

CHAPTER 228.

[H. B. 214.]

STATE-WIDE CITY EMPLOYEES RETIREMENT SYSTEM.

AN ACT relating to cities and towns and to pension, relief, disability and retirement systems and pension, relief, disability and retirement funds therein; amending sections 41.44.030, 41.44.090, 41.44.100, 41.44.110, 41.44.140, 41.44.150, 41.44.170 and 41.44.200, RCW, and amending chapter 41.44, RCW, by adding a new section thereto.

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

SECTION 1. Section 41.44.030, RCW, as derived from section 3, chapter 71, Laws of 1947, as last amended by section 2, chapter 275, Laws of 1951, is amended to read as follows:

Amendment.

Definitions.

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

"Retirement system."

(1) "Retirement system" means the state-wide city employees retirement system provided for herein.

"City" or "cities."
"Employee."

(2) "City" or "cities" includes town or towns.
(3) "Employee" means any appointive officer or employee and shall include elective officials to the extent specified herein.

"Member."

(4) "Member" means any person included in the membership of the retirement system as provided herein.

"Board."

(5) "Board" means the "board of trustees" provided for herein.

"Retirement fund."

(6) "Retirement fund" means "state-wide city employees retirement fund" provided for herein.

"Service."

(7) "Service" means service rendered to a city for compensation; and for the purpose of this chapter a member shall be considered as being in service only while he is receiving compensation from the city for such service or is on leave granted for service in the armed forces of the United States as contemplated in RCW 41.44.120.

(8) "Prior service" means the service of a member for compensation rendered a city prior to the effective date and shall include service in the armed forces of the United States to the extent specified herein.

"Prior service."

(9) "Current service" means service after the employee has become a member of the system.

"Current service."

(10) "Creditable service" means such service as is evidenced by the record of normal contributions, plus prior service as evidenced by prior service certificate.

"Creditable service."

(11) "Beneficiary" means any person in receipt of a pension, annuity, retirement allowance, disability allowance, or any other benefit herein.

"Beneficiary."

(12) "Compensation" means the compensation payable in cash, plus the monetary value, as determined by the board of trustees, of any allowance in lieu thereof (but for the purposes of this chapter such "compensation" shall not exceed three hundred dollars per month, except as to those employees of any member city the legislative body of which shall not later than July 1, 1953, have irrevocably elected by resolution or ordinance to increase the limitation herein contained, effective as to all of its employees, from three hundred dollars to four hundred dollars, commencing on said date, or which shall so elect prior to January 1 of any succeeding year, effective as of January 1 of any such succeeding year, and as to such employees shall, commencing on the specified date, not exceed four hundred dollars per month).

"Compensation."

(13) "Compensation earnable" means the full rate of compensation that would be payable to an employee if he worked the full normal working time (but for the purposes of this chapter, such "compensation earnable" shall not exceed three hundred dollars per month, except as to those employees of any member city the legislative body of which shall

"Compensation earnable."

not later than July 1, 1953, have irrevocably elected by resolution or ordinance to increase the limitation herein contained, effective as to all of its employees, from three hundred dollars to four hundred dollars, commencing on said date, or which shall so elect prior to January 1 of any succeeding year, effective as of January 1 of any such succeeding year, and as to such employees shall, commencing on the specified date, not exceed four hundred dollars per month).

"Final compensation."

(14) "Final compensation" means the highest average annual compensation earnable in any five consecutive years of actual service rendered during the ten years immediately preceding retirement, or where the employee has less than five consecutive years of actual service, the earnable compensation for the last five years preceding his retirement.

"Matching contribution."

(15) "Matching contribution" means the contribution of the city deposited in an amount equal to the normal contributions of the employee.

"Normal contributions."

(16) "Normal contributions" means contributions at the rate provided for in RCW 41.44.130, excluding those referred to in subsection (6).

"Released matching contributions."

(17) "Released matching contributions" means such "matching contributions" as are no longer held for the benefit of the employee.

"Regular interest."

(18) "Regular interest" means interest compounded annually at such rate as shall have been adopted by the board of trustees in accordance with the provisions of this chapter.

"Accumulated normal contributions."

