

## CHAPTER 180

[Senate Bill No. 2570]

## STATE PATROL RETIREMENT SYSTEM

AN ACT Relating to the Washington state patrol retirement system; amending section 43.43.120, chapter 8, Laws of 1965 as amended by section 1, chapter 12, Laws of 1969 and RCW 43.43.120; amending section 43.43.220, chapter 8, Laws of 1965 and RCW 43.43.220; amending section 43.43.260, chapter 8, Laws of 1965 as last amended by section 1, chapter 278, Laws of 1971 ex. sess. and RCW 43.43.260; amending section 43.43.270, chapter 8, Laws of 1965 as amended by section 6, chapter 12, Laws of 1969 and RCW 43.43.270; and amending section 43.43.280, chapter 8, Laws of 1965 as amended by section 7, chapter 12, Laws of 1969 and RCW 43.43.280.

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

Section 1. Section 43.43.120, chapter 8, Laws of 1965 as amended by section 1, chapter 12, Laws of 1969 and RCW 43.43.120 are each amended to read as follows:

As used in the following sections:

(1) "Retirement system" means the Washington state patrol retirement system.

(2) "Retirement fund" means the Washington state patrol retirement fund.

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

(4) "Member" means any person included in the membership of the retirement fund.

(5) "Employee" means any commissioned employee of the Washington state patrol.

(6) "Beneficiary" means any person in receipt of retirement allowance or any other benefit allowed by this chapter.

(7) "Regular interest" means interest compounded annually at such rates as may be determined by the retirement board.

(8) "Retirement board" means the board provided for in this chapter.

(9) "Insurance commissioner" means the insurance commissioner of the state of Washington.

(10) "Lieutenant governor" means the lieutenant governor of the state of Washington.

(11) "Service" shall mean services rendered to the state of Washington or any political subdivisions thereof for which compensation has been paid. Full time employment for ten days or more in any given calendar month shall constitute one month of service. Only months of service shall be counted in the computation

of any retirement allowance or other benefit provided for herein. Years of service shall be determined by dividing the total number of months of service by twelve. Any fraction of a year of service as so determined shall be taken into account in the computation of such retirement allowance or benefit.

(12) "Prior service" shall mean all services rendered by a member to the state of Washington, or any of its political subdivisions prior to August 1, 1947, unless such service has been credited in another public retirement or pension system operating in the state of Washington.

(13) "Current service" shall mean all service as a member rendered on or after August 1, 1947.

(14) "Average final salary" shall mean the average monthly salary received by a member during his last two years of service or any consecutive two year period of service, whichever is the greater, as an employee of the Washington state patrol; or if he has less than two years of service, then the average monthly salary received by him during his total years of service.

(15) "Actuarial equivalent" shall mean a benefit of equal value when computed upon the basis of such mortality table as may be adopted and such interest rate as may be determined by the board.

(16) Unless the context expressly indicates otherwise, words importing the masculine gender shall be extended to include the feminine gender and words importing the feminine gender shall be extended to include the masculine gender.

Sec. 2. Section 43.43.220, chapter 8, Laws of 1965 and RCW 43.43.220 are each amended to read as follows:

(1) The Washington state patrol retirement fund shall be the fund from which shall be paid all retirement allowances or benefits in lieu thereof which are payable as provided herein. The expenses of operating the retirement system shall be paid from appropriations made for the operation of the Washington state patrol.

(2) ((The contributions by the state for benefits under the retirement system shall consist of the sum of a percentage of the compensation of members to be known as the current service contribution; and a fixed percentage of the compensation of members to be known as the prior service contribution;

{3} After the completion of each actuarial valuation, the retirement board shall determine or redetermine the current service contribution rate. Such current service contribution rate shall become effective in the ensuing biennium. Such contribution rate shall be the uniform and constant percentage of the prospective compensation of all members in the retirement system at the date of such valuation required, together with the prospective value of future contributions from members, and all funds {other than funds

allocated to prior service benefits) currently standing to the credit of the retirement fund; to provide for the payment of all future benefits for such members (other than prior service benefits);

(4) The prior service contribution shall be two and one-quarter percent of the prospective compensation of all members in the retirement system in each calendar year, and shall continue at such rate until the assets of the retirement fund allocated to prior service benefits are equal to the then outstanding liability for prior service benefits.

