

the association or its officers or trustees. The term "employees" as used in this section may include retired employees.

Passed the House March 28, 1979.

Passed the Senate April 11, 1979.

Approved by the Governor April 23, 1979.

Filed in Office of Secretary of State April 23, 1979.

CHAPTER 45

[Substitute House Bill No. 1045]

STATE RETIREMENT SYSTEMS—CETA EMPLOYEES' ELIGIBILITY

AN ACT Relating to state retirement systems; amending section 4, chapter 209, Laws of 1969 ex. sess. as last amended by section 7, chapter 120, Laws of 1974 ex. sess. and RCW 41.26.040; amending section 24, chapter 80, Laws of 1947 as last amended by section 3, chapter 81, Laws of 1965 ex. sess. and RCW 41.32.240; amending section 7, chapter 293, Laws of 1977 ex. sess. and RCW 41.32.780; adding a new section to chapter 41.26 RCW; adding a new section to chapter 41.32 RCW; adding new sections to chapter 41.40 RCW; providing an effective date; and declaring an emergency.

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

Section 1. Section 4, chapter 209, Laws of 1969 ex. sess. as last amended by section 7, chapter 120, Laws of 1974 ex. sess. and RCW 41.26.040 are each amended to read as follows:

The Washington law enforcement officers' and fire fighters' retirement system is hereby created for fire fighters and law enforcement officers.

(1) (a) Notwithstanding RCW 41.26.030(8) and except as provided in subsection (1)(b) of this section, all fire fighters and law enforcement officers employed as such on or after March 1, 1970, on a full time fully compensated basis in this state shall be members of the retirement system established by this chapter with respect to all periods of service as such, to the exclusion of any pension system existing under any prior act except as provided in subsection (2) of this section.

(b) No fire fighter or law enforcement officer who commences a period of employment on or after July 1, 1979, as a participant under the federal comprehensive employment and training act of 1973 (CETA) (29 U.S.C. Sec. 801 et seq.), as amended, shall be a member of this system during the period of such participation unless, at the commencement of the participation under CETA, the fire fighter or law enforcement officer either:

(i) Has at least five years of service and the full amount of the employee's contributions for such service remains on deposit in the system; or

(ii) Has previously been retired from this system.

(2) Any employee serving as a law enforcement officer or fire fighter on March 1, 1970, who is then making retirement contributions under any prior act shall have his membership transferred to the system established by this chapter as of such date. Upon retirement for service or for disability, or death, of any such employee, his retirement benefits earned under this

chapter shall be computed and paid. In addition, his benefits under the prior retirement act to which he was making contributions at the time of this transfer shall be computed as if he had not transferred. For the purpose of such computations, the employee's creditability of service and eligibility for service or disability retirement and survivor and all other benefits shall continue to be as provided in such prior retirement act, as if transfer of membership had not occurred. The excess, if any, of the benefits so computed, giving full value to survivor benefits, over the benefits payable under this chapter shall be paid whether or not the employee has made application under the prior act. If the employee's prior retirement system was the Washington public employees' retirement system, payment of such excess shall be made by that system; if the employee's prior retirement system was the state-wide city employees' retirement system, payment of such excess shall be made by the employer which was the member's employer when his transfer of membership occurred: PROVIDED, That any death in line of duty lump sum benefit payment shall continue to be the obligation of that system as provided in RCW 41.44.210; in the case of all other prior retirement systems, payment of such excess shall be made by the employer which was the member's employer when his transfer of membership occurred.

(3) All funds held by any firemen's or policemen's relief and pension fund shall remain in that fund for the purpose of paying the obligations of the fund. The municipality shall continue to levy the dollar rate as provided in RCW 41.16.060, and this dollar rate shall be used for the purpose of paying the benefits provided in chapters 41.16 and 41.18 RCW. The obligations of chapter 41.20 RCW shall continue to be paid from whatever financial sources the city has been using for this purpose.

(4) Any member transferring from the Washington public employees' retirement system or the state-wide city employees' retirement system shall have transferred from the appropriate fund of the prior system of membership, a sum sufficient to pay into the Washington law enforcement officers' and fire fighters' retirement system fund the amount of the employees' and employers' contributions plus credited interest in the prior system for all service, as defined in this chapter, from the date of the employee's entrance therein until March 1, 1970. Except as provided for in subsection (2), such transfer of funds shall discharge said state retirement systems from any further obligation to pay benefits to such transferring members with respect to such service.