(19) "Accumulated normal contributions" means the sum of all normal contributions, deducted from the compensation of a member, standing to the credit of his individual account, together with regular interest thereon.

"Pension."

(20) "Pension" means payments derived from contributions made by the city as provided herein.

- (21) "Annuity" means payments derived from contributions made by a member as provided herein. "Annuity."
- (22) "Retirement allowance" means the pension plus annuity. "Retirement allowance."
- (23) "Fiscal year" means any year commencing with January 1st, and ending with December 31st next following. "Fiscal year."
- (24) "Miscellaneous personnel" means officers and employees other than those in the uniformed police or fire service: *Provided*, Those members of the fire department who are ineligible to the benefits of a firemen's pension system established by or pursuant to any other state law, are also included in the miscellaneous personnel. "Miscellaneous personnel."
- (25) "Uniformed personnel" means any employee who is a policeman in service or who is subject to call to active service or duty as such. "Uniformed personnel."
- (26) "Effective date" when used with regard to employees means the date on which any individual or group of employees became members of any retirement system and when used with regard to any city or town shall mean the date on which it became a participant. "Effective date."
- (27) "Actuarial equivalent" means a benefit of equal value when computed at regular interest upon the basis of such mortality tables as shall be adopted by the board of trustees. "Actuarial equivalent."
- (28) "Persons having an insurable interest in his life" means and includes only such persons who, because of relationship from ties of blood or marriage, have reason to expect some benefit from the continuation of the life of a member. "Persons having an insurable interest in his life."
- (29) "Additional contributions" means contributions made pursuant to subsection (6) of RCW 41-44.130. "Additional contributions."
- (30) "Accumulated additional contributions" means the sum of all "additional contributions" made "Accumulated additional contributions."

by a member standing to the credit of the individual account, together with regular interest thereon.

"Part time employees."

(31) "Part time employees" means those employees who, although regularly and continuously employed, do not regularly perform their duties the full number of hours required of other regular employees, including but not confined to such employees as police judges, city attorneys and other officers and employees who are also engaged in outside employment or occupations.

SEC. 2. Section 41.44.090, RCW, as derived from section 9, chapter 71, Laws of 1947, as last amended by section 5, chapter 275, Laws of 1951, is amended to read as follows:

City contributions.

(1) There shall be paid into the retirement fund by contributions of each city the amounts necessary to pay the following:

(a) Contributions equal to those deposited by employees;

(b) Prior service credits at such rate as may be selected;

(c) That part of a retirement allowance necessary to raise it to a specified minimum;

(d) An equitable share of the administrative costs, all of which costs are to be paid by the cities;

(e) An equitable share of the cost of the death-in-the-line-of-duty benefit, all of which costs are to be paid by the cities.

Contribution in lieu of (a).

Any city having in its employ ten or more employees who are members of the system may elect to contribute, in lieu of its contributions set forth in item (a) above, an amount estimated actuarially necessary to match at retirement the accumulated normal contributions of those of its members who will ultimately retire for service or disability; provided that such election shall be made by resolution or ordinance of the legislative body of such city and, in order to become effective for the remainder of the

year 1953, shall be made on or before July 1, 1953, and thereafter any election so made shall be made prior to January 1, 1954, to become then effective or prior to January 1 of any succeeding year to become effective on January 1 of such succeeding year.

Any city may, with the approval of the board, further elect to contribute in lieu of its contributions set forth in items (b) and (c) above, an amount estimated actuarially, necessary to amortize over a period of not to exceed thirty years, all liabilities on account of the participation of such a city, which are not covered by the contributions of its employees, its funds on hand and its contributions provided for in item (a) above or the contributions elected to be made in lieu thereof in cases where such city shall have elected to make said contribution in lieu of the contributions required in said item (a); provided that such election shall be made by resolution or ordinance of the legislative body of such city and, in order to become effective for the remainder of the year 1953, shall be made on or before July 1, 1953, and thereafter any election so made shall be made prior to January 1, 1954, to become then effective or prior to January 1 of any succeeding year to become effective on January 1 of such succeeding year.

In the event that any city shall be making either of the lieu contributions as hereinabove set forth, the resulting contributions shall be adjusted to conform with facts and conditions disclosed by each succeeding actuarial valuation.

