

the term of office for which they have been chosen. The Secretary of State shall file such statement in his office for the fee of one dollar (\$1). If any corporation shall fail to comply with the foregoing provisions of this section and more than one year shall have elapsed from the date of the filing of the last report, service of process against such corporation may be made by serving duplicate copies upon the Secretary of State. Upon such service being made, the Secretary of State shall forthwith mail one of such duplicate copies of such process to such corporation at its registered office or its last known address, as shown by the records of his office.

Filing fee.

Failure to comply.

Sec. 2. For every violation of this section a corporation shall be liable to the state in a fine not exceeding twenty-five dollars (\$25).

Penalties for violations.

Passed the House March 8, 1949.

Passed the Senate March 7, 1949.

Approved by the Governor March 16, 1949.

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## CHAPTER 171.

[ H. B. 398. ]

### CITY EMPLOYEES' RETIREMENT SYSTEM.

AN ACT relating to pension, relief, disability and retirement systems of officers and employees of cities and towns now or hereafter participating in the Statewide City Employees Retirement System law; and amending sections 8, 9, 10, 11, 15 and 16, chapter 71, Laws of 1947.

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

SECTION 1. Section 8, chapter 71, Laws of 1947 is amended to read as follows:

Amendment

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

Powers and duties of Board of Trustees.

Preserve  
information.

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

Make  
actuarial  
investiga-  
tions.

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

Adopt  
statistical  
tables.

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

Certify ap-  
propriations  
necessary.

(d) Certify annually the amount of appropriation which each city shall pay into the Retirement Fund in the next fiscal year, at such a time that the local authorities shall have ample opportunity for including such expense in the budget;

Keep  
record of  
proceedings.

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

Adopt  
rules and  
regulations.

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

Handle  
funds.

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

Publish  
annual  
financial  
statement.

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

Serve  
without com-  
pensation.

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

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

Pro-rate expenses to be borne by each city.

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

Assist cities to determine costs.

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

Perform other functions.

(m) No member of the Board shall be liable for the negligence, default or failure of any employee or of any other member of the Board to perform the duties of his office and no member of the Board shall be considered or held to be an insurer of the Funds or assets of the retirement system but shall be liable only for his own personal default or individual failure to perform his duties as such member and to exercise reasonable diligence to provide for the safeguarding of the funds and assets of the system.

Members of Board only liable for own personal failure to perform duties.

SEC. 2. Section 9, chapter 71, Laws of 1947 is amended to read as follows:

Amendment.

Section 9. *Obligations and Contributions of Cities.*

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

Amounts to be paid by cities.

(1) Contributions equal to those deposited by employees;

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

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

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

(5) An equitable share of the cost of the death-

in-line-of-duty benefit, all of which costs are to be paid by the cities.

When payable.

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

Board to furnish estimate.

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

Monthly statements.

When retirement system not liable.

(d) Notwithstanding anything to the contrary, the retirement system shall not be liable for the payment of any retirement allowances or other benefits on account of the employees or retired members of any city under this act, for which reserves or guarantees have not been properly set up by such city or its employees to pay such retirement allowances or other benefits: *Provided*, That nothing herein contained shall be so construed to prevent the establishment of a reserve account for annuities and pensions in which shall be placed at the time of retirement of any member the balances of the retiring member's

Establishment of reserve accounts for pensions permitted.

contribution and the city's matching funds for such member and from which account all annuities and current service pensions shall be paid;

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

Withdrawal  
of cities.

Members  
protected.

Reimburse-  
ment to  
members.

Refunds.

SEC. 3. Section 10, chapter 71, Laws of 1947 is amended to read as follows:

Amendment.

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

Retirement  
fund  
created.

(b) The Board of Trustees shall be the custodian of the Retirement Fund and shall arrange for the safekeeping thereof. Subject to such provisions as may be prescribed by law for the deposit of city funds in banks, cash belonging to the Retirement Fund may be deposited in any licensed national bank or banks in the State of Washington, or in any bank, banks or corporations authorized or licensed to do a banking business and organized under the laws of the State of Washington; and may be withdrawn on order of the Board for the purpose of making such

Board shall  
be custodian  
of fund.

payments as are authorized and required by this act;

Investment  
of retirement  
fund.

(c) The investment of all or any part of the Retirement Fund shall be subject to the terms, conditions and limitations and restrictions imposed by the laws of the State of Washington upon the making of investments by mutual savings banks: *Provided, however,* That the Board may invest in any of the bonds or warrants, including local improvement bonds or warrants within the protection of the Local Improvement Guaranty Fund Law, or utility bonds or warrants, issued by the cities or towns who are members of the retirement system.

Amendment.

SEC. 4. Section 11, chapter 71, Laws of 1947 is amended to read as follows:

Membership.