(5) All unfunded liabilities created by this or any other section of this chapter shall be computed by the actuary in his biennial evaluation. Such computation shall provide for amortization of the unfunded liabilities over a period of not more than forty years from March 1, 1970. The amount thus computed as necessary shall be reported to the governor by the (~~board of the~~) department of retirement systems for inclusion in the budget. The

legislature shall make the necessary appropriation to fund the unfunded liability from the state general fund beginning with the 1971-1973 biennium.

NEW SECTION. Sec. 2. There is added to chapter 41.26 RCW a new section to read as follows:

(1) Law enforcement officers and fire fighters excluded under RCW 41.26.040(1) during periods of employment as participants under the federal comprehensive employment and training act of 1973 (CETA), as amended, shall receive service credit in the law enforcement officers' and fire fighters' retirement system for all service as such during the period of participation under CETA which would have been credited except for RCW 41.26.040(1), provided the following conditions are met:

(a) The person is employed within ninety days of ceasing to be a participant under CETA in a position entitling such person to membership in the law enforcement officers' and fire fighters' retirement system; and

(b) The person makes a lump sum payment to the system, within one year of obtaining such membership, of the employee's contributions which would have been required during the period of participation.

(2) If the person meets the conditions specified in this section, the CETA employer shall, within thirty days from the date of completion of the employee's payment, make the employer and state contribution which would have been required during the period of the CETA participation, plus interest on the employee's, employer's, and the state contribution from the date such service began, at a rate determined by the director. No part of the interest shall be credited to the member's account.

Sec. 3. Section 24, chapter 80, Laws of 1947 as last amended by section 3, chapter 81, Laws of 1965 ex. sess. and RCW 41.32.240 are each amended to read as follows:

All teachers employed full time in the public schools shall be members of the system except those who have previously exempted themselves from membership and alien teachers who have been granted a temporary permit to teach as exchange teachers.

No teacher who commences a period of employment on or after July 1, 1979, as a participant under the federal comprehensive employment and training act of 1973 (CETA) (29 U.S.C. Sec. 801 et seq.), as amended, shall be a member of this system during the period of such participation unless, at the commencement of the participation under CETA, the teacher either:

(1) Has at least five years of service and the full amount of the employee's contributions for such service remains on deposit in the system; or

(2) Has previously been retired from this system.

A minimum of ninety days or the equivalent of ninety days of employment during a fiscal year shall be required to establish membership. A teacher shall be considered as employed full time if serving regularly for four-fifths or more of a school day or if assigned to duties which are the

equivalent of four-fifths or more of a full time assignment. A teacher who is employed for less than full time service may become a member by filing an application with the retirement system, submitting satisfactory proof of teaching service and making the necessary payment before June 30 of the school year immediately following the one during which the service was rendered. If an exempted teacher desires membership he must file with the ~~((board of trustees))~~ department a written request, duly executed, that his exemption certificate be canceled, present proof of service, and make the necessary payment before June 30 of the school year immediately following the one in which his request for cancellation of the exemption was filed. Any teacher who is still exempt from membership in the teachers' retirement system after July 1, 1965 and chooses not to become a member of the teachers' retirement system may continue his exemption and shall not become a member of the state employees' retirement system while employed as a teacher. 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 30th of the fourth school year following that in which membership was established. A minimum of five years of membership in the present system and/or the former state fund or a local fund shall be required of a member who was formerly exempt from membership before such member may qualify for a retirement allowance.

NEW SECTION. Sec. 4. There is added to chapter 41.32 RCW a new section to read as follows:

(1) Teachers excluded under RCW 41.32.240 and 41.32.780, as now or hereafter amended, during periods of participation under the federal comprehensive employment and training act of 1973 (CETA), as amended, shall receive service credit in the teachers' retirement system for all service as such during the period of participation under CETA which would have been credited except for the exclusion contained in RCW 41.32.240 and 41.32.780, as now or hereafter amended, provided the following conditions are met:

(a) The person is employed within ninety days of ceasing to be a participant under CETA in a position entitling such person to membership in the teachers' retirement system; and

(b) The person makes a lump sum payment to the system within one year of obtaining such membership of the employee's contribution which would have been required during the period of participation.

