

such loan and extending over a payment period of not to exceed seven years.

Sec. 9. Section 50, chapter 235, Laws of 1945, section 3, chapter 20, Laws of 1949, section 4, chapter 71, Laws of 1953 and RCW 33.12.100 are each hereby repealed. Repeal.

Passed the House February 25, 1967.

Passed the Senate March 8, 1967.

Approved by the Governor March 21, 1967.

CHAPTER 50.

[Engrossed House Bill No. 350.]

TEACHERS' RETIREMENT.

AN ACT relating to public employment; amending section 1, chapter 81, Laws of 1965 extraordinary session, and RCW 41.32.010; amending section 25, chapter 80, Laws of 1947 and RCW 41.32.250; amending section 26, chapter 80, Laws of 1947 as last amended by section 2, chapter 132, Laws of 1961 and RCW 41.32.260; amending section 28, chapter 80, Laws of 1947 as amended by section 9, chapter 274, Laws of 1955 and RCW 41.32.280; amending section 42, chapter 80, Laws of 1947 as amended by section 13, chapter 14, Laws of 1963 extraordinary session and RCW 41.32.420; amending section 43, chapter 80, Laws of 1947 as last amended by section 14, chapter 14, Laws of 1963 extraordinary session and RCW 41.32.430; amending section 50, chapter 80, Laws of 1947 as last amended by section 5, chapter 81, Laws of 1965 extraordinary session and RCW 41.32.500; amending section 52, chapter 80, Laws of 1947 as last amended by section 6, chapter 81, Laws of 1965 extraordinary session and RCW 41.32.520; amending section 20, chapter 14, Laws of 1963 extraordinary session and RCW 41.32.522; amending section 21, chapter 14, Laws of 1963 extraordinary session as amended by section 7, chapter 81, Laws of 1965 extraordinary session and RCW 41.32.523; amending section 55, chapter 80, Laws of 1947 as last amended by section 19, chapter 14, Laws of 1963 extraordinary session and RCW 41.32.550; and providing an effective date.

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

RCW 41.32.250
amended.

Section 1. Section 25, chapter 80, Laws of 1947 and RCW 41.32.250 are each amended to read as follows:

Teacher's
retirement.
Member's
statement of
service.

Under such rules and regulations as the board of trustees shall adopt, each teacher, upon becoming a member of the retirement system, shall file with the board of trustees during his first year of service a detailed statement of all services as a teacher rendered by him in this state, together with a statement of such other facts as the board shall require. The board of trustees may, at the option of a member, accept the service record of a member of a local fund or the former state fund in lieu of such detailed statement; and issue a prior service certificate to the applicant for such prior service.

RCW 41.32.260
amended.

Sec. 2. Section 26, chapter 80, Laws of 1947 as last amended by section 2, chapter 132, Laws of 1961 and RCW 41.32.260 are each amended to read as follows:

Credit for mili-
tary service—
Limitation.

Any member whose public school service is interrupted by active service to the United States as a member of its military, naval or air service, or to the state of Washington, as a member of the legislature, may upon becoming reemployed in the public schools, receive credit for such service upon presenting satisfactory proof, and contributing to the annuity fund, either in a lump sum or installments, such amounts as shall be determined by the board of trustees: *Provided*, That no such military service credit in excess of five years shall be established or reestablished after July 1, 1961, unless the service was actually rendered during time of war: *Provided Further*, That a member of the retirement system who is a member of the state legislature may request that retirement deductions be taken from his

salary as a legislator and that service credit be established with the retirement system while such deductions are reported to the retirement system, unless he has by reason of his employment become a contributing member of another public retirement system in the state of Washington.

Sec. 3. Section 28, chapter 80, Laws of 1947 as amended by section 9, chapter 274, Laws of 1955 and RCW 41.32.280 are each amended to read as follows:

RCW 41.32.280
amended.

As soon as practicable after the filing of statements of services, the board of trustees shall determine the number of years of service with which an applicant shall be credited and shall issue a prior service certificate to the applicant therefor. The member shall be bound by the terms of this certificate unless prior to June 30th of the fifth school year after entry into public school employment in this state he shall have filed an application for additional service credit, presented satisfactory proof of such service and made the necessary payment.

Prior service
credit.

