

CHAPTER 139.

[S. B. 392.]

UTILITIES AND TRANSPORTATION SYSTEMS—
ACQUISITION—EMPLOYEES' BENEFITS.

AN ACT relating to private and public utilities and urban transportation systems; and adding four new sections to chapter 54.04 RCW.

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

SECTION 1. There is added to chapter 54.04 RCW a new section to read as follows: New section.

Whenever any municipal corporation acquires by condemnation or otherwise any utility which at the time of acquisition is in private ownership and the employees of such private utility have been for at least two years and are at the time of acquisition covered by any plan for individual annuity contracts, retirement income policies, group annuity contracts, group insurance for the benefit of employees, or any other contract for the benefit of employees, such district shall, when the personnel is retained by the district, assume all of the obligations and liabilities of the private utility acquired with relation to such plan and the employees covered thereby at the time of acquisition; or the municipal corporation may by agreement with a majority of the employees affected substitute a plan or contract of the same or like nature. The municipal corporations acquiring such private utility shall proceed in such manner as is necessary so as not to reduce or impair any benefits or privileges which such employees would have received or be entitled to had such acquisition not been effected. The district may pay all or any part of the premiums or other payments required therefor out of the revenue derived from the operation of its properties.

Employee benefit plans of acquired utility to be continued or agreeably substituted.

SEC. 2. There is added to chapter 54.04 RCW a new section to read as follows: New section.

Employee eligible to join district benefit plan—Service credited—Contributions—Rights.

Any person affected by section 1 of this act who was employed by the private utility at the time of acquisition may, at his option, apply to the district and/or appropriate officers, for admission to any plan available to other employees of the district. Every such person who was covered at the time of acquisition by a plan with the private utility shall have added and accredited to his period of employment his period of immediately preceding continuous service with such private utility if he remains in the service of the municipal corporation until such plan for which he seeks admission becomes applicable to him.

No such person shall have added and accredited to his period of employment his period of service with said private utility unless he or a third party shall pay to the appropriate officer or fund of the plan to which he requests admission his contribution for the period of such service with the private utility at the rate provided in or for such plan to which he desires admission, or if he shall be entitled to any private benefits as a result of such private service, unless he agrees at the time of his employment with the district to accept a reduction in the payment of any benefits payable under the plan to which he requests entry that are based in whole or in part on such added and accredited service by the amount of benefits received. For the purposes of contributions, the date of entry of service shall be deemed the date of entry into service with the private utility, which service is accredited by this section, and the amount of contributions for the period of accredited service shall be based on the wages or salary of such person during that added and accredited period of service with the private utility.

The district may receive such payments from a third party and shall make from such payments

contributions with respect to such prior service as may be necessary to enable it to assume its obligations.

After such contributions have been made and such service added and accredited such employee shall be established in the plan to which he seeks admission with all rights, benefits and privileges that he would have been entitled to had he been a member of the plan from the beginning of his immediately preceding continuous employment with the private utility or of his eligibility.

SEC. 3. There is added to chapter 54.04 RCW a new section to read as follows: New section.

The municipal corporation may enter into any agreements and contracts necessary to carry out the powers and duties prescribed by sections 1 and 2 of this amendatory act, but nothing in this amendatory act shall be so construed as requiring without consent the modification of the obligation of any contract or as requiring any third party to modify the rights, privileges or obligations acquired or incurred under a prior agreement.

District's right to contract—
Construction of act.

SEC. 4. Any municipal corporation which has heretofore or shall hereafter acquire from a private owner any urban transportation system which at the time of such acquisition has or had in effect any pension or retirement system for its employees, shall assume all such obligations with respect to continued contributions to and/or administration of, such retirement system, as the private owner bore or shall bear at such time, insofar as shall be necessary to discharge accrued obligations under such retirement system to beneficiaries who are not thereafter made members of a municipal or state retirement system.

Application to employees of acquired urban transportation system.

Passed the Senate February 24, 1961.

Passed the House March 5, 1961.

Approved by the Governor March 16, 1961.