

## CHAPTER 91.

[ H. B. 72. ]

RETIREMENT OF PERSONNEL IN CERTAIN  
FIRST CLASS CITIES.

AN ACT relating to public employees retirement; amending section 2, chapter 207, Laws of 1939, and RCW 41.28.010; amending section 16, chapter 207, Laws of 1939 as amended by section 2, chapter 260, Laws of 1961, and RCW 41.28.150; and amending section 18, chapter 207, Laws of 1939, and RCW 41.28.170.

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

RCW 41.28.010  
amended.

SECTION 1. Section 2, chapter 207, Laws of 1939, and RCW 41.28.010 are each amended to read as follows:

Unless a different meaning is plainly required by the context, the following words and phrases as hereinafter used in this chapter shall have the following meanings:

(1) "Retirement system" shall mean "employees' retirement system", provided for in RCW 41.28.020.

(2) "Employee" shall mean any regularly appointed officer or regularly appointed employee of a first class city as described in RCW 41.28.005, whose compensation in such employment is paid wholly by that city.

(3) "Member" shall mean any person included in the membership of the retirement system as provided in RCW 41.28.030.

(4) "City" shall mean any city of the first class as described in RCW 41.28.005.

(5) "Board" shall mean "board of administration" as provided in RCW 41.28.080.

(6) "Retirement fund" shall mean "employees' retirement fund" as created and established in RCW 41.28.070.

(7) "City service" shall mean service rendered to city for compensation, and for the purpose of this

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chapter, a member shall be considered as being in city service only while he is receiving compensation from the city for such service.

(8) "Prior service" shall mean the service of a member for compensation rendered to the city prior to July 1, 1939, and shall also include military or naval service of a member to the extent specified in RCW 41.28.050.

(9) "Continuous service" shall mean uninterrupted employment by that city, except that discontinuance of city service of a member caused by layoff, leave of absence, suspension, or dismissal, followed by reentrance into city service within one year, shall not count as a break in the continuity of service: *Provided*, That for the purpose of establishing membership in the retirement system continuous service shall mean six months' service in any one year.

(10) "Beneficiary" shall mean any person in receipt of a pension, annuity, retirement allowance, disability allowance, or any other benefit provided in this chapter.

(11) "Compensation" shall mean the compensation payable in cash, plus the monetary value, as determined by the board of administration, of any allowance in lieu thereof, but such compensation shall not exceed four hundred dollars per month.

(12) "Compensation earnable" by a member shall mean the average compensation as determined by the board of administration upon the basis of the average period of employment of members in the same group or class of employment and at the same rate of pay, but such "compensation earnable" shall not exceed five hundred dollars per month.

(13) "Final compensation" means the annual average of the greatest compensation earnable by a member during any consecutive five-year period of service for which service credit is allowed.

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(14) "Normal contributions" shall mean contributions at the rate provided for in RCW 41.28.040(1).

(15) "Additional contributions" shall mean the contributions provided for in RCW 41.28.040(4).

(16) "Regular interest", unless changed by the board of administration as provided in RCW 41.28-.060, shall mean interest at four percent per annum, compounded annually.

(17) "Accumulated normal contribution" shall mean 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.

(18) "Accumulated additional contributions" shall mean the sum of all the additional contributions, deducted from the compensation of a member, standing to the credit of his individual account, together with regular interest thereon.

(19) "Accumulated contributions" shall mean accumulated normal contributions plus accumulated additional contributions.

(20) "Pension" shall mean payments derived from contributions made by the city as provided for in RCW 41.28.130 and 41.28.150.

(21) "Annuity" shall mean payments derived from contributions made by a member as provided in RCW 41.28.130 and 41.28.150.

(22) "Retirement allowance" shall mean the pension plus the annuity.

(23) "Fiscal year" shall mean any year commencing with January 1st, and ending with December 31st, next following.

(24) "Creditable service" shall mean such service as is evidenced by the record of normal contributions received from the employee plus prior service if credit for same is still intact or not lost through withdrawal of accumulated normal contributions as provided in RCW 41.28.110.

SEC. 2. Section 16, chapter 207, Laws of 1939 as amended by section 2, chapter 260, Laws of 1961, and RCW 41.28.150 are each amended to read as follows:

RCW 41.28.150  
amended.

(1) Upon retirement for disability, as hereinabove provided: *Provided*, The disability is not due to intemperance, wilful misconduct or violation of law, of which the board shall be the judge, a member shall receive a retirement allowance which shall consist of:

Disability  
retirement  
allowances—  
Grounds  
for denial.