(2) Payment of the obligation set forth in subsection (1) of this section may be made in advance or may be paid currently as contributions are received from employees and pensions are paid to retired members: *Provided*, That the share of administrative expense and expense of the death-in-line-of-duty benefits shall be paid as soon as funds are available to make such payment and the board shall

have the right to require any city that has withdrawn from the system, to annually, at the beginning of each calendar year, deposit and pay in cash an amount estimated by the board to be sufficient to meet the obligation of such city for the ensuing year to those of its members receiving a retirement allowance. From time to time each city may apply reserves in payment of the obligations set forth above as contemplated in RCW 41.44.200.

Board to furnish estimate of obligations.

(3) The board shall furnish each city with an estimate of the amount necessary to pay the obligations of the city in the ensuing fiscal year and the city shall provide therefor in its budget. The board shall cause to be kept an account with each city, crediting the account with such advances and payments as are made by the city and debiting the account with such charges as properly accrue against the city. The board shall furnish each city with a monthly statement of the amount of matching contributions, prior service charges and charges for minimum retirement allowances properly accruing by reason of payment of retirement allowances and deposit of contributions of members.

Board to keep accounts with cities.

Board to furnish monthly statement.

(4) Notwithstanding anything to the contrary, the retirement system shall not be liable for the payment of any retirement allowances or other benefits on account of the employees or retired members of any city under this chapter, for which reserves or guarantees have not been properly set up by such city or its employees to pay such retirement allowances or other benefits: *Provided*, That nothing herein contained shall be so construed to prevent the establishment of a reserve account for annuities and pensions in which shall be placed at the time of retirement of any member the balances of the retiring member's contribution and the city's matching funds for such member and from which account all annuities and current service pensions shall be paid.

System not liable for benefits, when.

(5) Any city may, by majority vote of its electors, withdraw from participation in the retirement system two years after giving written notice to the board of such action by the electorate. It is hereby specifically provided, however, that the city's obligation to those members receiving or eligible to a retirement allowance prior to such termination of participation shall continue in full force and effect as provided in this chapter. Members not receiving or being eligible to a retirement allowance at time of such termination shall be paid their accumulated contributions on demand. Should it develop that any such city is entitled to a refund such refund shall be made within one year following demand of city entitled thereto.

Withdrawal
by city from
system.

SEC. 3. Section 41.44.100, RCW, as derived from section 10, chapter 71, Laws of 1947, as last amended by section 6, chapter 275, Laws of 1951, is amended to read as follows:

Amendment.

(1) A fund is hereby created and established to be known as the "state-wide city employees retirement fund," and shall consist of all moneys paid into it in accordance with the provisions of this chapter, whether such moneys shall take the form of cash, securities, or other assets: *Provided*, That such assets shall be public funds to the extent necessary to authorize any bank to deposit such collateral security necessary and required under the laws of the state to secure the deposit of public funds belonging to a city.

State-wide
city
employees
retirement
fund;
created.

Assets
public funds
for deposit
purposes.

(2) The board of trustees shall be the custodian of the retirement fund and shall arrange for the safekeeping thereof. Subject to such provisions as may be prescribed by law for the deposit of city funds in banks, cash belonging to the retirement fund may be deposited in any licensed national bank or banks in the state, or in any bank, banks or corporations authorized or licensed to do a banking

Custodian.

Deposits.

Withdrawals. business and organized under the laws of the state of Washington; and may be withdrawn on order of the board for the purpose of making such payments as are authorized and required by this chapter.

Investment of pension fund moneys in certain securities. (3) The board may invest pension fund moneys in such securities of the United States, states, Dominion of Canada, public housing authorities, municipal corporations and other public bodies, as are designated by the laws of the state as lawful investments for the funds of mutual savings banks, and to invest not to exceed twenty-five percent of the system's total investments in the securities of any corporations or public utility bodies as are designated by the laws of the state as lawful investments for the funds of mutual savings banks: *Provided*, That not more than five percent of the system's total investments may be made in the securities of any one of such corporations or public utility bodies.

Limitation.

