

nervous system, or for the purpose of, in any manner, changing, distorting or disturbing the audio, visual or mental processes: PROVIDED, HOWEVER, That this section shall not apply to the inhalation of any anesthesia for medical or dental purposes.

NEW SECTION. Sec. 3. No person shall, for the purpose of violating section 2 of this act, use, or possess for the purpose of so using, any glue containing a solvent having the property of releasing toxic vapors or fumes.

NEW SECTION. Sec. 4. No person shall sell, offer to sell, deliver, or give to any other person under eighteen years of age any tube or other container of glue containing a solvent having the property of releasing toxic vapors or fumes, if he has knowledge that the product sold, offered for sale, delivered or given will be used for the purpose set forth in section 2 of this act.

NEW SECTION. Sec. 5. Any person who violates this act shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than one hundred dollars or by imprisonment for not more than thirty days, or by both.

Passed the House April 16, 1969
Passed the Senate April 12, 1969
Approved by the Governor April 24, 1969
Filed in office of Secretary of State April 24, 1969

CHAPTER 150
[House Bill No. 318]
TEACHERS' RETIREMENT

AN ACT Relating to teachers' retirement; amending section 9, chapter 80, Laws of 1947, as amended by section 2, chapter 14, Laws of 1963 ex. sess., and RCW 41.32.030; amending section 7, chapter 80, Laws of 1947 and RCW 41.32.070; amending section 10, chapter 80, Laws of 1947 and RCW 41.32.100; amending section 12, chapter 80, Laws of 1947 and RCW 41.32.120; amending section 18, chapter 80, Laws of 1947 and RCW 41.32.180; amending section 20, chapter 80, Laws of 1947, as last amended by section 2, chapter 81, Laws of 1965 ex. sess., and RCW 41.32.200; amending section 1, chapter 297, Laws of 1961 and RCW 41.32.203; amending section 22, chapter 80, Laws of 1947 and RCW 41.32.220;

amending section 31, chapter 80, Laws of 1947, as last amended by section 8, chapter 81, Laws of 1965 ex. sess., and RCW 41.32.310; amending section 33, chapter 80, Laws of 1947, as amended by section 14, chapter 274, Laws of 1955, and RCW 41.32.330; amending section 34, chapter 80, Laws of 1947, as last amended by section 3, chapter 132, Laws of 1961, and RCW 41.32.340; amending section 41, chapter 80, Laws of 1947, as last amended by section 12, chapter 14, Laws of 1963 ex. sess., and RCW 41.32.410; amending section 48, chapter 80, Laws of 1947, as last amended by section 1, chapter 151, Laws of 1967 ex. sess., and RCW 41.32.480; amending section 16, chapter 14, Laws of 1963 ex. sess., and RCW 41.32.497; amending section 50, chapter 80, Laws of 1947, as last amended by section 6, chapter 50, Laws of 1967, and RCW 41.32.500; amending section 51, chapter 80, Laws of 1947, as last amended by section 17, chapter 14, Laws of 1963 ex. sess., and RCW 41.32.510; amending section 20, chapter 14, Laws of 1963 ex. sess., as amended by section 8, chapter 50, Laws of 1967, and RCW 41.32.522; amending section 21, chapter 14, Laws of 1963 ex. sess., as last amended by section 9, chapter 50, Laws of 1967, and RCW 41.32.523; amending section 55, chapter 80, Laws of 1947, as last amended by section 10, chapter 50, Laws of 1967, and RCW 41.32.550; amending section 4, chapter 76, Laws of 1957, as last amended by section 4, chapter 151, Laws of 1967, and RCW 28.81.170; amending section 28B.10.465, chapter ..., Laws of 1969 (HB 58) and RCW 28B.10.465; providing sections to effect the correlative and pari materia construction of this act with the provisions of Title 28 RCW, or of Titles 28A and 28B RCW if such titles shall be enacted; and providing effective dates.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section 9, chapter 80, Laws of 1947, as amended by section 2, chapter 14, Laws of 1963 ex. sess., and RCW 41.32.030 are each amended to read as follows:

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All of the assets of the retirement system shall be credited according to the purposes for which they are held, to one of two funds to be maintained in the state treasury, namely, the teachers' retirement pension reserve fund and the teachers' retirement fund. In the records of the teachers' retirement system the teachers' retirement fund shall be subdivided into the annuity fund, the annuity reserve fund, the survivors' benefit fund, the pension fund, the disability reserve fund, the death benefit fund, the income fund, ((and)) the expense fund, and such other funds as may from time to time be created by the board of trustees for the purpose of the internal accounting record.

