CHAPTER 274.
[S. B. 221.]

STATE TEACHERS' RETIREMENT SYSTEM.

An Act relating to the Washington State Teachers' Retirement System and amending sections 1, 3, 16, 17, 18, 19, 20, 24, 26, 28 through 36, 39, 41, 43, 48 through 57, chapter 80, Laws of 1947 and RCW 41.32.010, 41.32.030, 41.32.160 through 41.32.200, 41.32.240, 41.32.260, 41.32.280, through 41.32.360, 41.32.390, 41.32.410, 41.32.430, 41.32.480, 41.32.490, 41.32.500 through 41.32.570.

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

SECTION 1. Section 1, chapter 80, Laws of 1947 and RCW 41.32.010 are each amended to read as follows:

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

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

(2) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such mortality tables and regulations as shall be adopted by the board of trustees and regular interest.

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

(4) "Annuity fund" means the fund in which all of the accumulated contributions of members are held.
(5) "Annuity reserve fund" means the fund to which all accumulated contributions are transferred upon retirement.

(6) "Beneficiary" means any person in receipt of a retirement allowance or other benefit provided for by the Teachers' Retirement Law.

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

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

(9) "Dependent" means receiving one-half or more of support from a member.

(10) "Disability allowance" means monthly payments during disability.

(11) "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 forty-five hundred dollars 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.

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

(13) "Fiscal year" means a year which begins July 1st and ends June 30th of the following year.

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

(15) "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.
(16) "Member" means any teacher included in the membership of the retirement system. Also, any other employee of the public schools who, on July 1, 1947, 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.

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

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

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

(20) "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.

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

(22) "Prior service contributions" means contributions made by a member to secure credit for prior service.

(23) "Public school" means 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.

(24) "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.

(25) "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.

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

(27) "Retirement system" means the Washington state teachers' retirement system.

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

(29) "Survivors' benefit fund" means the fund from which survivor benefits are paid to dependents of deceased members.

(30) "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.

SEC. 2. Section 3, chapter 80, Laws of 1947 and RCW 41.32.030 are each amended to read as follows:

All of the assets of the retirement system shall be credited according to the purposes for which they are held, to one of two 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 annuity reserve fund, the pension fund, the survivors' benefit fund, the pension fund, the disability reserve fund and the expense fund.

SEC. 3. Section 16, chapter 80, Laws of 1947 and RCW 41.32.160 are each amended to read as follows:

The board of trustees shall, from time to time, establish rules and regulations for the administration of the funds created by this chapter and for the transaction of its business. The board of trustees shall be empowered within the limits of this chapter
to decide on all questions of eligibility covering membership, service credit and benefits.

Sec. 4. Section 17, chapter 80, Laws of 1947 and RCW 41.32.170 are each amended to read as follows:

The board of trustees shall hold regular meetings on the second Monday 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.

Sec. 5. Section 19, chapter 80, Laws of 1947 and RCW 41.32.190 are each amended to read as follows:

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; however, no interest shall be credited to the expense fund or the pension fund.

Sec. 6. Section 20, chapter 80, Laws of 1947 and RCW 41.32.200 are each amended to read as follows:

The board of trustees shall be the trustees of the several funds created by this chapter and shall authorize the state finance committee to invest and reinvest such funds in bonds or other obligations issued directly by or fully guaranteed by the federal government or any agency thereof, general obligation bonds issued by any state of the United States or any political subdivision of any such state, revenue bonds issued by the state of Washington or any authority or subdivision of the state, revenue bonds issued by any state or established authority of a state, and in shares or savings accounts of savings...
and loan associations to the extent that they are guaranteed by the Federal Savings and Loan Insurance Corporation. Subject to the above limitations, 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.

**Sec. 7.** Section 24, chapter 80, Laws of 1947 and RCW 41.32.240 are each amended to read as follows:

All teachers employed in the public schools shall be members of the system except those who have previously exempted themselves from membership. If an exempted teacher desires membership he must file with the board of trustees a written request, duly executed, that his exemption certificate be cancelled, present proof of service, and make the necessary payment before June 30, 1957; or, if not employed when this act takes effect, before June 30 of the second school year after he reenters public school service. All service rendered in this state subsequent to his exemption from membership must be established by proper proof and paid for, with interest at three percent, upon the same basis as he would have paid had he been a member during the period covered by his exemption. Twenty percent of the total amount due must be paid before membership can be established. Payment of the remainder, including interest, must be completed before June 30 of the fourth school year following that in which membership was established.

