

SEC. 4. Any money remaining in the mine to market road fund on March 31, 1951, shall be transferred to the motor vehicle fund. Remaining sums.

SEC. 5. Section 78.48.070, R.C.W., as derived from section 7, chapter 222, Laws of 1945, is repealed. Repealing clause.

[Rep. Rem. Supp. 1945, § 6450-25h.]

Passed the Senate February 15, 1951.

Passed the House March 4, 1951.

Approved by the Governor March 13, 1951.

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## CHAPTER 50.

[ S. B. 262. ]

### STATE EMPLOYEES' RETIREMENT SYSTEM.

AN ACT relating to the state employees' retirement system; amending sections 41.40.010, 41.40.120, 41.40.150, 41.40.160, 41.40.190, 41.40.200, 41.40.230, 41.40.290, 41.40.310, 41.40.320, 41.40.330, 41.40.360, 41.40.410, R.C.W.; adding four new sections to chapter 41.40, R.C.W., and declaring an emergency.

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

SECTION 1. Section 41.40.010, R.C.W. as derived from section 1, chapter 240, Laws of 1949, is amended to read as follows: Amendment.

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

(a) "Retirement system" means the state employees' retirement system provided for in this chapter. "Retirement system."

(b) "Retirement board" means the board provided for in this chapter to administer said retirement system. "Retirement board."

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

(d) "Employer" means every branch, department, agency, commission, board, and office of the "Employer."

state and any political subdivision of the state admitted into the retirement system.

"Member."

(e) "Member" means any employee included in the membership of the retirement system, as provided for in section 41.40.120.

"Original member."

(f) "Original member" of this retirement system means:

1. Any person who became a member of the system prior to April 1, 1949;

2. Any person who becomes a member through the admission of an employer into the retirement system on and after April 1, 1949, and prior to April 1, 1951;

3. Any person who first becomes a member by securing employment with an employer prior to April 1, 1951, provided he has rendered at least one or more years of service to any employer prior to October 1, 1947;

4. Any person who becomes a member through the admission of an employer into the retirement system on or after April 1, 1951, and prior to April 1, 1953, provided, such person has been in the regular employ of the employer for at least six months of the twelve month period preceding the said admission date;

"New member."

(g) "New member" of this retirement system means a person who becomes a member on or after April 1, 1949, except as otherwise provided in this section.

"Compensation earnable."

(h) "Compensation earnable" means salaries or wages earned during a payroll period for personal services and where the compensation is not all paid in money maintenance compensation shall be included upon the basis of the schedules established by the member's employer.

"Service."

(i) "Service" means periods of employment rendered to any employer for which compensation is paid, and includes time spent in office as an elected

or appointed official of an employer. Full time work for ten days or more or an equivalent period of work 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 in this chapter. 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 benefits.

(j) "Prior service" means all service of an original member rendered to any employer prior to October 1, 1947. Service by a state employee officially assigned by the state on a temporary basis to assist another public agency, shall be considered as service as a state employee.

"Prior service."

(k) "Membership service" means:

"Membership service."

1. In the case of any person who becomes a member through the admission of an employer into the retirement system on or after April 1, 1949, and prior to April 1, 1953, all service rendered after October 1, 1947;

2. In the case of all other members, all service as a member.

(l) "Beneficiary" means any person in receipt of a retirement allowance, pension or other benefit provided by this chapter.

"Beneficiary."

(m) "Regular interest" means such rate as the retirement board may determine, such rate not to be lower than one per cent per annum nor more than four per cent per annum compounded annually.

"Regular interest."

(n) "Accumulated contributions" means the sum of all contributions for the purchase of annuities standing to the credit of a member in his individual account together with regular interest thereon.

"Accumulated contributions."

(o) "Average final compensation" means the average compensation earnable by a member during

"Average final compensation."

his last five years of service as an employee, or for any consecutive five year period of service, whichever is the greater; or if he has less than five years of service, then the average compensation earnable by him during his total years of service.