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

Miscel-  
laneous  
personnel.

(1) Miscellaneous personnel as defined in this act;

Uniformed  
personnel.

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

Elective  
officials.

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

Retirement  
system  
employees.

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

Groups may  
be excluded.

(b) Any city may, when electing to participate in this retirement system in the manner set forth in section 5 hereof, include any one group or combination of the groups above mentioned but must include or exclude all employees in any group. Groups (3) and (4) shall be considered as being composed of

miscellaneous personnel as far as benefits and obligations are concerned except when the contrary is clearly indicated;

(c) Subject to paragraph (b) of this section, membership in this retirement system shall be compulsory for all employees in groups (1) and (2), after qualification as provided in subdivision (d) of this section;

Compulsory membership.

(d) Subject to paragraph (b) of this section, all employees in city service on the effective date or on the effective date of this amendment, shall be members of the system, provided that such employees who are not regular full time employees and are earning less than fifty dollars (\$50) per month, or are part-time employees serving in an official or special capacity may with the acquiescence of the legislative body of the city or town in which they are employed, elect on or before January 1, 1950, to discontinue membership by giving written notice of such election to the Board. All regular full time employees entering city employment in the uniform personnel, not eligible to benefits under any existing state pension law, shall become members as of the date of their respective employment. All other regular full time employees earning more than fifty dollars (\$50) per month shall become members upon the completion of four (4) months service in any twelve (12) month period. Such individual employees, other than regular full time employees, who are earning less than fifty dollars (\$50) per month or who are serving in an official or special capacity may elect to become members with the acquiescence of the legislative body of the city or town in which they are employed upon the completion of four (4) months service in any twelve (12) month period except those in the uniform personnel, who shall become members as of the date of their respective employment;

Date of becoming members.

Reports concerning members.

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

Withdrawal of members.

(f) Should any member withdraw more than one-quarter (1/4) of his accumulated contributions, or should he die or be retired, he shall thereupon cease to be a member;

Transfer of employees.

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

Amendment.

SEC. 5. Section 15, chapter 71, Laws of 1947, is amended to read as follows:

Retirement allowance.

Section 15. *Allowance on Service Retirement.*

(a) A member, upon retirement for service, shall receive a retirement allowance subject to the provisions of paragraph (b) of this section, which shall consist of:

Annuity.

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

Pension.

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

Prior service pension.

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

Minimum amount of pension.

(4) Any member who has ten (10) or more years of creditable service and who is retired by reason of attaining the age of sixty-five (65) or over if included in the miscellaneous personnel or the age of sixty (60) or over if included in the uniformed per-

sonnel, and whose retirement allowance is calculated to be less than forty dollars (\$40) per month, shall receive such additional pension, provided by the contributions of the city, as will make his total retirement allowance equal to forty dollars (\$40) per month.

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

SEC. 6. Section 16, chapter 71, Laws of 1947 is amended to read as follows: Amendment.

Section 16. *Disability Retirement.* Any member who has at least five (5) years of creditable service within the fifteen (15) years immediately preceding retirement and has not attained the age of sixty-five (65) years, or who attains or has attained the age of sixty-five (65) years prior to two (2) years after the effective date, may be retired by the Board for permanent and total disability, either ordinary or accidental, upon examination as follows: Disability retirement.

Any member while in service, or while physically or mentally incapacitated for the performance of duty, if such incapacity has been continuous from discontinuance of city service, shall be examined by such medical authority as the Board shall employ, upon the application of the head of the office or department in which the member is employed with approval of the legislative body, or upon application of said member, or a person acting in his behalf, stating that said member is permanently and totally incapacitated, either physically or mentally, for the performance of duty and ought to be retired. If examination shows, to the satisfaction of the Board, that the member should be retired, he shall be re- Medical examination.

Retired immediately.

tired forthwith: *Provided*, The Board shall retire the said member for disability forthwith: *Provided*, That the disability retirement allowance shall be effective on the first of the month following that in which the member last received salary or wages in city service.

Board to secure medical services.

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

Disability allowance not payable under certain conditions.

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

Passed the House March 2, 1949.

Passed the Senate March 6, 1949.

Approved by the Governor March 16, 1949.

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CHAPTER 172.

[ H. B. 444. ]

CORPORATION FILINGS AND FEES.

AN ACT relating to corporation filings and fees, and amending section 18, chapter 185, Laws of 1933, as amended by section 3, chapter 143, Laws of 1939.

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

Amendment.

SECTION 1. Section 18, chapter 185, Laws of 1933, as amended by section 3, chapter 143, Laws of 1939, is amended to read as follows:

Report shall be filed.

Section 18. I. Within 30 days after incorporation, and within 90 days after every subsequent allotment