shall be made for the first sixty (60) days of disability.

Allowance.

SEC. 55. Should the board determine from the report of the medical directors at the end of a two-year disability period that a member's disability is permanent a member who had twenty (20) years or more of service credit when first granted the temporary disability allowance shall have the option of then receiving all accumulated annuity contributions in a lump sum payment and cancelling his membership, or of accepting a retirement allowance because of disability. If the member elects to receive a retirement allowance because of disability he shall be paid an annuity which shall be the actuarial equivalent of his accumulated contributions at his age of retirement and a pension which shall be the actuarial equivalent of the pension to which he would be entitled at age sixty (60) according to his years of service credit, but in no event shall the total allowance for disability be less than sixty dollars (\$60) per month.

Permanent disability.

Option by member.

SEC. 56. Any former member of the retirement system or a former fund receiving permanent disability allowances on the effective date of this act shall in lieu of all allowances provided by any former law receive a disability allowance in the sum of sixty dollars (\$60) per month to be paid from the pension fund. Such disability allowances may be continued only upon recommendation of the medical director and the approval of the Board of Trustees.

Former members receiving disability allowances.

SEC. 57. Any retired teacher who enters service in any public educational institution shall cease to

Retired teacher reentering service.

receive pension payments while engaged in such service.

Retired teacher re-entering service may become member.

SEC. 58. A retired teacher upon returning to service in the public schools of Washington may elect to again become a member of the retirement system.

Rights unassignable.

SEC. 59. The right of a person to a pension, an annuity, a retirement allowance, or disability allowance, to the return of contributions, any optional benefit or death benefit, any other right accrued or accruing to any person under the provisions of this act and the moneys in the various funds created by this act shall be unassignable.

Office quarters.

SEC. 60. Suitable office quarters shall be provided by the state for the operation of the retirement system; such office to be located at the State Capitol.

Appeals to superior court.

10 day limitation.

SEC. 61. Any claimant feeling aggrieved by the action of the board may take an appeal to the Superior Court of Thurston County within ten days from the day he receives written notice of the board's action by filing with the secretary-manager of the system a written notice of appeal and giving bond to the retirement system in the sum of two hundred and fifty dollars (\$250) conditioned to pay all costs which may be adjudged against the applicant in the superior court. Sureties on the bond must be such as are approved by the court.

Bond.

Appeals by board.

10 day limitation.

Bond.

SEC. 62. Any five members feeling aggrieved by any action of the board may take an appeal to the Superior Court of Thurston County within ten days from the date of such action by filing with the secretary-manager of the system a written notice of appeal and giving bond to the retirement system in the sum of two hundred and fifty dollars (\$250) conditioned to pay all costs which may be adjudged against appellants in the superior court, with sureties on the bond approved by the court. In case the appeal involves a claim, service of a copy of the

notice of appeal on the claimant is a necessary step in perfecting the appeal.

Service of copy notice on claimant.

SEC. 63. If an appeal involves a claimant, the secretary-manager of the retirement system shall forthwith certify to the clerk of the Superior Court for Thurston County all matter filed with respect to the claim, together with a transcript of the record of the board upon the claim, together with the notice of appeal and appeal bond.

Certification to clerk of superior court by secretary-manager.

SEC. 64. The hearing on appeal shall be de novo and follow the practice in the trial of appeals from justice courts except that there shall be no jury.

Hearing de novo.

SEC. 65. Appeals from the judgment of the superior court may be taken to the Supreme Court in the manner provided for taking appeals in equity cases.

Appeals to supreme court.

SEC. 66. Should any error in the records result in any member or beneficiary receiving from the retirement system more or less than he would have been entitled to receive had the records been correct, the Board of Trustees shall correct such error, and as far as practicable, shall adjust the payments in such manner that the actuarial equivalent of the benefit to which such member or beneficiary was correctly entitled shall be paid.

Correction of errors in records.

SEC. 67. Any person who shall knowingly make false statements or shall falsify or permit to be falsified any record or records of the retirement system in any attempt to defraud such system as a result of such act, shall be guilty of a felony.

Fraud.

SEC. 68. If any provision or section of this act is held invalid the remainder of the act shall not be affected thereby. If the invalidation of any portion of this act should result in rendering any person ineligible to receive benefits under the terms hereof, such person if eligible to receive benefits under the law existing prior to the passage hereof shall con-

Saving clause.

tinue to receive such benefits as he would have received had such prior law remained in effect.

Transfer of  
assets and  
records.

SEC. 69. All the records and assets of the Washington State Teachers' Retirement System established under chapter 221, Laws of 1937, as amended by chapters 40 and 86, Laws of 1939, chapter 97, Laws of 1941, and chapter 116, Laws of 1943, are hereby transferred to the Washington State Teachers' Retirement System as established by this act, to-wit: The assets of the annuity fund, the pension fund, the pension reserve fund, the disability reserve fund and the expense fund of the present Washington State Teachers' Retirement System are hereby transferred to the annuity fund, the pension fund, the pension reserve fund, the disability reserve fund and the expense fund, respectively, of the Washington State Teachers' Retirement System as established by this act.

Repeals.

SEC. 70. Chapter 221, Laws of 1937, chapter 40, Laws of 1939, chapter 86, Laws of 1939, chapter 97, Laws of 1941, chapter 116, Laws of 1943 (secs. 4995-1 to 4995-15a, incl., Rem. Rev. Stat.; secs. 773-1 to 773-25, incl., PPC), are hereby repealed. It is the intention of the legislature that there shall be no interruption in the continuity of the existence, administration and operation of the Teachers' Retirement System when this act replaces the laws relative to teachers' retirement in effect heretofore.

Legislative  
declaration.

Appropriation.

SEC. 71. There is hereby appropriated from the general fund the sum of four million dollars (\$4,000,000) to the pension fund of the Washington State Teachers' Retirement System; from the general fund the sum of four million dollars (\$4,000,000) to the pension reserve fund of the Washington State Teachers' Retirement System, and from the pension reserve fund of the present Washington State Teachers' Retirement System the sum of three million dollars (\$3,000,000) to the pension reserve fund

of the Washington State Teachers' Retirement System hereby created.

SEC. 72. This act shall become effective on July 1, 1947. Effective date.

Passed the House February 18, 1947.

Passed the Senate February 27, 1947.

Approved by the Governor March 8, 1947.

## CHAPTER 81.

[ S. B. 32. ]

### UNIVERSITY OF WASHINGTON APPROACH.

AN ACT relating to the University of Washington; providing for the acquisition of the necessary property to complete the approach provided for by chapter 27, Laws of 1945; making an appropriation from the general fund therefor; and declaring an emergency.

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

SECTION 1. The Director of Highways is hereby authorized and directed to acquire in the name of the State of Washington by purchase, gift or condemnation all necessary real estate, rights and interests, including damage to abutting property or buildings, to complete the acquisition of a highway and right-of-way for an approach, and underpasses to and from said approach, for the University of Washington, in accordance with the plan and right-of-way located and established by said director pursuant to chapter 27, Laws of 1945. Acquisition of right of way.

SEC. 2. There is hereby appropriated from the general fund of the state treasury the sum of one hundred and fifty thousand dollars (\$150,000), or so much thereof as may be necessary to carry out the provisions of this act. Appropriation.

SEC. 3. This act is necessary for the immediate preservation of the public health, peace and safety, Effective immediately.