**Sec. 8.** Section 26, chapter 80, Laws of 1947 and RCW 41.32.260 are each amended to read as follows:

Any member whose public school service is interrupted by service to the United States as a member...
of its military, naval or air service, or to the state of Washington as a member of the legislature, may upon becoming reemployed 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.

Sec. 9. Section 28, chapter 80, Laws of 1947 and RCW 41.32.280 are each amended to read as follows:

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 prior to June 30 of the second school year after becoming a member he shall have filed an application for additional service credit, presented satisfactory proof of such service and made the necessary payment.

Sec. 10. Section 29, chapter 80, Laws of 1947 and RCW 41.32.290 are each amended to read as follows:

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 prior to July 1, 1955, 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 RCW 41.32.310 and 41.32.380.

Sec. 11. Section 30, chapter 80, Laws of 1947 and RCW 41.32.300 are each amended to read as follows:

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 that date. Foreign school teaching service, if paid for by public funds of the United States of America, shall be creditable as out-of-state service. No member who establishes out-of-state service credit after July 1, 1947, 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. 12. Section 31, chapter 80, Laws of 1947 and RCW 41.32.310 are each amended to read as follows:

Any member desiring to establish credit for services previously rendered, must present proof and make the necessary payments before June 30, 1957; or, if not employed on the effective date of this act, before June 30 of the second school year after entry into public school employment in this state. Payments covering all types of membership service credit may be made in a lump sum when due, or in annual installments, with three percent interest. The first annual installment of at least twenty percent of the amount due must be paid before the date specified above, and the final payment before June 30 of the fourth school year following that in which the first payment was made.

Sec. 13. Section 32, chapter 80, Laws of 1947 and RCW 41.32.320 are each amended to read as follows:

Any teacher who leaves the state after becoming a member, upon becoming reemployed 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 contributions to the annuity fund.

Sec. 14. Section 33, chapter 80, Laws of 1947 and RCW 41.32.330 are each amended to read as follows:
The board of trustees may allow credit for professional preparation to a member for attendance at institutions of higher learning, or for a scholarship or grant under an established foundation, subsequent to becoming a public school teacher; but not more than one year of such credit may be granted in any ten-year period of service, and not more than two years of such credit may be granted to any member.

Sec. 15. Section 34, chapter 80, Laws of 1947 and RCW 41.32.340 are each amended to read as follows:

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. No pension payments shall be made for service credits established or re-established after July 1, 1955, if such credits entitle the member to retirement benefits from any other public state or local retirement system or fund.

Sec. 16. Section 35, chapter 80, Laws of 1947 and RCW 41.32.350 are each amended to read as follows:

Throughout each year during which he is employed each member shall contribute five percent of his earnable compensation. These contributions shall be placed in the annuity and disability reserve funds in the proportion specified in RCW 41.32.450. A member may become a fully contributing member by notifying the payroll officer that he wishes to contribute five percent of his total salary. He may make an additional lump sum payment at date of retirement, not to exceed his accumulated contributions, to purchase additional annuity.

Sec. 17. Section 36, chapter 80, Laws of 1947 and RCW 41.32.360 are each amended to read as follows:

Throughout each year during which he is employed each member who is employed on a full-time
basis shall have transferred from his contributions 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 transfers shall be placed in the disability reserve fund.

SEC. 18. Section 39, chapter 80, Laws of 1947 and RCW 41.32.390 are each amended to read as follows:

At least twenty percent of the total amount due for prior service credit must be paid before an application for such credit may be presented to the board of trustees for approval. The balance is not due until date of retirement and may be paid at that time without additional charge. 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.