Investment of pension funds in certain open-end investment companies. (4) Subject to the limitations hereinafter provided, investment of pension funds may also be made in amounts not to exceed five percent of the system's total investments in the shares of certain open-end investment companies: *Provided*, That not more than one percent of the system's total investments may be made in the shares of any one such open-end investment company. The total amount invested in any one company shall not exceed one percent of the assets of such company, and shall only be made in the shares of such companies as are registered as "open-end companies" under the federal investment company act of 1940, as amended. Such company must be at least ten years old and have net assets of at least five million dollars. It must have no outstanding bonds, debentures, notes, or other evidences of indebtedness, or any stock having priority over the shares being purchased, either as to distribution of assets or payment of dividends. It must have paid dividends from in-

Limitation.

Qualifications of company.

vestment income in each of the ten years next preceding purchase. The maximum selling commission on its shares may not exceed seven and one-half percent of the sum of the asset value plus such commission.

(5) Investment of pension funds may also be made in the bonds of any municipal corporation or other public body of the state; and in any of the bonds or warrants, including local improvement bonds or warrants within the protection of the local improvement guaranty fund law, issued by any city or town which is a member of the system.

Investment of pension funds in certain municipal bonds or warrants.

SEC. 4. Section 41.44.110, RCW, as derived from section 11, chapter 71, Laws of 1947, as last amended by section 7, chapter 275, Laws of 1951, is amended to read as follows:

Amendment.

(1) Subject to subsection (2) of this section, membership of this retirement system shall be composed of the following groups of employees in any participating city or cities:

Membership composed of following groups:

(a) Miscellaneous personnel as defined in this chapter;

Miscellaneous personnel.

(b) Uniformed personnel, as defined in this chapter, not eligible to benefits under any existing state pension law;

Uniformed personnel.

(c) Elective officials, who shall have the right to membership in this retirement system upon filing written notice of such election with the board of trustees;

Elective officials.

(d) Employees of the retirement system itself shall be entitled to membership and any costs in connection with such membership shall be a part of the cost of administration.

Employees of the system.

(2) Any city may, when electing to participate in this retirement system in the manner set forth in RCW 41.44.050, include any one group or combination of the groups above mentioned but must include or exclude all employees in any group. Groups

One or any combination of groups may be included.

Groups (c) and (d) considered miscellaneous personnel.

(c) and (d) shall be considered as being composed of miscellaneous personnel as far as benefits and obligations are concerned except when the contrary is clearly indicated.

Groups (a) and (b) membership compulsory.

(3) Subject to subsection (2) of this section, membership in the retirement system shall be compulsory for all employees in groups (a) and (b), after qualification as provided in subsection (4) of this section.

Date of becoming members.

(4) Subject to subsection (2) of this section, all employees in city service, on the effective date or on June 9, 1949, shall be members of the system, provided that such employees who are not regular full-time employees and are earning less than fifty dollars per month, or are part-time employees serving in an official or special capacity may with the acquiescence of the legislative body of the city or town in which they are employed, elect on or before January 1, 1950, to discontinue membership by giving written notice of such election to the board. All other regular employees earning more than fifty dollars per month shall become members upon the completion of six consecutive months' service or six months' service in any calendar year; any such employee otherwise eligible, employed in a permanent position, may elect in writing to become a member of the system at any time prior to completing such six months' service. Such individual employees other than regular employees, who are earning less than fifty dollars per month or who are serving in an official or special capacity may elect to become members with the acquiescence of the legislative body of the city or town in which they are employed upon the completion of six months of consecutive service or six months' service in any calendar year.

Report of change of status.

(5) It shall be the duty of the proper persons in each city to immediately report to the board routine changes in the status of personnel and to

immediately furnish such other information regarding the employment of members as the board may from time to time require.

(6) Should any member withdraw more than one-quarter of his accumulated contributions, or should he die or be retired, he shall thereupon cease to be a member. Membership ceases, when.

(7) Transfer of any employee from one city to another shall not cause the employee to lose membership in the system providing the city to which he transfers participates in the retirement system created herein. Transfer of employee to another city.

