

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL 118199

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3
4 AN ORDINANCE relating to the Seattle City Employees' Retirement System; removing
5 outdated and redundant language; re-ordering and renumbering sections; correcting Code
6 Section cross-references in accordance therewith; amending Sections 4.36.030, 4.36.040,
7 4.36.050, 4.36.060, 4.36.100, 4.36.101, 4.36.103, 4.36.106, 4.36.110, 4.36.120, 4.36.124,
8 4.36.125, 4.36.130, 4.36.135, 4.36.140, 4.36.145, 4.36.160, 4.36.170, 4.36.180, 4.36.185,
9 4.36.190, 4.36.191, 4.36.192, 4.36.193, 4.36.195, 4.36.200, 4.36.210, 4.36.215, 4.36.220,
10 4.36.230, 4.36.240, 4.36.250, 4.36.260, 4.36.270, 4.36.280, 4.36.290, 4.36.295, 4.36.300,
11 4.36.310, 4.36.320, 4.36.330, 4.36.340, 4.36.360, 4.36.370, 4.36.380, 4.36.385, 4.36.400,
12 4.36.410 and 4.20.610 of the Seattle Municipal Code; creating new Sections 4.36.525,
13 4.36.585, 4.36.530, 4.36.535, 4.36.540, 4.36.565, 4.36.580, 4.36.555, 4.36.500, 4.36.520,
14 4.36.505, 4.36.510, 4.36.515, 4.36.545, 4.36.550, 4.36.595, 4.36.665, 4.36.567, 4.36.570,
15 4.36.675, 4.36.670, 4.36.575, 4.36.600, 4.36.605, 4.36.615, 4.36.645, 4.36.650, 4.36.655,
16 4.36.660, 4.36.610, 4.36.680, 4.36.620, 4.36.625, 4.36.630, 4.36.560, 4.36.635, 4.36.690,
17 4.36.695, 4.36.700, 4.36.705, 4.36.710, 4.36.640, 4.36.715, 4.36.590, 4.36.720 and
18 4.36.900 of the Seattle Municipal Code; and repealing Sections 4.36.150, 4.36.175,
19 4.36.196 and 4.36.199 of the Seattle Municipal Code.

20 WHEREAS, the Seattle Municipal Code ("SMC") Chapter 4.36 includes obsolete provisions
21 which no longer apply to members who have not yet retired; and

22 WHEREAS, some sections of the chapter covering the same topic do not appear together, and
23 some sections appear before other sections that they qualify, making the chapter difficult
24 to read; and

25 WHEREAS, the repeal and re-ordering of certain sections and subsections shall have no effect
26 on those retirees, if any, who are currently collecting a benefit based on the provisions
27 repealed by this ordinance; and

28 WHEREAS, the repeal and re-ordering of certain sections and subsections shall have no effect
on the benefits to which current and future members are entitled; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

1 ~~Ordinance 104156. It takes into account any reductions based on options selected by the member~~
2 ~~under Section 4.36.260. It shall also mean payments of accumulated contributions made under~~
3 ~~subsection 4.36.270.B, and payments received by a beneficiary as a result of an option selected~~
4 ~~under Section 4.36.260. It shall not include the cumulative cost of living adjustments provided~~
5 ~~for in subsection 4.36.215.B.1.-))~~

6 "Death benefit" means the payment upon proof of death of a member provided for in
7 Section 4.36.~~((320))~~690.

8 "Death benefit assessment" means the payments required of members of the death benefit
9 system under Sections 4.36.~~((320))~~690 and 4.36.~~((330))~~695.

10 "Domestic partner" as used in this Chapter 4.36 means an individual designated by an
11 unmarried City officer or employee in an affidavit filed pursuant to Sections 4.30.020 and
12 4.36.~~((185))~~595 and qualified under Section 4.30.010.

13
14 **Section 3.** Section 4.36.050 of the Seattle Municipal Code, last amended by Ordinance
15 123871, is amended as follows:

16 **4.36.050 Definitions — Alphabetical "E" through "M"**

17 Unless a different meaning is plainly required by the context, the terms used in this
18 chapter shall have the following meanings:

19 * * *

20 "Initial benefit" means the retirement allowance as calculated to be effective on the date
21 of the member's retirement. It takes into account any reductions based on options selected by the
22 member under Section 4.36.~~((260))~~610. It shall also mean payments of accumulated
23 contributions made under subsection 4.36.~~((270))~~680.B, and payments received by a beneficiary
24 as a result of an option selected under Section 4.36.~~((260))~~610.

1 "Member" means any person included in the retirement system as provided in Sections
2 4.36.~~((100))525~~ and 4.36.535. ~~((The term "member" does not include an officer or employee of a
3 City contractor, whether or not the contractor is providing mandatory or discretionary
4 governmental services, and whether or not the contractor is a for-profit or non-profit entity.))~~

5
6 **Section 4.** Section 4.36.060 of the Seattle Municipal Code, last amended by Ordinance
7 123871, is amended as follows:

8 **4.36.060 Definitions — Alphabetical "N" through "Q"**

9 Unless a different meaning is plainly required by the context the terms used in this
10 chapter shall have the following meanings:

11 "Normal contribution" means contribution at the rate provided for in subsection
12 4.36.~~((110))540.A.~~

13 * * *

14 ~~(("Prior service" means City service of a member prior to July 1, 1929, except as follows:
15 In the case of officers and employees of the Seattle Public Library prior to July 1, 1937; in the
16 case of employees entering the classified civil service under the Charter Amendments of March
17 12, 1940, and March 13, 1945, prior to March 16, 1940, and March 16, 1945, respectively; and
18 in case of employees entering such service under RCW 35.22.450, prior to September 1, 1943.))~~

19
20 **Section 5.** Section 4.36.100 of the Seattle Municipal Code, last amended by Ordinance
21 121365, is renumbered as Section 4.36.525 and is amended as follows:

22 **4.36.~~((100))525~~ Membership in retirement system~~((r))~~**

23 ~~((Officers and employees of the City (except those excluded by subsection H of this
24 section) and of the Seattle Public Library shall become members of the retirement system upon
25 completion of six (6) months' continuous service, as follows, except that six (6) months'~~

1 ~~continuous service shall not be required for officers and employees to whom subsection L of this~~
2 ~~section applies;))~~

3 ((A.---))Mandatory Membership. Every officer or employee of the City and of the
4 Seattle Public Library(~~, who enters City service on or after June 21, 1986,~~) shall become a
5 member of the retirement system upon ~~((completion of six (6) months' continuous-))~~entering City
6 service, except:

7 1. Elective officials exempt under subsection ~~((D))~~C of this section;

8 2. Individuals with a statutory right to continuation of their membership in a
9 Washington State or federal government retirement system under subsection ~~((E))~~D of this
10 section;

11 3. Certain officers in positions exempt from civil service under subsections ~~((E))~~B
12 and ((F))E of this section;

13 4. Employees who are excluded under subsection ~~((H))~~G.4 of this section; and

14 5. Temporary, interim, intermittent, provisional and part-time workers in positions
15 of less than 20 hours per week over a one year period under Sections 4.36.((403))530 and
16 4.36.((495))575

17 6. Members of the Police and Fire departments who are entitled to state pension
18 benefits as described in subsection G of this Section 4.36.525.

19 ((B))A.((Continuation of Current Membership. All officers and employees of the City
20 and of the Seattle Public Library, who on or after June 21, 1986, are or are required to become
21 members of the retirement system, shall continue their membership or become members upon
22 completion of six (6) months' City service.)) A member may not withdraw from membership in
23 the system while in City employment.

24 ((C))B. 1986 Nonmembers. ((An officer or employee with six (6) months' continuous
25 City service, who on June 21, 1986, held an appointive position exempt from the classified civil

1 service (1) could elect to join or rejoin the retirement system by completing and filing an election
2 form with the Board of Administration on or before December 31, 1986, ("Option (1)"), or (2)
3 after the effective date of this ordinance may elect to join or rejoin the retirement system as
4 authorized by subsection F of this section ("Option (2)"). Option (1) also extended to officers and
5 employees, who held such position before June 21, 1986, and on or before December 31, 1986,
6 with respect to such a position (a) were recalled from a layoff status; (b) returned from an
7 approved leave; or (c) completed six (6) months' continuous City service. An officer or employee
8 within Option (1) could, on or before December 31, 1986, contract for credit for "prior service"
9 (creditable service before December 31, 1986) in the retirement system in accord with subsection
10 B of Section 4.36.190.) An officer or employee, who on June 21, 1986, held an appointive
11 position exempt from the classified civil service ((who failed to exercise his or her option under
12 Option (1) of this subsection in a timely manner by December 31, 1986)) and who is not
13 currently a member of the retirement system, may join the retirement system while holding a
14 position exempt from civil service ((under Option (2))) as authorized by subsection ((F))E of this
15 section and may acquire creditable service only for City service performed after the date of his or
16 her membership. This subsection does not apply to officers or employees covered by subsections
17 ((D))C, ((E))D and ((G))E of this section, or subject to RCW 41.04.120, officers or employees
18 re-entering City service after December 31, 1986.

19 ((D))C. Elective Officials. An elective official may elect to join the retirement system at
20 any time during his or her City service, and may contract for credit for continuous ("prior
21 service") City service performed prior to the date of the official's election to join in accord with
22 Seattle Municipal Code Section 4.36.((190))567 ((B)), provided that credit for such ("prior
23 service") prior City service shall not cover any period during which the City made payments to
24 another retirement system on the official's behalf nor after December 31, 1987, shall a contract

1 authorize more than five (~~(5)~~) years' (~~("prior service")~~) service credit for such prior City
2 service.

3 ~~(E)~~D. Election Under Statutory Right. An officer or employee, who has a statutory right
4 to continue his or her membership in a retirement system of the State of Washington or the
5 United States of America during his or her City service may in lieu of membership in the City
6 Employees' Retirement System arrange with the Personnel Director for a deduction from his or
7 her pay and the City's payment for retirement system purposes to be paid directly to his or her
8 other governmental retirement system.

9 ~~(F)~~E. Election by Officers Exempt from Civil Service. An officer, who holds a position
10 exempt from the civil service system and is not already a member of the City Employees'
11 Retirement System, may become a member of the system by filing with the Executive Director
12 of the City Employees' Retirement System his or her election to participate in the system. Such
13 an officer shall receive "creditable service" for retirement system purposes only for City service
14 accruing from and after the date of his or her membership. However, a member may purchase
15 creditable service for City service previously rendered but not credited if the member pays into
16 the retirement fund at the time of resignation or at retirement, the actuarial present value of the
17 resulting increase in his or her benefit. Terms and conditions of the purchase shall be in
18 accordance with the provisions of SMC 4.36.~~(490)~~567~~(B4)~~. If an officer who is a member
19 should leave City service and later return, the officer shall resume his or her membership by
20 making a redeposit as contemplated by Section 4.36.~~(490)~~567 or become a member upon his or
21 her returning employment with creditable service accruing thereafter. An officer or employee
22 who is a member of the retirement system at the time of his or her appointment or election to an
23 exempt position shall maintain his or her membership.

24 ~~(G)~~E. Re-Entry. An officer or employee who withdrew his or her deposit in the
25 retirement system before or upon his or her separation from City service and later re-enters City
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1 service, shall either (a) resume his or her membership by making a redeposit as contemplated by
2 Section 4.36.~~((190))~~567, or (b) rejoin the retirement system with creditable service accruing
3 thereafter. An officer or employee, who maintains his or her deposit in the retirement system
4 during a separation from City service, shall continue his or her membership upon re-entry into
5 City service.

6 ~~((H))~~G. The following employees shall not become members of the retirement
7 system, except as contemplated by RCW 41.04.110:

8 1. Members of the Police Department entitled to the benefits of the Police Relief and
9 Pension Fund under State law;

10 2. Members of the Fire Department entitled to the benefits of the Firemen's Relief
11 and Pension Fund under State law;

12 3. Members of the Police Department and Fire Department entitled to the benefits of
13 the Washington Law Enforcement Officers' and Fire Fighters' Retirement Fund;

14 4. Employees in positions established primarily to provide training leading to
15 qualification for positions of Police Officer or Firefighter.

16 ~~((F))~~H. The head of each office or department of the City shall give immediate notice in
17 writing to the Board of the change in status of any member of his office or department, resulting
18 from transfer, promotion, leave-of-absence, family and medical leave, resignation, reinstatement,
19 dismissal or death. The head of each office or department shall furnish such other information
20 concerning any member as the Board may require.

21 ~~((J))~~I. Each member shall be subject to all the provisions of this chapter and the rules
22 and regulations of the Board. Should any member be, in the opinion of the Board, permanently
23 separated from City service or should the member die he or she shall thereupon cease to be a
24 member.

1 J. Maintenance of Membership. A temporary, interim, intermittent, provisional or
2 part-time worker who joins the retirement system shall maintain his or her membership in the
3 retirement system for the duration of his or her City service until retirement. A member of the
4 retirement system, who has not retired from the City and who accepts temporary, intermittent, or
5 part-time work, shall continue to make his or her contributions to the retirement system.

6 ((K.— Temporary, Interim, Intermittent, Provisional and Part-time Workers. See
7 Sections 4.36.103 and 4.36.195

8 L.— Membership On and After January 1, 1999. The six (6) months' continuous
9 service requirement shall not apply to any officer or employee, including any part-time employee
10 authorized to become a member pursuant to Section 4.36.103, who would otherwise be obliged
11 or have the option to become a member of the retirement system upon completion of six (6)
12 months' continuous service, if such officer or employee enters City service on or after January 1,
13 1999, or has been in City service less than six (6) months as of January 1, 1999. Officers and
14 employees who have been in City service less than six (6) months as of January 1, 1999 may
15 become members as of January 1, 1999.))

16
17 **Section 6.** Section 4.36.101 of the Seattle Municipal Code, last amended by Ordinance
18 120684, is renumbered as Section 4.36.585 and is amended as follows:

19 **4.36.((101))585 Use of other Plan funds for purchase of service credit((r))**

20 A. Direct Transfers. Effective January 1, 2002, the retirement fund possesses the
21 specific authority to enter into direct transfer of assets agreements with the trustees of an eligible
22 plan under Section 457 of the Internal Revenue Code which is maintained by a state, political
23 subdivision of a state, or any agency or instrumentality of a state or political subdivision of a
24 state, or from a plan under Section 403(b) of the Internal Revenue Code, for the purchase of
25 creditable service otherwise available pursuant to SMC Chapter 4.36

1 B. Other Rollovers. Effective January 1, 2002, the retirement fund may accept
2 participant rollover contributions and/or direct rollovers of distributions from other retirement
3 plans which are eligible retirement plans described in Internal Revenue Code Section
4 402(c)(8)(B) to the extent allowed by the Internal Revenue Code. The fund may accept rollovers
5 from such sources and may develop such procedures and rules as it deems necessary or desirable
6 to comply with the requirements and guide its decisions regarding participant rollover
7 contributions and/or direct rollovers of distributions it will accept. Such rollover contributions
8 and direct rollovers may be used for the purchase of service credit otherwise available pursuant
9 to SMC Chapter 4.36

10
11 **Section 7.** Section 4.36.103 of the Seattle Municipal Code, last amended by Ordinance
12 121365, is renumbered as Section 4.36.530 and is amended as follows:

13 **4.36.~~((103))~~530 Membership—Temporary, interim, intermittent and part-time**
14 **workers~~((s))~~**

15 This section and Section 4.36.575 provide the exclusive methods for temporary, interim,
16 intermittent, provisional workers or workers in part-time positions of less than 20 hours per week
17 over a one year period to become members of the retirement system.

18 A. Opportunities. A worker in active City service on and after January 1, 1989, who
19 has a position that is classified as temporary, interim or intermittent, or a part-time position of
20 less than ~~((twenty-))20((s))~~ hours per week over a one ~~((+))~~ year period, has the three ~~((3))~~
21 following opportunities to join the retirement system:

22 1. Within six ~~((6))~~ calendar months of completion of ~~((one thousand forty four~~
23 ~~((s))1,044((s))~~ hours of compensated straight-time service;

24 ~~((2.— Upon appointment to an eligible full or part-time position or election to a City~~
25 ~~office after completing six (6) months (one thousand forty four (1,044) hours) of City service but~~

1 before five (5) years (ten thousand four hundred forty (10,440) hours) of City service. Unless the
2 position is elective or exempt under Subsection 4.36.100D and F or the worker has an election
3 under a statutory right under Section 4.36.100E, membership in the retirement system is
4 thereafter mandatory; and

5 3))2. Within six (((6))) calendar months of completion of five (((5))) years (((ten
6 thousand four hundred forty (10,440((9))) hours) of continuous compensated straight-time service.

7 For purposes of this section and Sections 4.36.((125))555 and 4.36.((195))575, "straight-
8 time service" means regular hours worked, including premium hours but excluding paid overtime
9 hours.

10 In addition to the opportunities described in this subsection, an employee is required to
11 join the system upon appointment to an eligible full or part-time position unless the position is
12 elective or exempt under Subsection 4.36.525.C or E or the worker has an election under a
13 statutory right under Section 4.36.525.D.

14 B. ~~((Waiting Period—))~~Buy-in Option. If the worker elects to join the retirement
15 system under subsections A.1 or A.2 of this section or becomes a member upon mandatory
16 appointment to an eligible position, ~~((his or her first one thousand forty four (1,044) hours of~~
17 ~~continuous City service are applied to his or her six (6) month waiting period and the worker~~
18 ~~accrues creditable service thereafter. After deducting hours applied to his or her waiting period,))~~
19 the worker may ~~((determine))~~ choose whether or not ~~((he or she will))~~ to acquire ("buy in")
20 service credit for the ~~((remainder of his or her earlier service as a temporary, provisional, interim,~~
21 ~~intermittent, or part-time worker))~~ hours of compensated service earned after first becoming
22 eligible to join the system. These options are described in~~((, as contemplated by))~~ Section
23 4.36.((195))575.

1 C. Exercise of Option. To exercise an option to join the retirement system (~~or to buy~~
2 ~~in prior service~~)), a worker must file the documents reasonably required by the Board of
3 Administration before the expiration date.

4 D. Expiration.

5 ~~((1.))~~If not exercised, the opportunity to join the retirement system under subsection
6 A1 of this section expires six ~~((6))~~ calendar months after the worker becomes eligible ~~(, and~~
7 ~~such a worker may only join the retirement system thereafter by becoming eligible under~~
8 ~~subsection A2 or A3 of this section)~~; if not exercised, the opportunity under subsection A ~~((3))~~2
9 expires six ~~((6))~~ calendar months after the worker becomes eligible and such a worker may
10 only become a member of the retirement system thereafter by appointment to an eligible full- or
11 part-time position or by serving as an elective officer. If the opportunity under subsection A 2 of
12 this section has expired, the worker shall not receive creditable service for his or her City service
13 in a temporary, interim, intermittent position or a part-time position of less than ~~((twenty~~
14 ~~))~~20~~((1))~~ hours per week over a one ~~((1))~~ year period.

15 ~~((2.))~~ If not exercised, the opportunity for a worker under subsection A2 or A3 of this
16 section to acquire ("buy-in") service credit for prior City service in a temporary, interim,
17 intermittent position or a part-time position of less than twenty (20) hours per week over a one
18 (1) year period expires six (6) calendar months after the worker becomes eligible for membership
19 in the retirement system, and no creditable service shall thereafter be allowed therefor.

20 E. Coverage and Exclusions. This section extends to workers in active City service
21 on or after January 1, 1989. Workers in active City service in temporary, interim, intermittent,
22 and part-time positions of less than twenty (20) hours per week, who have exceeded the hours in
23 Section 4.36.103 A3 on the effective date of Ordinance 114592⁺ shall have six (6) months
24 thereafter to acquire service credit for prior service in such positions. This section and Section
25 4.36.195 provide the exclusive methods for temporary, interim, intermittent, provisional workers
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1 ~~or workers in part time positions of less than twenty (20) hours per week over a one (1) year~~
2 ~~period to become members of the retirement system.))~~

3
4 **Section 8.** Section 4.36.106 of the Seattle Municipal Code, last amended by Ordinance
5 123871, is renumbered as Section 4.36.535 and is amended as follows:

6 **4.36.~~((106))~~535 Exclusion from membership in retirement system**

7 No City contractor, including any person employed by a City contractor, who is not paid
8 directly through the City payroll process, not employed in a City position created or approved by
9 ordinance, or not employed as a temporary worker pursuant to Section 4.04.045, shall be a
10 member of the retirement system.

11
12 **Section 9.** Section 4.36.110 of the Seattle Municipal Code, last amended by Ordinance
13 123482, is renumbered as Section 4.36.540 and is amended as follows:

14 **4.36.~~((110))~~540 Contributions— members~~((City matching funds.))~~**

15 A. Effective ~~((January 5, 2011, members of the retirement system shall make~~
16 ~~contributions to the retirement fund at the rate of 9.03 percent of the compensation of each such~~
17 ~~member, exclusive of overtime; and effective))~~ January 4, 2012, members of the retirement
18 system shall make contributions to the retirement fund at the rate of 10.03 percent of the
19 compensation of each such member, exclusive of overtime; provided that any member whose
20 rate of contribution prior to June 23, 1972, was less than 6 percent and whose rate was increased
21 by 2.03 percent pursuant to Ordinance 111303 shall have such rate further increased by 1
22 percent, exclusive of overtime, effective January 5, 2011, and by an additional 1 percent,
23 exclusive of overtime, effective January 4, 2012; provided, further, that any reinstated member
24 who has redeposited his/her withdrawn contributions plus interest as provided in subsection
25 4.36.~~((190.B))~~567, who was a member of the retirement system at any time prior to June 23,

1 1972, and whose rate of contribution at such prior time was less than 6 percent and whose rate
2 was increased by 2.03 percent of the compensation of such member pursuant to Ordinance
3 111303((())) shall have such rate further increased by 1 percent, exclusive of overtime,
4 effective January 5, 2011, and by an additional 1 percent, exclusive of overtime, effective
5 January 4, 2012.

6 B. Member contributions as provided in subsection 4.36.((410))540.A shall be
7 deducted by the Director of Finance and Administrative Services and shall be paid into the
8 retirement fund, provided for in this chapter, and shall be credited by the Board together with
9 regular interest.

10 Every member shall be deemed to consent and agree to the contribution made and
11 provided for in this section, and shall receipt in full for his or her salary or compensation.
12 Payment less said contributions shall be a full and complete discharge of all claims and demands
13 whatsoever for the service rendered by such person during the period covered by such payment,
14 except his or her claim to the benefits to which he or she may be entitled under the provisions of
15 this chapter.

16 ~~((C.—The City shall match the normal contributions of members and provide for
17 payment of the matching contributions into the retirement fund at the earliest time possible.~~

18 ~~The City shall also contribute, in excess of the matching contributions, the actuarially
19 determined City contribution to provide the moneys necessary to guarantee benefits payable
20 under Sections 4.36.210 and 4.36.230.~~

21 D.—~~No City or employee contribution shall be made for the first six (6) months of
22 City service before an employee, who commences City service on or after January 1, 1988,
23 becomes eligible for membership in the retirement system, except when an officer or employee
24 becomes a member during the first six (6) months of City service as authorized by subsection L
25 of Section 4.36.100))~~

1
2 **Section 10.** Section 4.36.120 of the Seattle Municipal Code, last amended by Ordinance
3 123871, is renumbered as Section 4.36.565 and is amended as follows:

4 **4.36.~~(120)~~565 Modification of allowance for service**

5 ~~((A.—))~~ Subject to the following and all other provisions of this chapter, including such
6 rules and regulations as the Board shall adopt in pursuance thereof, the Board, subject to the
7 approval of the City Council, shall determine and may modify allowance for service.

8 Time during leave on account of sickness or injury, time during family and medical leave
9 under Chapter 4.26, or time served in either the Police or Fire Departments, or time during which
10 a member was under temporary or provisional appointment before becoming a member, or time
11 during which a member was on extended leave of absence while serving as an officer of a labor
12 organization the membership of which includes City employees, may be allowed in computing
13 creditable service, provided such members shall pay into the retirement fund an amount equal to
14 the normal contributions covering the period for which creditable service is claimed; and
15 provided, further, that as to employees ~~((retiring after July 1, 1973,))~~ who commenced City
16 service on or before December 31, 1987, the first six (6) months of such members' employment
17 shall be allowed in computing creditable service without such payment. ~~((The first six (6)
18 months of service of an employee who commences City service on or after January 1, 1988, and
19 t))~~ Time during which a member is absent on leave without pay for reasons other than those
20 specified in this section shall not be allowed in computing creditable service.

21 Each member shall file with the Board such information affecting his or her status as a
22 member of the retirement system as the Board may require.

23 ~~((B.— Credit for "prior service" as defined in Section 4.36.060 shall be granted members
24 entering the retirement system as of the dates specified in Section 4.36.060 and to those members
25 reentering after such dates if reentry is within one year after City service prior to such dates.~~

1 ~~Such credit shall be granted those becoming members pursuant to RCW 41.28.250, in the same~~
2 ~~proportion as the amount of money deposited to cover service from July 1, 1929, to date of entry~~
3 ~~into the system, bears to the amount of money necessary to cover all service during that period,~~
4 ~~excluding, however, all service after the first of the month following attainment of age 67.~~

5 ~~Provided, that the Board may grant credit for prior service to any eligible member~~
6 ~~entering the retirement system after the dates above mentioned if he or she, because of sickness~~
7 ~~or other disability or while serving as an officer of a labor organization, the membership of~~
8 ~~which includes City employees, has been on leave of absence, regularly granted, since~~
9 ~~discontinuance of City service, regardless of the length of such leave.~~

10 ~~C. Any member who shall make his normal contributions to the retirement system~~
11 ~~while on leave of absence under Section 1 of Ordinance 69816⁺ or while absent in the active~~
12 ~~service of the United States Public Health Service in fulfillment of military service obligations~~
13 ~~under laws of the United States, or who after his return to City service shall make the same in~~
14 ~~full or in monthly payments equal to his current normal contribution, shall for the period of such~~
15 ~~leave of absence be entitled to all rights, privileges and benefits allowable under such system,~~
16 ~~including the allowance of such time as creditable service. In addition, any member in the City~~
17 ~~service on December 27, 1972, who heretofore or who hereafter enters the active military or~~
18 ~~naval service after having been laid off from City employment and who reentered or reenters~~
19 ~~City service subsequent to such active military or naval service shall be entitled to all rights,~~
20 ~~privileges and benefits allowable under such system, including the allowance of such period of~~
21 ~~military or naval service as creditable service provided that such member pay to the retirement~~
22 ~~system his normal contributions for such period.~~

23 ~~D. A member of the City Employees' Retirement System who has entered into an~~
24 ~~irrevocable separation incentive agreement with the City pursuant to the terms of the ordinances~~

1 introduced as Council Bills 114257, 114258, or 114313 may purchase up to four (4) years of
2 service credit from the Retirement System. To acquire such service credit:

3 1. ~~The member shall, within fourteen (14) days of payment of the net proceeds of~~
4 ~~the separation incentive payment, pay a lump sum into the retirement fund representing the~~
5 ~~employee's and the employer's contributions otherwise required to receive such service credit~~
6 ~~pursuant to Seattle Municipal Code Chapter 4.36; and~~

7 2. ~~The member may include in this lump sum additional personal resources to the~~
8 ~~extent permitted by law in order to purchase the full four (4) years of service credit. Direct~~
9 ~~transfers and other rollovers of funds from other retirement plans under Municipal Code Section~~
10 ~~4.36.101 must be made prior to the member's separation from City employment; and~~

11 3. ~~All purchases under this subsection are subject to all other limitations on total~~
12 ~~service credit and benefits allowable under SMC Chapter 4.36))~~

13
14 **Section 11.** Section 4.36.124 of the Seattle Municipal Code, last amended by Ordinance
15 121365, is amended as follows:

16 4.36.~~((124))~~580 ~~((Purchase of e))~~Creditable service for military service – purchase and
17 allowance.