(5) The "fundable employer liability" at any date shall be the present value of:

(a) All future pension benefits payable in respect of all members in the retirement system at that date, and

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

(3) The contributions by the state for benefits under the retirement system shall consist of the sum of a percentage of the compensation of members to be known as the "normal contribution", and a percentage of such compensation to be known as the "unfunded liability contribution". The rates of such contributions shall be determined by the retirement board on the basis of assets and liabilities as shown by actuarial valuation.

(4) After the completion of each actuarial valuation, the retirement board shall determine or redetermine the normal contribution rate and such contribution rate shall become effective in the ensuing biennium. Until the unfunded liability contribution shall have been discontinued, such normal contribution rate shall be computed to be sufficient, when applied to the present value of the future compensation of the average new member entering the system, to provide for the payment of all prospective pension benefits in respect of such member. After the unfunded liability contributions have been discontinued, such normal contribution rate shall be determined as the uniform and constant percentage of the prospective compensation of all members in the retirement system at the date of such valuation which is equivalent to the excess of the fundable employer liability over the amount of funds currently standing to the credit of the retirement fund.

(5) After the completion of each actuarial valuation, the retirement board shall determine or redetermine the unfunded liability contribution rate, and such rate shall become effective in the ensuing biennium. The unfunded liability contribution rate shall not be less than the uniform and constant percentage of the prospective compensation of all members in the retirement system for the forty-year period following the date of such valuation which is equivalent to the unfunded liability. The unfunded liability shall

be determined at such date as the excess of the fundable employer liability over the sum of the present value of the future normal contributions payable in respect of all members in the retirement system at that date, and the amount of all funds currently standing to the credit of the retirement fund. The unfunded liability contributions shall continue until there remains no unfunded liability.

(6) The retirement board shall estimate biennially the amount required to maintain the retirement fund for the ensuing biennium.

Sec. 3. Section 43.43.260, chapter 8, Laws of 1965 as last amended by section 1, chapter 278, Laws of 1971 ex. sess. and RCW 43.43.260 are each amended to read as follows:

Upon retirement from service as provided in RCW 43.43.250, a member shall be granted a retirement allowance which shall consist of:

(1) A prior service annuity which shall be equal to two percent of the member's average final salary multiplied by the number of years of prior service rendered by the member.

(2) A current service annuity which shall be equal to two percent of the member's average final salary multiplied by the number of years of service rendered while a member of the retirement system.

(3) Any member with twenty-five years service in the Washington state patrol may have his service in the armed forces credited to him as a member whether or not he left the employ of the Washington state patrol to enter such armed forces; PROVIDED, That in no instance shall military service in excess of five years be credited; AND PROVIDED FURTHER, That in each instance, a member must restore all withdrawn accumulated contributions, which restoration must be completed on the date of his retirement, or within five years of membership service following his first resumption of employment, whichever occurs first; AND PROVIDED FURTHER, That this section shall not apply to any individual, not a veteran within the meaning of RCW 41.06.150, as now or hereafter amended; AND PROVIDED FURTHER, That in no instance shall military service be credited to any member who is receiving full military retirement benefits pursuant to Title 10 United States Code, as now or hereafter amended.

(4) In no event shall the total retirement benefits from subsections (1), (2) and (3) of this section, of any member exceed seventy-five percent of the member's average final salary.

(5) A yearly increase in retirement allowance which shall amount to two percent of the retirement allowance computed at the time of retirement. This yearly increase shall be added to the retirement allowance on July 1st of each calendar year.

The provisions of this section shall apply to all members presently retired and to all members who shall retire in the future.