Sec. 2. Section 7, chapter 80, Laws of 1947 and RCW 41.32.070 are each amended to read as follows:

Each member of the board of trustees shall ~~((within-ten-days))~~ at the first board meeting which he attends after his appointment or election take an oath of office that so far as it devolves upon him he will diligently and honestly administer the affairs of said board, and that he will not knowingly violate or willingly permit to be violated any provisions of the law applicable to the retirement system. Such oath shall be subscribed to by the members making it and certified by the officer before whom it is taken and immediately filed in the office of the secretary of state.

Sec. 3. Section 10, chapter 80, Laws of 1947 and RCW 41.32-.100 are each amended to read as follows:

The board of trustees shall from its membership annually at the first meeting in July elect a chairman. The board shall by a majority vote of all its members appoint a ~~((secretary-manager))~~ director who shall not be a member of the board and who shall serve until a successor is appointed. The board shall also have authority to appoint an assistant director upon the advice and recommendation of the director. The positions of director and assistant director shall be exempt from the classification requirements and merit system rules of the state of Washington personnel board. The ~~((secretary-manager))~~ director shall engage, upon authorization of the board of trustees, such clerical and

technical services as shall be required to transact the business of the retirement system. The compensation of all persons engaged or authorized by the board of trustees and all other expenses of the board necessary for the operation of the retirement system shall be paid at such rates and in such amounts as the board of trustees shall approve.

Sec. 4. Section 12, chapter 80, Laws of 1947 and RCW 41.32-.120 are each amended to read as follows:

The board of trustees shall keep a record of all its proceedings, which shall be open to public inspection. It shall publish annually (~~on or before the first day of January~~) a report showing the fiscal transactions of the retirement system for the preceding school year; the amount of the accumulated cash and securities of the system, and the last balance sheet showing the financial condition of the system by means of an actuarial valuation of the assets and liabilities of the retirement system.

Sec. 5. Section 18, chapter 80, Laws of 1947 and RCW 41.32.180 are each amended to read as follows:

At each regular meeting, the board of trustees shall authorize payment of retirement allowances, disability allowances, salaries and other regular disbursements to be made during the succeeding three months. (~~At the first regular meeting in each fiscal year, the board shall designate two of its members whose signatures shall appear upon its vouchers.~~) Retirement and disability allowances shall be paid monthly.

Sec. 6. Section 20, chapter 80, Laws of 1947, as last amended by section 2, chapter 81, Laws of 1965 ex. sess., and RCW 41.32.200 are each amended to read as follows:

The board of trustees shall be the trustees of the several funds created by this chapter and shall have full power to authorize the state finance committee to invest and reinvest such funds in the following classes of securities, and not otherwise:

- (1) Bonds, notes, or other obligations of the United States or

its agencies, or of any corporation wholly owned by the government of the United States, or those guaranteed by, or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof;

(2) Bonds or other evidences of indebtedness of this state or a duly authorized authority or agency thereof; and full faith and credit obligations of, or obligations unconditionally guaranteed as to principal and interest by any other state of the United States and the Commonwealth of Puerto Rico;

(3) Bonds, debentures, notes, or other full faith and credit obligations issued, guaranteed, or assumed as to both principal and interest by the government of the Dominion of Canada, or by any province of Canada: PROVIDED, That the principal and interest thereof shall be payable in United States funds, either unconditionally or at the option of the holder;

(4) Bonds, notes, or other obligations of any municipal corporation, political subdivision or state supported institution of higher learning of this state, issued pursuant to the laws of this state: PROVIDED, That the issuer has not, within ten years prior to the making of the investment, been in default for more than three months in the payment of any part of the principal or interest on any debt evidenced by its bonds, notes, or obligations;