18 A. A member may purchase creditable service for past active duty in the armed forces of
19 the United States of America or the State of Washington, by paying into the Retirement Fund, at
20 the time of resignation from City service or at the time of retirement, the actuarial present value
21 of the resulting increase in his or her benefit. Terms and conditions of purchase shall be in
22 accordance with the provisions of Subsection 4.36.~~((190))~~567 ~~((B4))~~. In no instance shall
23 military service in excess of five (5) years be credited under this chapter.

24 B. Any member who shall make his normal contributions to the retirement system while
25 on leave of absence under Section 1 of Ordinance 69816¹ or while absent in the active service of

1 the United States Public Health Service in fulfillment of military service obligations under laws
2 of the United States, or who after his return to City service shall make the same in full or in
3 monthly payments equal to his current normal contribution, shall for the period of such leave of
4 absence be entitled to all rights, privileges and benefits allowable under such system, including
5 the allowance of such time as creditable service. In addition, any member in the City service on
6 December 27, 1972, who heretofore or who hereafter enters the active military or naval service
7 after having been laid off from City employment and who reentered or reenters City service
8 subsequent to such active military or naval service shall be entitled to all rights, privileges and
9 benefits allowable under such system, including the allowance of such period of military or naval
10 service as creditable service provided that such member pay to the retirement system his normal
11 contributions for such period.

12
13 **Section 12.** Section 4.36.125 of the Seattle Municipal Code, last amended by Ordinance
14 123361, is renumbered as Section 4.36.555 and is amended as follows:

15 **4.36.((125))555 Determination of creditable service((,))**

16 A. A member in an eligible full-time position, with creditable service for every day,
17 will accrue a creditable year of service for 12 months' service. No additional credit is given for
18 Leap Year's Day.

19 B. For a member in a temporary, intermittent or part-time position, eight hours
20 constitutes one day; and a creditable year of service is measured as 261 credited days or 2,088
21 hours of compensated service at straight-time pay.

22 C. When shown on the City's payroll, paid vacation, sick leave, military leave,
23 funeral leave, and, if the employee pays his or her contribution, "time loss" on worker's
24 compensation or time during family and medical leave under Chapter 4.26, are counted.
25 Overtime (whether or not paid), unpaid leave, time not worked during a layoff, strike or
26

1 disciplinary suspension, and service as a volunteer are not counted. Service on a temporary City
2 assignment to another government or organization may be counted, in the discretion of the
3 Board, if the member or the member's employer pays the employee contribution.

4 D. Creditable service is calculated by an employee's hours or time worked, as
5 certified by the Director of Finance and Administrative Services to the retirement system. When
6 payroll records are available, the Director of Finance and Administrative Services shall multiply
7 the hours worked by a temporary, interim, seasonal, or provisional worker and a worker in a
8 part-time position of less than 20 hours per week over a one year period by a factor of 1.135 in
9 reporting creditable service to the retirement system, to account for paid leave which was not
10 received and for premium pay which may be substituted for paid leave. The Director of Finance
11 and Administrative Services shall reduce the hours or days determined by application of the
12 multiplier by the amount of any paid leave actually provided to the employee and counted in the
13 hours or days worked.

14 E. No creditable service may accrue for City employment during which the City
15 contributes to another retirement system on the employee's behalf or for a member's City
16 employment after he or she retires on a service retirement and, except for the annual death
17 benefit assessment, no deduction shall be made from his or her pay for retirement purposes.

18
19 **Section 13.** Section 4.36.130 of the Seattle Municipal Code, last amended by Ordinance
20 123361, is renumbered as Section 4.36.500 and is amended as follows:

21 **4.36.~~(130)~~500 Retirement System Board of Administration((-))**

22 A. There is created and established a Retirement System Board of Administration
23 which shall, under the provisions of this chapter and the direction of the City Council, administer
24 the retirement and death benefit systems and the retirement fund created by this chapter. Under
25 and pursuant to the direction of the City Council, the Board shall provide for the proper
26

1 investment of the moneys in the retirement fund. The Board of Administration shall consist of
2 seven members as follows:

3 1. The Chair of the Finance and ~~((Budget))~~ Culture Committee of the City Council,
4 or this committee's successor;

5 2. The City Director of Finance;

6 3. The City Personnel Director;

7 4. Two persons who are members of the retirement system and one person who is a
8 retired member, all of whom shall be elected by the members of the retirement system including
9 retired members; provided, that persons who have elected upon termination of their employment
10 to leave all their contributions in the retirement fund pursuant to the provisions of Section
11 4.36.~~((200))~~665.A ~~((C))~~ shall not be eligible to vote for or be elected to such positions; and
12 provided, further, that at the time of such member's election to the Board, no more than one
13 elected member may be employed in any single City department or other employment unit. In
14 the event that a Board member who was elected as a retirement system member retires during his
15 or her term as a Board member, he or she shall remain a Board member until the expiration of his
16 or her term; and

17 5. One member who shall be appointed by the other six members; provided that such
18 appointed member shall not be a City employee or a retired City employee and shall not have
19 membership in the retirement system.

20 B. Elected members and the appointed member shall serve for a three year term
21 ending July 1st of the third year of such term.

22 C. Elections for the members of the Board who are elected as provided in this section
23 shall be administered by the Board. Ballots shall be accepted only if received by the Board's
24 designated ballot counter on or before its close of business on the first Monday in June of each
25 calendar year.

1 D. Any vacancy occurring in an elected position shall be filled by the City Council
2 by appointment to such position of a member eligible to be elected thereto, and provided the
3 member so appointed shall be retired or shall come from the same employing unit as the vacating
4 member. The member so appointed shall serve until such vacancy is filled by the election for the
5 unexpired term of a member eligible to be elected for a full term to such position at the next
6 succeeding first Monday in June, unless the vacancy occurred less than one year before the
7 expiration of the term of such elected member, in which case the member so appointed shall
8 serve for the remainder of the unexpired term. Any vacancy occurring in the appointed member
9 position, shall be filled by appointment by the City Council for the unexpired term.

10 E. The Chair of the Finance and Budget Committee of the City Council shall be ex
11 officio chair, the Personnel Director ex officio Secretary, and the Director of Finance ex officio
12 Treasurer of the Board.

13 F. The investment of all or any part of the retirement fund shall be in accordance
14 with RCW 35.39.060.

15 G. Subject to such provisions as may be prescribed by law for the deposit of
16 municipal funds in banks, cash belonging to the retirement fund may be deposited in any
17 licensed national bank or banks in this state, or in any bank, banks or corporations authorized or
18 licensed to do a banking business and organized under the laws of this state, and a clearing
19 account may be maintained with a depository which holds securities as a nominee for funds
20 received pending transmission to the retirement system as contemplated by RCW 35.39.070.

21 H. The Director of Finance and Administrative Services shall be the custodian of the
22 retirement fund. All payments from said fund shall be made upon warrant duly issued by the
23 Director of Finance and Administrative Services or, if the fund is solvent at the time payment is
24 ordered, by check. As custodian, the Director of Finance and Administrative Services with the
25 approval of the Board of Administration, may cause securities of the retirement system to be
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1 registered in the name of a nominee and authorize the safekeeping of retirement system securities
2 in the physical custody of the Federal Reserve System, a depository trust company, or a bank as
3 contemplated by RCW 35.39.070.

4 I. Except as herein provided, no member and no employee of the Board shall have
5 any interest, direct or indirect, in making of any investments from the retirement fund, or in the
6 gains or profits accruing therefrom. And no member or employee of the Board, directly or
7 indirectly, for himself or as an agent or partner of others, shall borrow any of its funds or
8 deposits or in any manner use the same except to make such current and necessary payments as
9 are authorized by the Board; nor shall any member or employee of the Board become an
10 endorser or surety or become in any manner an obligor for moneys invested by the Board.

11 J. No City employee who is elected to the Board shall suffer a monetary loss or
12 other penalty on account of his/her absence from his/her regular position during regular hours
13 while attending meetings of the Board or its sub-committees.

14
15 **Section 14.** Section 4.36.135 of the Seattle Municipal Code, last amended by Ordinance
16 123361, is renumbered as Section 4.36.520 and is amended as follows:

17 **4.36.((135))520 Lending retirement system securities((:))**

18 The Board of Administration, after consultation with the Investment Advisory Committee
19 and the Director of Finance and Administrative Services, is authorized to contract with a bank,
20 which holds securities in its name for the retirement system as contemplated by RCW 35.39.070,
21 for the lending of all or part of these securities to reputable brokers and financial institutions, for
22 a fee, provided that collateral equal to at least 102 percent of the market value of the securities
23 loaned is continuously maintained.

1
2 **Section 15.** Section 4.36.140 of the Seattle Municipal Code, last amended by Ordinance
3 124254, is renumbered as Section 4.36.505 and is amended as follows:

4 **4.36.~~((140))~~505 Powers and duties of Board(~~(-)~~)**

5 The administration of the Retirement and Death Benefit System is vested in the Board of
6 Administration created in Section 4.36.~~((130))~~500. The Board shall exercise the powers and
7 duties conferred upon it by said section, and in addition thereto:

8 A. The Board shall keep in convenient form such data as shall be necessary for the
9 actuarial valuation of the retirement fund created by this chapter. At the end of the three year
10 period beginning with the year 1974, and at the end of every three year period thereafter, the
11 Board shall cause to be made an actuarial investigation into the mortality, service and
12 compensation experience of the members and beneficiaries as defined by this chapter; and shall
13 further cause to be made an actuarial valuation of the assets and liabilities of the retirement fund,
14 and upon the basis of such investigation and valuation and subject to the approval of the City
15 Council, shall:

- 16 1. Make any necessary changes in the rate of interest;
- 17 2. Adopt for the retirement system such mortality, service, and other tables as shall
18 be necessary;
- 19 3. Revise or change the rate of contribution by the City on the basis of such
20 mortality, service and other tables as may be necessary;
- 21 4. Establish an investment advisory committee as contemplated by RCW 35.39.080
22 through 35.39.090. A copy of the investment policy contemplated by RCW 35.39.060 and the
23 recommendation and report of the investment advisory committee required by RCW 35.39.090
24 shall be filed with the Director of Finance and Administrative Services, and the City Clerk.
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1 B. The Board shall promptly transmit to the City Council a report covering the
2 actuarial investigation and actuarial valuation provided for in subsection A of this section.

3 C. In addition to other records and accounts, the Board shall keep such detailed
4 records and accounts as shall be necessary to show the financial condition of the retirement fund
5 at all times.

6 D. The Board shall annually transmit to the City Council a report showing the
7 financial condition of the fund established by this chapter.

8 E. Nothing in this section shall be construed to limit the right of the Board, subject to
9 approval of the City Council, to make changes in rates of interest whenever the Board deems it
10 necessary or advisable, or to secure actuarial reports more often than every three years.

11 F. Whenever the Board deems it necessary or advisable, it may recommend that the
12 City Council change the rates of contributions of members on the basis of mortality, service, and
13 other tables adopted by the Board pursuant to subsection A of this section.

14 G. The Board may adopt rules deemed appropriate to carry out this chapter,
15 including delegating any of its powers and duties to a committee consisting of at least three
16 members of the Board. Any action taken by a committee is subject to approval by the Board. The
17 Board may also delegate to the Executive Director powers and duties for efficient administration
18 of the retirement system and fund, including the adoption of policies, procedures, and/or
19 guidelines, which are consistent with its rules and with the ordinance codified herein.

20 H. The Board is authorized to execute any and all contracts and agreements
21 necessary or convenient for the proper investment of the moneys in the retirement system after
22 receiving advice of legal counsel. The Board may, by resolution, delegate the authority to sign
23 any such agreements to any Board member or to the Executive Director.

1
2 **Section 16.** Section 4.36.145 of the Seattle Municipal Code, last amended by Ordinance
3 123891, is renumbered as Section 4.36.510 and is amended as follows:

4 **4.36.~~((145))510~~ Finality of Board decisions~~((:))~~**

5 A. A decision of the Board of Administration shall be final and conclusive on the
6 following matters subject only to review by a court of record, and reversal if the decision is
7 arbitrary or capricious or makes an error of law:

8 1. The eligibility or obligation of an officer or employee to participate in the
9 Retirement System;

10 2. The accrual and amount of creditable service; the amount of contributions due to
11 the Retirement System, the amount of contributions received, and the opportunity extended
12 members to redeposit or buy-in of service credit, and the terms thereof;

13 3. The eligibility for, amount, and kind of benefits payable to any member or
14 beneficiary;

15 4. A member's eligibility for disability retirement and recall to active duty;

16 5. The portability of retirement benefits;

17 6. Termination of benefits; and

18 7. Compliance with ordinance procedures and Board rules.

19 B. The Board may delegate the hearing of any of the foregoing to a committee
20 consisting of at least three members of the Board. A member, the Executive Director, if affected,
21 or a City department aggrieved by a committee decision may appeal the decision to the Board by
22 submitting a written request to the Executive Director within ten business days after receipt
23 thereof, and the board shall hear the matter de novo.