SEC. 19. Section 41, chapter 80, Laws of 1947 and RCW 41.32.410 are each amended to read as follows:

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 estimated by them for the ensuing year and place that amount in the expense fund. A minimum service charge of one dollar per year shall be assessed against all membership accounts to which no contributions have been made during the year. The deductions from the annuity fund less withdrawal fees and minimum service charges shall be prorated from the annuity contributions of the members for the year just closed; however, the annual service charge for any membership account to which contributions have been made during the year shall not be less than one dollar.
SEC. 20. Section 43, chapter 80, Laws of 1947 and RCW 41.32.430 are each amended to read as follows:

Every officer authorized to issue salary warrants to teachers shall deduct from each salary payment to any member employed on a full-time basis five percent of the amount of salary paid up to forty-five hundred dollars in any fiscal year on account of the disability reserve and annuity funds; however, he shall deduct five percent of the amount of the total salary paid to a member who has elected to become a fully contributing member.

SEC. 21. Section 48, chapter 80, Laws of 1947 and RCW 41.32.480 are each amended to read as follows:

(1) Any member who has left public school service after having completed thirty years of creditable service may retire upon the approval by the board of trustees of an application for retirement filed on the prescribed form. Upon retirement such member 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 four dollars per month for each year of creditable service established, not to exceed thirty-five years of creditable service.

(2) Any member who has attained age sixty years, but who has completed less than thirty years of creditable service, upon leaving public school service, may retire upon the approval by the board of trustees of an application for retirement filed on the prescribed form. Upon retirement such member 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 four dollars per month for each year of creditable service established.

SEC. 22. Section 49, chapter 80, Laws of 1947 and RCW 41.32.490 are each amended to read as follows:

Any former member of the retirement system or
 Former members of state funds receiving retirement allowances; minimum allowance. 

 Amendment. 

 Termination of membership in retirement system. 

 Retaining membership in system. 

 Amendment. 

 Cessation of employment and request for refund of accumulated contributions. 

 a former fund who is receiving a retirement allowance either for service or disability on June 30, 1955, shall have his pension from the state increased by a cost-of-living adjustment of twenty-five per cent beginning July 1, 1955; but no former member who has been retired for disability shall receive an allowance of less than seventy-five dollars per month. 

 Sec. 23. Section 50, chapter 80, Laws of 1947 and RCW 41.32.500 are each amended to read as follows: 

 Membership in the retirement system is terminated and the prior service certificate becomes void when a member retires for service or disability, dies, withdraws his accumulated contributions, transfers his membership to the state employees' retirement system or is unemployed in the public schools of the state for more than five consecutive years; however, a member may retain membership in the teachers' retirement system by leaving his accumulated contributions in the teachers' retirement fund under one of the following conditions: 

 (1) If he is eligible for retirement; 

 (2) If he is a member of another public retirement system in the state of Washington by reason of change in employment and has arranged to have membership extended during the period of such employment; 

 (3) If he is not eligible for retirement but has established ten or more years of Washington membership service credit and has filed a formal request with the board of trustees for a five-year extension of membership prior to the date of lapsation. 

 Sec. 24. Section 51, chapter 80, Laws of 1947 and RCW 41.32.510 are each amended to read as follows: 

 Should a member cease to be employed in the public schools of this state and request upon a form provided by the board of trustees a refund of his accumulated contributions with interest to the June 30th next preceding, this amount shall be paid to
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him less a withdrawal fee of ten dollars which shall be deposited to the annuity fund’s share of the cost of operation. The amount withdrawn, together with interest must be paid if he desires to reestablish his former service credits. 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.

Sec. 25. Section 52, chapter 80, Laws of 1947 and RCW 41.32.520 are each amended to read as follows:

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. If a member had established five or more years of Washington membership service credit and was in active service or receiving or entitled to receive temporary disability payments at the time of his death, the named beneficiary if otherwise eligible, or the guardian of a minor child, may elect, in lieu of a cash refund, one of the following survivor benefit plans:

(1) A widow or dependent widower, with a child or children under eighteen years of age, may elect a monthly payment of one hundred dollars until the youngest child reaches age eighteen. A widow or dependent widower without a child or children under eighteen years of age may elect a monthly payment of fifty dollars beginning at age sixty-five. If the member had fifteen or more years of Washington membership service credit, the monthly payment of fifty dollars shall become effective at age fifty.
Guardian of minor child or children.

