

NEW SECTION. Sec. 16. If any provision of this 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.

Passed the House April 23, 1981.

Passed the Senate April 22, 1981.

Approved by the Governor May 18, 1981, with the exception of certain items which are vetoed.

Filed in Office of Secretary of State May 18, 1981.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith without my approval as to Sections 2 (15), 3 (4), 3 (7), and 11 Substitute House Bill No. 320 entitled:

"AN ACT Relating to land use."

The first three provisions conflict with similar provisions in Substitute House Bill No. 323, which I have signed today.

Section 11 would limit court review to final plats. The more timely stage for review—the preliminary plat state—has been eliminated by Section 11. To preserve this option I have vetoed Section 11.

With the exceptions of Sections 2 (15), 3 (4), 3 (7), and 11, Substitute House Bill No. 320 is approved."

CHAPTER 294

[Substitute House Bill No. 138]

PUBLIC RETIREMENT—ADMINISTRATION—LEOFF DISABILITY

AN ACT Relating to public retirement; amending section 12, chapter 209, Laws of 1969 ex. sess. as last amended by section 10, chapter 120, Laws of 1974 ex. sess. and RCW 41.26.120; amending section 13, chapter 209, Laws of 1969 ex. sess. as amended by section 8, chapter 6, Laws of 1970 ex. sess. and RCW 41.26.130; amending section 14, chapter 209, Laws of 1969 ex. sess. as last amended by section 4, chapter 120, Laws of 1974 ex. sess. and RCW 41.26.140; amending section 16, chapter 209, Laws of 1969 ex. sess. as last amended by section 6, chapter 120, Laws of 1974 ex. sess. and RCW 41.26.200; amending section 19, chapter 209, Laws of 1969 ex. sess. and RCW 41.26.210; amending section 20, chapter 209, Laws of 1969 ex. sess. and RCW 41.26.220; amending section 11, chapter 105, Laws of 1975-76 2nd ex. sess. and RCW 41.50.090; amending section 8, chapter 294, Laws of 1977 ex. sess. and RCW 41.26.470; amending section 31, chapter 80, Laws of 1947 as last amended by section 1, chapter 193, Laws of 1974 ex. sess. and RCW 41.32.310; amending section 59, chapter 80, Laws of 1947 as last amended by section 5, chapter 205, Laws of 1979 ex. sess. and RCW 41.32.590; amending section 39, chapter 274, Laws of 1947 as last amended by section 6, chapter 205, Laws of 1979 ex. sess. and RCW 41.40.380; amending section 16, chapter 274, Laws of 1947 as last amended by section 10, chapter 249, Laws of 1979 ex. sess. and RCW 41.40.150; amending section 18, chapter 274, Laws of 1947 as last amended by section 14, chapter 190, Laws of 1973 1st ex. sess. and RCW 41.40.170; adding a new section to chapter 41.26 RCW; and adding a new section to chapter 41.40 RCW.

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

NEW SECTION. Section 1. There is added to chapter 41.26 RCW a new section to read as follows:

(1) The director of retirement systems shall adopt rules, in accordance with chapter 34.04 RCW, under which each disability board shall execute its disability retirement duties under this chapter. The rules shall include, but not be limited to, the following:

(a) Standards governing the type and manner of presentation of medical, employability, and other evidence before disability boards; and

(b) Standards governing the necessity and frequency of medical and employability reexaminations of persons receiving disability benefits.

(2) If the director determines that an order or determination of a disability board was not processed in accordance with the rules established under this section, the director may remand the order or determination for further proceedings consistent with the rules.

Sec. 2. Section 12, chapter 209, Laws of 1969 ex. sess. as last amended by section 10, chapter 120, Laws of 1974 ex. sess. and RCW 41.26.120 are each amended to read as follows:

Any member, regardless of his age or years of service may be retired by the disability board, subject to approval by the ~~((retirement board))~~ director as hereinafter provided, for any disability which has been continuous since his discontinuance of ~~((active))~~ service and which renders him unable to continue his service, whether incurred in the line of duty or not. No disability retirement allowance shall be paid until the expiration of a period of six months after the ~~((disability is incurred))~~ discontinuance of service during which period the member, if found to be physically or mentally unfit for duty by the disability board following receipt of his application for disability retirement, shall be granted a disability leave by the disability board and shall receive an allowance equal to his full monthly salary and shall continue to receive all other benefits provided to active employees from his employer for such period. However, if, at any time during the initial six-month period, the disability board finds the beneficiary is no longer disabled, his disability leave allowance shall be canceled and he shall be restored to duty in the same rank or position, if any, held by the beneficiary at the time he became disabled. Applications for disability retirement shall be processed in accordance with the following procedures:

(1) Any member who believes he is or is believed to be physically or mentally disabled shall be examined by such medical authority as the disability board shall employ, upon application of said member, or a person acting in his behalf, stating that said member is disabled, either physically or mentally: PROVIDED, That no such application shall be considered unless said member or someone in his behalf, in case of the incapacity of a member, shall have filed the application within a period of one year from and after the discontinuance of service of said member.

(2) If the examination shows, to the satisfaction of the disability board, that the member is physically or mentally disabled from the further performance of duty, and that such disability has been continuous from the discontinuance of ~~((active))~~ service, the disability board shall enter its written decision and order, accompanied by appropriate findings of fact and by conclusions evidencing compliance with this chapter as now or hereafter amended, granting the member a disability retirement allowance; otherwise, if the member is not found by the disability board to be so disabled, the application shall be denied pursuant to a similar written decision and order, subject to appeal to the ~~((retirement board))~~ director in accordance with RCW 41.26.200: PROVIDED, That in any order granting a disability retirement allowance the disability board shall make a finding of whether or not the disability was incurred in line of duty.

(3) Every order of a disability board granting a disability retirement allowance shall forthwith be reviewed by the ~~((retirement board for the purposes of determining (a) whether the facts as found by the disability board are supported by substantial evidence in the record, except the finding of whether or not the disability was incurred in line of duty, and (b) whether the order is in accordance with law on the basis of such facts. If an affirmative determination is made by the retirement board on both of the aspects of the decision and order, it shall be affirmed; otherwise, it shall be reversed and remanded to the disability board for such further proceedings as the retirement board may direct))~~ director except the finding of whether the disability was incurred in the line of duty. The director may affirm the decision of the disability board or remand the case for further proceedings if the director finds the disability board's findings, inferences, conclusions, or decisions are:

(a) In violation of constitutional provisions; or

(b) In excess of the statutory authority or jurisdiction of the disability board; or

(c) Made upon unlawful procedure; or

(d) Affected by other error of law; or

(e) Clearly erroneous in view of the entire record as submitted and the public policy contained in this chapter; or

(f) Arbitrary or capricious.

(4) Every member who can establish, to the disability board, that he is physically or mentally disabled from the further performance of duty and that such disability will be in existence for a period of at least six months may waive the six-month period of disability leave and be immediately granted a disability retirement allowance, subject to the approval of the ~~((state board))~~ director as provided in subsection (3) above.

Sec. 3. Section 13, chapter 209, Laws of 1969 ex. sess. as amended by section 8, chapter 6, Laws of 1970 ex. sess. and RCW 41.26.130 are each amended to read as follows:

(1) Upon retirement for disability a member shall be entitled to receive a monthly retirement allowance computed as follows: (a) A basic amount of fifty percent of final average salary at time of disability retirement, and (b) an additional five percent of final average salary for each child as defined in RCW 41.26.030(7), (c) the combined total of subsections (1)(a) and (1)(b) of this section shall not exceed a maximum of sixty percent of final average salary.

(2) A disabled member shall begin receiving his disability retirement allowance as of the expiration of his six month period of disability leave or, if his application was filed after the sixth month of ~~((disability))~~ discontinuance of service but prior to the one year time limit, the member's disability retirement allowance shall be retroactive to the end of the sixth month.

(3) Benefits under this section will be payable until the member recovers from the disability or dies. If at the time that the disability ceases the member is over the age of fifty, he shall then receive either his disability retirement allowance or his retirement for service allowance, whichever is greater.

(4) Benefits under this section for a disability that is incurred while in other employment will be reduced by any amount the member receives or is entitled to receive from workmen's compensation, social security, group insurance, other pension plan, or any other similar source provided by another employer on account of the same disability.

(5) A member retired for disability shall ~~((, at the discretion of the disability board,))~~ be subject to ~~((a semiannual medical examination))~~ periodic examinations by a physician approved by the disability board prior to his attainment of age fifty, pursuant to rules adopted by the director under section 1 of this 1981 act. Examinations of members who retired for disability prior to the effective date of this 1981 act shall not exceed two medical examinations per year.

Sec. 4. Section 14, chapter 209, Laws of 1969 ex. sess. as last amended by section 4, chapter 120, Laws of 1974 ex. sess. and RCW 41.26.140 are each amended to read as follows:

(1) Upon the basis of ~~((a semiannual))~~ reexaminations of members on disability retirement as provided in RCW 41.26.130, the disability board shall determine whether such disability beneficiary is still unable to perform his duties either physically or mentally for service in the department where he was employed.

(2) If the disability board shall determine that the beneficiary is not so incapacitated his retirement allowance shall be canceled and he shall be restored to duty in the same civil service rank, if any, held by the beneficiary at the time of his retirement or if unable to perform the duties of said rank, then, at his request, in such other like or lesser rank as may be or become open and available, the duties of which he is then able to perform. In no

event, shall a beneficiary previously drawing a disability allowance be returned or be restored to duty at a salary or rate of pay less than the current salary attached to the rank or position held by the said beneficiary at the date of his retirement for disability. If the disability board determines that the beneficiary is able to return to service he shall be entitled to notice and a hearing, both the notice and the hearing shall comply with the requirements of chapter 34.04 RCW, as now or hereafter amended.

(3) Should a disability beneficiary reenter service and be eligible for membership in the retirement system, his retirement allowance shall be canceled and he shall immediately become a member of the retirement system.

(4) Should any disability beneficiary under age fifty refuse to submit to ~~((medical))~~ examination, his retirement allowance shall be discontinued until his withdrawal of such refusal, and should such refusal continue for one year or more, his retirement allowance shall be canceled.

(5) Should the disability retirement allowance of any disability beneficiary be canceled for any cause other than reentrance into service or retirement for service, he shall be paid the excess, if any, of his accumulated contributions at the time of his retirement over all payments made on his behalf under this chapter.

Sec. 5. Section 16, chapter 209, Laws of 1969 ex. sess. as last amended by section 6, chapter 120, Laws of 1974 ex. sess. and RCW 41.26.200 are each amended to read as follows:

~~((†))~~ Any person feeling aggrieved by any order or determination of a disability board denying disability leave or disability retirement, or canceling a previously granted disability retirement allowance, shall have the right to appeal the ~~((said))~~ order or determination to the ~~((retirement board))~~ director. The ~~((said retirement board))~~ director shall have no jurisdiction to entertain the appeal unless a notice of appeal is filed with the ~~((said retirement board))~~ director within thirty days following the rendition of the order by the applicable disability board. A copy of the notice of appeal shall be served upon the director and the applicable disability board and, within ninety days thereof, the disability board shall certify its decision and order which shall include findings of fact and conclusions of law, together with a transcript of all proceedings in connection therewith, to the ~~((retirement board))~~ director for ~~((its))~~ review. Upon ~~((its))~~ review of the record, the ~~((retirement board))~~ director may affirm the order of the disability board or ~~((it))~~ may remand the case for such further proceedings as ~~((it))~~ he or she may direct, in accordance with such rules of procedure as the ~~((retirement board))~~ director shall promulgate.

~~((2) The said appeal authorized by this section shall be governed by the provisions of RCW 41.26.210 and 41.26.220.)~~

Sec. 6. Section 19, chapter 209, Laws of 1969 ex. sess. and RCW 41.26.210 are each amended to read as follows:

Any person aggrieved by any final decision of the (~~retirement board~~) director must, before petitioning for judicial review, file with the director of the retirement system by mail or personally within sixty days from the day such decision was communicated to such person, a notice for a hearing before the retirement board. The notice of hearing shall set forth in full detail the grounds upon which such person considers such decision unjust or unlawful and shall include every issue to be considered by the retirement board, and it must contain a detailed statement of facts upon which such person relies in support thereof. Such persons shall be deemed to have waived all objections or irregularities concerning the matter on which such appeal is taken other than those specifically set forth in the notice of hearing or appearing in the records of the retirement system.

Sec. 7. Section 20, chapter 209, Laws of 1969 ex. sess. and RCW 41.26.220 are each amended to read as follows:

A hearing shall be held by members of the retirement board, or its duly authorized representatives, in the county of the residence of the claimant at a time and place designated by the retirement board. Such hearing shall be de novo and shall conform to the provisions of chapter 34.04 RCW, as now or hereafter amended. The (~~retirement board~~) disability board and the director shall be entitled to appear in all such proceedings and introduce testimony in support of the decision. Judicial review of any final decision by the retirement board shall be governed by the provisions of chapter 34.04 RCW as now law or hereafter amended.

Sec. 8. Section 11, chapter 105, Laws of 1975-'76 2nd ex. sess. and RCW 41.50.090 are each amended to read as follows:

(1) Except as otherwise provided in this section, on the effective date of transfer as provided in RCW 41.50.030, the department shall succeed to and is vested with all powers, duties, and functions now or by any concurrent act of this 1976 legislature vested in the individual retirement boards set forth in RCW 41.50.030 relating to the administration of their various retirement systems, including but not limited to the power to appoint a staff and define the duties thereof: PROVIDED, That actuarial services required by the department shall be performed by the state actuary as provided in RCW 44.44.040.

(2) The department shall keep each retirement board fully informed on the administration of the corresponding retirement system, and shall furnish any information requested by a retirement board.

(3) Rules proposed by the director under RCW 2.10.050, 2.10.070, 41.26.060, 41.32.160, 41.40.020, or 43.43.140 shall be submitted to the appropriate retirement boards for review prior to adoption. After receiving approval of the members of the appropriate board, such rules shall become effective as provided by the administrative procedure act, chapter 34.04 RCW.

(4) Each retirement board shall continue to perform all functions as are vested in it by law with respect to applications for benefits paid upon either temporary or permanent disability, with such staff assistance from the department as may be required. The director shall perform those functions with respect to disability benefits as are vested in him or her by RCW 41.26.120 and 41.26.200.

Sec. 9. Section 8, chapter 294, Laws of 1977 ex. sess. and RCW 41.26-.470 are each amended to read as follows:

(1) A member of the retirement system who becomes totally incapacitated for continued employment by an employer as determined by the department upon recommendation of the retirement board shall be eligible to receive an allowance under the provisions of RCW 41.26.410 through 41.26.550. Such member shall receive a monthly disability allowance computed as provided for in RCW 41.26.420 and shall have such allowance actuarially reduced to reflect the difference in the number of years between age at disability and the attainment of age fifty-eight.

(2) Any member who receives an allowance under the provisions of this section shall be subject to such comprehensive medical examinations as required by the department. If such medical examinations reveal that such a member has recovered from the incapacitating disability and the member is ~~((offered reemployment by an employer at a comparable compensation; such member shall cease to be eligible for such allowance))~~ no longer entitled to benefits under Title 51 RCW, the retirement allowance shall be canceled and the member shall be restored to duty in the same civil service rank, if any, held by the member at the time of retirement or, if unable to perform the duties of the rank, then, at the member's request, in such other like or lesser rank as may be or become open and available, the duties of which the member is then able to perform. In no event shall a member previously drawing a disability allowance be returned or be restored to duty at a salary or rate of pay less than the current salary attached to the rank or position held by the member at the date of the retirement for disability. If the department determines that the member is able to return to service, the member is entitled to notice and a hearing. Both the notice and the hearing shall comply with the requirements of chapter 34.04 RCW, as now or hereafter amended.

***Sec. 10. Section 31, chapter 80, Laws of 1947 as last amended by section 1, chapter 193, Laws of 1974 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 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 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, 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.))~~ members, other than elected officials, shall be permitted to establish credit for Washington teaching service previously rendered~~((, must present proof and make))~~ upon presenting proof and making 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.)) 1983, or, if not employed on the effective date of this ((amendment)) 1981 act, before June 30th of the fifth school year upon returning to public school employment in this state, with interest at a rate to be established by the director of the department of retirement systems.

*Sec. 10. was vetoed, see message at end of chapter.

*Sec. 11. Section 16, chapter 274, Laws of 1947 as last amended by section 10, chapter 249, Laws of 1979 ex. sess. and RCW 41.40.150 are each amended to read as follows:

Should any member die, or should the individual separate or be separated from service without leave of absence before attaining age sixty years, or should the individual become a beneficiary, except a beneficiary of an optional retirement allowance as provided by RCW 41.40.185 or 41.40.190, the individual shall thereupon cease to be a member except;

(1) As provided in RCW 41.40.170.

(2) An employee not previously retired who reenters service shall upon completion of six months of continuous service and upon the restoration of all withdrawn contributions with interest as computed by the director, which restoration must be completed within a total period of five years of membership service following his first resumption of employment, be returned to the status, either as an original member or new member which he held at time of separation: PROVIDED, That any member who reentered service outside the ten-year period formerly provided by this subsection, and by reason of the former language of this section was not allowed to restore withdrawn contributions, shall have two years from April 25, 1973 to restore said contributions: AND PROVIDED FURTHER, That any member, except an elected official, who reentered service ~~((within the ten-year period formerly provided by this section.))~~ and who failed to restore withdrawn contributions within the

~~((three or five years))~~ time previously allowed, shall now have ((two years)) from ((April 25, 1973)) the effective date of this 1981 act through June 30, 1983, to restore said contributions, with interest as determined by the director.

(3) A member who separates or has separated after having completed at least five years of service shall remain a member during the period of his absence from service for the exclusive purpose only of receiving a retirement allowance to begin at attainment of age sixty-five, however, such a member may upon thirty days written notice to the director elect to receive a reduced retirement allowance on or after age sixty which allowance shall be the actuarial equivalent of the sum necessary to pay regular retirement benefits as of age sixty-five: PROVIDED, That if such member should withdraw all or part of his accumulated contributions, he shall thereupon cease to be a member and this section shall not apply.

(4) (a) The recipient of a retirement allowance who has not yet reached the compulsory retirement age of seventy and who shall be employed in an eligible position shall be considered to have terminated his retirement status and he shall immediately become a member of the retirement system with the status of membership he had as of the date of his retirement. Retirement benefits shall be suspended during the period of his eligible employment and he shall make contributions and receive membership credit. Such a member shall have the right to again retire if eligible in accordance with RCW 41.40.180: PROVIDED, That where any such right to retire is exercised to become effective before the member has rendered two uninterrupted years of service the type of retirement allowance he had at the time of his previous retirement shall be reinstated, but no additional service credit shall be available;

(b) The recipient of a retirement allowance who has not yet reached the compulsory retirement age of seventy, following his election to office or appointment to office directly by the governor, and who shall apply for and be accepted in membership as provided in RCW 41.40.120(3) shall be considered to have terminated his retirement status and he shall become a member of the retirement system with the status of membership he had as of the date of his retirement. Retirement benefits shall be suspended from the date of his return to membership until the date when he again retires and he shall make contributions and receive membership credit. Such a member shall have the right to again retire if eligible in accordance with RCW 41.40.180: PROVIDED, That where any such right to retire is exercised to become effective before the member has rendered six uninterrupted months of service the type of retirement allowance he had at the time of his previous retirement shall be reinstated, but no additional service credit shall be available: AND PROVIDED FURTHER, That if such a recipient of a retirement allowance does not elect to apply for reentry into membership as provided in RCW 41.40.120(3), or should he have reached the age of seventy and be ineligible

to apply as provided in RCW 41.40.125, he shall be considered to remain in a retirement status and his retirement benefits shall continue without interruption.

(5) Subject to the provisions of RCW 41.04.070, 41.04.080 and 41.04.100, any member who leaves the employment of an employer and enters the employ of a public agency or agencies of the state of Washington, other than those within the jurisdiction of the state employees' retirement system, and who establishes membership in a retirement system or a pension fund operated by such agency or agencies and who shall continue his membership therein until attaining age sixty, shall remain a member for the exclusive purpose only of receiving a retirement allowance without the limitation found in RCW 41.40.180(1) to begin on attainment of age sixty-five, however, such a member may upon thirty days written notice to the director elect to receive a reduced retirement allowance on or after age sixty which allowance shall be the actuarial equivalent of the sum necessary to pay regular retirement benefits commencing at age sixty-five: PROVIDED, That if such member should withdraw all or part of his accumulated contributions, he shall thereupon cease to be a member and this section shall not apply.

*Sec. 11. was vetoed, see message at end of chapter.

Sec. 12. Section 18, chapter 274, Laws of 1947 as last amended by section 14, chapter 190, Laws of 1973 1st ex. sess. and RCW 41.40.170 are each amended to read as follows:

(1) A member who has served or shall serve on active federal service in the military or naval forces of the United States and who left or shall leave an employer to enter such service shall be deemed to be on military leave of absence if he has resumed or shall resume employment as an employee within one year from termination thereof.

(2) If he has applied or shall apply for reinstatement of employment, within one year from termination of the military service, and is refused employment for reasons beyond his control, he shall, upon resumption of service within ten years have such service credited to him.