(5) Bonds, notes, or other obligations issued, guaranteed or assumed by any municipal or political subdivision of any other state of the United States: PROVIDED, That any such municipal or political subdivision, or the total of its component parts, shall have a population as shown by the last preceding federal census of not less than ten thousand and shall not within ten years prior to the making of the investment have defaulted in payment of principal or interest of any debt evidenced by its bonds, notes or other obligations for more than ninety days;

(6) Bonds, debentures, notes, or other obligations issued, guaranteed, or assumed as to both principal and interest by any city

of Canada which has a population of not less than one hundred thousand inhabitants: PROVIDED, That the principal and interest thereof shall be payable in United States funds, either unconditionally or at the option of the holder: PROVIDED FURTHER, That the issuer shall not within ten years prior to the making of the investment have defaulted in payment of principal or interest of any debt evidenced by its bonds, notes or other obligations for more than ninety days;

(7) Bonds, notes, or other obligations issued, assumed, or unconditionally guaranteed by the international bank for reconstruction and development, or by the federal national mortgage association;

(8) Bonds, debentures, or other obligations issued by a federal land bank, or by a federal intermediate credit bank, under the act of congress of July 17, 1916, known as the "federal farm loan act," as amended or supplemented from time to time;

(9) Obligations of any public housing authority or urban redevelopment authority issued pursuant to the laws of this state relating to the creation or operation of a public housing or urban redevelopment authority;

(10) Obligations of any other state or the Commonwealth of Puerto Rico, municipal authority or political subdivision within the state or commonwealth issued pursuant to the laws of such state or commonwealth with principal and interest payable from tolls or other special revenues: PROVIDED, That the issuer has not, within ten years prior to the making of the investment, been in default for more than three months in the payment of any part of the principal or interest on any debt evidenced by its bonds, notes, or obligations;

(11) ~~((Corporate-bonds))~~ Bonds, ~~((and))~~ debentures, or other obligations issued by any corporation duly organized and operating in any state of the United States: PROVIDED, That such securities are rated not less than "A" by ~~((two))~~ a nationally recognized rating ~~((agency))~~ agency ~~((--PROVIDED-FURTHER--That-investment-in-bonds-and-debentures-in-this-subsection-(11)-shall-be-limited-to-twenty-percent-of-any-one-issue))~~);

(12) Investments in savings and loan associations organized under federal or state law, insured by the federal savings and loan insurance corporation, and operating in this state (~~((---PROVIDED, That the investment of any one fund in any one such savings and loan association shall not exceed the amount insured by the federal savings and loan insurance corporation))~~ including investment in their savings accounts, deposit accounts, bonds, debentures, and other obligations or securities (except capital stock) which are insured or guaranteed by an agency of the federal government or by a private corporation, approved by the state insurance commissioner, which is licensed to insure real estate loans in the state of Washington: PROVIDED, That the investment in any such savings and loan association shall not exceed the amount insured or guaranteed;

(13) Savings deposits in commercial banks and mutual savings banks organized under federal or state law, insured by the federal deposit insurance corporation, and operating in this state: PROVIDED, That the deposit of any one fund in any such banks shall not exceed the amount insured by the federal deposit insurance corporation;

(14) First mortgages on unencumbered real property which are insured by the Federal Housing Administration under the National Housing Act (as from time to time amended), or are guaranteed by the Veterans Administration under the Servicemen's Readjustment Act of 1944 (as from time to time amended), or are otherwise insured or guaranteed by the United States of America, or by any agency or instrumentality of the United States of America, so as to give the investor protection essentially the same as that provided by the said National Housing Act or the said Servicemen's Readjustment Act. In the event that a state investment board is not created the state finance committee shall first analyze and appraise the board's procedures and policies for investing in such mortgages;

(15) Capital notes or debentures of any national or state bank doing business in the United States of America; ((and))

(16) Equipment trust certificates issued by any corporation

duly organized and operating in any state of the United States of America;

(17) Appropriate contracts of life insurance or annuities from insurers duly authorized to do business in the state of Washington, if and when such purchase or purchases would, in the judgment of the retirement board, be appropriate or necessary to carry out the purposes of this chapter;