"Final compensation."

(p) "Final compensation" means the annual rate of compensation earnable by a member at the time of termination of his employment.

"Annuity."

(q) "Annuity" means payments for life derived from accumulated contributions of a member. All annuities shall be paid in monthly installments.

"Pension."

(r) "Pension" means payments for life derived from contributions made by the employer. All pensions shall be paid in monthly installments.

"Retirement allowance."

(s) "Retirement allowance" means the sum of the annuity and the pension.

"Annuity reserve."

(t) "Annuity reserve" means the present value, computed upon the basis of such mortality, and other tables, as shall be adopted by the retirement board, of all payments to be made on account of any annuity or benefits in lieu of any annuity granted to a member under the provisions of this chapter.

"Pension reserve."

(u) "Pension reserve" means the present value, computed upon the basis of such mortality, and other tables, as shall be adopted by the retirement board, of all payments to be made on account of any pension, or benefits in lieu of any pension, granted to a member under the provisions of this chapter.

"Employee."

(v) "Employee" means any person who may become eligible for membership under this chapter, as set forth in section 41.40.120.

"Contributions for the purchase of annuities."

(w) "Contributions for the purchase of annuities" means amounts deducted from the compensation of a member, under the provisions of section 41.40.330, other than contributions to the retirement system expense fund.

"Actuarial equivalent."

(x) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such

mortality and other tables as may be adopted by the retirement board.

[Am. Rem. Supp. 1949, § 11072-1.]  
[R.C.W. 41.40.120 is Rem. Supp. 1949, § 11072-13.]  
[R.C.W. 41.40.330 is Rem. Supp. 1949, § 11072-34.]

SEC. 2. Section 41.40.120, R.C.W. as derived from section 7, chapter 240, Laws of 1949, is amended to read as follows: Amendment.

Membership in the retirement system shall consist of all regularly compensated employees and appointive and elective officials of employers as defined in this chapter who have served at least six months without interruption, with the following exceptions: Membership.

1. Persons in positions requiring normally less than five months of uninterrupted service a year; Exceptions.  
Under 5 months.

2. Employees of the legislature except the officers thereof elected by the members of the senate and the house and legislative committees, unless membership of such employees be authorized by the said committee; Certain legislative employees.

3. Persons holding elective offices or persons appointed directly by the governor: *Provided*, That such persons shall have the option of applying for membership and to be accepted by action of the retirement board; Certain officers.  
Option.

4. Employees holding membership in, or receiving pension benefits under, any retirement plan operated wholly or in part by an agency of the state or political subdivision thereof, or who are by reason of their current employment contributing to or otherwise establishing the right to receive benefits from any such retirement plan: *Provided, however*, In any case where the state employees' retirement system has in existence an agreement with another retirement system in connection with exchange of service credit or an agreement whereby members can retain service credit in more than one system. Employees under another system.  
Proviso.  
Agreement between systems.

such an employee shall be allowed membership rights should the agreement so provide;

Patient and inmate help.

5. Patient and inmate help in state charitable, penal and correctional institutions;

Veterans' home members.

6. "Members" of a state veterans' home or state soldiers' home;

Employed incident to education.

7. Persons employed by an employer or serving in an institution operated by an employer, primarily as an incident to and in furtherance of their education or training;

Employees of university and state college.

8. Employees of the University of Washington and the State College of Washington during the period of service necessary to establish eligibility for membership in the retirement plans operated by such institutions;

Fee basis services.

9. Persons rendering professional services to an employer on a fee, retainer or contract basis or as an incident to the private practice of a profession.

[Am. Rem. Supp. 1949, § 11072-13]

Amendment.

SEC. 3. Section 41.40.150, R.C.W. as derived from section 10, chapter 240, Laws of 1949, is amended to read as follows:

Cessation of membership.