Sec. 4. Section 42, chapter 80, Laws of 1947 as amended by section 13, chapter 14, Laws of 1963 extraordinary session and RCW 41.32.420 are each amended to read as follows:

RCW 41.32.420
amended.

On or before a date specified by the board of trustees in each month every employer shall file a report with the board of trustees of the retirement system on a form provided, stating the name of the employer and with respect to each employee who is a member or who is required to become a member of the retirement system: (1) The full name, (2) the earnable compensation paid, (3) the employee's contribution to the retirement system, and (4) such other information as the board shall require, and at the same time notify each new employee in writing with reference to the Washington state teachers' retirement system and that an application for prior

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pensions.
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service credit may be filed with the board of trustees thereof on a form furnished by the board. The county superintendent shall perform the duties imposed by this section for the employers in second and third class school districts and the city superintendents for the employers in first class school districts. The chief executive officers of other institutions shall perform such duties.

RCW 41.32.430 amended.

Sec. 5. Section 43, chapter 80, Laws of 1947 as last amended by section 14, chapter 14, Laws of 1963 extraordinary session and RCW 41.32.430 are each amended to read as follows:

Salary deductions.

Every officer authorized to issue salary warrants to teachers shall deduct from such salary payments to any member regularly employed an amount which will result in total deductions of five percent of the amount of earnable compensation paid in any fiscal year. Such deductions shall be transmitted and reported to the retirement system as directed by the board of trustees.

RCW 41.32.500 amended.

Sec. 6. Section 50, chapter 80, Laws of 1947 as last amended by section 5, chapter 81, Laws of 1965 extraordinary session and RCW 41.32.500 are each amended to read as follows:

Termination of membership—When membership may be retained.

Membership in the retirement system is terminated and the prior service certificate becomes void when a member retires for service or disability, dies, withdraws his accumulated contributions, transfers his membership to the state employees' retirement system or does not establish service credit with the retirement system for five consecutive years; however, a member may retain membership in the teachers' retirement system by leaving his accumulated contributions in the teachers retirement fund under one of the following conditions:

- (1) If he is eligible for retirement;

(2) If he is a member of another public retirement system in the state of Washington by reason of change in employment and has arranged to have membership extended during the period of such employment;

(3) If he is not eligible for retirement but has established ten or more years of Washington membership service credit.

Sec. 7. Section 52, chapter 80, Laws of 1947 as last amended by section 6, chapter 81, Laws of 1965 extraordinary session and RCW 41.32.520 are each amended to read as follows:

RCW 41.32.520
amended.

Upon receipt of proper proofs of death of any member before retirement or before the first installment of his retirement allowance shall become due his accumulated contributions and/or other benefits payable upon his death shall be paid to his estate or to such persons as he shall have nominated by written designation duly executed and filed with the board of trustees. If a member fails to file a new beneficiary designation subsequent to marriage, divorce, or reestablishment of membership following termination by withdrawal, lapsation or retirement, payment of his accumulated contributions and/or other benefits upon death before retirement shall be made to the surviving spouse, if any; otherwise, to his estate. If a member had established five or more years of Washington membership service credit, the beneficiary or the surviving spouse if otherwise eligible may elect, in lieu of a cash refund of the member's accumulated contributions, the following survivor benefit plan:

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retirement.
Payment on
death before
retirement.

(1) A widow or dependent widower, without a child or children under eighteen years of age, may elect a monthly payment of fifty dollars to become effective at age fifty, provided the member had fifteen or more years of Washington membership service credit.

Teacher's
retirement.
Payment on
death before
retirement.

(2) If the member was eligible for retirement the beneficiary, if the surviving spouse or a dependent, may elect to receive a retirement allowance under Option 2. This election shall also be available to the spouse or a dependent of a member who has died while eligible for retirement during the period July 1, 1947, to June 30, 1955, inclusive, upon the repayment to the teachers' retirement fund of the refunded contributions. No benefits may be paid for any months prior to July 1, 1955.

If no qualified beneficiary survives a member, at his death his accumulated contributions shall be paid to his estate, or his dependents may qualify for survivor benefits under benefit plan (2) in lieu of a cash refund of the members accumulated contributions in the following order: Widow or dependent widower, guardian of a dependent child or children under age eighteen, or dependent parent or parents.

Under survivors' benefit plan (1) the board of trustees shall transfer to the survivors' benefit fund the accumulated contributions of the deceased member together with an amount from the pension fund determined by actuarial tables to be sufficient to fully fund the liability. Benefits shall be paid from the survivors' benefit fund monthly and terminated at the marriage of the beneficiary.

RCW 41.32.522
amended.

Sec. 8. Section 20, chapter 14, Laws of 1963 extraordinary session and RCW 41.32.522 are each amended to read as follows:

Death benefits.

Upon receipt of proper proof of death of a member who was employed on a full time basis and who contributed to the death benefit fund during the fiscal year in which his death occurs, or who was under contract for full time employment in a Washington public school for the fiscal year immediately following the year in which such contribution to the death benefit fund was made, or who submits an

application for a retirement allowance to be approved at the next regular meeting of the board of trustees immediately following termination of his full time Washington public school service and who dies before the first installment of his retirement allowance becomes due, or who is receiving or is entitled to receive temporary disability payments, or who upon becoming eligible for a disability retirement allowance submits an application for such an allowance to be approved at the next regular meeting of the board of trustees immediately following the date of his eligibility for a disability retirement allowance and dies before the first installment of such allowance becomes due, a death benefit of three hundred dollars shall be paid from the death benefit fund to his estate or to such persons as he shall have nominated by written designation duly executed and filed with the board of trustees or to such persons as may otherwise qualify as the beneficiary pursuant to RCW 41.32.520, as now or hereafter amended: *Provided*, That the deceased member had established at least one year of credit with the retirement system for full time Washington membership service: *And Provided Further*, That a deceased member who was not employed full time in Washington public school service during the fiscal year immediately preceding the year of his death shall have been employed full time in Washington public school service for at least fifty consecutive days during the fiscal year of his death.

Sec. 9. Section 21, chapter 14, Laws of 1963 extraordinary session as amended by section 7, chapter 81, Laws of 1965 extraordinary session and RCW 41.32.523 are each amended to read as follows:

Upon receipt of proper proof of death of a member who does not qualify for the death benefit of three hundred dollars under RCW 41.32.522, or a former member who was retired for age, service or

RCW 41.32.523
amended.

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tirement.
Death benefits.

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disability, a death benefit of one hundred fifty dollars shall be paid from the death benefit fund to his estate or to such persons as he shall have nominated by written designation duly executed and filed with the board of trustees or to such persons as may otherwise qualify as the beneficiary pursuant to RCW 41.32.520, as now or hereafter amended: *Provided*, That the member or the retired former member had established not less than ten years of credit with the retirement system for full time Washington membership service.

RCW 41.32.550
amended.

Sec. 10. Section 55, chapter 80, Laws of 1947 as last amended by section 19, chapter 14, Laws of 1963 extraordinary session and RCW 41.32.550 are each amended to read as follows:

Options and
allowances for
disability.

Should the board determine from the report of the medical director that a member in full time service has become permanently disabled for the performance of his duties or at any time while a member is receiving temporary disability benefits that a member's disability will be permanent, a member shall have the option of then receiving (1) all his accumulated contributions in a lump sum payment and canceling his membership, or (2) of accepting a retirement allowance based on service or age, if eligible under RCW 41.32.480, or (3) if he had fifteen or more years of creditable service established with the retirement system, a retirement allowance because of disability: *Provided*, That any member applying for a retirement allowance who is eligible for benefits on the basis of service or age shall receive a retirement allowance based on the provisions of law governing retirement for service or age. If the member qualifies to receive a retirement allowance because of disability he shall be paid the maximum annuity which shall be the actuarial equivalent of his accumulated contributions at his age of retirement and a pension equal to the

actuarial equivalent of the service pension to which he would be entitled at age sixty: *Provided*, That in no case shall such pension be less than four dollars per month for each year of creditable service established, nor shall the total allowance for disability be less than seventy-five dollars per month. If the member dies before he has received in annuity payments the present value of his accumulated contributions at the time of his retirement, the unpaid balance shall be paid to his estate or to such persons as he shall have nominated by written designation executed and filed with the board of trustees. A member who is retired for disability under the provisions of this 1963 amendatory act shall at age sixty receive the full pension as provided for service retirement at age sixty. In no case shall his recomputed retirement allowance be less than seventy-five dollars per month.

A member retired for disability may be required at any time to submit to reexamination. If medical findings reveal that the individual is no longer disabled for the performance of public school service, the retirement allowance granted because of disability may be terminated by action of the board of trustees or upon written request of the member. In case of such termination, the individual shall be restored to full membership in the retirement system.

Sec. 11. Section 1, chapter 80, Laws of 1947 as last amended by section 1, chapter 81, Laws of 1965 extraordinary session and RCW 41.32.010 are each amended to read as follows:

RCW 41.32.010
amended.

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

Teacher's
retirement.
Definitions.

(1) "Accumulated contributions" means the sum of all regular annuity contributions together with regular interest thereon less cost of operation.

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Definitions.

(2) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such mortality tables and regulations as shall be adopted by the board of trustees and regular interest.

(3) "Annuity" means the moneys payable per year during life by reason of accumulated contributions of a member.

(4) "Annuity fund" means the fund in which all of the accumulated contributions of members are held.

(5) "Annuity reserve fund" means the fund to which all accumulated contributions are transferred upon retirement.

(6) "Beneficiary" means any person in receipt of a retirement allowance or other benefit provided for by the teachers' retirement law.

(7) "Contract" means any agreement for service and compensation between a member and an employer.

(8) "Creditable service" means membership service plus prior service for which credit is allowable.

(9) "Dependent" means receiving one-half or more of support from a member.

(10) "Disability allowance" means monthly payments during disability.

(11) "Earnable compensation" means all salaries and wages paid by an employer to an employee member of the retirement system for personal services rendered during a fiscal year. In all cases where compensation includes maintenance the board of trustees shall fix the value of that part of the compensation not paid in money.

(12) "Employer" means the state of Washington, the school district, or any agency of the state of Washington by which the member is paid.

(13) "Fiscal year" means a year which begins July 1st and ends June 30th of the following year.

(14) "Former state fund" means the state retirement fund in operation for teachers under chapter 187, Laws of 1923, as amended.

(15) "Local fund" means any of the local retirement funds for teachers operated in any school district in accordance with the provisions of chapter 163, Laws of 1917 as amended.

(16) "Member" means any teacher included in the membership of the retirement system. Also, any other employee of the public schools who, on July 1, 1947, had not elected to exempt himself from membership and who, prior to that date, had by an authorized payroll deduction, contributed to the annuity fund.

(17) "Membership service" means service rendered subsequent to the first day of eligibility of a person to membership in the retirement system.

(18) "Pension" means the moneys payable per year during life from the pension fund.

(19) "Pension fund" means a fund from which all pension obligations are to be paid.

(20) "Pension reserve fund" is a fund in the state treasury in which shall be accumulated an actuarial reserve adequate to meet present and future pension liabilities of the system.

(21) "Prior service" means service rendered prior to the first date of eligibility to membership in the retirement system for which credit is allowable.

(22) "Prior service contributions" means contributions made by a member to secure credit for prior service.

(23) "Public school" means any institution or activity operated by the state of Washington or any instrumentality or political subdivision thereof employing teachers, except the University of Washington and Washington State University.

(24) "Regular contributions" means the amounts required to be deducted from the compen-

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sation of a member and credited to his individual account in the annuity fund.

(25) "Regular interest" means the interest on funds of the retirement system for the current school year and such other earnings as may be applied thereon by the board of trustees.

(26) "Retirement allowance" means the sum of annuity and pension or any optional benefits payable in lieu thereof.

(27) "Retirement system" means the Washington state teachers' retirement system.

(28) "Service" means the time during which a member has been employed by an employer for compensation.

(29) "Survivors' benefit fund" means the fund from which survivor benefits are paid to dependents of deceased members.

(30) "Teacher" means any person qualified to teach who is engaged by a public school in an instructional, administrative, or supervisory capacity, including state, county, city superintendents and their assistants; and in addition thereto any qualified school librarian, any registered nurse or any full time school doctor who is employed by a public school and renders service of an instructional or educational nature.

Effective date.

Sec. 12. This 1967 amendatory act shall take effect on July 1, 1967.

Severability.

Sec. 13. If any provision of this 1967 amendatory act, or its application to any person or circumstance is held invalid, the remainder of this 1967 amendatory act, or the application of the provision to other persons or circumstances is not affected.

Passed the House March 9, 1967.

Passed the Senate March 8, 1967.

Approved by the Governor March 21, 1967.