SEC. 5. Section 41.44.140, RCW, as derived from section 14, chapter 71, Laws of 1947, as last amended by section 10, chapter 275, Laws of 1951, is amended to read as follows: Amendment.

Retirement of a member for service shall be made by the board as follows: Service retirement:

(1) Each member included in the miscellaneous personnel in service on the effective date, who, on or before such effective date, has attained the age of sixty-five years or over shall be compulsorily retired forthwith: *Provided*, That there shall be no compulsory retirements for a period of two years immediately following the effective date, but any member having attained the age of sixty-five may voluntarily retire at any time after attaining such age. Members included in the miscellaneous personnel attaining age sixty-five after effective date shall be retired on the first day of the calendar month next succeeding the month in which the member shall have attained sixty-five, but none of such members shall be subject to compulsory retirement until two years after the effective date. The legislative authority of the city shall have the privilege at all times of extending time for retirement of any such member to his attainment of any age not exceeding age seventy: *Provided*, That any such extension shall not increase Compulsory retirement of miscellaneous personnel.

the retirement age of such member in excess of one year at a time.

Voluntary
retirement
of miscel-
laneous
personnel.

(2) Any member included in the miscellaneous personnel may retire by filing with the board a written application duly attested, setting forth on what date he desires to be retired, such application to be made at least thirty days prior to date of retirement: *Provided*, That said member, at the time specified for his retirement, shall have twenty years of creditable service, and shall have attained the age of sixty years, or shall have thirty years of creditable service regardless of attained age: *Provided further*, That during the two years immediately following the effective date voluntary service retirement of such members under sixty-two years of age shall not be granted.

Compulsory
retirement
of uniformed
personnel.

(3) Each member included in the uniformed personnel in service on the effective date who on or before such effective date has attained the age of sixty years or over shall be compulsorily retired forthwith: *Provided*, That there shall be no compulsory service retirements for a period of two years immediately following the effective date, but any such member having attained the age of sixty years may voluntarily retire at any time after attaining such age. Members included in the uniformed personnel attaining age sixty after the effective date shall be retired on the first day of the calendar month next succeeding the month in which the members shall have attained the age of sixty, but none of such members shall be subject to compulsory retirement until two years after the effective date. The legislative authority shall have the privilege at all times of extending time for retirement of any such member to his attainment of any age not exceeding sixty-five: *Provided*, That any such extension shall not increase the retirement age of such member in excess of one year at a time.

(4) Any member included in the uniformed personnel may retire by filing with the board a written application duly attested, setting forth on what date he desires to be retired, such application to be made at least thirty days prior to date of retirement: *Provided*, That said members, at the time specified for retirement, shall have twenty-five years of creditable service and shall have attained the age of fifty-five years, or shall have thirty years of creditable service regardless of attained age: *Provided further*, That during the two years immediately following the effective date voluntary service retirement of such members under age sixty shall not be granted.

Voluntary retirement of uniformed personnel.

(5) After the retirement of any employee, any member city, by unanimous vote of its legislative body and with the consent of the board, may reemploy or retain such employee in its service to fill a supervisory or key position.

Reemployment or retention of retired personnel.

SEC. 6. Section 41.44.150, RCW, as derived from section 15, chapter 71, Laws of 1947, as last amended by section 11, chapter 275, Laws of 1951, is amended to read as follows:

Amendment.

(1) A member, upon retirement for service, shall receive a retirement allowance subject to the provisions of subsection (2) of this section, which shall consist of:

Retirement for service; allowances:

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

Annuity.

(b) A pension provided by the contributions of the city, equal to the annuity purchased by the accumulated normal contributions of the member;

Pension.

(c) For any member having credit for prior service an additional pension, provided by the contributions of the city, as set forth in RCW 41.44.120 at the rate selected by the city employing the member;

Prior service pension.

Minimum amount of compensation; members of 10 or more years of creditable service.