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

(b) A pension purchased by the contributions of the city, which, together with his annuity provided by his accumulated normal contributions, shall make the retirement allowance, exclusive of the annuity provided by his additional contributions equal to (i) one and one-fourth percent of his final compensation multiplied by the number of years of service which would be creditable to him were his services to continue until attainment by him of age sixty-two. The minimum disability retirement allowance shall be nine hundred sixty dollars per year.

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

(3) 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 nominated by written designation duly executed and filed with the board.

RCW 41.28.170  
amended.

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SEC. 3. Section 18, chapter 207, Laws of 1939, and RCW 41.28.170 are each amended to read as follows:

(1) A member may elect to receive, in lieu of the retirement allowance provided for in RCW 41.28.130, its actuarial equivalent in the form of a lesser retirement allowance, payable in accordance with the terms and conditions of one of the options set forth below in this section. Election of any option must be made by written application filed with the board of administration at least thirty days in advance of retirement as provided in RCW 41.28.120, and shall not be effective unless approved by the board prior to retirement of the member.

(2) Upon receipt by the board of any application requesting a lesser retirement allowance under option C, option D, or option E set forth below in this section, the applicant shall be examined by a physician or surgeon appointed by the board, and such application shall not be approved by the board unless such examination shall show that the applicant is then in good health and has a normal expectancy of life: *Provided, however,* That such examination shall not be required if the application is made at least one year before the payment of the lesser retirement allowance is to commence. Revocation of the election of the lesser retirement allowance may be made by the member by written notice to the board at any time prior to retirement.

Option A. The lesser retirement allowance shall be payable to the member throughout his life: *Provided,* That if he die before he receive in annuity payments referred to in RCW 41.28.130(1), (a), a total amount equal to the amount of his accumulated contributions as it was at the date of his retirement,

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the balance of such accumulated contributions shall be paid in one sum to his estate or to such person having an insurable interest in his life as he shall nominate by written designation duly executed and filed with the board.

Option B. The lesser retirement allowance shall be payable to a member throughout his life: *Provided*, That if he die before he receive in annuity payments referred to in RCW 41.28.130(1), (a), a total amount equal to the amount of his accumulated contributions as it was at the date of his retirement, the said annuity payments resulting from his accumulated contributions shall be continued and paid to his estate or such person, having an insurable interest in his life, as he shall nominate by written designation duly executed and filed with the board until the total amount of annuity payments shall equal the amount of his accumulated contributions as it was at the date of his retirement.

Option C. The member shall elect a "guaranteed period" of any number of years. If he dies before the lesser retirement allowance has been paid to him for the number of years elected by him as the "guaranteed period", the lesser retirement allowance shall be continued to the end of the "guaranteed period", and during such continuation shall be paid to his estate or to such person having an insurable interest in his life as he shall nominate by written designation duly executed and filed with the board.

Option D. The lesser retirement allowance shall be payable to the member throughout life, and after the death of the member, one-half of the lesser retirement allowance shall be continued throughout the life of and paid to the wife or husband of the member.

Option E. The lesser retirement allowance shall be payable to the member throughout life, and after death of the member it shall be continued through-

out the life of and paid to the wife or husband of the member.

Passed the House March 5, 1963.

Passed the Senate March 12, 1963.

Approved by the Governor March 25, 1963.

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## CHAPTER 92.

[ H. B. 105. ]

### LOCAL GOVERNMENT PURCHASING BY CONDITIONAL SALES CONTRACTS.

AN ACT relating to purchasing by cities, towns, metropolitan park districts, counties and library districts; and amending section 1, chapter 158, Laws of 1961 and RCW 39.30.010.

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

RCW 39.30.010  
amended.

SECTION 1. Section 1, chapter 158, Laws of 1961 and RCW 39.30.010 are each amended to read as follows:

Executory con-  
ditional sales  
contracts for  
park, library,  
purposes—  
Limit on in-  
debtedness—  
Election, when.

Any city or town or metropolitan park district or county or library district may execute an executorial conditional sales contract with a county or counties, the state or any of its political subdivisions, the government of the United States, or any private party for the purchase of any real or personal property, or property rights in connection with the exercise of any powers or duties which they now or hereafter are authorized to exercise, if the entire amount of the purchase price specified in such contract does not result in a total indebtedness in excess of one and one-half percent of the taxable property in such city or town or metropolitan park district or county or library district: *Provided*, That if such a proposed contract would result in a total indebtedness in excess of one and one-half percent of the taxable property of such city or town or metropolitan park district or county or library district, as the case may be,

Proviso.