Should any member become a beneficiary, or die, or should he separate or be separated from service without leave of absence before attaining age sixty years, he shall thereupon cease to be a member: *Provided*, That any member who would have attained sixty years or more by April 1, 1949, who shall be involuntarily separated from service prior to that date, with ten years or more service, shall not thereby lose his right to benefits under this chapter.

Exception.

Should he again become employed by an employer he shall enter the retirement system as a new member and his membership service shall be computed from the date he last became a member, *except*:

Re-employment, effect.

(a) As provided in section 41.40.170.

(b) An employee who re-enters or has re-entered service within ten years from the date of his separa-

tion, shall upon completion of six months of continuous service and upon the restoration of all withdrawn contributions, which restoration must be completed within three years after resumption of employment, be returned to the status, either as an original member or new member which he held at time of separation.

(c) A member separated for reasons beyond his control, who has completed at least fifteen years of service, or who has completed at least ten years of service and is age fifty or older shall remain a member during the period of his absence from service for the exclusive purpose only of receiving a retirement allowance to begin at attainment of age sixty-five, however, such a member may upon thirty days written notice to the board elect to receive a reduced retirement allowance on or after age sixty which allowance shall be the actuarial equivalent of the sum necessary to pay regular retirement benefits as of age sixty-five: *Provided*, That if such member should withdraw all or part of his accumulated contributions he shall thereupon cease to be a member unless the amounts so withdrawn be restored before his retirement age is reached.

Separation  
for reasons  
beyond  
member's  
control.

Withdrawal  
of contri-  
butions.

(d) The recipient of a retirement allowance who has not yet reached the compulsory retirement age of seventy and who shall be employed in an eligible position shall be considered to have terminated his retirement status and he shall immediately become a member of the retirement system with the status of membership he had as of the date of his retirement. Retirement benefits shall be suspended during the period of his eligible employment and he shall make contributions and receive membership credit. Upon again becoming a member there shall be transferred from the annuity reserve fund to the employees' savings fund and credited to the individual account of such member a sum that shall be equal to the then

Re-employ-  
ment of  
retirement  
allowance  
recipient.

present value of the annuity portion of his retirement allowance, computed upon the interest and mortality basis then in use by the retirement system for the computation of annuities. Such a member shall have the right to retire at any time on thirty days notice to the retirement board: *Provided, however,* That where any such right to retire is exercised to become effective before the member has rendered six uninterrupted months of service the type of retirement allowance he had at the time of his previous retirement shall be reinstated, but no additional service credit shall be available.

[Am. Rem. Supp. 1949, § 11072-16.]

[R.C.W. 41.40.170 is Rem. Supp. 1949, § 11072-18.]

Amendment.

SEC. 4. Section 41.40.160, R.C.W. as derived from section 11, chapter 240, Laws of 1949, is amended to read as follows:

Total service credit.

(a) Subject to the provisions of section 41.40.150 at retirement the total service credited to a member shall consist of all his membership service and, if he has a prior service certificate, all service certified on such certificate.

Acquisition of private enterprise by public agency.

(b) Employees of a public utility or other private enterprise heretofore or hereafter acquired by a public agency as a matter of public convenience and necessity, where it is in the public interest to retain the trained personnel of such enterprise, all service to that enterprise shall, upon the acquiring public agency becoming an employer as defined in 41.40.010 (d) be credited on the same basis as if rendered to the said employer: *Provided, however,* That this shall apply only to those employees who are in the service of the enterprise at the time of acquisition by the public agency and who remain in the service of the acquiring agency until they attain membership in the state employees' retirement system: *Provided further,* In the event that the acquiring agency is an employer at the time of the acquisition, employer's contributions in connection with mem-

bers achieving service credit hereunder shall be made on the same basis as set forth in 41.40.360 (d) for an employer admitted after April 1, 1949.

[Am. Rem. Supp. 1949, § 11072-17.]

[R.C.W. 41.40.150 is Rem. Supp. 1949, § 11072-16.]

[R.C.W. 41.40.010 (d) is Rem. Supp. 1949, § 11072-1 (d).]

[R.C.W. 41.40.360(d) is Rem. Supp. 1949, § 11072-37(d).]

SEC. 5. Section 41.40.190, R.C.W. as derived from section 14, chapter 240, Laws of 1949, is amended to read as follows: Amendment.

Upon retirement from service, as provided for in 41.40.180, a member shall receive a service retirement allowance which shall consist of: Service retirement allowance.

(a) An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement; and Annuity.

(b) A basic service pension, subject to the provisions of paragraphs (d) and (e) of this section, of one hundred dollars per annum; and Basic service pension.

(c) A membership service pension, subject to the provisions of paragraph (e) of this section, which shall be equal to one one-hundred fortieth of his average final compensation for each year or fraction of a year of membership service credited to his service account, not to exceed thirty-five years: *Provided*, That the membership service pension shall not exceed eight hundred dollars per annum; and Membership service pension.

(d) A prior service pension which shall be equal to one-seventieth of his average final compensation for each year or fraction of a year of prior service not to exceed thirty years credited to his service accounts: *Provided*, That if the membership service when added to the prior service exceeds thirty-five years, then the membership service shall be reduced so that the total of membership service and prior service is not greater than thirty-five years: *Provided further*, That the total pension portions, provided by the employer under paragraphs (b), (c) and (d) of this section, shall not exceed eight- Prior service pension.

teen hundred dollars per annum. In no event, however, shall any original member upon retirement at age seventy with ten years of service credit receive less than nine hundred dollars per annum as a retirement allowance. In the event that the retirement allowance as to such member provided by paragraphs (a), (b), (c) and (d) hereof shall amount to less than the said nine hundred dollars the basic service pension of the member shall be increased from one hundred dollars to a sum sufficient to make a retirement allowance of that amount.

Minimum years service of new member for pension.

(e) To be eligible to receive the pension portions provided by the employer under paragraphs (b) and (c) of this section, a new member must have at least five years of membership service credited to his service account, unless he becomes eligible for benefits provided for herein under sections 41.40.200, 41.40.210 and 41.40.220.

Benefits; computation subject to R.C.W. 41.40.330 (c).

(f) The computation of pension benefits set forth herein shall be subject to the provisions of section 41.40.330 (c).

[Am. Rem. Supp. 1949, § 11072-20.]  
[R.C.W. 41.40.180 is Rem. Supp. 1949, § 11072-19.]  
[R.C.W. 41.40.200 is Rem. Supp. 1949, § 11072-21.]  
[R.C.W. 41.40.210 is Rem. Supp. 1947, § 11072-22.]  
[R.C.W. 41.40.220 is Rem. Supp. 1949, § 11072-23.]  
[R.C.W. 41.40.330(c) new; see sec. 11 of this chapter.]

Amendment.

SEC. 6. Section 41.40.200, R.C.W. as derived from section 15, chapter 240, Laws of 1949, is amended to read as follows:

Duty caused total incapacity; retirement for.

Subject to the provisions of 41.40.310 and 41.40-.320, upon application of a member, or his employer, a member who becomes totally incapacitated for duty as the natural and proximate result of an accident occurring in the actual performance of duty, while in the service of an employer, without willful negligence on his part, shall be retired: *Provided*, The medical adviser after a medical examination of such member made by or under the direction of the said medical adviser shall certify in writing that such

Medical certificate necessary.

member is mentally or physically totally incapacitated for the further performance of his duty to his employer and that such member should be retired: *Provided further*, That the retirement board concurs in the recommendation of the medical adviser.

Board  
concurrence  
necessary.

[Am. Rem. Supp. 1949, § 11072-21.]

[R.C.W. 41.40.310 and 41.40.320 are Rem. Supp. 1949, §§ 11072-32 and 11072-33, respectively.]

SEC. 7. Section 41.40.230, R.C.W. as derived from section 17, chapter 240, Laws of 1949, is amended to read as follows:

Amendment.

Subject to the provisions of 41.40.310 and 41.40.320, upon application of a member, or his employer, a member who has been an employee at least ten years, and who becomes totally and permanently incapacitated for duty as the result of causes occurring not in the performance of his duty, may be retired by the retirement board: *Provided*, The medical adviser, after a medical examination of such member, made by or under the direction of the said medical adviser shall certify in writing that such member is mentally or physically incapacitated for the further performance of duty, and such incapacity is likely to be permanent and that such member should be retired: *Provided further*, That the retirement board concurs in the recommendation of the medical adviser.

Total  
incapacity  
otherwise  
caused;  
retirement  
for.

Medical  
certificate  
necessary.

Board  
concurrence  
necessary.

[Am. Rep. Supp. 1949, § 11072-24.]

[See note to sec. 6, *supra*.]

SEC. 8. Section 41.40.290, R.C.W. as derived from section 20, chapter 240, Laws of 1949, is amended to read as follows:

Amendment.

Any member may elect, in accordance with the provisions of this section and in lieu of a regular retirement allowance payable throughout life with termination at death, to receive as an optional retirement allowance the actuarial equivalent, at the time of his retirement, of his regular retirement allowance in accordance with the provisions of options I, II and III, as hereinafter set forth. No election of

Optional  
allowances.

Actuarial  
equivalent.

an optional retirement allowance shall be effective in case the member making such election dies before his actual retirement date.

**Option I.** Option I. If he dies before the total of the annuity portions of the retirement allowance paid to him equals the amount of his accumulated contributions at the time of retirement, then the balance shall be paid to such person or persons having an insurable interest in his life, 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 representatives; or

**Option II.** Option II. Upon his death his reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the retirement board at the time of his retirement; or

**Option III.** Option III. Upon his death, one-half of his reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the retirement board at the time of his retirement.

[Am. Rem. Supp. 1949, § 11072-30.]

**Amendment.** SEC. 9. Section 41.40.310, R.C.W. as derived from section 22, chapter 240, Laws of 1949, is amended to read as follows:

**Re-examination of disability beneficiaries.** (a) Once each year during the first five years following the retirement of a member on a disability pension or retirement allowance, and at least once in every three year period thereafter the retirement board may, and upon the member's application shall, require any disability beneficiary, who has not attained age sixty years, to undergo a medical examination; such examination to be made by or

under the direction of the medical adviser at the place of residence of said beneficiary, or other place mutually agreed upon. Should any disability beneficiary, who has not attained age sixty years, refuse to submit to such medical examination in any such period, his disability pension or retirement allowance may be discontinued until his withdrawal of such refusal, and should such refusal continue for one year, all his rights in and to his disability pension, or retirement allowance, may be revoked by the retirement board. If upon such medical examination of a disability beneficiary, the medical adviser reports and his report is concurred in by the retirement board, that the disability beneficiary is physically able and capable of resuming employment his disability pension or retirement allowance shall cease.

Refusal to submit to examination.

Pension or allowance revoked.

(b) Should the secretary report and certify to the retirement board that such disability beneficiary is engaged in a gainful occupation paying more than the difference between his disability retirement allowance and his final compensation, and should the retirement board concur in such report, then the amount of his pension shall be reduced to an amount which, together with his annuity, if he has an annuity, and the amount earned by him shall equal the amount of his final compensation. Should the earnings of such disability beneficiary be later changed, the amount of his pension shall be further modified in like manner.

Earnings of disability beneficiary.

[Am. Rem. Supp. 1949, § 11072-32.]

SEC. 10. Section 41.40.320, R.C.W. as derived from section 23, chapter 240, Laws of 1949, is amended to read as follows:

Amendment.

A disability beneficiary who has been or shall be reinstated to active service shall from the date of such restoration again become a member of the retirement system; and he shall contribute to the retirement system in the same manner as prior to

Disability beneficiary returned to service again becomes member.

his disability retirement. Upon restoration of such disability beneficiary to active service the actuarial equivalent of his annuity at that time, but not exceeding the amount of his accumulated contributions at the time of his retirement for disability, shall be transferred from the annuity reserve fund to the employees' savings fund and credited to his individual account in the employees' savings fund. Any prior service and membership service, on the basis of which his retirement allowances were computed at the time of his retirement, shall be restored to full force and effect, and, except in the case of retirement for non-duty disability as provided in 41.40.230, he shall be given membership service for the period of time he was out of service due to such disability.

Prior service and membership service restored.

[Am. Rem. Supp. 1949, § 11072-33.]  
 [R.C.W. 41.40.230 is Rem. Supp. 1949, § 11072-24.]

Amendment.

SEC. 11. Section 41.40.330, R.C.W. as derived from section 24, chapter 240, Laws of 1949, is amended to read as follows:

Member's contribution.

(a) Beginning October 1, 1947, each employee who is a member of the retirement system shall contribute five per cent of that part of his compensation earnable, not in excess of thirty-six hundred dollars in a calendar year, except as provided in paragraphs (b) and (c) hereof, to the employees' savings fund, and shall contribute one dollar and fifty cents per annum to the retirement system expense fund: *Provided, however,* That beginning January 1, 1950, such retirement system expense fund contribution shall be increased to the amount of two dollars and fifty cents per annum and shall be made by semi-annual payments of one dollar and twenty-five cents beginning January 1, 1950, and thereafter each employee entering membership shall contribute the sum of one dollar and twenty-five cents to the retirement system expense fund for the fractional portion of the semi-annual period during which he enters or re-enters membership. The officer

To employees' saving fund.

To expense fund.

responsible for making up the payroll shall deduct from the compensation of each member, on each and every payroll of such member for each and every payroll period subsequent to the date on which he became a member of the retirement system, an amount equal to five per cent of such member's compensation earnable, provided that the amount of a member's compensation earnable in excess of the first thirty-six hundred dollars within a calendar year shall not be considered. The retirement board may accept contributions provided for in this chapter on any compensation earnable during any payroll period or periods without regard to the maximum salary provisions, provided deductions cease entirely for the remainder of the calendar year if and when the total contributions deducted from a member's salary for the employee's savings fund for such calendar year equal one hundred eighty dollars. In determining the amount earnable by a member in a payroll period, the retirement board and the employer may consider the rate of compensation payable to such member on the first day of the payroll period as continuing through such payroll period, and deductions may be omitted from such compensation for any period less than a full payroll period, if an employee was not a member on the first day of the payroll period.

Payroll  
officer to  
make  
deduction.

Determina-  
tion of  
amount  
earnable.

(b) Any member may, pursuant to regulations formulated from time to time by the board, provide for himself, by means of an increased rate of contribution to his account in the employees' savings fund, a prospective retirement allowance not to exceed one-half of his prospective average final compensation.

Board  
may permit  
increased  
contribution.

(c) Any member who on October 1, 1951, has had twelve continuous months for which service credit is granted, the compensation earnable for which exceeds thirty-six hundred dollars, may within ninety days from such date file upon forms provided

Contributions without regard to \$3,600 limit.

by the retirement board, an election to become a fully contributing member and thereby authorize a five per cent deduction from his compensation earnable without regard to the thirty-six hundred dollar limitation provided in paragraph (a) hereof. Thereafter, any member shall have a period of ninety days from the date upon which he has completed twelve continuous months for which service credit is granted, the total compensation earnable for which exceeds thirty-six hundred dollars, to make a like election to become a fully contributing member. A fully contributing member shall, providing he remains in such status and makes contributions thereunder from the time of his election to the time of his retirement, be entitled to have his pension benefits computed as provided in section 41.40.190, but without regard to the limitations found in paragraphs (c) and (d) thereof: *Provided, however,* That the basic service pension provided for in section 41.40.190 (b) shall be allowed in the computation of pension benefits, but only to the extent that the same when added to a membership service pension as provided in section 41.40.190 (c), will not result in a pension benefit in excess of nine hundred dollars per annum and a total pension provided by the employer as set forth in 41.40.190 (d) in excess of eighteen hundred dollars per annum.

[Am. Rem. Supp. 1949, § 11072-34.]

[R.C.W. 41.40.190 is Rem. Supp. 1949, § 11072-20.]

Amendment.

SEC. 12. Section 41.40.360, R.C.W. as derived from section 25, chapter 240, Laws of 1949, is amended to read as follows:

Employer contributions.

(a) The contributions by the employer for benefits under the retirement system shall consist of the sum of a percentage of the compensation of members to be known as the "membership service contribution," a percentage of such compensation to be known as the "prior service contribution" and in the case

Membership service contribution.

Prior service contribution.

of employers admitted to the retirement system after April 1, 1949, a percentage of such compensation to be known as the "additional 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. Until the end of the biennium in which the first actuarial valuation is completed the membership service contribution rate shall be four per cent, and the prior service contribution rate shall be one per cent.

Additional contribution.

Rates.

(b) After the completion of each actuarial valuation subsequent to April 1, 1949, the retirement board shall redetermine the membership service contribution rate and such redetermined contribution rate shall become effective in the ensuing biennium. Until the prior service contributions shall have been discontinued such membership 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 required, together with all funds (other than funds allocated to prior service pensions) currently standing to the credit of the employers' accumulation fund and the pension reserve fund, to provide for the payment of all future pension benefits (other than prior service benefits). After the prior service contributions have been discontinued such membership contribution rate shall be determined as the uniform and constant percentage of the prospective compensation of all members of the retirement system at the date of such valuation which is required, together with all funds currently standing to the credit of the employers' accumulation fund and the pension reserve fund, to provide for the payment of all future pension benefits.

Redetermination of membership service contribution rate.

Determination until discontinuance of prior service contributions.

Determination after discontinuance of prior service contributions.

(c) Following the completion of the first actuarial valuation after April 1, 1949, the retirement board shall redetermine the prior service contribu-

Redetermined prior service rate.

How determined. tion rate, and such redetermined contribution rate shall become effective in the ensuing biennium. The prior service contribution rate shall be determined as that percentage of annual compensation of all members in the retirement system at the date of such valuation which is equivalent to four per cent of the excess of the liability for prior service pensions over the amount currently in the employers' accumulation fund allocated to prior service pensions. Such redetermined prior service contribution rate shall continue until the amount in the employers' accumulation fund allocated to prior service pensions equals the then outstanding liability for prior service pensions.

Additional contribution. (d) Any employer admitted to the retirement system after April 1, 1949, shall make an additional contribution at a rate equal to not less than twenty-five per cent of the sum of the membership service contribution rate and the prior service contribution rate until such time as the sum of such additional contributions equals the amount of membership service contributions and prior service contributions which such employer would have been required to contribute between April 1, 1949, and the date of such employer's admission to the retirement system: *Provided, however,* All additional contributions hereunder and under the provisions of 41.40.160 (b) must be completed within ten years from the date of the employer's admission.

Completion of additional contributions.

[Am. Rem. Supp. 1949, § 11072-37.]  
[R.C.W. 41.40.160(b) new; see sec. 4 of this chapter.]

Amendment. SEC. 13. Section 41.40.410, R.C.W. as derived from section 27, chapter 240, Laws of 1949, is amended to read as follows:

Political subdivisions may participate.

The employees and appointive and elective officials of any political subdivision of the state may become members of the retirement system by the approval of the local legislative authority. Each

such political subdivision becoming an employer under the meaning of this chapter shall make contributions to the funds of the retirement system as provided in 41.40.080, 41.40.360 and 41.40.370 of this chapter and its employees shall contribute to the employees' savings fund at the rate established under the provisions of 41.40.330. For the purpose of administering and interpreting this chapter the board may substitute the names of political subdivisions of the state for the "state" and employees of the subdivisions for "state employees" wherever such terms appear in this chapter. The board may also alter any dates mentioned in this chapter for the purpose of making the provisions of the chapter applicable to the entry of any political subdivisions into the system. Any member transferring employment to another employer which is covered by the retirement system may continue as a member without loss of previously earned pension and annuity benefits. The board shall keep such accounts as are necessary to show the contributions of each political subdivision to the employers' accumulation fund and shall have the power to debit and credit the various accounts in accordance with the transfer of the members from one employer to another. At such time as the membership from political subdivisions is sufficiently large to warrant representation on the board, the retirement board may appoint one county member and/or one city member to the board in place of two of the state employees' members provided for in this chapter.

Board may apply act to any such participant.

Member transferring employment.

Accounts.

Representation on board.

[Am. Rem. Supp. 1949, § 11072-42.]  
 [R.C.W. 41.40.080 is Rem. Supp. 1949, § 11072-9.]  
 [R.C.W. 41.40.360 is Rem. Supp. 1949, § 11072-37.]  
 [R.C.W. 41.40.370 is Rem. Supp. 1949, § 11072-38.]  
 [R.C.W. 41.40.330 is Rem. Supp. 1949, § 11072-34.]

SEC. 14. There is hereby added to chapter 41.40, R.C.W. a new section to read as follows:

Within ninety days after any final decision by the retirement board has been communicated to the

claimant, such claimant may appeal to the superior court of Thurston County and such appeal shall be heard as a case in equity, but upon such appeal only such issues of law may be raised as were raised before the board. The proceedings in every such appeal shall be informal and summary, but full opportunity to be heard upon the issues of law shall be had before judgment is pronounced. Such appeal shall be perfected by serving a notice of appeal on the executive secretary of the retirement board by personal service or by mailing a copy thereof to the said executive secretary and by filing the notice of appeal together with proof of service thereof with the clerk of the court. The service and the filing together with proof of service of a notice of appeal, all within ninety days, shall be jurisdictional. The executive secretary shall within thirty days after receipt of such notice of appeal serve and file on behalf of the retirement board notice of appearance upon the appellant or his attorney of record and such appeal shall thereupon be deemed at issue. The executive secretary shall serve upon the appellant and file with the clerk of the court before hearing, a certified copy of the complete record of the administrative proceedings which shall, upon being so filed, become the record in such case. Appeal shall lie from the judgment of the superior court to the supreme court as in other cases.

Appeal to superior court.

Proceedings are summary.

Notice of appeal.

Filing.

Service and filing jurisdictional.

Executive secretary.

Appeal to supreme court.

New section.

Decision of board prima facie correct.

SEC. 15. There is hereby added to chapter 41.40, R.C.W. a new section to read as follows:

In all court proceedings under or pursuant to this chapter the decision of the board shall be *prima facie* correct, and the burden of proof shall be upon the party attacking the same. If the court shall determine that the board has acted within its power and has correctly construed the law, the decision of the board shall be confirmed; otherwise, it shall be reversed or modified. In case of a modification or re-

versal the court shall refer the same to the board with an order directing it to proceed in accordance with the findings of the court.

SEC. 16. There is hereby added to chapter 41.40, R.C.W. a new section to read as follows: New section.

No bond of any kind shall be required of a claimant appealing to the superior or the supreme court from a finding of the retirement board effecting such claimant's right to retirement or disability benefits. No bond required of claimant.

SEC. 17. There is hereby added to chapter 41.40, R.C.W. a new section to read as follows: New section.

The retirement board is empowered to enter into agreements with the boards or other authorities of retirement systems operated by the state or a political subdivision thereof for the purpose of protecting the retirement rights or benefits of public employees who may alter their membership status by changing employment from one public agency to another. Board may enter into contracts.

SEC. 18. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions and shall take effect as of April 1, 1951. Emergency.

Passed the Senate February 23, 1951.

Passed the House March 5, 1951.

Approved by the Governor March 13, 1951.