(d) Any member, excepting a part-time employee, who has ten or more years of creditable service and who is retired by reason of attaining the age of sixty-five or over if included in the miscellaneous personnel or the age of sixty or over if included in the uniformed personnel, and whose retirement allowance is calculated to be less than sixty dollars per month, shall receive such additional pension, provided by the contributions of the city, as will make his total retirement allowance equal to sixty dollars per month. An annuity purchased by accumulated additional contributions in such case shall be paid in addition to the minimum guaranteed as herein provided. A part-time employee having ten or more years of creditable service, retired by reason of attaining the ages in this subdivision specified and whose retirement allowance is calculated to be less than forty dollars per month, shall receive such additional pension, provided by the contributions of the city, as will make the total retirement allowance equal to forty dollars per month, together with an annuity purchased by his accumulated additional contributions, if any, in addition to the minimum guaranteed.

Members retired prior to effective date of this amendatory act.

Nothing herein contained shall be construed in a manner to increase or to decrease any pension being paid or to be paid to a member retired prior to the effective date of this amendatory act of 1953.

Minimum amount of compensation.

(e) Any member, excepting a part-time employee, who has been or is retired by reason of attaining the age of sixty-five or over if included in the miscellaneous personnel or the age of sixty or over if included in the uniformed personnel, and whose retirement allowance is calculated to be less than sixty dollars per month, shall receive such additional pension, provided by the contributions of the city, as will make his total retirement allowance equal to six dollars per month for each year of his

creditable service; provided that the total additional retirement allowance shall be limited to an amount equal to such amount as will make his total retirement allowance not more than sixty dollars per month. An annuity purchased by accumulated additional contributions, if any, in such case shall be paid in addition to the minimum guaranteed, as herein provided.

Nothing herein contained shall be construed in a manner to increase or to decrease any pension being paid or to be paid to a member retired prior to the effective date of this amendatory act of 1953.

Members retired prior to effective date of this amendatory act.

(2) If the retirement allowance of the member as provided in this section, is in excess of one-half of his final compensation, the pension of the member, purchased by the contributions of the city, shall be reduced to such an amount as shall make the member's retirement allowance equal to one-half of his final compensation.

Maximum amount of compensation.

(3) A member, upon retirement from service, shall receive in addition to the retirement allowance provided in this section, an additional annuity which shall be the actuarial equivalent of any accumulated additional contributions which he has to his credit at the time of his retirement.

Additional annuity based on accumulated additional contributions.

SEC. 7. Section 41.44.170, RCW, as derived from section 17, chapter 71, Laws of 1947, as last amended by section 13, chapter 275, Laws of 1951, is amended to read as follows:

Amendment.

On retirement for permanent and total disability a member shall receive a retirement allowance which shall consist of:

Disability retirement allowances:

(1) An annuity which shall be the actuarial equivalent of his accumulated normal contributions; and

Annuity.

(2) A pension provided by the contributions of the city which, together with his annuity provided

Pension.

by his accumulated normal contributions, shall make the retirement allowance equal to one and one-fourth percent of his final compensation multiplied by the number of years of service credited to him, if such retirement allowance exceeds sixty dollars per month; otherwise he shall receive a retirement allowance of forty dollars per month or, except as to a part-time employee, such sum, monthly, not in excess of sixty dollars per month, as is equal to six dollars per month for each year of his creditable service, whichever is the greater. If the retirement allowance of a part-time employee, based upon the pension hereinabove provided, does not exceed forty dollars per month, then such part-time employee shall receive a retirement allowance of forty dollars per month and no more.

Members retired prior to effective date of this amendatory act.

Nothing herein contained shall be construed in a manner to increase or to decrease any pension being paid or to be paid to a member retired prior to the effective date of this amendatory act of 1953.

Minimum amount of compensation.

(3) If it appears to the satisfaction of the board that disability was incurred in line of duty and the retirement allowance to be provided under subdivision (1) and (2) of this section is less than sixty dollars per month, then there shall be provided by contributions of the city such additional pension as shall make the retirement allowance equal to sixty dollars per month.

Maximum amount of compensation.

(4) No disability retirement allowance shall exceed fifty percent of final compensation, anything herein to the contrary notwithstanding.

Death of member recipient.

(5) Upon the death of a member while in receipt of a disability retirement allowance, his accumulated contributions, as they were at the date of his retirement, less any annuity payments made to him, shall be paid to his estate, or to such persons having an insurable interest in his life as he shall have nomi-

nated by written designation duly executed and filed with the board.