(2) If the person meets the conditions specified in this section, the CETA employer shall, within thirty days from the date of completion of the employee's payment, make the employer contributions which would have

been required during the period of the CETA participation, plus interest on the employee's and employer's contribution from the date such service began, at a rate determined by the director. No part of this interest payment shall be credited to the member's account.

Sec. 5. Section 7, chapter 293, Laws of 1977 ex. sess. and RCW 41.32-.780 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, all teachers who become employed by an employer on or after October 1, 1977, shall be members of the retirement system and shall be governed by the provisions of RCW 41.32.755 through 41.32.825.

(2) No teacher who commences a period of employment on or after July 1, 1979, as a participant under the federal comprehensive employment and training act of 1973 (CETA) (29 U.S.C. Sec. 801 et seq.), as amended, shall be a member of this system during the period of such participation unless, at the commencement of the participation under CETA, the teacher either:

(a) Has at least five years of service and the full amount of the employee's contributions for such service remains on deposit in the system; or

(b) Has previously been retired from this system.

NEW SECTION. Sec. 6. There is added to chapter 41.40 RCW a new section to read as follows:

Notwithstanding RCW 41.40.120, no person who commences a period of employment on or after July 1, 1979, as a participant under the federal comprehensive employment and training act of 1973 (CETA) (29 U.S.C. Sec. 801 et seq.), as amended, shall be a member of this system during the period of such participation unless, at the commencement of the participation under CETA, the person either:

(1) Has at least five years of service and the full amount of the employee's contributions for such service remains on deposit in the system; or

(2) Has previously been retired from this system.

NEW SECTION. Sec. 7. There is added to chapter 41.40 RCW a new section to read as follows:

(1) Persons excluded under section 6 of this amendatory act during periods of participation under the federal comprehensive employment and training act of 1973 (CETA), as amended, shall receive service credit in the public employees' retirement system for all service as such during the period of participation under CETA which would have been credited except for section 6 of this amendatory act, provided the following conditions are met:

(a) The person is employed within ninety days of ceasing to be a participant under CETA in a position entitling such person to membership in the public employees' retirement system; and

(b) The person makes a lump sum payment to the system within one year of obtaining such membership of the employee's contributions which would have been required during the period of participation.

(2) If the person meets the conditions specified in this section, the CETA employer shall, within thirty days from the date of completion of the employee's payment, make the employer contribution which would have been required during the period of the CETA participation, plus interest on the employee's and employer's contribution from the date such service began at a rate determined by the director. No part of this interest payment shall be credited to the member's account.

NEW SECTION. Sec. 8. This amendatory act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect on July 1, 1979.

Passed the House March 28, 1979.

Passed the Senate April 11, 1979.

Approved by the Governor April 23, 1979.

Filed in Office of Secretary of State April 23, 1979.

CHAPTER 46

[Substitute House Bill No. 1057]

SERVICE PURCHASE CONTRACTS

AN ACT Relating to state government; adding a new section to chapter 36, Laws of 1969 ex. sess. and to chapter 28B.16 RCW; adding a new section to chapter 1, Laws of 1961 and to chapter 41.06 RCW; and declaring an emergency.

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

NEW SECTION. Section 1. There is added to chapter 36, Laws of 1969 ex. sess. and to chapter 28B.16 RCW a new section to read as follows:

Nothing contained in this chapter shall prohibit any institution of higher education, as defined in RCW 28B.10.016, or related board from purchasing services by contract with individuals or business entities if such services were regularly purchased by valid contract at such institution prior to the effective date of this act: PROVIDED, That no such contract may be executed or renewed if it would have the effect of terminating classified employees or classified employee positions existing at the time of the execution or renewal of the contract.

NEW SECTION. Sec. 2. There is added to chapter 1, Laws of 1961 and to chapter 41.06 RCW a new section to read as follows:

Nothing contained in this chapter shall prohibit any department, as defined in RCW 41.06.020, from purchasing services by contract with individuals or business entities if such services were regularly purchased by valid contract by such department prior to the effective date of this act: