

Jefferson jointly, ((one judge)) two judges of the superior court; in the county of Snohomish seven judges of the superior court; in the counties of Asotin, Columbia and Garfield jointly, one judge of the superior court; in the county of Cowlitz, two judges of the superior court; in the counties of Klickitat and Skamania jointly, one judge of the superior court.

NEW SECTION. Sec. 2. There is hereby appropriated from the state general fund the sum of \$18,400 to implement the purposes of this act.

Passed the House April 23, 1974.
Passed the Senate April 22, 1974.
Approved by the Governor May 6, 1974.
Filed in Office of Secretary of State May 6, 1974.

CHAPTER 193

[Third Substitute House Bill No. 1274]

WASHINGTON STATE TEACHERS' RETIREMENT SYSTEM

AN ACT Relating to the Washington state teachers' retirement system; amending section 31, chapter 80, Laws of 1947 as last amended by section 2, chapter 32, Laws of 1973 2nd ex. sess. and RCW 41.32.310; amending section 48, chapter 80, Laws of 1947 as last amended by section 1, chapter 147, Laws of 1972 ex. sess. and RCW 41.32.480; amending section 50, chapter 80, Laws of 1947 as last amended by section 16, chapter 150, Laws of 1969 ex. sess. and RCW 41.32.500; amending section 20, chapter 14, Laws of 1963 ex. sess. as last amended by section 18, chapter 150, Laws of 1969 ex. sess. and RCW 41.32.522; amending section 52, chapter 80, Laws of 1947 as last amended by section 4, chapter 32, Laws of 1973 2nd ex. sess. and RCW 41.32.520; amending section 21, chapter 14, Laws of 1963 ex. sess. as last amended by section 19, chapter 150, Laws of 1969 ex. sess. and RCW 41.32.523; amending section 54, chapter 80, Laws of 1947 as last amended by section 18, chapter 14, Laws of 1963 ex. sess. and RCW 41.32.540; adding a new section to chapter 41.32 RCW; providing that certain provisions hereof shall be retroactive; making certain effective dates; and declaring an emergency.

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

Section 1. Section 31, chapter 80, Laws of 1947 as last amended by section 2, chapter 32, Laws of 1973 2nd 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 on or before ((January 31, 1974)) June 30 of the fifth school year of his membership. Payments covering all types of membership service credit must be made in a lump sum ((prior to January 31, 1974: 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:)) when due, or in annual installments. The first annual installment of at least twenty percent of the amount due must be paid before the above deadline date, and the final payment must be made by June 30th of the fourth school year following that in which the first installment was made. The amount of payment and the interest thereon, whether lump sum or installments, shall be made by a method and in an amount established by the board of trustees: 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; PROVIDED FURTHER, That a member who was not permitted to establish credit pursuant to section 2, chapter 32, Laws of 1973 2nd ex. sess., for Washington teaching service previously rendered, must present proof and make the necessary payment to establish such credit as membership service credit. Payment for such credit must be made in a lump sum on or before June 30, 1974. 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. 2. Section 48, chapter 80, Laws of 1947 as last amended by section 1, chapter 147, Laws of 1972 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 as provided in RCW 41.32.497 as now or hereafter amended. 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 as provided in RCW 41.32.497 as now or hereafter amended.

(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 his accumulated contributions at his age of retirement and a pension as provided in RCW 41.32.497 as now or hereafter amended: PROVIDED, That no individual who has retired pursuant to this subsection, on or after July 1, 1969, shall suffer an actuarial reduction in his retirement allowance, except as such allowance may be actuarially reduced pursuant to the options contained in RCW 41.32.530; PROVIDED FURTHER, That this 1974 amendment shall be retroactive to July 1, 1969.

Sec. 3. Section 50, chapter 80, Laws of 1947 as last amended by section 16, chapter 150, Laws of 1969 ex. sess. 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 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 five or more years of Washington membership service credit.

The prior service certificate becomes void when a member dies, withdraws his accumulated contributions or does not establish service credit with the retirement system for five consecutive years, and any prior administrative interpretation of the board of trustees, consistent with this section of this amendatory act, is hereby ratified, affirmed and approved.

