

Trading stamp licenses. Coupons of manufacturers contained in original packages exempt—Exception.

shall apply to the issuance and direct redemption by a manufacturer of a premium coupon, certificate, or similar device; or prevent him from issuing and directly redeeming such premium coupon, certificate, or similar device, which, however, shall not be issued, circulated or distributed by retail vendors except when contained in or attached to an original package. The term "manufacturer," as used in this section means any vendor of an article of merchandise which is put up by or for him in an original package and which is sold under his or its trade name, brand or mark: *Provided*, That no premium coupon, certificate or similar device shall be issued in connection with the sale of eggs, poultry, and the products thereof, or milk and the products thereof.

Proviso.

Passed the Senate February 23, 1957.

Passed the House March 10, 1957.

Approved by the Governor March 22, 1957.

CHAPTER 222.

[S. B. 305.]

STATE EMPLOYEES' RETIREMENT SYSTEM—FEDERAL SOCIAL SECURITY.

AN ACT relating to the covering of state employee members of the state employees' retirement system under the old age and survivor insurance provisions of Title II of the federal social security act as amended; approving a plan for such coverage as presented to and approved by the governor of the state of Washington; establishing an effective date; and declaring an emergency.

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

State employees OASI plan approved.

SECTION 1. The plan for covering the state employee members of the state employees' retirement system under the old age and survivorship provisions of Title II of the federal social security act as amended, required by RCW 41.48.050 as amended

by section 5, chapter 4, Laws of the extraordinary session of 1955, approved by the state employees' retirement board of the state employees' retirement system on the 1st day of August, 1955, and approved by the governor of the state of Washington on the 16th day of August, 1955, is hereby approved.

SEC. 2. The terms and provisions of the plan are as follows: Terms and provisions.

(1) Each political subdivision of the state employing members of the state employees' retirement system, and such employees, after approval of this plan by its governing body as provided in RCW 41.48.030 (4) (f) and after approval by its eligible employees through referendum as provided in RCW 41.48.030 (3) and (4), and the state itself as such a subdivision, and its employees, after approval of this plan by the legislature as provided in RCW 41.48.050 (d) and RCW 41.48.030 (4) (f) and after approval by its eligible employees through referendum as provided in RCW 41.48.030 (3) and (4), shall be deemed to have accepted and agreed to be bound by the following terms and conditions in consideration of extension of the existing agreement between the secretary of health, education and welfare and the governor to make the protection of the federal old age and survivors insurance program available and applicable to such employees.

(2) As used in this plan the terms quoted below shall have the meanings assigned thereto in this subsection. Definitions.

"Political subdivision" means any political subdivision, or instrumentality of one or more such subdivisions, or proprietary enterprise acquired, purchased or originated by one or more such subdivisions after December, 1950, which employs members of the state employees' retirement system. The state, its agencies, instrumentalities and institutions of "Political subdivision."

Definitions. higher learning shall be grouped and considered as a single political subdivision.

"Employee." "Employee" means any person who is a member of the state employees' retirement system and is employed by a political subdivision, except persons serving in policeman's or fireman's positions and officials compensated on a fee basis.

"Wages." "Wages" shall have the meaning given in RCW 41.48.020 (1) and section 209 of the social security act (42 U.S.C.A. Sec. 409); and refers to the first four thousand two hundred dollars paid to any employee in any calendar year.

"State." "State", where not otherwise clearly indicated by the context, means the commissioner of employment security or other officer designated by the governor to administer the plan at the state level for all participating political subdivisions.

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(3) The terms and conditions of this plan are intended and shall be construed to be in conformity with the requirements of the federal social security act as amended and with the requirements of chapter 41.48 RCW, and particularly RCW 41.48.050, as amended by chapter 4, Laws of the extraordinary session of 1955.

(4) The rights and benefits accruing to employees from membership in the state employees' retirement system shall in no way be altered or impaired by this plan or by the additional and supplementary OASI coverage which such employees may receive hereunder. Nothing herein shall be construed to alter in any way the obligations of any political subdivision or its employees to the retirement system.

(5) There shall be no additional cost to or involvement of the state with respect to OASI coverage for state employee members of the state employees' retirement system until this plan has been approved by the legislature.

(6) OASI coverage shall be applicable to all services performed by its employees for a political subdivision which has approved this plan.

(7) Each employee to whom OASI coverage is made applicable under this plan pursuant to an extension or modification under RCW 41.48.030 of the existing agreement between the secretary of health, education and welfare and the governor shall be required to pay into the OASI contribution fund established by RCW 41.48.060 during the period of such coverage contributions with respect to his wages in an amount equal to the employee tax imposed by the federal insurance contributions act (section 3101, Internal Revenue Code of 1954), in consideration of the employee's retention in service by the political subdivision. The subdivision shall withhold such contributions from the wages paid to the employee; and shall remit the contributions so withheld in each calendar quarter to the state for deposit in the contribution fund not later than the twentieth calendar day of the month following that quarter.

(8) Each political subdivision shall pay into the contribution fund with respect to the wages of its employees during the period of their OASI coverage pursuant to this plan contributions in an amount equal to the employer tax imposed by the federal insurance contributions act (section 3111, Internal Revenue Code of 1954), from the fund of the subdivision from which such employees' wages are paid. The subdivision shall remit such contributions to the state for deposit in the contribution fund on a quarterly basis, not later than the twentieth calendar day of the month following each calendar quarter.

(9) If any political subdivision other than that comprising the state, its agencies, instrumentalities and institutions of higher learning fails to remit as provided herein employer contributions or employee contributions, or any part of either, such delinquent

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contributions may be recovered with interest at the rate of six percent per annum by action in a court of competent jurisdiction against the political subdivision; or such delinquent contributions may at the request of the governor be deducted from any moneys payable to such subdivision by the state.

(10) Each political subdivision shall be charged with a share of the cost of administration of this plan by the state, to be computed as that proportion of the overall cost of administration which its total annual contributions bear to the total annual contributions paid by all subdivisions on behalf of employees covered by the plan. The state shall compute the share of cost allocable to each subdivision and bill the subdivision therefor at the end of each fiscal year. The subdivision shall within ninety days thereafter remit its share of the cost to the state for deposit in the general fund of the state.

(11) Each political subdivision shall submit to the state, through the employment security department, P. O. Box 367, Olympia, Washington, or such other officer or agency as the governor may subsequently designate, on forms furnished by the state, not later than the twentieth calendar day of the month following the end of each calendar quarter, the following information:

A. the social security account number of each employee;

B. the name of each employee;

C. the amount of wages subject to contributions as required hereunder paid to each employee during the quarter;

D. the total amount of wages subject to contributions paid to all employees during the quarter;

E. the total amount of employee contributions withheld and remitted for the quarter; and

F. the total amount of employer contributions paid by the subdivision for the quarter.

(12) Each political subdivision shall furnish in the same manner as provided in subsection (11), upon reasonable notice, such other and further reports or information as the governor may from time to time require. Each subdivision shall comply with such requirements as the secretary of health, education and welfare or the governor may from time to time establish with respect to any or all of the reports or information which are or may be provided for under subsection (11) or this subsection in order to assure the correctness and verification thereof.

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(13) The governing body of each political subdivision shall designate an officer of the subdivision to administer such accounting, reporting and other functions as will be required for the effective operation of this plan within the subdivision, as provided herein. The commissioner of employment security, or such other officer as the governor may designate, shall perform or supervise those functions with respect to employees of the subdivision comprising the state, its agencies, instrumentalities and institutions of higher learning; and shall serve as the representative of the participating political subdivisions in the administration of this plan with the secretary of health, education and welfare.

(14) OASI coverage may be made applicable as provided herein to employees of any political subdivision regardless of the approval or disapproval of this plan by any other subdivision.

(15) Each political subdivision, with the approval of a majority of its employees as indicated by vote thereon in conjunction with the referendum to be held pursuant to RCW 41.48.030 (3) and (4), may designate the first day of any month beginning with January of 1955 as the effective date of OASI coverage for such employees; except that after January 1, 1958, a subdivision may not so designate an

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effective date prior to the first day of the current calendar year.

(16) The governor may terminate the operation of this plan in its entirety with respect to any political subdivision, in his discretion, if he finds that the subdivision has failed to comply substantially with any requirement or provision of this plan. The plan shall not be so terminated until reasonable notice and opportunity for hearing thereon have been given to the subdivision under such conditions, consistent with the provisions of the social security act, as shall have been established in regulations by the governer.

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SEC. 3. The effective date of OASI coverage for state employee members of the state employees retirement system shall be the 1st day of July, 1957; provided the terms and conditions set forth in RCW 41.48.030 (3) have been fulfilled.

Severability.

SEC. 4. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

Emergency.

SEC. 5. This act is necessary for the immediate preservation of the public peace, health and safety, the support of state government and its existing public institutions, and shall take effect immediately.

Passed the Senate March 8, 1957.

Passed the House March 12, 1957.

Approved by the governor March 22, 1957.