(3) In any event, after completing twenty-five years of creditable service, any member may have his service in the armed forces credited to him as a member whether or not he left the employ of an employer to enter such armed service: PROVIDED, That in no instance, described in subsections (1), (2), and (3) of this section, shall military service in excess of five years be credited: AND PROVIDED FURTHER, That in each instance the member must restore all withdrawn accumulated contributions, which restoration must be completed within five years of membership service following his first resumption of employment or complete twenty-five years of creditable service: AND PROVIDED FURTHER, That this section will not apply to any individual, not a veteran within the meaning of RCW 41.04.005, as now or hereafter amended: AND PROVIDED FURTHER,

That in no instance, described in subsections (1), (2), and (3) of this section, shall military service be credited to any member who is receiving full military retirement benefits pursuant to Title 10 United States Code.

Sec. 13. Section 59, chapter 80, Laws of 1947 as last amended by section 5, chapter 205, Laws of 1971 ex. sess. and RCW 41.32.590 are each amended to read as follows:

(1) Subject to subsections (2) and (3) of this section, the right of a person to a pension, an annuity, a retirement allowance, or disability allowance, to the return of contributions, any optional benefit or death benefit, any other right accrued or accruing to any person under the provisions of this chapter and the moneys in the various funds created by this chapter shall be unassignable, and are hereby exempt from any state, county, municipal or other local tax, and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency laws, or other process of law whatsoever.

(2) This section shall not be deemed to prohibit a beneficiary of a retirement allowance who is eligible under RCW 41.05.080 from authorizing deductions therefrom for payment of premiums due on any group (~~life or disability~~) insurance policy or plan issued for the benefit of a group comprised of public employees of the state of Washington or its political subdivisions in accordance with rules and regulations that may be promulgated by the department of retirement systems.

(3) Benefits under this chapter shall be payable to a spouse or ex-spouse to the extent expressly provided for in any court decree of dissolution or legal separation or in any court order or court-approved property settlement agreement incident to any court decree of dissolution or legal separation.

Sec. 14. Section 39, chapter 274, Laws of 1947 as last amended by section 6, chapter 205, Laws of 1979 ex. sess. and RCW 41.40.380 are each amended to read as follows:

(1) Subject to subsections (2) and (3) of this section, the right of a person to a pension, an annuity, or retirement allowance, any optional benefit, any other right accrued or accruing to any person under the provisions of this chapter, the various funds created by this chapter, and all moneys and investments and income thereof, are hereby exempt from any state, county, municipal, or other local tax, and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency laws, or other process of law whatsoever, and shall be unassignable.

(2) This section shall not be deemed to prohibit a beneficiary of a retirement allowance from authorizing deductions therefrom for payment of premiums due on any group (~~life or disability~~) insurance policy or plan issued for the benefit of a group comprised of public employees of the state of Washington or its political subdivisions in accordance with rules and

regulations that may be promulgated by the department of retirement systems, and this section shall not be deemed to prohibit a beneficiary of a retirement allowance from authorizing deductions therefrom for payment of dues and other membership fees to any retirement association or organization the membership of which is composed of retired public employees, if a total of three hundred or more of such retired employees have authorized such deduction for payment to the same retirement association or organization.

(3) Benefits under this chapter shall be payable to a spouse or ex-spouse to the extent expressly provided for in any court decree of dissolution or legal separation or in any court order or court-approved property settlement agreement incident to any court decree of dissolution or legal separation.

***NEW SECTION. Sec. 15.** *There is added to chapter 41.40 RCW a new section to read as follows:*

Those classified employees, currently employed by the University of Washington, the regional universities, and The Evergreen State College, who were eligible to recover service earned prior to July 1, 1953, but who failed to do so, shall have until June 30, 1982, to pay the appropriate employee and employer contributions with interest, as determined by the director, department of retirement systems, for such service which was not so recovered.

*Sec. 15. was vetoed, see message at end of chapter.

NEW SECTION. Sec. 16. If any provision of this 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.

Passed the House April 26, 1981.

Passed the Senate April 25, 1981.

Approved by the Governor May 18, 1981, with the exception of certain items which are vetoed.

Filed in Office of Secretary of State May 18, 1981.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith without my approval as to three sections Substitute House Bill No. 138 entitled:

"AN ACT Relating to public retirement."

Current statutes provide for members of the Teachers' Retirement System and the Public Employees' Retirement Systems to establish credit for service previously rendered within five years of reentering service. This is an inopportune time to extend the credit buy-back beyond the current five-year provision. It would result in an unwarranted and substantial increase in retirement costs to the state over the next 25 years at a time when we are encountering extreme difficulty in funding basic programs.

For the foregoing reasons, I have vetoed Sections 10, 11, and 15 of Substitute House Bill No. 138. The remainder of the bill is approved."