Sec. 4. Section 20, chapter 14, Laws of 1963 ex. sess. as last amended by section 18, chapter 150, Laws of 1969 ex. sess. 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 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 (~~four~~) six 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. 5. Section 52, chapter 80, Laws of 1947 as last amended by section 4, chapter 32, Laws of 1973 2nd ex. sess. and RCW 41.32.520 are each amended to read as follows:

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 ten or more years of Washington membership service credit or was eligible for retirement, 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:

(1) A widow or 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.

(2) The beneficiary, if ~~((the))~~ a surviving spouse or a dependent ~~((child or dependent parent,))~~ (as that term is used in computing the dependent exemption for federal internal revenue purposes) may elect to receive a retirement allowance under Option 2 of RCW 41.32.530. In the case of a dependent child the allowance shall continue until attainment of majority or so long as the board judges that the circumstances which created his dependent status continue to exist. In any case, if at the time dependent status ceases, an amount equal to the amount of accumulated contributions of the deceased member has not been paid to the beneficiary, the remainder shall then be paid in a lump sum to the beneficiary: PROVIDED, That if at the time of death, the member was not then qualified for a service retirement allowance, such Option 2 benefit shall be based upon the actuarial equivalent of the sum necessary to pay the accrued regular retirement allowance commencing when the deceased member would have first qualified for a service retirement allowance.

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 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.

Sec. 6. Section 21, chapter 14, Laws of 1963 ex. sess. as last amended by section 19, chapter 150, Laws of 1969 ex. sess. 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 ((four)) six hundred dollars under RCW 41.32.522 as now or hereafter amended, or a former member who was retired for age, service or disability, a death benefit of ((two)) four 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. 7. Section 54, chapter 80, Laws of 1947 as last amended by section 18, chapter 14, Laws of 1963 ex. sess. and RCW 41.32.540 are each amended to read as follows:

Upon application of a member in service or of his employer or of his legal guardian or of the legal representative of a deceased member who was eligible to apply for a temporary disability allowance based on his final illness a member ((may)) shall be granted a temporary disability allowance by the board of trustees if the medical director, after a medical examination of such member, shall certify that such member is mentally or physically incapacitated for the further performance of duty. Any member receiving a temporary disability allowance on July 1, 1964 or who qualifies for a temporary disability allowance effective on or after July 1, 1964 shall receive a temporary disability allowance of one hundred ((twenty)) eighty dollars per month payable from the disability reserve fund for a period not to exceed two years, but no payments shall be made for a disability period of less than sixty days: PROVIDED, That a member who is not employed full time in Washington public school service for consecutive fiscal years shall have been employed for at least fifty consecutive days during the fiscal year in which he returns to full time Washington public school service before he may qualify for temporary disability benefits: PROVIDED FURTHER, That no temporary disability benefits shall be paid on the basis of an application

received more than four calendar years after a member became eligible to apply for such benefits.

NEW SECTION. Sec. 8. There is added to chapter 41.32 RCW a new section to read as follows:

(1) Effective July 1, 1974, the pension portion of the retirement allowance being paid to all retirees who retired on or before June 30, 1970, shall be increased in an amount equal to 11.9 percent of that portion.

(2) Effective July 1, 1974, the pension portion of the retirement allowance being paid to all retirees who retired on or after July 1, 1970 through and including June 30, 1973, shall be increased in an amount equal to 2.9 percent of that portion.

(3) Solely for the purposes of RCW 41.32.499, the initial date of payment of the pension portion of the retirement allowance which is increased by this section shall be deemed to be July 1, 1973.

(4) The funds necessary for the payment of benefits provided by subsections (1) and (2) of this section shall constitute a separate biennial appropriation transfer by the legislature from the state general fund to the teachers' retirement fund.

NEW SECTION. Sec. 9. If any provision of this amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 10. This amendatory act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House April 23, 1974.
Passed the Senate April 23, 1974.
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CHAPTER 194

[Substitute House Bill No. 1366]

PUBLIC WORKS CONTRACTS--FUEL CRISIS PRICE
INCREASES--TERMINATION OR MODIFICATION OPTIONS

AN ACT Relating to public works contracts; adding a new section to chapter 39.04 RCW; and declaring an emergency.

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

NEW SECTION. Section 1. There is added to chapter 39.04 RCW a new section to read as follows: