

their wages in accordance with RCW 41.48.030 through 41.48.050.

Passed the House February 27, 1955.

Passed the Senate March 7, 1955.

Approved by the Governor March 17, 1955.

CHAPTER 220.

[H. B. 34.]

STATE EMPLOYEES' RETIREMENT FUNDS—
INVESTMENTS.

AN Act relating to the investment of state employees' retirement funds and amending RCW 41.40.070 and 41.40.080.

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

SECTION 1. Section 8, chapter 274, Laws of 1947; section 4, chapter 240, Laws of 1949; section 2, chapter 200, Laws of 1953; and RCW 41.40.070 are each amended to read as follows: (1) The members of the retirement board shall be the trustees of the several funds created by this chapter and the retirement board shall have full power to authorize the finance committee to invest same in bonds or other obligations issued directly by or fully guaranteed by the federal government or any agency thereof, of the state of Washington or of any county, city, village or school district of the state, or of any other legally constituted taxing subdivision within the state, or in revenue bonds issued by the state of Washington or any of its political subdivisions or instrumentalities, or in general obligation and revenue bonds issued by any state of the United States, or in any duly constituted authority or agency of such state, or in the general obligation or revenue bonds of any political subdivision of any state of the United States that are legal for investment by mutual savings banks in the state of Washington.

Amendment.

Members of retirement board trustees of funds.

Authorization to finance committee to invest.

Revenue bonds.

All such bonds, or other obligations, shall be purchased at current market price and all such purchases shall be authorized by a resolution adopted by the retirement board. The retirement board may purchase out of the several funds hereinbefore created, appropriate contracts of life insurance or annuity from insurers duly authorized to do business in the state of Washington, if and when such purchase or purchases shall in the judgment of said retirement board be appropriate or necessary to carry out the purposes of this chapter.

Purchases authorized by resolution.

Life insurance.

Fund on deposit in state treasury.

(2) For the purpose of meeting disbursements for annuities and other payments in excess of the receipts, there shall be kept available by the retirement board an amount, not exceeding ten percent of the total amount in the funds provided for by this chapter, on deposit in the state treasury.

Amendment.

SEC. 2. Section 9, chapter 274, Laws of 1947; section 5, chapter 240, Laws of 1949; section 3, chapter 200, Laws of 1953; and RCW 41.40.080 are each amended to read as follows: (1) All bonds or other obligations purchased according to RCW 41.40.070 shall be forthwith placed in the hands of the state treasurer, who is hereby designated as custodian thereof, and it shall be his duty to collect the principal thereof and the interest thereon as the same becomes due and payable, and place the same when so collected into the retirement system's funds herein provided for bonds or other obligations. The retirement board may authorize the finance committee to sell any of the said bonds, or other obligations upon like resolution, and the proceeds thereof shall be paid by the purchaser to the state treasurer upon delivery to him of such bonds or other obligations by the state treasurer.

State treasurer, custodian.

Authorization to sell.

Disbursements paid.

(2) The state treasurer shall be the custodian of all other funds of the retirement system and all disbursements therefrom shall be paid by the state

auditor upon vouchers duly authorized by the retirement board and bearing the signature of the duly authorized officer of the retirement board.

(3) 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 retirement fund or the retirement system expense fund.

Funds not needed for immediate use.

(4) There is hereby established in the state treasury two separate funds, namely:

Two separate funds.

(a) The retirement system fund, into which shall be paid all moneys received by the retirement board and from which shall be paid all refunds, adjustments, retirement allowances and other benefits provided for herein. All contributions by members to the retirement system expense fund as provided in RCW 41.40.330 and contributions by employers for the expense of operating the retirement system as provided for herein shall be transferred by the state treasurer from the retirement system fund to the retirement system expense fund upon authorization of the retirement board;

Retirement system fund.

(b) The retirement system expense fund, from which shall be paid the expenses of the administration of the retirement system.

Retirement system expense fund.

(5) For the purpose of providing amounts to be used to defray the cost of such administration, the retirement board shall ascertain at the beginning of each biennium and request from the legislature an appropriation from the retirement system expense fund sufficient to cover estimated expenses for the said biennium.

Ascertain and request appropriation.

Reimburse ex-
pense fund
on equitable
basis.

(6) In order to reimburse the retirement system expense fund on an equitable basis the retirement board shall, after crediting the estimated amount to be collected as employees' contributions, ascertain and report to each employer the sum necessary to defray its proportional share of the entire expense of the administration of this chapter during the ensuing biennium or fiscal year whichever may be required. Such sum is to be computed in an amount directly proportional to the estimated entire expense of the said administration as the ratio of the number of the employer's members bears to the total number of members in the entire system. It shall then be the duty of all such employers to include in their budgets or otherwise provide the amounts so required.

Computation
of sum.

Duty of
employer.

Board bills
each
employer.

(7) The retirement board shall compute and bill each employer at the end of each month for the amount due for that month to the retirement system expense fund and the same shall be paid as are its other obligations. Such computation as to each such employer shall be made on a basis directly proportional to the ratio the number of the said employer's members bears to the total number of members in the system: *Provided*, That the retirement board may at its discretion establish a system of billing based upon calendar year quarters in which event the said billing shall be at the end of each such quarter.

System of
billing.

Passed the House February 11, 1955.

Passed the Senate March 8, 1955.

Approved by the Governor March 17, 1955.