(6) If disability is due to intemperance, wilful misconduct, or violation of law, on the part of the member, the board, in its discretion, may pay to said member, in one lump sum his accumulated contribution, in lieu of a retirement allowance, and such payment shall constitute full satisfaction of all obligations of the city to such member.

Disability due to intemperance, wilful misconduct or violation of law.

(7) In addition to the annuity and pension provided for in subdivisions (1) and (2) of this section, a member shall receive an annuity which shall be the actuarial equivalent of his accumulated additional contributions.

Additional annuity.

SEC. 8. Section 41.44.200, RCW, as derived from section 20, chapter 71, Laws of 1947, is amended to read as follows:

Amendment.

Whenever a member withdraws his accumulated normal contributions the matching contributions of the city so released shall be transferred to a reserve account created for the purpose of showing the amount of credits due each city through such operation. Such credits may be used by the city to apply on any charges made against the city but only so much thereof as will insure leaving in such account an amount estimated to be sufficient to again match contributions redeposited by employees returning to service as contemplated in RCW 41.44.190. The board may credit such reserve accounts with interest at such rate as the board deems equitable: *Provided*, That as to any member city which has elected to and is making contributions in lieu of those required in subdivision (1) (a) of section 41.44.090, RCW, there shall be no release of the city's matching contributions after the date of its commencement to make such lieu contributions: *Provided further*, That any release contributions of any such city

Released matching contributions; reserve account.

which have been credited to its reserve account, prior to the date of such commencement, shall be available to it for the purposes hereinabove specified, unless the board shall determine that their immediate use for such purposes would result in a harmful effect upon the assets of the system, in which event the board shall have the right to defer their use for a reasonable time in which to permit it to make adjustments in the current assets of the system to prevent the same.

New section.

SEC. 9. Chapter 41.44, RCW, as derived from chapter 71, Laws of 1947, as last amended by chapter 275, Laws of 1951, is amended by adding thereto a new section to read as follows:

Agreements
concerning
Social
Security
Act (OASI).

Should any member city of the state-wide city employees retirement system established pursuant to this chapter, hereafter take advantage of any benefits lawfully available to its employees and their survivors under the old age and survivors insurance system embodied in the Social Security Act, or should any city which has lawfully taken advantage of such benefits desire to become a member of the state-wide city employees retirement system, such city and the board shall have the power to enter into an agreement mutually satisfactory to both parties adjusting the contributions to be made by such city and by its employees and the benefits to be paid by the state-wide city employees retirement system, in such a manner to permit the participation of such city in the system as a member with reduced benefits to its employees and reduced contributions by the city and by its employees: *Provided*, That such adjustment shall be made upon an actuarially sound basis and that as to all matters, other than those changed by such agreement, the provisions of the state-wide city employees retirement system law shall apply: *Provided further*, That unless such an agreement is entered into by mutual consent of such city and the

board, all of the provisions of the state-wide city employees retirement system law shall be applicable.

Passed the House February 21, 1953.

Passed the Senate March 9, 1953.

Approved by the Governor March 20, 1953.

CHAPTER 229.

[H. B. 404.]

NON-HIGH SCHOOL DISTRICTS—PARTICIPATION IN PROVIDING CAPITAL FUNDS FOR HIGH SCHOOL FACILITIES IN OTHER DISTRICTS.

AN ACT providing for participation by non-high school districts in providing capital funds for financing the cost of high school facilities.

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

SECTION 1. Upon receipt of a written request from the board of directors of a high school or Union high school district which educates high school students residing in non-high school districts, the county committee on school district organization shall prepare a plan for participation by the non-high school districts in providing capital funds to pay the cost of school building facilities and equipment to be provided for the education of high school students residing in the high school or Union high school and the non-high school districts involved. Prior to submission of such a request the board of directors of the high school or Union high school district shall determine the nature and extent of the high school facilities and equipment proposed to be provided, the approximate amount of local capital funds required to pay the cost thereof, and the site or sites upon which the proposed facilities are to be located, and shall submit a report thereon to the county committee along with the aforesaid request.

Request for plan.

Preparation of plan.

Determinations precedent to request for plan.

Report of determinations.