(2) The guardian of a minor child or children may elect a payment of fifty dollars per month per child to continue until age eighteen. When the number of dependent children exceeds two the monthly payment shall not exceed one hundred dollars.

(3) A dependent parent or parents may elect a payment of fifty dollars per month each, beginning at age sixty-five.

(4) If the member was eligible for retirement the named beneficiary, if the surviving spouse or a dependent, may elect to receive a retirement allowance under Option 2. This election shall also be available to the spouse or a dependent of a member who has died while eligible for retirement during the period July 1, 1947, to June 30, 1955, inclusive, upon the repayment to the teachers' retirement fund of the refunded contributions. No benefits may be paid for any months prior to July 1, 1955.

If no named beneficiary survives a member, at his death his accumulated contributions shall be paid to his estate, or his dependents may qualify for survivor benefits in lieu of a cash refund in the following order: Widow or dependent widower, guardian of a dependent child or children under age eighteen, or dependent parent or parents.

Under survivors' benefit plan (1), (2) or (3), the board of trustees shall transfer to the survivors' benefit fund the accumulated contributions of the deceased member together with an amount from the pension fund determined by actuarial tables to be sufficient to fully fund the liability. Benefits shall be paid from the survivors' benefit fund monthly and terminated at the marriage of the beneficiary.

Sec. 26. Section 53, chapter 80, Laws of 1947 and RCW 41.32.530 are each amended to read as follows:

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. 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. 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. 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. 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 and twenty dollars per month.

Sec. 27. Section 54, chapter 80, Laws of 1947 and RCW 41.32.540 are each amended to read as follows:

Upon application of a member in service or of his employer any member may be granted a temporary disability allowance by the board of trustees 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. The disability allowance will be in the amount of seventy-five dollars per month payable from the disability reserve fund for a period not to exceed two years, but no payments shall be made for a disability period of less than sixty days.

Sec. 28. Section 55, chapter 80, Laws of 1947 and RCW 41.32.550 are each amended to read as follows:

Should the board determine from the report of the medical director at the end of a two year disability period that a member's disability will continue, a member who had fifteen years or more of service credit when first granted the temporary disability allowance shall have the option of then receiving all accumulated 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 according to his years of service credit, but in no event shall the total allowance for disability be less than seventy-five dollars per month.

Sec. 29. Section 56, chapter 80, Laws of 1947 and RCW 41.32.560 are each amended to read as follows:

Any former member of the retirement system or a former fund receiving permanent disability allowances on July 1, 1955, shall in lieu of all allowances provided by any former law receive a disability allowance adjusted for cost of living to seventy-five dollars per month to be paid from the pension fund. Any member of the retirement system receiving a temporary disability allowance on July 1, 1955, shall in lieu of the disability allowance provided by the
former law receive a disability allowance adjusted for cost of living to seventy-five dollars per month to be paid from the disability reserve fund. Such disability allowances may be continued only upon recommendation of the medical director and approval of the board of trustees.

Sec. 30. Section 57, chapter 80, Laws of 1947 and RCW 41.32.570 are each amended to read as follows:

Any retired teacher who enters service in any public educational institution shall cease to receive pension payments while engaged in such service: Provided, That substitute service may be rendered up to forty-five days per school year without reduction of pension.

Passed the Senate February 7, 1955.

Passed the House March 2, 1955.

Approved by the Governor March 18, 1955.

CHAPTER 275.
[S. B. 349.]

OPTOMETRY.

An Act relating to optometry; establishing an account; providing for reinstatement of suspended licenses; amending section 13, chapter 144, Laws of 1919 and RCW 18.53.050 and adding a new section to chapter 18.53 RCW.

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

Section 1. Section 13, chapter 144, Laws of 1919 and RCW 18.53.050 are each amended to read as follows:

During the month of January of each year, every registered optometrist shall pay to the state treasurer fifteen dollars as a renewal fee, and failure to pay such fee within the prescribed time shall cause the suspension of his certificate. The state treasurer shall place two dollars and forty cents from each