(18) Subject to the limitations hereinafter provided, investments may be made in amounts not to exceed twenty-five percent of the system's total investments in the shares of certain open-end investment companies: PROVIDED, That not more than five 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 five 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 fifty 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 investment income in each of the ten years next preceding purchase: PROVIDED FURTHER, That the total investments in the shares of "open-end" investment companies together with investments in preferred stock and shares of corporations shall not exceed twenty-five percent of the total investments (cost basis) of the system; and

(19) Subject to the limitations hereinafter provided, investments may be made in preferred stock or shares of corporations created or existing under the laws of the United States, or any state, district or territory thereof: PROVIDED, That

(a) The board receives advice in writing on all stock investments from an investment counsel engaged by the board of trustees. This counsel shall be an investment counseling firm hired on a con-

tractual basis. Such advice shall become part of the official minutes of the next succeeding meeting of the board. The counsel shall not be engaged in the business of buying, selling, or otherwise marketing securities during the time of its employment by the board.

(b) Stock investments, including shares in open-end investment companies, shall not exceed twenty-five percent of the total investments (cost basis) of the system.

(c) Such investment in the stock of any one company shall not exceed five percent of the common shares outstanding.

(d) No single common stock investment, based on cost, may exceed two percent of the assets of the total investments (cost basis) of the system.

(e) Such stock is registered on a national securities exchange, as provided in the "Securities Exchange Act of 1934" as amended. Such registration shall not be required with respect to the following stocks:

(i) The common stock of a bank which is a member of the Federal Deposit Insurance Corporation and has capital funds represented by capital, surplus, and undivided profits of at least fifty million dollars.

(ii) The common stock of an insurance company which has capital funds, represented by capital, special surplus funds, and unsigned surplus, of at least fifty million dollars.

(iii) Any preferred stock.

(iv) The common stock of Washington corporations which meet all other listed qualifications except that of being registered on a national exchange.

(f) Such corporation has paid a cash and/or stock dividend on its common stock in at least eight of the ten years next preceding the date of investment, and the aggregate net earnings available for dividends on the common stock of such corporation for the whole of such period have been equal to the amount of such dividends paid, and such corporation has paid an earned cash and/or stock dividend in each of the last three years.

Subject to the above limitations and subject to any limitations, conditions, and restrictions contained in policy-making resolutions adopted by the state teachers' retirement board, the state finance committee shall have the power to make purchases, sales, exchanges, investments and reinvestments, of any of the securities and investments in which any of the funds created herein shall have been invested, as well as the proceeds of said investments and any moneys belonging to said funds: PROVIDED, That no sale or exchange shall be at a price less than the market price of the securities or investments to be sold or exchanged.

Sec. 7. Section 4, chapter 297, Laws of 1961 and RCW 41.32-.203 are each amended to read as follows:

It shall be the duty of the state treasurer to collect the interest, or other income on, and the principal of the securities held in his custody pursuant to RCW 41.32.202 as the said sums become due and payable, and to pay the same, when so collected, into the fund to which the investments belong. The state treasurer is hereby authorized and directed to deposit any portion of the funds of the retirement system not needed for immediate use in the same manner and subject to all the provisions of law with respect to the deposit of state funds by such treasurer, and all interest earned by such portion of the retirement system's funds as may be deposited by the state treasurer in pursuance of authority herewith given shall be collected by him and placed to the credit of the teachers' retirement fund or the teachers' retirement pension reserve fund.

Sec. 8. Section 22, chapter 80, Laws of 1947 and RCW 41.32-.220 are each amended to read as follows:

The treasurer of the state shall be the custodian of all moneys received by him for the retirement system. All payments from several funds of the retirement system shall be made only upon vouchers signed by ~~((two-members-of-the-board-of-trustees))~~ the director of the department or such persons as he may designate. ~~((A-duly-attested copy-of-a-resolution-by-the-board-of-trustees-designating-these-mem-~~

~~bers and bearing on its face specimen signatures of those members shall be filed with the state auditor as his authority for issuing warrants upon such vouchers. -- No voucher shall be drawn unless it has been previously authorized by resolution of the board of trustees.)~~

Sec. 9. Section 31, chapter 80, Laws of 1947, as last amended by section 8, chapter 81, Laws of 1965 ex. sess., and RCW 41.32.310 are each amended to read as follows:

Any member desiring to establish credit for services previously rendered, must present proof and make the necessary payments before June 30, 1970; or, if not employed on the effective date of this act, before June 30th of the fifth school year after entry into public school employment in this state. Payments covering all types of membership service credit may be made in a lump sum when due, or in annual installments, with three percent interest. The first annual installment of at least twenty percent of the amount due must be paid before the date specified above, and the final payment before June 30th of the fourth school year following that in which the first payment was made: PROVIDED, That a member who had the opportunity under this section prior to July 1, 1965 to establish credit for services previously rendered and failed to do so shall be permitted to establish such credit only for previous public school service rendered in the state of Washington: PROVIDED FURTHER, That a member who had the opportunity under chapter 41.32 RCW prior to July 1, 1969 to establish credit for active United States military service or credit for professional preparation and failed to do so shall be permitted to establish such additional credit within the provisions of RCW 41.32-.260 and 41.32.330. Any member desiring to establish credit under the provisions of this 1969 amendment must present proof and make the necessary payment before June 30, 1974; or, if not employed on the effective date of this amendment, before June 30th of the fifth school year upon returning to public school employment in this state.

Sec. 10. Section 33, chapter 80, Laws of 1947, as amended by section 14, chapter 274, Laws of 1955, and RCW 41.32.330 are each a-

mended to read as follows:

The board of trustees may allow credit for professional preparation to a member for attendance at institutions of higher learning, or for a scholarship or grant under an established foundation, subsequent to becoming a public school teacher; but not more than ~~((one year-of-such-credit-may-be-granted-in-any-ten-year-period-of-service, and-not-more-than))~~ two years of such credit may be granted to any member.

Sec. 11. Section 34, chapter 80, Laws of 1947, as last amended by section 3, chapter 132, Laws of 1961, and RCW 41.32.340 are each amended to read as follows:

Creditable service of a member at retirement shall consist of the membership service rendered by him for which credit has been allowed, and also, if he has a prior service certificate that is in full force and effect, the amount of the service certified on his prior service certificate. No pension payments shall be made for service credits established or reestablished after July 1, 1955, if such credits entitle the member to retirement benefits from any other public state or local retirement system or fund. No pension payments shall be made for service credits established or reestablished after July 1, 1961, if such credits entitle the member to retirement benefits from a public federal retirement system or fund for services rendered under a civilian program: PROVIDED, That no pension payments shall be made for service credits established or reestablished after July 1, 1969, if credit for the same service is retained for benefits under any other retirement system or fund.

NEW SECTION. Sec. 12. An income fund is hereby created for the purpose of crediting regular interest and such other income as may be derived from the deposits and investments of the various funds of the teachers' retirement fund. All accumulated contributions in the account of a terminated member which remain unclaimed after the expiration of ten years from the date of termination shall thereafter be transferred to the income fund as provided in RCW 41.32.510. Any

moneys that may come into the possession of the retirement system in the form of gifts or bequests which are not allocated to a specific fund, or any other moneys the disposition of which is not otherwise provided herein, shall be credited to the income fund. The moneys accumulated in the income fund shall be available for transfer, upon board authorization, to the expense fund toward payment of the members' share of the operating costs of the system as provided in RCW 41.32.410, and for regular interest allowance to the various funds of the teachers' retirement fund as provided in RCW 41.32.190 and 41.32-.460.

Sec. 13. Section 41, chapter 80, Laws of 1947, as last amended by section 12, chapter 14, Laws of 1963 ex. sess., and RCW 41.32-.410 are each amended to read as follows:

At the ~~((else))~~ beginning, of each fiscal year the board of trustees shall ~~((withdraw))~~ transfer from the pension fund and the ~~((annuity))~~ income fund to the expense fund ~~((in-equal))~~ amounts ~~((a sum))~~ sufficient to defray the expenses of the retirement system estimated by them for ~~((the-ensuing))~~ that year ~~((and-plate-that-amount in-the-expense-fund))~~: PROVIDED, That the amounts transferred to the expense fund shall result in the state and the members of the system sharing equally in the operating costs of the system. The board of trustees shall have authority to assess a withdrawal fee and such other service charges as may be necessary to ~~((provide))~~ assist in providing for the members' contributions to the expense fund. Any such withdrawal fee or other service charges shall be deducted from ~~((each))~~ the member's annuity fund account during the year in which the assessment is made and all money received from such assessments shall be credited to the expense fund toward payment of the members' share of the operating costs of the system.

Sec. 14. Section 48, chapter 80, Laws of 1947, as last amended by section 1, chapter 151, Laws of 1967 ex. sess., and RCW 41.32-.480 are each amended to read as follows:

- (1) Any member who has left public school service after having

completed thirty years of creditable service may retire upon the approval by the board of trustees of an application for retirement filed on the prescribed form. Upon retirement such member shall receive a retirement allowance consisting of an annuity which shall be the actuarial equivalent of his accumulated contributions at his age of retirement and a pension of four dollars per month for each year of creditable service established except as provided in RCW 41.32.497. Effective July 1, 1967, anyone then receiving a retirement allowance or a survivor retirement allowance under this chapter, based on thirty-five years of creditable service, and who has established more than thirty-five years of service credit with the retirement system, shall thereafter receive a retirement allowance based on the total years of service credit established.

(2) Any member who has attained age sixty years, but who has completed less than thirty years of creditable service, upon leaving public school service, may retire upon the approval by the board of trustees of an application for retirement filed on the prescribed form. Upon retirement such member shall receive a retirement allowance consisting of an annuity which shall be the actuarial equivalent of his accumulated contributions at his age of retirement and a pension of four dollars per month for each year of creditable service established except as provided in RCW 41.32.497.

(3) Any member who has attained age fifty-five years and who has completed not less than twenty-five years of creditable service, upon leaving public school service, may retire upon the approval by the board of trustees of an application for retirement filed on the prescribed form. Upon retirement such member shall receive a retirement allowance which shall be the actuarial equivalent of the sum necessary to pay regular retirement benefits as of the earliest date upon which he could otherwise retire under subsections (1) and (2) of this section.

Sec. 15. Section 16, chapter 14, Laws of 1963 ex. sess., and RCW 41.32.497 are each amended to read as follows:

Any member who qualified for a retirement allowance which is effective on or after July 1, 1964 shall receive a retirement allowance consisting of: (1) An annuity which shall be the actuarial equivalent of his accumulated contributions at his age of retirement, (2) A service pension which shall be equal to one one-hundred twentieth of his average earnable compensation for his five highest compensated years of service within the last ten years times the total years of creditable service established with the retirement system: PROVIDED, That no member shall receive a pension of less than four dollars per month for each year of creditable service established with the retirement system. Pension benefits payable under the provisions of this section shall be prorated on a monthly basis and paid at the end of each month: PROVIDED, FURTHER, That the benefits under this section shall be available only to members who terminate public school service in this state on or after July 1, 1964 and shall include such members who terminated public school service in this state at the close of the 1963-1964 school year: PROVIDED FURTHER, That all members who apply and qualify for a retirement allowance to become effective on or after July 1, 1969 shall receive the annuity and pension benefits provided under this section regardless of the date on which a member terminated Washington public school service.

Sec. 16. Section 50, chapter 80, Laws of 1947, as last amended by section 6, chapter 50, Laws of 1967, and RCW 41.32.500 are each amended to read as follows:

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))~~ five or more years of Washington membership service credit.

Sec. 17. Section 51, chapter 80, Laws of 1947, as last amended by section 17, chapter 14, Laws of 1963 ex. sess., and RCW 41.32-.510 are each amended to read as follows:

Should a member cease to be employed in the public schools of this state and request upon a form provided by the board of trustees a refund of his accumulated contributions with interest to the June 30th next preceding, this amount shall be paid to him less any withdrawal fee which may be assessed by the board of trustees which shall be deposited to the ~~((annuity-fund's-share-of-the-cost-of-operation))~~ expense fund. The amount withdrawn, together with interest must be paid if he desires to reestablish his former service credits. Upon termination of membership, interest on accumulated contributions in the annuity fund shall cease and all accumulated contributions unclaimed after the expiration of ten years thereafter become an integral part of the ~~((annuity))~~ income fund. Termination of employment with one employer for the specific purpose of accepting employment with another employer or termination with one employer and reemployment with the same employer, whether for the same school year or for the ensuing school year, shall not qualify a member for a refund of his accumulated contributions. A member who files an application for a refund of his accumulated contributions and subsequently enters into a contract for or resumes public school employment before a refund payment has been made shall not be eligible for such payment.

Sec. 18. Section 20, chapter 14, Laws of 1963 ex. sess., as amended by section 8, chapter 50, Laws of 1967, and RCW 41.32.522 are each amended to read as follows:

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~~) four 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 that his contribution to the death benefit fund for a given fiscal year shall qualify him for the death benefit in the event his death occurs before the beginning of the ensuing school year: 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. 19. Section 21, chapter 14, Laws of 1963 ex. sess., as last amended by section 9, chapter 50, Laws of 1967, 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~~) four hundred dollars under RCW 41.32.522, or a former member who was retired for age, service or disability, a death benefit of (~~one~~) two 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.

Sec. 20. Section 55, chapter 80, Laws of 1947, as last amended by section 10, chapter 50, Laws of 1967, and RCW 41.32.550 are each amended to read as follows:

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)~~) under RCW 41.32.497: 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.

NEW SECTION. Sec. 21. The provisions of sections 1 through 20 of this 1969 amendatory act shall take effect on July 1, 1969.

Sec. 22. Section 4, chapter 76, Laws of 1957, as last amended by section 4, chapter 151, Laws of 1967, and RCW 28.81.170 are each amended to read as follows:

(1) A faculty member designated by the trustees of his respective state college as being subject to such annuity plan and who, at the time of such designation, is a member of the Washington state teachers' retirement system shall retain credit for such service in the Washington state teachers' retirement system and shall leave his accumulated contributions in the teachers' retirement fund (except as provided in subsection 2), and upon his attaining eligibility for retirement under the Washington state teachers' retirement system, such

faculty member shall receive from the Washington state teachers' retirement system a retirement allowance consisting of an annuity which shall be the actuarial equivalent of his accumulated contributions at his age when becoming eligible for such retirement and a pension of four dollars per month for each year of creditable service established and retained at the time of said designation except as provided in RCW 41.32.497. Effective July 1, 1967, anyone then receiving pension payments from the teachers' retirement system based on thirty-five years of creditable service shall thereafter receive a pension based on the total years of creditable service established with the retirement system: PROVIDED, HOWEVER, That such faculty member who, upon attainment of eligibility for retirement under the Washington state teachers' retirement system, is still engaged in public educational employment, shall not be eligible to receive benefits under the Washington state teachers' retirement system until he ceases such public educational employment. Any retired faculty member who enters service in any public educational institution shall cease to receive pension payments while engaged in such service: PROVIDED, That service may be rendered up to seventy-five days in a school year without reduction of pension.

(2) A faculty member designated by the trustees of his respective state college as being subject to the annuity plan and who, at the time of such designation, is a member of the Washington state teachers' retirement system may, at his election and at any time on and after the effective date of this amendatory act, terminate his membership in the Washington state teachers' retirement system and withdraw his accumulated contributions and interest in the teachers' retirement fund upon written application to the board of trustees of the Washington state teachers' retirement system. Faculty members who withdraw their accumulated contributions, on and after the date of withdrawal of contributions, shall no longer be members of the Washington state teachers' retirement system and shall forfeit all rights of membership, including pension benefits, theretofore acquired under the Washington state teachers' retirement system.

Sec. 23. Section 28B.10.465, chapter ..., Laws of 1969 (HB 58) and RCW 28B.10.465 are each amended to read as follows:

(1) A faculty member designated by the trustees of his respective state college as being subject to such annuity plan and who, at the time of such designation, is a member of the Washington state teachers' retirement system shall retain credit for such service in the Washington state teachers' retirement system and shall leave his accumulated contributions in the teachers' retirement fund (except as provided in subsection 2), and upon his attaining eligibility for retirement under the Washington state teachers' retirement system, such faculty member shall receive from the Washington state teachers' retirement system a retirement allowance consisting of an annuity which shall be the actuarial equivalent of his accumulated contributions at his age when becoming eligible for such retirement and a pension of four dollars per month for each year of creditable service established and retained at the time of said designation except as provided in RCW 41.32.497. Effective July 1, 1967, anyone then receiving pension payments from the teachers' retirement system based on thirty-five years of creditable service shall thereafter receive a pension based on the total years of creditable service established with the retirement system: PROVIDED, HOWEVER, That such faculty member who, upon attainment of eligibility for retirement under the Washington state teachers' retirement system, is still engaged in public educational employment, shall not be eligible to receive benefits under the Washington state teachers' retirement system until he ceases such public educational employment. Any retired faculty member who enters service in any public educational institution shall cease to receive pension payments while engaged in such service: PROVIDED, That service may be rendered up to seventy-five days in a school year without reduction of pension.

(2) A faculty member designated by the trustees of his respective state college as being subject to the annuity plan and who, at the time of such designation, is a member of the Washington state

teachers' retirement system may, at his election and at any time on and after midnight, June 10, 1959, terminate his membership in the Washington state teachers' retirement system and withdraw his accumulated contributions and interest in the teachers' retirement fund upon written application to the board of trustees of the Washington state teachers' retirement system. Faculty members who withdraw their accumulated contributions, on and after the date of withdrawal of contributions, shall no longer be members of the Washington state teachers' retirement system and shall forfeit all rights of membership, including pension benefits, theretofore acquired under the Washington state teachers' retirement system.

NEW SECTION. Sec. 24. The forty-first legislature has before it a bill proposing a complete revision of the education laws of this state (HB 58). The provisions of section 22 of the instant act seek to change existing laws. The provisions of section 23 seek to change correlative provisions of the proposed 1969 education code if such code becomes law. It is the intent of the legislature that the provisions of section 22 of the instant bill take effect on July 1, 1969 unless the proposed 1969 education code becomes law and takes effect prior to July 1, 1969, in which case the provisions of section 22 shall not take effect at all but section 23 shall take effect on July 1, 1969. It is the further intent of the legislature that if the provisions of the 1969 education code becomes law and does not take effect until after July 1, 1969, then the provisions of section 22 of this instant act shall take effect on July 1, 1969 and shall be effective only until the date upon which the 1969 education code shall take effect, upon which date the provisions of section 22 shall expire and the provisions of section 23 shall concomitantly become effective. It is the further intent of the legislature that the provisions of section 23 shall not take effect unless the 1969 education code is adopted at this legislature, but if such event occurs the amendatory provisions of section 23 shall be construed as amending the correlative section of the 1969 education code and shall be

in pari materia with the 1969 education code as provided herein.

Passed the House April 16, 1969
Passed the Senate April 9, 1969
Approved by the Governor April 24, 1969
Filed in office of Secretary of State April 24, 1969

CHAPTER 151
[Engrossed House Bill No. 334]
LIENS FOR LABOR, MATERIAL
AND TAXES ON PUBLIC WORKS

AN ACT Relating to liens for labor, material and taxes on public works;
and amending section 1, chapter 166, Laws of 1921 as last amended
by section 1, chapter 238, Laws of 1963 and RCW 60.28.010; and
amending section 1, chapter 91, Laws of 1957 as amended by section
26, chapter 26, Laws of 1967 1st ex. sess. and RCW 60.28.070.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section 1, chapter 166, Laws of 1921 as last amended
by section 1, chapter 238, Laws of 1963 and RCW 60.28.010 are each amended
to read as follows:

(1) Contracts for public improvements or work by the state, or any
county, city, town, district, board, or other public body, shall provide,
and there shall be reserved from the moneys earned by the contractor on
estimates during the progress of the improvement or work, a sum equal to
ten percent of the first one hundred thousand dollars and five percent for
all amounts over one hundred thousand dollars of such estimates, said sum
to be retained by the state, county, city, town, district, board, or other
public body, as a trust fund for the protection and payment of any person
or persons, mechanic, subcontractor or materialman who shall perform any
labor upon such contract or the doing of said work, and all persons who
shall supply such person or persons or subcontractors with provisions and
supplies for the carrying on of such work, and the state with respect to
taxes imposed pursuant to Title 82 which may be due from such contractor.
Said fund shall be retained for a period of thirty days following the final
acceptance of said improvement or work as completed, and every person per-
forming labor or furnishing supplies toward the completion of said improve-
ment or work shall have a lien upon said fund so reserved (~~(, provided)~~):
PROVIDED, That such notice of the lien of such claimant shall be given in