The retirement allowance of all members presently retired shall be recomputed and shall in the future be paid in accordance with the benefits provided in this section.

Sec. 4. Section 43.43.270, chapter 8, Laws of 1965 as amended by section 6, chapter 12, Laws of 1969 and RCW 43.43.270 are each amended to read as follows:

(1) The normal form of retirement allowance shall be an annuity which shall continue as long as the member lives.

(2) If a member should die (~~(either while in service or after retirement, his lawful spouse shall be paid an annuity which shall be equal to fifty percent of the average final salary of the member)~~) while in service his lawful spouse shall be paid an annuity which shall be equal to fifty percent of the average final salary of the member. If the member should die after retirement (~~(the average final salary will be the average final salary used in computing his retirement allowance at the time of his retirement)~~) his lawful spouse shall be paid an annuity which shall be equal to the retirement allowance then payable to the member or fifty percent of the final average salary used in computing his retirement allowance, whichever is less. The annuity paid to the lawful spouse shall continue as long as she lives or until she remarries. To be eligible for an annuity the lawful surviving spouse of a retired member shall have been married to the member prior to his retirement and continuously thereafter until the date of his death or shall have been married to the retired member at least two years prior to his death.

(3) If a member should die, either while in service or after retirement, his surviving children under the age of eighteen years shall be provided for in the following manner:

(a) Each unmarried child under eighteen years of age shall be entitled to a benefit equal to five percent of the final average salary of the member or retired member. The combined benefits to the surviving spouse and all children shall not exceed sixty percent of the final average salary of the member or retired member.

(4) The provisions of this section shall apply to members who have been retired on disability as provided in RCW 43.43.040 if the officer was a member of the Washington state patrol retirement system at the time of such disability retirement and if all contributions paid to the retirement fund have been left in the retirement fund. In the event that contributions have been refunded to a member on disability retirement, he may regain eligibility for survivor's benefits by repaying to the retirement fund the total amount refunded to him plus two and one-half percent interest, compounded annually, covering the period during which the refund was held by him.

Sec. 5. Section 43.43.280, chapter 8, Laws of 1965 as amended

by section 7, chapter 12, Laws of 1969 and RCW 43.43.280 are each amended to read as follows:

(1) If a member dies before retirement, and has no surviving spouse or children under the age of eighteen years, all contributions made by him with interest at two and one-half percent compounded annually shall be paid to such person or persons as he shall have nominated by written designation duly executed and filed with the retirement board, or if there be no such designated person or persons, then to his legal representative.

(2) If a member should cease to be an employee before attaining age sixty for reasons other than his death, or retirement, he shall thereupon cease to be a member except as provided under RCW 43.43.130(2) and (3) and he may ((request upon a form provided by the retirement board a refund of)) withdraw his contributions to the retirement fund, with interest at two and one-half percent compounded annually, ((and this amount shall be paid to him)) by making application therefor to the retirement board, except that: A member who ceases to be an employee after having completed at least five years of service shall remain a member during the period of his absence from employment for the exclusive purpose only of receiving a retirement allowance to begin at attainment of age sixty, however such a member may upon thirty days written notice to the board elect to receive a reduced retirement allowance on or after age fifty-five which allowance shall be the actuarial equivalent of the sum necessary to pay regular retirement benefits as of age sixty: PROVIDED, That if such member should withdraw all or part of his accumulated contributions, he shall thereupon cease to be a member and this subsection shall not apply.

Passed the Senate April 15, 1973.

Passed the House April 15, 1973.

Approved by the Governor April 25, 1973.

Filed in Office of Secretary of State April 26, 1973.

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CHAPTER 181  
[Substitute Senate Bill No. 2586]  
POLICEMEN AND FIREMEN--RETIREMENT  
BENEFITS

AN ACT Relating to firemen and police pension benefits; amending section 3, chapter 82, Laws of 1957 as last amended by section 2, chapter 91, Laws of 1967 ex. sess. and RCW 41.16.090; amending section 1, chapter 6, Laws of 1959 as last amended by