1
2 **Section 17.** Section 4.36.150 of the Seattle Municipal Code, last amended by Ordinance
3 120358 and which currently reads as follows, is repealed:

4 ~~((4.36.150 1975 Increase in existing retirement allowances.~~

5 ~~The monthly benefits of all members retired for service or disability prior to January 1,~~
6 ~~1974, and the monthly benefits payable to any person as the result of the death of any member~~
7 ~~who was retired for service or disability prior to January 1, 1974, shall be increased as of January~~
8 ~~1, 1975, by the percentage indicated in the following table opposite the year of retirement of the~~
9 ~~member upon whose service such benefits are based:~~

Year of retirement	Percentage increase of monthly benefit payable immediately prior to January 1, 1975
1973	1 percent
1972	2
1971	3
1970	5
1969	7
1968	9
1967	11
1966	13
1965	15
1964	17

Erik Sund
RET, SMC Clean-up ORD
September 10, 2014
Version #8

1	1963	19
2	1962	21
3	1961	23
4	1960	25
5	1959	27
6	1958	29
7	1957	31
8	1956	33
9	1955	35
10	1954	37
11	1953	39
12	1952	41
13	1951	43
14	1950	45
15	1949	47
16	1948	49
17	1947	51
18	1946	53
19	1945	55
20	1944	57

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1 ~~considered as a part of monthly benefits for the purpose of computing the percentage increases~~
2 ~~authorized in this subsection.))~~

3
4 **Section 18.** Section 4.36.160 of the Seattle Municipal Code, last amended by Ordinance
5 87916, is renumbered as Section 4.36.515 and is amended as follows:

6 **4.36.~~((160))~~515 Borrowing of money~~((:))~~**

7 The Board for and on behalf of the retirement system, is authorized to borrow money
8 from time to time, in amounts not to exceed ~~((One Million Dollars (\$1,000,000)))~~ \$1,000,000
9 outstanding at any one ~~((1))~~ time, and at interest rates not to exceed six ~~((6))~~ percent per year
10 and to execute the necessary notes and pledge as collateral securities held by the retirement
11 system, all in connection with the investment of moneys in the retirement fund authorized by
12 Section 4.36.~~((130))~~500. Such notes or other evidence of indebtedness shall not constitute an
13 indebtedness of the City, and shall be payable solely from the retirement fund.

14
15 **Section 19.** Section 4.36.145 of the Seattle Municipal Code, last amended by Ordinance
16 114592, is renumbered as Section 4.36.545 and is amended as follows:

17 **4.36.~~((170))~~545 Contributions~~—((by))~~ City~~((:))~~**

18 The City shall match the normal contributions of members described in Section
19 4.36.540.A and provide for payment of the matching contributions into the retirement fund at the
20 earliest time possible. The City shall also contribute, in excess of the matching contributions, the
21 actuarially determined City contribution to provide the moneys necessary to guarantee benefits
22 payable under Sections 4.36.605 and 4.36.650 as well as ~~((There shall be paid into the retirement~~
23 ~~fund by contributions of the City, the amounts necessary to pay all pensions as shall be~~
24 ~~actuarially determined from time to time and))~~ all other benefits allowable to members and their
25 beneficiaries under the provisions of this chapter including death benefits, except such as are
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1 provided by the accumulated contributions and death benefit assessments of members. All
2 contributions of the City from all of its departments are available for payment of obligations of
3 the retirement system without segregation by employing departments.

4
5 **Section 20.** Section 4.36.175 of the Seattle Municipal Code, last amended by Ordinance
6 110257 and which currently reads as follows, is repealed:

7 ~~((4.36.175 Released-matching contributions by Transit Fund.~~

8 ~~Released-matching contributions of the Transit Fund in the Employees' Retirement Fund~~
9 ~~shall be identified in the records of the Employees' Retirement Fund and of the General Fund as~~
10 ~~assets of the General Fund, and the City Comptroller and the Board of Administration of the~~
11 ~~Employees' Retirement System are authorized and directed to make the necessary accounting~~
12 ~~transactions required to effect such identification.-))~~

13
14 **Section 21.** Section 4.36.180 of the Seattle Municipal Code, last amended by Ordinance
15 104572, is renumbered as Section 4.36.550 and is amended as follows:

16 **4.36.~~(180)~~550 City obligations(~~-~~)**

17 A. The payments of the City due the retirement fund as provided for in this chapter
18 are made obligations of the City except as provided in subsection B of this section. The Board
19 shall annually, on or before the tenth day of July each year, prepare and submit to the City
20 Council an estimate of the amounts necessary to meet such obligations, and the City Council
21 shall provide for the raising of such amounts as are necessary to make such payments.

22 B. The City may at any time change, modify or repeal this chapter or any part thereof
23 in respect to its future obligations to any member not at that time receiving or being eligible to a
24 pension hereunder. It is specifically provided, however, and the City covenants and guarantees,
25 that the City's obligation to those members receiving or eligible to a retirement allowance prior
26

1 to such change, modification or repeal shall continue in full force and effect as provided in this
2 chapter; and that the City's obligation to those members not receiving or being eligible to a
3 pension at the time of such change, modification or repeal, will be a retirement allowance at
4 pension age equal to the actuarial equivalent of the accumulated value of the member's
5 contribution standing to his credit at date of pension, and the value of the City's obligation as
6 actuarially determined under Section 4.36.~~((170))~~545 to the date of such change, modification or
7 repeal.

8
9 **Section 22.** Section 4.36.185 of the Seattle Municipal Code, last amended by Ordinance
10 119707, is renumbered as Section 4.36.595 and is amended as follows:

11 **4.36.~~((185))~~595 Beneficiaries—Domestic partners(~~(-)~~)**

12 An unmarried officer or employee may designate his or her domestic partner as his or her
13 beneficiary for purposes of the benefits set forth in Sections 4.36.~~((200))~~600, 4.36.~~((210))~~605,
14 4.36.~~((230))~~650, 4.36.~~((260))~~610, 4.36.~~((270))~~680 and 4.36.~~((320))~~690 of this chapter upon the
15 following terms and conditions.

16 A. The officer or employee shall file an affidavit of domestic partnership as
17 described in Sections 4.30.010 and 4.30.020 (~~((of the Seattle Municipal Code))~~) and file a copy of
18 said affidavit with the Executive Director of the Retirement System. If the member is no longer
19 an officer or employee of the City, he or she may designate his or her domestic partner by
20 signing an affidavit as described in Section 4.30.020 (~~((of the Seattle Municipal Code))~~) and filing
21 said affidavit with the Executive Director of the Retirement System.

22 B. A member who is married may not file an affidavit of domestic partnership. If a
23 member has filed an affidavit of domestic partnership and is married, or thereafter becomes
24 married, such affidavit shall be considered void. A member who has filed an affidavit of
25 domestic partnership pursuant to this section shall immediately notify the Executive Director in
26

1 writing if he or she has married and shall promptly file with the Executive Director a termination
2 of the affidavit of domestic partnership. Termination of domestic partnership shall otherwise be
3 as provided in Section 4.30.030 (~~of the Seattle Municipal Code~~) provided that the member shall
4 also file a notice of termination of domestic partnership with the Executive Director.

5 C. Nothing in this chapter shall be construed as granting to a domestic partner a
6 property right to retirement benefits of a member. A member who has filed an affidavit of
7 domestic partnership with the Executive Director does not need the consent of his or her
8 domestic partner to take action with respect to his or her retirement benefits, including selection
9 of a retirement option.

10 The Retirement Board is authorized to promulgate such rules as it deems necessary to
11 implement this section.

12
13 **Section 23.** Section 4.36.190 of the Seattle Municipal Code, last amended by Ordinance
14 123871, is renumbered as Sections 4.36.665 and 4.36.567 and is amended as follows:

15 **4.36.~~((190))665 Discontinuance ((or reentrance)) of eligible employee(~~—Purchase of~~~~**
16 **creditable service))**

17 A(~~(—1-)) Should the City service of a member not eligible for retirement under the~~
18 ~~provisions of this chapter, be discontinued, except by death, prior to completion of five ((5))~~
19 ~~years' membership in the retirement system, he shall be paid six ((6)) months after the date of~~
20 ~~discontinuance such part of his accumulated contributions as he shall demand; provided,~~
21 ~~however, that such member may apply to the Board and by unanimous vote the Board may grant~~
22 ~~a request for immediate withdrawal of contributions. If in the opinion of the Board such member~~
23 ~~is permanently separated from City service by reason of such discontinuance, he shall be paid~~
24 ~~forthwith all his accumulated contributions, with interest. Should the City service of an employee~~
25 ~~not eligible for retirement under subsections A and B of Section 4.36.~~((200))600 who has been a~~~~

1 member of the retirement system for at least five (~~(5)~~) years be discontinued, except by death,
2 he may apply for immediate withdrawal of his accumulated contributions as hereinabove
3 provided, or elect in writing within six (~~(6)~~) months after such termination to leave his
4 accumulated contributions in the retirement fund, and thereafter, upon reaching the required age
5 and making application therefor, he shall receive a retirement allowance as provided in Section
6 4.36.~~(200)~~600 C; provided, that if discontinuance of City service is caused by intemperance,
7 wilful misconduct or violation of law on the part of the member, of which the Board shall be the
8 judge, the Board, in its discretion, may pay to the member, in one (~~(1)~~) lump sum, his
9 accumulated contributions, in lieu of all other rights, privileges or benefits under this chapter;
10 and such payment shall constitute full satisfaction of all obligations of the City to such member,
11 and upon receipt of such payment he shall cease to be a member of the system.

12 ~~((2))~~B. Any member eligible for retirement under subsections ~~((A and B of Section 4.36.~~
13 ~~200))~~ 4.36.600.A and B whose City service has been discontinued, except by death, and any
14 member whose City service has been discontinued and who has elected to leave his accumulated
15 contributions in the retirement fund, may, in the manner hereinabove provided, apply to the
16 Board for withdrawal of contributions, but in such case the Board may, in its discretion, approve
17 such request or disapprove the same and, if such member then be eligible, authorize his
18 retirement. Upon withdrawal of contributions the full amount deposited by the City in the
19 retirement fund for such member's benefit, plus interest, shall be available to meet the
20 obligations of the City under this chapter:

21 ~~((B. Redeposit and Purchase of Creditable Service for eligible employees reentering~~
22 ~~City service.~~

23 ~~1. Any member or former member who reenters City service may redeposit in the~~
24 ~~retirement fund an amount equal to that which he or she previously withdrew therefrom, or some~~
25 ~~part thereof, plus compound interest, at the actuarial assumed rate of investment return, which~~
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1 ~~would have accumulated on the amount, as determined by the Board, between the date of his or~~
2 ~~her last termination of his or her membership and the date of redeposit. Within two years after~~
3 ~~his or her re-entry into City service, a former member must redeposit the entire sum determined~~
4 ~~to be due to purchase all, or part of, their former creditable service, or sign and file with the~~
5 ~~Board a redeposit contract in accord with subsection 4.36.190.C in order to reestablish all or part~~
6 ~~of his or her former creditable service. In the event such redeposit is made by a member, the City~~
7 ~~shall reinstate all or that part of the former creditable service purchased by the member.~~

8 2. ~~— If a member within two years after reentering the retirement system after a~~
9 ~~termination of his or her membership does not make such a redeposit or file a properly executed~~
10 ~~redeposit contract, he or she may purchase all, or some part of, his or her former creditable~~
11 ~~service only by paying into the retirement fund the amount, or some part thereof, he or she~~
12 ~~previously withdrew plus compound interest as determined by the Board. The following~~
13 ~~provisions apply to redeposits made pursuant to this subsection 4.36.190.B.2:~~

14 a. ~~— Determination of applicable interest rates. The interest rate for each year since the~~
15 ~~date of withdrawal of contributions shall be the greater of the rate the retirement fund has earned,~~
16 ~~net of fees, as reported by the Retirement System's Investment Performance Consultant, or the~~
17 ~~interest rate equivalent to the actuarial assumed rate of investment return at the time of executing~~
18 ~~the redeposit contract.~~

19 b. ~~— Calculation of "accumulated contributions." For purposes of determining a~~
20 ~~member's accumulated contributions pursuant to Section 4.36.030, only a portion of the total~~
21 ~~amount deposited shall be considered. The portion to be considered as the member's accumulated~~
22 ~~contributions shall be only the amount previously withdrawn as the member's contributions~~
23 ~~including interest, plus interest calculated at the actuarial assumed rate of investment return.~~

24 e. ~~— Withdrawal of contributions limited. The total amount deposited for the purchase~~
25 ~~of said former creditable service will be available for withdrawal by the member only if the~~

1 ~~member terminates employment with the City and withdraws his or her total accumulated~~
2 ~~contributions prior to retirement or dies and benefits are not payable under subsections~~
3 ~~4.36.270.B and 4.36.270.C. In the event such redeposit is made by a member, his rate of~~
4 ~~contribution shall be as determined under subsection 4.36.110.A, and the City shall reinstate all,~~
5 ~~or that part of, the former creditable service purchased by the member.~~

6 3. ~~Unless otherwise stated, members allowed to purchase creditable service pursuant~~
7 ~~to Chapter 4.36 shall pay, as a single lump sum payment at the time of retirement, the actuarial~~
8 ~~present value of the resulting increase in their benefit as provided in this subsection~~
9 ~~4.36.190.B.3.~~

10 a. ~~The actuarial present value shall be calculated by the Retirement Board using the~~
11 ~~current actuarial assumptions as approved by the Retirement Board.~~

12 b. ~~For purposes of determining the member's accumulated contributions pursuant to~~
13 ~~Section 4.36.030, only a portion of the total amount deposited shall be considered. The portion to~~
14 ~~be considered as the member's accumulated contributions shall be calculated at the employee's~~
15 ~~current hourly rate times the current contribution rate times the number of hours to be purchased.~~

16 c. ~~If a member elects to pay at resignation from City service, the actuarial present~~
17 ~~value will be estimated at the time of resignation and adjusted at retirement for factors existing at~~
18 ~~the time of retirement, if necessary, according to rules established by the Retirement Board.~~

19 d. ~~In the event such payment is made by a member, the City shall consider such City~~
20 ~~service previously rendered as creditable service for the member.~~

21 4. ~~Unless otherwise stated, the purchase price for the purchase of creditable service~~
22 ~~must be paid in full to the retirement fund prior to the time of resignation from City service or~~
23 ~~retirement, whichever occurs first.~~

24 C. ~~Redeposit and Purchase Contracts. These terms and conditions govern redeposit~~
25 ~~contracts for reentering City officers and employees, deposit contracts of officers and employees~~
26

1 joining the system under subsections C, D, F and G of Section 4.36.100 and the purchase of
2 creditable service for past City service.

3 1. — The unpaid balance shall accrue interest at the assumption rate established by the
4 Board for actuarial purposes and in effect at the time the redeposit agreement is signed;

5 2. — The redeposit must be completed within ten (10) years from the date of the
6 member's re-entry into City service;

7 3. — After deducting any immediate redeposit, the balance shall be payable in
8 approximately equal installments every pay period, computed by amortizing interest over the
9 contract term, unless the Board by rule authorizes redeposit in installments of equal payments of
10 principal with interest computed on declining balances;

11 4. — Installment payments shall be deducted from the member's pay during each pay
12 period; and

13 5. — Redeposit agreements shall be subject to the approval of the Board. The Board of
14 Administration in its discretion may include supplemental terms and conditions by rule or by
15 approving a form of agreement on the following subjects, among others:

16 a. — A minimum installment payment per pay period;

17 b. — The deferral of a redeposit of an installment during a member's layoff, military
18 leave, or other approved leave, with catch-up redeposits upon the member's resumption of pay
19 status;

20 c. — Allocation of payments between interest and principal;

21 d. — Appropriate arrangements in the event of a member's suspension or separation
22 from City service, including the making of set-offs, acceleration of payments, continuation of
23 payments from other sources during the interim, or adjusting creditable service being purchased
24 on a pro-rata basis;

25 e. — Other terms and conditions as the Board may deem appropriate.))

1
2 **Section 24.** A new Section 4.36.567 is added to the Seattle Municipal Code as follows:

3 **4.36.567 Purchase of creditable service**

4 A. Redeposit of Creditable Service for eligible employees reentering City service who
5 had previously withdrawn contributions as provided for in Section 4.36.665.

6 1. Any member or former member who reenters City service may redeposit in the
7 retirement fund an amount equal to that which he or she previously withdrew therefrom, or some
8 part thereof, plus compound interest, at the actuarial assumed rate of investment return, which
9 would have accumulated on the amount, as determined by the Board, between the date of his or
10 her last termination of his or her membership and the date of redeposit. Within two years after
11 his or her re-entry into City service, a former member must redeposit the entire sum determined
12 to be due to purchase all, or part of, their former creditable service, or sign and file with the
13 Board a redeposit contract in accord with subsection 4.36.567.B in order to reestablish all or part
14 of his or her former creditable service. In the event such redeposit is made by a member, the City
15 shall reinstate all or that part of the former creditable service purchased by the member.

16 2. If a member within two years after reentering the retirement system after a
17 termination of his or her membership does not make such a redeposit or file a properly executed
18 redeposit contract, he or she may purchase all, or some part of, his or her former creditable
19 service only by paying into the retirement fund the amount, or some part thereof, he or she
20 previously withdrew plus compound interest as determined by the Board. The following
21 provisions apply to redeposits made pursuant to this subsection 4.36. 567.A.2:

22 a. Determination of applicable interest rates. The interest rate for each year since the
23 date of withdrawal of contributions shall be the greater of the rate the retirement fund has earned,
24 net of fees, as reported by the Retirement System's Investment Performance Consultant, or the
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1 interest rate equivalent to the actuarial assumed rate of investment return at the time of executing
2 the redeposit contract.

3 b. Calculation of "accumulated contributions." For purposes of determining a
4 member's accumulated contributions pursuant to Section 4.36.030, only a portion of the total
5 amount deposited shall be considered. The portion to be considered as the member's accumulated
6 contributions shall be only the amount previously withdrawn as the member's contributions
7 including interest, plus interest calculated at the actuarial assumed rate of investment return.

8 c. Withdrawal of contributions limited. The total amount deposited for the purchase
9 of said former creditable service will be available for withdrawal by the member only if the
10 member terminates employment with the City and withdraws his or her total accumulated
11 contributions prior to retirement or dies and benefits are not payable under subsections 4.36.
12 680.B and 4.36. 680.C. In the event such redeposit is made by a member, his rate of contribution
13 shall be as determined under subsection 4.36. 540.A, and the City shall reinstate all, or that part
14 of, the former creditable service purchased by the member.

15 B. Purchase of Creditable Service

16 1. Unless otherwise stated, members allowed to purchase creditable service pursuant
17 to Chapter 4.36 shall pay, as a single lump sum payment at the time of retirement, the actuarial
18 present value of the resulting increase in their benefit as provided in this subsection
19 4.36.567.B.1.

20 a. The actuarial present value shall be calculated by the Retirement Board using the
21 current actuarial assumptions as approved by the Retirement Board.

22 b. For purposes of determining the member's accumulated contributions pursuant to
23 Section 4.36.030, only a portion of the total amount deposited shall be considered. The portion to
24 be considered as the member's accumulated contributions shall be calculated at the employee's
25 current hourly rate times the current contribution rate times the number of hours to be purchased.

1 c. If a member elects to pay at resignation from City service, the actuarial present
2 value will be estimated at the time of resignation and adjusted at retirement for factors existing at
3 the time of retirement, if necessary, according to rules established by the Retirement Board.

4 d. In the event such payment is made by a member, the City shall consider such City
5 service previously rendered as creditable service for the member.

6 2. Unless otherwise stated, the purchase price for the purchase of creditable service
7 must be paid in full to the retirement fund prior to the time of resignation from City service or
8 retirement, whichever occurs first.

9 C. Redeposit and Purchase Contracts. These terms and conditions govern redeposit
10 contracts for reentering City officers and employees, deposit contracts of officers and employees
11 joining the system under subsections C, E and F of Section 4.36. 525 and the purchase of
12 creditable service for past City service.

13 1. The unpaid balance shall accrue interest at the assumption rate established by the
14 Board for actuarial purposes and in effect at the time the redeposit agreement is signed;

15 2. The redeposit must be completed within ten years from the date of the member's
16 re-entry into City service;

17 3. After deducting any immediate redeposit, the balance shall be payable in
18 approximately equal installments every pay period, computed by amortizing interest over the
19 contract term, unless the Board by rule authorizes redeposit in installments of equal payments of
20 principal with interest computed on declining balances;

21 4. Installment payments shall be deducted from the member's pay during each pay
22 period; and

23 5. Redeposit agreements shall be subject to the approval of the Board. The Board of
24 Administration in its discretion may include supplemental terms and conditions by rule or by
25 approving a form of agreement on the following subjects, among others:

- 1 a. A minimum installment payment per pay period;
- 2 b. The deferral of a redeposit of an installment during a member's layoff, military
3 leave, or other approved leave, with catch-up redeposits upon the member's resumption of pay
4 status;
- 5 c. Allocation of payments between interest and principal;
- 6 d. Appropriate arrangements in the event of a member's suspension or separation
7 from City service, including the making of set-offs, acceleration of payments, continuation of
8 payments from other sources during the interim, or adjusting creditable service being purchased
9 on a pro-rata basis;
- 10 e. Other terms and conditions as the Board may deem appropriate.

11
12 **Section 25.** Section 4.36.191 of the Seattle Municipal Code, last amended by Ordinance
13 121365, is renumbered as Section 4.36.570 and is amended as follows:

14 **4.36.~~((191))~~570 Purchase of creditable service for initial six months of City service**
15 **for employees hired during 1988 through 1998 period(~~(:)~~)**

16 ~~((A,—))~~Buy-back. Employees who were hired during the period 1988 through 1998 who
17 have not purchased creditable service for the initial six ~~((6))~~ months of employment may
18 purchase said creditable service by paying into the retirement fund, at the time of resignation or
19 retirement from City service, the actuarial present value of the resulting increase in their benefit.
20 The terms and conditions of purchase shall be in accordance with the provisions of Subsection
21 4.36.~~((190))~~567 B(~~((3))~~).

22 ~~((B.—One-year Window. During a window period of one (1) year, beginning on the~~
23 ~~effective date of this section, employees who were hired during the period 1988 through 1998~~
24 ~~who have not purchased creditable service for the initial six (6) months of City employment may~~
25 ~~purchase said creditable service by paying the purchase price, as determined by the Board, into~~

1 ~~the retirement fund, or signing a creditable service purchase contract pursuant to Subsection~~
2 ~~4.36.190 C and filing it with the Retirement Board. The creditable service may be purchased~~
3 ~~based on the following price formula:~~

4 ~~Current City Employees~~

5 ~~(current hourly rate) × (current member contribution rate) × (amount of hours to be~~
6 ~~purchased).~~

7 ~~Former City Employees~~

8 ~~(final hourly rate as determined by the Board and adjusted for inflation) × (contribution~~
9 ~~rate in effect for new members as of effective date of Section 4.36.191) × (amount of hours to be~~
10 ~~purchased).~~

11 ~~C. — Purchases by former city employees made pursuant to Subsection 4.36.191 B~~
12 ~~must be paid in full by lump sum payment by the end of the window period established in said~~
13 ~~subsection or the date of retirement, whichever occurs first.~~

14 ~~D. — City Matching Contributions under Subsection 4.36.191 B. As matching~~
15 ~~contributions pursuant to Subsection 4.36.110 A, each year the employing department shall pay~~
16 ~~into the retirement fund the matching amount equivalent to any member lump sum payment~~
17 ~~made pursuant to this section or, if a member purchased pursuant to a contract under Subsection~~
18 ~~4.36.190 C, the member's current year buy back payments all as billed by the Retirement office.~~

19 ~~))~~

20
21 **Section 26.** Section 4.36.192 of the Seattle Municipal Code, last amended by Ordinance
22 119707, is renumbered as Section 4.36.675 and is amended as follows:

23 **4.36.((192))675 Discontinuance of membership of terminally ill member((:))**

24 A. Authority. The Board of Administration may in its discretion authorize an
25 employee to discontinue his or her membership in the City Employee's Retirement System and it

1 may refund all contribution that the employee has made, together with interest thereon, if the
2 employee makes written application therefor and all the conditions in subsection B of this section
3 are met.

4 B. Conditions and Application. The member's application shall be accompanied by
5 the following documents:

6 1. Competent medical evidence that the member is suffering from a terminal illness
7 or condition, that is, a disease or infirmity which will most probably cause his or her death within
8 two ~~((2))~~ years, and the member's prospects of recovery or a longer life span are low;

9 2. The member's acknowledgment that by discontinuing his or her membership in
10 the system, he or she will become ineligible for all retirement benefits under the system; for
11 death benefits under Sections 4.36.~~((320))~~690—4.36.~~((330))~~695; and for reentry into the system
12 under Section 4.36.~~((190))~~567 for one ~~((1))~~ year, and then may reenter only with consent of the
13 Board; that, if the member has a spouse or domestic partner, discontinuing membership will
14 render his or her spouse or domestic partner ineligible for spousal or domestic partner benefits
15 upon a member's death or disability; and that refund of his or her contributions may result in
16 withholdings, taxes, and penalties under the Internal Revenue Code; and

17 3. If the member is married, a signed written consent of the member's spouse to his
18 or her discontinuance of membership and withdrawal of contributions, including an
19 acknowledgment that discontinuing the employee's membership may forgo spousal benefits in
20 event of the employee's death.

21 C. Examination. The Board may require an applicant to undergo a physical
22 examination by a physician selected by the Board and/or require the applicant to permit
23 verification of his or her medical condition by allowing an examination of the applicant's
24 medical records or an interview with his or her doctor or caregiver.

1 D. Reentry/Redeposit. After the lapse of one (~~(1)~~) year, the Board of
2 Administration may in its discretion allow a member who has discontinued membership and
3 recovers from his or her terminal illness to reenter the City Employee's Retirement System. If the
4 member's application is granted, the member shall accrue service credit from the date of his or
5 her reentry into the system, provided, that if the member's application for reentry occurs within
6 three years after the date of the member's discontinuance of his or her membership, the Board
7 may allow the member to make redeposit into the retirement fund of his or her withdrawn
8 contributions plus interest in the manner contemplated by Section 4.36.~~(190)~~567, and, upon
9 completing all such payments, thereby acquire creditable service for the earlier period.

10 E. Discretionary Determination. This section confers enabling authority on the Board
11 to be exercised in extraordinary circumstances and it imposes no duty upon the Board to grant
12 any particular application. The Board's decision upon an application shall be final.

13
14 **Section 27.** Section 4.36.193 of the Seattle Municipal Code, last amended by Ordinance
15 124392, is renumbered as Section 4.36.670 and is amended as follows:

16 **4.36.~~(193)~~670 Election to rollover to an eligible retirement plan**

17 1. This section applies notwithstanding any contrary provision that would otherwise limit
18 a distributee's ability to make a rollover election. A distributee may elect, at the time and in the
19 manner prescribed under this chapter to have any portion of an eligible rollover distribution paid
20 directly to an eligible retirement plan specified by the distributee in a direct rollover.

21 2. The following definitions apply to this Section:

22 a. "Direct rollover" means a payment under this chapter to the eligible retirement
23 plan specified by the distributee.

24 b. "Distributee" means an employee or former employee. It also includes the
25 employee's or former employee's surviving spouse and the employee's or former employee's
26

1 spouse or former spouse who is the alternate payee under a qualified domestic relations order, as
2 defined in Section 414(p) of the Internal Revenue Code, are distributees with regard to the
3 interest of the spouse or former spouse.

4 c. "Eligible retirement plan" means an individual retirement account described in
5 Code section 408(a), an individual retirement annuity described in Code section 408(b), an
6 annuity plan described in Code section 403(a), a qualified trust described in Code section 401(a),
7 an arrangement described in Code section 403(b), an eligible governmental deferred
8 compensation plan described in Code section 457(b), or for distributions made after December
9 31, 2007, a Roth IRA described in Code section 408A(b).

10 d. "Eligible rollover distribution" means any distribution of all or any portion of
11 the member's benefits under this chapter, except: (a) any distribution which is one of a series of
12 substantially equal periodic payments (not less frequently than annually) made for the life (or life
13 expectancy) of the member or the joint lives (or joint life expectancies) of the member and the
14 member's Designated Beneficiary, or for a specified period of ten years or more; (b) any
15 distribution to the extent required under Code section 401(a)(9); (c) the portion of any
16 distribution which is not includible in gross income; (d) any hardship distribution; (e) a
17 corrective distribution; (f) a deemed distribution resulting from a defaulted member loan which
18 is not also an offset distribution; (g) any other distributions described in Treas. Reg.
19 section 1.402(c)-2; and (h) as to a direct rollover, any distributions during that calendar year are
20 reasonably expected to total less than \$200.

21 e. "Individual retirement plan" means an individual retirement account ("IRA")
22 described in Code section 408(a) or an individual retirement annuity described in Code section
23 408(b), and, as the context requires, includes a Roth IRA or a Roth individual retirement annuity.

24 3. Non-Spouse Designated Beneficiary Direct Rollover. For distributions made after
25 December 31, 2006, a non-spouse designated beneficiary (including a trust which qualifies as a
26

1 designated beneficiary), may, by direct rollover, roll over an eligible rollover distribution to an
2 eligible retirement plan; provided that for this purpose, an eligible retirement plan is an
3 individual retirement plan that the non-spouse designated beneficiary establishes for purposes of
4 receiving the distribution and which is treated as an inherited IRA under Code section
5 408(d)(3)(C). If a non- Spouse Designated Beneficiary receives a distribution from the Plan, the
6 distribution is not eligible for a 60-day rollover.

7 4. Certain Requirements Not Applicable Before 2010. Although a non-Spouse
8 Designated Beneficiary may roll over directly a distribution as provided in this section, any
9 distribution made prior to January 1, 2010, is not subject to the Direct Rollover requirements of
10 Code section 401(a)(31) (including Code section 401(a)(31)(B)), the notice requirements of
11 Code section 402(f) or the mandatory withholding requirements of Code section 3405(c).

12 5. Effective January 1, 2006, in the event of a mandatory lump sum distribution in an
13 amount greater than \$1,000, if the participant does not elect to have such distribution paid
14 directly to an eligible retirement plan specified by the participant in a direct rollover or to receive
15 the distribution directly, then such distribution shall be paid in a direct rollover to an individual
16 retirement plan designated by the Board.

17
18 **Section 28.** Section 4.36.195 of the Seattle Municipal Code, last amended by Ordinance
19 123361, is renumbered as Section 4.36.575 and is amended as follows:

20 **4.36.~~((195))~~575 Buy-in of creditable service by temporary, interim, intermittent,**
21 **provisional and part-time workers~~((r))~~**

22 These terms and conditions apply to workers acquiring ("buying in") creditable service
23 under Section 4.36.~~((103))~~530 for earlier work in temporary, interim, intermittent and
24 provisional positions or part-time positions of less than 20 hours per week during the course of
25 the year.

1 A. Eligible Services. The first 1,044 hours of City service are not eligible for
2 purchase of creditable service. Only hours in continuous City service as shown on City payrolls
3 can be counted subject to the multiplier in Section 4.36.~~((125))~~555. A break in the continuity of
4 City service excludes hours before the break. Such a break in on-call, seasonal or intermittent
5 service occurs if a worker:

- 6 1. Removes his or her name from a roster or listing for work assignments;
- 7 2. In seasonal employment, declines the opportunity to work for a season; or, in
8 other employment, fails to work at least 100 hours in any 12 month period;
- 9 3. Takes other actions indicating that he or she has stopped or suspended for a year
10 providing his or her services to the City; or
- 11 4. Is discharged from City employment.

12 B. Amount of Creditable Service. Creditable service shall be granted only for the
13 hours for which both the worker and the City make contributions to the retirement system at the
14 rate contemplated by Section 4.36.~~((110))~~540. To receive creditable service for prior City
15 service, such a worker shall deposit into the retirement system an amount determined by the
16 Board of Administration equal to the sum, or some part thereof, that he or she would have paid
17 had he or she become a member when first eligible and had deductions been made from his or
18 her pay warrants, through the years, for creditable service, together with interest thereon. Interest
19 shall accrue at the Board's assumption rate established for actuarial purposes from the date of the
20 wage or salary payment to the date of deposit and shall be compounded annually.

21 C. Waiting Period, Service Before 1988. A worker, who began his or her continuous
22 City service on or before December 31, 1987 and has not already received such credit, shall
23 receive creditable service for the first 1,044 hours, or portion thereof, of continuous service that
24 he or she worked before January 1, 1988. This is a transitional exception to subsection B of
25 Section 4.36.~~((103))~~530

1 D. Administration. The Board, in its discretion, may delegate to the Executive
2 Director the calculation of the amount of contribution for such a worker to acquire ("buy in") in
3 prior creditable service and may authorize its Executive Director to use an approximate formula
4 to simplify computations and/or to determine credit for vacation and other paid leave when City
5 records are not available therefor. For example, for hourly workers, who have held the same or
6 similar positions over the duration of the buy-back period, the Board may determine the amount
7 due by:

- 8 1. Classifying the worker's creditable hours by the contribution rate in effect at the
9 time the hours were worked;
- 10 2. Multiplying the creditable hours in each rate classification by the worker's current
11 hourly wage rate and by the applicable contribution rate; and
- 12 3. Adding the total of the products of all such classifications together.

13 ~~((E. — Maintenance of Membership. Such a worker who joins the retirement system shall
14 maintain his or her membership in the retirement system for the duration of his or her City
15 service until retirement. A member of the retirement system, who has not retired from the City
16 and who accepts temporary, intermittent, or part time work, shall continue to make his or her
17 contributions to the retirement system.~~

18 F))E. Deposit Contract. The Board may authorize such a worker to make his or her
19 deposit under an agreement for installment payments under the following terms and conditions:

- 20 1. The deposit must be completed within ten years from the date of the member's
21 eligibility to join the retirement system.
- 22 2. After deducting any immediate deposits, the balance shall be payable in
23 approximately equal amortized installments unless the Board authorizes otherwise. Installments
24 shall be deducted from the worker's pay whenever practical. By rule the Board may establish a
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1 minimum initial deposit and allowable installment payment and may include other appropriate
2 terms and conditions in the agreement.

3 3. A member may accelerate and prepay all or part of his or her deposits at any time
4 before he or she dies, retires, or discontinues City service, whichever may be sooner. In the event
5 of extenuating circumstances that preclude an earlier payment, the Executive Director may allow
6 a member up to ten days after his or her retirement or discontinuance of City service to make a
7 lump sum payment of the balance.

8 4. If a member dies, retires, or discontinues city service before completion of the
9 contract, the member shall receive creditable service on his or her buy-in on a pro rata basis.

10 5. The member is responsible for making any adjustments appropriate under the
11 Internal Revenue Code with respect to individual retirement accounts and privately administered
12 retirement plans.

13 ~~((G))~~F. City Matching Money. The City shall match the member's contributions and
14 deposits, including interest, in the same manner as other members. If the worker provided
15 services in two or more departments, at the request of the Director of Finance, the City Budget
16 Director shall apportion the amount of the City contribution among the employing departments.
17 The Director of Finance's determination of apportionment shall be final.

18 ~~((H))~~G. If not exercised, the opportunity described in this section for a worker to
19 acquire ("buy in") service credit for prior City service in a temporary, interim, intermittent
20 position or a part-time position of less than 20 hours per week over a one year period expires six
21 calendar months after the worker becomes eligible for membership in the retirement system.

22 Members who have otherwise failed to exercise an option to purchase creditable service for prior
23 service previously rendered as a temporary worker, as that term is defined at ~~((Subsection~~
24 ~~4.04.030 (35)))~~Section 4.04.030, shall be allowed to purchase creditable service for service
25 previously rendered but not credited as a temporary worker, by paying into the retirement fund,

1 at the time of resignation from City service or at retirement, the actuarial present value of the
2 resulting increase in his or her benefit. The terms and conditions of purchase shall be in
3 accordance with the provisions of Subsection 4.36.~~((190))~~567B~~((3))~~.

4
5 **Section 29.** Section 4.36.196 of the Seattle Municipal Code, last amended by Ordinance
6 122591 and which currently reads as follows, is repealed:

7 ~~((4.36.196 Special option for purchase of creditable service by employees of the Seattle
8 Firefighter's Pension Fund hired prior to January 1, 2007.~~

9 ~~A. — An officer or employee of the Seattle Firefighter's Pension Fund who was hired as
10 an employee or officer thereof on or before the effective date of this Ordinance and who
11 thereafter becomes and continues his or her service as an employee of the City may elect to join
12 the City's retirement system and contract to purchase credit for prior service performed for the
13 Seattle Firefighter's Pension Board by completing and filing an election form with the Board, and
14 paying the purchase price, as determined by the Board, into the retirement fund on or before
15 thirty days after the effective date of this ordinance. The creditable service may be purchased
16 based on the following price formula:~~

17 ~~(hourly rate) × (current member contribution rate (8.03% × (amount of hours to be
18 purchased) × (interest factor as calculated below).~~

19 ~~Creditable service shall be based on the employee's or officer's actual hours and salary in
20 the period of time going back no more that 10 years from the effective date of this ordinance.
21 The interest factor applied to the purchase price will be determined by approximating the net
22 investment returns of the retirement fund that occurred during the period of time that relates to
23 the buyback, with a minimum interest factor no less than the actuarially assumed rate of
24 investment return for the same periods. The purchase price shall be calculated using an
25 annualized interest rate, compounded bi-weekly. Notwithstanding the above purchase price~~

1 ~~interest factor, the amount credited to the individual member accounts will be calculated by~~
2 ~~applying an interest rate 5.75% to approximate what the creditable amount would have been had~~
3 ~~the individual been a contributing member of the retirement system all along. Only the amount~~
4 ~~credited to the individual member accounts will be included in any benefit calculation or any~~
5 ~~future withdrawal.~~

6 B. ~~— An officer or employee subject to this section who fails to exercise his or her~~
7 ~~option under this subsection on or before thirty days after the effective date of this ordinance,~~
8 ~~may not thereafter purchase such credit provided, however, that nothing in this section shall~~
9 ~~affect such an officer or employee's right to elect to join the retirement system or to purchase~~
10 ~~creditable service earned subsequent to the effective date of this ordinance or at any time~~
11 ~~thereafter in the manner provided under Section 4.36.100 F of the Seattle Municipal Code.~~

12 C. ~~— The Seattle Firefighter's Pension Fund shall pay into the retirement fund the~~
13 ~~matching amount equivalent to any member lump sum payment made pursuant to this Section.))~~

14
15 **Section 30.** Section 4.36.199 of the Seattle Municipal Code, last amended by Ordinance
16 121125 and which currently reads as follows, is repealed:

17 ((4.36.199 Zoo employees transitioning to Woodland Park Zoological Society
18 employment.

19 A. ~~— Authority. Notwithstanding any other provision of this Chapter 4.36, a member~~
20 ~~separating from City employment with the Department of Parks and Recreation, Zoo Program,~~
21 ~~pursuant to Ordinance 120922 or Ordinance 121125, shall be eligible for those benefits to which~~
22 ~~he or she is entitled under the provisions of this chapter, or, in lieu of such benefits, such member~~
23 ~~may elect to take the lump sum payout as provided in this section. If such member elects to take~~
24 ~~the lump sum payout as provided herein, he or she must make written application therefor. If all~~
25 ~~of the conditions set forth herein are met, the Board of Administration shall, consistent with its~~

1 rules and procedures, provide the member with a lump sum payout equal to the member's
2 accumulated contribution plus interest calculated at 5.75% per annum, plus an additional amount
3 (approximating the City's contributions on behalf of that member) equal to the member's
4 accumulated contributions plus interest calculated at 5.75% per annum. The member may elect
5 to have the payment made directly to a specified eligible retirement plan pursuant to Section
6 4.36.193

7 B. — Conditions and Application. For members electing to separate from City
8 employment pursuant to the Separation Incentive Program established by Ordinance 120922, the
9 member's application shall be filed with the Board of Administration no later than December 3,
10 2002. For members electing to separate from City employment pursuant to Ordinance 121125,
11 the member's application shall be filed with the Board of Administration no later than January
12 31, 2005. All applications shall be accompanied by proof that the member has irrevocably
13 elected to separate from City employment either under the terms of the Separation Incentive
14 Program — Zoo Program established pursuant to Ordinance 120922, or pursuant to Ordinance
15 121125 with proof that the member has become an employee of the Zoo Society.))

16
17 **Section 31.** Section 4.36.200 of the Seattle Municipal Code, last amended by Ordinance
18 121366, is renumbered as Section 4.36.600 and is amended as follows:

19 **4.36.((200))600 Retirement of a member for service by Board((:))**

20 Retirement of a member for service shall be made by the Board as follows:

21 A. Any member in the City service may retire by filing with the Board a written
22 application, stating when he desires to be retired, such application to be made at least ((thirty
23 (30))) 30 days prior to date of retirement; provided, however, that the member, at the time
24 specified for his retirement, shall have completed five (((5))) years of City service as defined in
25 this chapter, and shall have attained the age of ((sixty two (62))) 62 years, or shall have

1 completed ten (~~((40))~~) years of City service, and shall have attained the age of (~~((fifty-seven~~
2 (~~(57))~~) 57 years, or shall have completed (~~((twenty-(20))~~) 20 years of City service and shall have
3 attained the age of (~~((fifty-two-(52))~~) 52 years, or shall have completed (~~((thirty-(30))~~) 30 years of
4 City service as defined in this chapter. Permanent discontinuance of City service after the
5 member has become eligible for a retirement allowance under the provisions of this chapter shall
6 entitle such member to his retirement allowance: Provided that if discontinuance of City service
7 is caused by intemperance, wilful misconduct or violation of law on the part of the member, of
8 which the Board shall be the judge, the Board of Administration, in its discretion, may pay to the
9 member, in one lump sum, his accumulated contributions, in lieu of a retirement allowance, and
10 such payment shall constitute full satisfaction of all obligations of the City to such member, and
11 upon receipt of such payment he shall cease to be a member of the system.

12 B. Any member of the retirement system who, upon termination of his employment
13 with the City after at least five (~~((5))~~) years' membership in the retirement system, elects to leave
14 all his contributions in the retirement fund pursuant to Subsection 4.36.~~((190))~~665 (~~((A-))~~) shall be
15 eligible to receive a retirement allowance upon reaching the age of (~~((sixty-two-(62))~~) 62 years;
16 provided, that if such member completed ten (~~((40))~~) years of service prior to termination of his
17 employment, he shall be eligible to receive a retirement allowance upon reaching the age of
18 (~~((fifty-seven-(57))~~) 57 years, and if such member completed (~~((twenty-(20))~~) 20 years of service
19 prior to termination of his employment, he shall be eligible to receive a retirement allowance
20 upon reaching the age of (~~((fifty-two-(52))~~) 52 years. Such person shall file with the Board a
21 written application, stating the date when he wishes the payment of his retirement allowance to
22 commence, at least (~~((thirty-(30))~~) 30 days prior to said date. He shall thereupon be awarded a
23 retirement allowance as provided for members in Section 4.36.~~((210))~~605, and shall be eligible
24 to elect in lieu thereof any of the options provided in Section 4.36.~~((260))~~610; provided, that any
25 person leaving the City service prior to qualifying for retirement under subsection A of this
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1 section shall not be eligible to receive any disability retirement allowance under Sections
2 4.36.~~((230))~~650, 4.36.~~((240))~~655 and 4.36.~~((250))~~660, nor shall his estate or his beneficiaries
3 receive the death benefit provided in Section 4.36.~~((320))~~690; provided further, that persons
4 leaving the City service prior to qualifying for retirement under subsection A of Section
5 4.36.~~((200))~~600 shall, if and when eligible to receive a retirement allowance as provided in this
6 subsection, be eligible for the alternative allowance computation provided in subsection B of
7 Section 4.36.~~((210))~~605, based upon his age at the time of commencement of payment of such
8 member's retirement allowance, and in the event any such former employee dies before
9 commencement of his retirement allowance pursuant to this subsection, the provisions of
10 Subsection 4.36.~~((270))~~680.C shall be applicable to such person's spouse or domestic partner, if
11 named as beneficiary, and if there is no surviving spouse or domestic partner, the provisions of
12 Subsection 4.36.~~((270))~~680.C,2 shall be applicable to such person's child or children under the
13 age of ~~((eighteen-18))~~ 18 years, if named as beneficiary.

14 C. Any former employee who prior to March 1, 1977, discontinued his City service
15 to accept other public employment and who, because of such subsequent public employment,
16 was permitted to leave his contributions in the retirement fund, shall be eligible to receive a
17 retirement allowance upon reaching the age of ~~((sixty-five-65))~~ 65 years; provided, that if such
18 former employee completed five ~~((5))~~ years of City service, he shall be eligible to receive a
19 retirement allowance upon reaching the age of ~~((sixty-two-62))~~ 62 years, and if such former
20 employee completed ten ~~((10))~~ years of City service, he shall be eligible to receive a retirement
21 allowance upon reaching the age of ~~((fifty-seven-57))~~ 57 years; and if such former employee
22 completed ~~((twenty-20))~~ 20 years of City service, he shall be eligible to receive a retirement
23 allowance upon reaching the age of ~~((fifty-two-52))~~ 52 years. Such person shall file with the
24 Board a written application, stating the date when he wishes the payment of his retirement
25 allowance to commence, at least thirty ~~((30))~~ days prior to said date. He shall thereupon be
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1 awarded a retirement allowance as provided for members in Section 4.36.~~((210))~~605, and shall
2 be eligible to elect in lieu thereof any of the options provided in Section 4.36.~~((260))~~610;
3 provided, that any former employee to whom this subsection is applicable shall not be eligible to
4 receive any disability retirement allowance under Sections 4.36.~~((230))~~650, 4.36.~~((240))~~655 and
5 4.36.~~((250))~~660, nor shall his estate or his beneficiaries receive the death benefit provided in
6 Section 4.36.~~((320))~~690; provided further, that such former employees shall, if and when eligible
7 to receive a retirement allowance as provided in this subsection, be eligible for the alternative
8 allowance computation provided in subsection ~~((B of Section 4.36.210))~~ 4.36.605.B, based on
9 his or her age at the time of commencement of payment of such member's retirement allowance,
10 and, in the event any such person dies before commencement of his retirement allowance
11 pursuant to this subsection, the provisions of ~~((Section))~~ subsection 4.36.~~((270))~~680.B shall be
12 applicable to such person's spouse or domestic partner, if named as beneficiary, and if there is no
13 surviving spouse or domestic partner, the provisions of ~~((Section))~~ subsection 4.36.~~((270))~~680.C
14 shall be applicable to such person's child or children under the age of ~~((eighteen-(18)))~~ 18 years,
15 if named as beneficiary.

16
17 **Section 32.** Section 4.36.210 of the Seattle Municipal Code, last amended by Ordinance
18 121366, is renumbered as Section 4.36.605 and is amended as follows:

19 **4.36.~~((210))~~605 Retirement allowances designated~~((,-))~~**

20 A. A member, upon retirement from service, shall receive a retirement allowance
21 subject to the provisions of subsection B of this section, which shall consist of:

22 1. An annuity which shall be the actuarial equivalent of his accumulated
23 contributions at the time of his retirement; and

24 2. A pension purchased by the contributions of the City, equal to the annuity
25 purchased by the accumulated normal contributions of the member.

B. The "percentage" scale in Table 4.36.~~((210))~~605.B may be used in fixing the amount of a service retirement allowance, to be computed by multiplying the number of years of creditable service by the indicated percentage of final compensation; provided that such scale may also be used in determining benefits of surviving spouses and domestic partners of employees receiving disability retirement benefits under Subsection 4.36.~~((230))~~650.~~((E))~~D provided, further, that such scale may also be used in determining benefits payable under Subsection 4.36.~~((270))~~680.C to the surviving spouse and domestic partner of any member who was at least ~~((forty-eight (48)))~~ 48 years of age at the time of such member's death. Use of this scale is subject to the limitation that the retirement allowance of a member shall not exceed ~~((sixty (60)))~~ 60 percent of the member's final compensation. The retirement allowance payable over and above the basic pension shall be purchased by contributions of the City. The application of the scale herein established shall be at the option of the member.

TABLE FOR SECTION 4.36.~~((210))~~605.B

Years of Service	Retirement Age (or, for Surviving Spouse's Benefits, Deceased Member's Age at Death)									
	48	49	50	51	52	53	54	55	56	57
30 or more	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
29	.70	.80	.90	.00	.00	.00	.00	.00	.00	.00

Erik Sund
 RET, SMC Clean-up ORD
 September 10, 2014
 Version #8

1	28	1	1	1	1	2	2	2	2	2
2		.60	.70	.80	.90	.00	.00	.00	.00	.00
3	27	1	1	1	1	1	2	2	2	2
4		.50	.60	.70	.80	.90	.00	.00	.00	.00
5	26	1	1	1	1	1	1	2	2	2
6		.40	.50	.60	.70	.80	.90	.00	.00	.00
7	25	1	1	1	1	1	1	1	2	2
8		.30	.40	.50	.60	.70	.80	.90	.00	.00
9	24	1	1	1	1	1	1	1	1	2
10		.20	.30	.40	.50	.60	.70	.80	.90	.00
11	23	1	1	1	1	1	1	1	1	1
12		.10	.20	.30	.40	.50	.60	.70	.80	.90
13	22	1	1	1	1	1	1	1	1	1
14		.00	.10	.20	.30	.40	.50	.60	.70	.80
15	21		1	1	1	1	1	1	1	1
16		.90	.00	.10	.20	.30	.40	.50	.60	.70
17	20			1	1	1	1	1	1	1
18		.82	.90	.00	.10	.20	.30	.40	.50	.60
19	10				1	1	1	1	1	1
20	-19	.82	.89	.96	.03	.10	.20	.30	.40	.50
21										
22		5	5	5	6	6	6	6	6	6
23		7	8	9	0	1	2	3	4	5

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1	30	2	2	2	2	2	2	2	2	2	2
2	or more	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
3	29	2	2	2	2	2	2	2	2	2	2
4		.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
5	28	2	2	2	2	2	2	2	2	2	2
6		.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
7	27	2	2	2	2	2	2	2	2	2	2
8		.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
9	26	2	2	2	2	2	2	2	2	2	2
10		.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
11	25	2	2	2	2	2	2	2	2	2	2
12		.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
13	24	2	2	2	2	2	2	2	2	2	2
14		.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
15	23	2	2	2	2	2	2	2	2	2	2
16		.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
17	22	1	2	2	2	2	2	2	2	2	2
18		.90	.00	.00	.00	.00	.00	.00	.00	.00	.00
19	21	1	1	2	2	2	2	2	2	2	2
20		.80	.90	.00	.00	.00	.00	.00	.00	.00	.00
21	20	1	1	1	2	2	2	2	2	2	2
22		.70	.80	.90	.00	.00	.00	.00	.00	.00	.00

1	10	1	1	1	1	1	1	1	1	2
2	—19	.52	.58	.64	.70	.76	.82	.88	.94	.00
3	5	-	-	-	-	-	1	1	1	2
4	—9						.82	.88	.94	.00

Section 33. Section 4.36.215 of the Seattle Municipal Code, last amended by Ordinance 120685, is renumbered as Section 4.36.615 and is amended as follows:

4.36.~~((215))~~615 Annual cost of living adjustment(~~(-)~~)

A. Effective with the retirement allowance payable on or about December 1st of each year, a member's or beneficiary's adjusted benefit shall be increased by ~~((one and one-half (1½)))~~ 1½ percent, except as otherwise provided in this section.

B. For any calendar year, the member or beneficiary shall receive the greater of:

1. The adjusted benefit; or
2. Sixty-five ~~((65))~~ percent of the indexed benefit.

Pursuant to Ordinance 120685, effective January 1 of the year the Retirement Board files with the City Clerk notification that the funding ratio of the retirement fund is 100 percent or higher, subsection 4.36.215.B.2 shall read "Seventy percent of the indexed benefit."

~~((1. Pursuant to Ordinances 120656 and 120685, effective January 1 of the year the Retirement Board files with the City Clerk notification that the funding ratio of the retirement fund is ninety-five (95) percent or higher, Section 4.36.215 shall read as follows:~~

~~4.36.215 Annual cost of living adjustment. A. Effective with the retirement allowance payable on or about December 1st of each year, a member's or beneficiary's adjusted benefit shall be increased by one and one-half (1½) percent, except as otherwise provided in this section. B. For any calendar year, the member or beneficiary shall receive the greater of: 1.~~

1 ~~The adjusted benefit; or 2. Sixty-five (65) percent of the indexed benefit. Pursuant to~~
2 ~~Ordinance 120685, effective January 1 of the year the Retirement Board files with the City Clerk~~
3 ~~notification that the funding ratio of the retirement fund is one hundred (100) percent or higher,~~
4 ~~subsection 4.36.215 B2 shall read "Seventy (70) percent of the indexed benefit.")~~

5
6 **Section 34.** Section 4.36.220 of the Seattle Municipal Code, last amended by Ordinance
7 123891, is renumbered as Section 4.36.645 and is amended as follows:

8 **4.36.((220))645 Retirement for disability((:))**

9 A. Any member may be retired for permanent and total disability, either ordinary or
10 accidental, occurring while in City service upon examination as hereinafter set forth, if such
11 employee meets either of the following requirements:

12 1. The disability of such member arose out of and in the course of his employment
13 as an employee of the City; or

14 2. Such member had, at the time of occurrence of such disability, at least ten years
15 of City service, over a period of not to exceed 15 years immediately preceding retirement,
16 provided that City service lost while on previous disability retirement shall not be considered in
17 determining if the applicant has City service in the limits specified.

18 B. Any member while in the City service, or within three months after the
19 discontinuance of City service, or while physically or mentally incapacitated for the performance
20 of duty, if such incapacity has been continuous from discontinuance of City service, shall be
21 examined by a physician or surgeon, appointed by the Board of Administration, upon the
22 application of the head of the office or department in which the member is employed, or upon
23 application of the member, or a person acting in his behalf, stating that the member is
24 permanently and totally incapacitated, either physically or mentally, for the performance of duty
25 and ought to be retired. If such medical examination shows, to the satisfaction of the Board, that
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1 the member is permanently and totally incapacitated either physically or mentally for the
2 performance of duty and ought to be retired, the Board shall retire the member for disability
3 forthwith.

4 C. The Board shall secure such medical services and advice as it may deem
5 necessary to carry out the purpose of this section and of Section 4.36.~~((240))~~655, and shall pay
6 for such medical services and advice such compensation as the Board shall deem reasonable.

7 D. The provisions of this section shall not be applicable to employees pensioned for
8 permanent and total disability, as defined in and pursuant to state law.

9
10 **Section 35.** Section 4.36.230 of the Seattle Municipal Code, last amended by Ordinance
11 124082; is renumbered as Section 4.36.650 and is amended as follows:

12 **4.36.~~((230))~~650 Disability allowances designated~~((:-))~~**

13 A. Upon retirement for disability, as provided in Section 4.36.~~((220))~~645, provided
14 the disability is not due to intemperance, willful misconduct or violation of law, of which the
15 Board shall be the judge, a member shall receive a retirement allowance calculated as follows:

16 For a member, making application for disability retirement after December 31, 2012,
17 with less than 10 years of actual City service, but who otherwise qualifies for a disability
18 retirement under the portability provisions of RCW 41.54.032, ~~((one and one-half (1½)))~~ 1½
19 percent of final compensation multiplied by years of creditable City service. For all other
20 members with at least 10 years of actual City service, ~~((one and one-half (1½)))~~ 1½ percent of
21 final compensation multiplied by years of creditable service, if such retirement allowance
22 exceeds ~~((one-third (1/3)))~~ 1/3 of his final compensation; otherwise ~~((one and one-half (1½)))~~ 1½
23 percent of final compensation multiplied by years of service which would be creditable to him
24 were his services to continue until attainment of age ~~((sixty-two (62)))~~ 62 but such alternative
25 disability retirement allowance shall not exceed ~~((one-third (1/3)))~~ 1/3 of such final
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1 compensation; provided, that no disability retirement allowance shall exceed ~~((sixty (60)))~~ 60
2 percent of final compensation. Notwithstanding any provision of this section to the contrary, the
3 minimum retirement allowance shall be ~~((One Hundred Forty Dollars (\$140)))~~ \$140 per month.

4 The retirement allowance as above calculated shall consist of:

5 1. An annuity which shall be the actuarial equivalent of the member's accumulated
6 normal contributions;

7 2. A pension which shall be the actuarial equivalent of the City's matching
8 contributions;

9 3. ~~((A pension for prior service, if any, calculated at the rate of one and one-half~~
10 ~~(1½) percent of final compensation for each year of prior service, which shall be provided by~~
11 ~~contributions of the City;~~

12 4)). An additional pension, provided by contributions of the City, should the
13 calculation of the allowance show that subsections 4.36.650.A.1, 2 and 3 above are not enough to
14 produce the retirement allowance indicated;

15 ~~((§))~~4. When use of proper annuity and pension rates results in a retirement allowance
16 amounting to more than would be realized by adherence to the formula indicated in the second
17 paragraph of this section the Board shall allow the higher amount.

18 ~~((B. — The disability allowances of all members retired for disability prior to January 1,~~
19 ~~1971, shall on January 1, 1971, be increased by Twenty Dollars (\$20) per month over the~~
20 ~~monthly benefit payable immediately prior to January 1, 1971, but no such pension of members~~
21 ~~retired for disability shall be less than One Hundred Forty Dollars (\$140) per month as of such~~
22 ~~date. Nothing in this subsection shall affect the amount of any bonus dividend declared pursuant~~
23 ~~to Section 4.36.150. Such increases shall be paid from available retirement system funds or from~~
24 ~~contributions of the City; provided, that such increases shall not be applicable to persons retired~~
25 ~~for disability on and after September 1, 1970 and on and before December 31, 1970 who~~

1 pursuant to Ordinance 99271 select benefits applicable to persons who retire on and after January
2 1, 1971.

3 ~~C~~)B. If disability is due to intemperance, willful misconduct, or violation of law, on the
4 part of the member, the Board in its discretion, may pay to the member, in one lump sum his
5 accumulated contributions in lieu of a retirement allowance; and such payment shall constitute
6 full satisfaction of all obligations of the City to such member; and upon receipt of such payment
7 he shall cease to be a member of the system.

8 ~~(D)~~C. For distribution of benefits paid upon the death of a member while in receipt of a
9 disability retirement allowance, see ~~((Subsection 4.36.270(B)))~~ subsection 4.36.680.B.

10 ~~(E)~~D. Any surviving spouse or domestic partner of a member receiving a disability
11 retirement allowance may, if named as beneficiary, elect to receive and thereupon shall be paid
12 in lieu of benefits under ~~((Subsection 4.36.230-D))~~ subsection 4.36.650.C a monthly benefit the
13 equivalent of a survivor's "Option E" retirement allowance computed on the basis of the
14 member's age at date of death, years of creditable service, and normal and matching
15 contributions reduced by all sums theretofore paid the deceased member as annuity on normal
16 contributions and pension on matching contributions, and, if applicable, by payments to an
17 alternate payee under a court or department order as contemplated by Section 4.36.~~((295))~~630.
18 The spouse or domestic partner may elect to receive a cash payment of not to exceed ~~((one-half~~
19 ~~($\frac{1}{2}$))) $\frac{1}{2}$ of the deceased member's remaining normal contributions, and such cash payment shall
20 effect a reduction of the survivor's monthly benefit by the amount of annuity such payment
21 would have purchased.~~

1
2 **Section 36.** Section 4.36.240 of the Seattle Municipal Code, last amended by Ordinance
3 104572, is renumbered as Section 4.36.655 and is amended as follows:

4 **4.36.~~((240))~~655 Examination of disability beneficiary—Cancellation of allowance~~((+))~~**

5 A. The Board may require any disability beneficiary, under age ~~((sixty-two (62)))~~ 62
6 years, to undergo medical examination by a physician or surgeon, appointed by the Board at a
7 place to be designated by the Board. Upon the basis of such examination the Board shall
8 determine whether such disability beneficiary is still totally and permanently incapacitated, either
9 physically or mentally, for City service. If the Board shall determine that the beneficiary is no
10 longer so incapacitated, he shall be returned to City service at the earliest opportunity in
11 accordance with civil service rules and regulations and upon such return his retirement allowance
12 shall be cancelled.

13 B. Should a disability beneficiary reenter City service his retirement allowance shall
14 be cancelled and he shall immediately become a member of the retirement system, his rate of
15 contribution for future years being that established for his age at the time of such reentry. His
16 individual account shall be credited with his accumulated normal contributions less the annuity
17 payments made to him, except as provided in ~~((Section))~~ subsection 4.36.~~((240))~~655.C. Such
18 member shall receive credit for ~~((prior))~~ previous service in the same manner as if he had never
19 been retired for disability.

20 C. Should any disability beneficiary under age ~~((sixty-two (62)))~~ 62 refuse to submit
21 to medical examination, his pension may be suspended and should refusal continue for one
22 ~~((+))~~ year, his retirement allowance may be cancelled. Should any such disability beneficiary
23 engage in a gainful occupation he shall immediately report his gross monthly income to the
24 Board and upon receipt of such information the Board shall reduce the retirement allowance to
25 an amount, which when added to the compensation earned by him in such occupation, shall not
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1 exceed the amount of the salary or wages presently attached to the regular position held by the
2 disability beneficiary at the time of his retirement.

3 Should any such disability beneficiary fail to report his gainful occupation the Board
4 shall, whenever information regarding such gainful occupation is received, cause his retirement
5 allowance to be suspended either partially or in full, for the period of time necessary to make up
6 for disability retirement allowance payments drawn by him during the time suspension should
7 have been in effect and should such a beneficiary die before suspended disability retirement
8 allowance payments have equaled payments illegally drawn, the Board shall recover such
9 payments from any benefits which would otherwise be payable to his estate or to a designated
10 beneficiary. Suspension of a disability retirement allowance under such circumstances may be
11 made even after such a disability beneficiary has attained age ((~~sixty-two (62))~~) 62. Should such
12 disability beneficiary reenter City service the Board may reduce the accumulated contributions
13 which would otherwise be credited to his account, as contemplated in ((~~Section~~)) subsection
14 4.36.((240))655.B, to compensate for payments drawn during time suspension should have been
15 in effect.

16 When any disability beneficiary reaches age ((~~sixty-two (62))~~) 62 his retirement
17 allowance shall be established at the amount which would normally be payable to him and shall
18 not be modified for any cause except as provided in this chapter.

19 D. Should the retirement allowance of any disability beneficiary be cancelled for any
20 cause other than reentrance into City service, he shall be paid his accumulated contributions, less
21 annuity payments made to him.

22 If, in the judgment of the Board, a disability beneficiary has failed to properly report his
23 earnings from gainful occupation, the Board may cancel his disability retirement allowance.

24 E. Should any disability beneficiary who was eligible to receive a service retirement
25 allowance at the time he was retired for disability, desire to convert his disability retirement
26

1 allowance into the service retirement allowance he was eligible to at time of retirement on
2 disability, the Board may grant his petition so to do.

3
4 **Section 37.** Section 4.36.250 of the Seattle Municipal Code, last amended by Ordinance
5 123891, is renumbered as Section 4.36.660 and is amended as follows:

6 **4.36.~~(250)~~660 Temporary total disability(~~(-)~~)**

7 A. Any member who has not attained the age of 65 and who has at least ten years of
8 City service over a period of not to exceed 15 years may, upon his application therefor, be retired
9 by the Board for temporary total disability occurring while in City service. Such temporary total
10 disability shall include only a physical or mental incapacity which the Board finds and
11 determines temporarily and totally incapacitates such member for City service.

12 B. Temporary total disability retirement allowances shall be computed and paid until
13 such disability has ceased, in the same manner and amounts as for permanent and total disability,
14 and shall commence immediately after termination of all payments to the member on account of
15 sick leave, vacation, accumulated time, industrial insurance benefits, and disability payments
16 under Charter Article XVI, Section 24 or any other such benefits.

17 C. Upon determining that any such temporary total disability has ceased, the Board
18 shall terminate the temporary total disability retirement, and the retirement allowance therefor
19 shall be cancelled; or if a member is otherwise eligible, the Board shall convert such temporary
20 total disability retirement to a permanent total disability retirement or a service retirement.

21 D. In determining eligibility for temporary total disability retirement and termination
22 thereof, the Board may secure such medical assistance as it deems necessary. The Board shall
23 have the authority to require a medical re-examination of a member retired for temporary total
24 disability at least once every 24 months following the effective date of the temporary total
25

1 disability retirement until such time as the member has attained regular service retirement age,
2 and at any time if there is reason to believe the temporary total disability has ceased.

3 E. Upon termination of any temporary total disability retirement, a member who
4 returns to active City service shall be reinstated as a nonretired member of the retirement system
5 and his accumulated contributions less annuity payments shall be credited to his account and he
6 shall contribute at the rate applicable to him at the time he was retired. Any member who does
7 not return to City service after termination of temporary total disability retirement shall be
8 entitled to his accumulated contributions less any annuity payments made to him.

9 F. Periods during which a member is retired for temporary total disability shall not
10 be recognized as creditable service on any subsequent retirement.

11
12 **Section 38.** Section 4.36.260 of the Seattle Municipal Code, last amended by Ordinance
13 121366, is renumbered as Section 4.36.610 and is amended as follows:

14 **4.36.~~((260))610~~ Optional lesser retirement allowances and distribution of benefits**
15 **upon death of a member who has been retired for service~~((+))~~**

16 Election of Optional Lesser Retirement Allowances. A member may elect to receive, in
17 lieu of the retirement allowance provided for in Section 4.36.~~((210))605~~, its actuarial equivalent
18 in the form of a lesser retirement allowance, payable in accordance with the terms and conditions
19 of one ~~((+))~~ of the options set forth in Options A through E of this ~~((section))~~ Section. Options
20 F and/or G may be elected alone or in conjunction with one ~~((+))~~ of the options set forth in
21 Options A through E. The election of Option F or G will result in the actuarial equivalent of the
22 retirement allowance otherwise payable. Option G includes the lump sum payment of a partial
23 refund. If a combination is elected, the lesser retirement allowance shall be determined by first
24 applying the Option G factor, if applicable, then the Option F factor, if applicable, and then
25 finally the Option A — E factor.

1 Election of any option must be made by written application filed with the Board of
2 Administration at least ~~((thirty (30)))~~ 30 days in advance of retirement as provided in Section
3 4.36.~~((200))~~600, and shall not be effective unless approved by the Board prior to retirement of
4 the member. The amount paid to a member, a beneficiary or a surviving spouse shall be reduced
5 by payments made to an alternate payee under a court or department order as contemplated by
6 Section 4.36.~~((295))~~630.

7 Distribution of Benefits Upon Death of a Retired Member. Upon the death of a retired
8 member, any death benefits will be payable in accordance with the provisions of the options
9 elected under this section if any.

10 Options A through G.

11 OPTION A. The lesser retirement allowance shall be payable to the member throughout
12 his life; provided, that if he dies before he receives in annuity payments pursuant to
13 ~~((Subsection))~~ subsection 4.36.~~((210))~~605.A.1 a total amount equal to the amount of his
14 accumulated contributions as of the date of his retirement, the balance of such accumulated
15 contributions shall be paid in one ~~((1))~~ lump sum to his estate or to such person as he shall
16 nominate by written designation duly executed and filed with the Board.

17 OPTION B. The lesser retirement allowance shall be payable to a member throughout his
18 life provided that if he dies before he receives in annuity payments pursuant to ~~((Subsection))~~
19 subsection 4.36.~~((210))~~605.A.1 a total amount equal to the amount of his accumulated
20 contributions as of the date of his retirement, the annuity payments resulting from his
21 accumulated contributions shall be continued and paid to his estate or to such person as he shall
22 nominate by written designation duly executed and filed with the Board, until the total amount of
23 annuity payment shall equal the amount of his accumulated contributions as it was at the date of
24 his retirement.

1 OPTION C. The member shall elect a "guaranteed period" of any number of years. If he
2 dies before the lesser retirement allowance has been paid to him for the number of years elected
3 by him as the "guaranteed period," the lesser retirement allowance shall be continued to the end
4 of the "guaranteed period," and during such continuation shall be paid to his estate or to such
5 person as he shall nominate by written designation duly executed and filed with the Board.

6 OPTION D. The lesser retirement allowance shall be payable to the member throughout
7 life, and after the death of the member, (~~(one-half (1/2))~~) $\frac{1}{2}$ of the lesser retirement allowance
8 shall be continued throughout the life of and paid to the individual who was the spouse or
9 domestic partner of the member at the time of retirement. If the spouse or domestic partner
10 predeceases the member, then upon receipt of written notice of such death by the Board, the
11 member's retirement allowance shall increase to the amount that would have been provided as if
12 the member had not selected this option.

13 OPTION E. The lesser retirement allowance shall be payable to the member throughout
14 life, and after death of the member it shall be continued throughout the life of and paid to the
15 individual who was the spouse or domestic partner of the member at the time of retirement. If the
16 spouse or domestic partner predeceases the member, then upon receipt of written notice of such
17 death by the Board, the member's retirement allowance shall increase to the amount that would
18 have been provided as if the member had not selected this option.

19 OPTION F. A member who retires from service prior to the age of becoming eligible for
20 retirement payments under the federal system, commonly known as Social Security, and who at
21 the time of retiring is fully insured under the federal system, may elect to have his retirement
22 allowance payable during his or her life only, increased prior to the age at which the member
23 could elect an unreduced Social Security retirement benefit and reduced after such age by
24 amounts which have equivalent actuarial values. Prior to retirement, the member shall obtain,
25 and provide to the Board, a written estimate of his Old-Age Benefit for the age at which the
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1 member could elect an unreduced Social Security benefit. If Option F is elected and the
2 member's death occurs prior to the age at which the member could have elected an unreduced
3 Social Security retirement benefit, any death benefit payable under any other option after the
4 date the member would have attained such age, shall reflect the expected lesser amount of
5 Option F.

6 OPTION G. The member may elect to receive a lump sum payment upon retirement, of
7 either ~~((fifty (50)))~~ 50 percent or ~~((one hundred (100)))~~ 100 percent of his or her accumulated
8 contributions. The member's retirement allowance as provided for in Section 4.36.~~((210))~~605
9 shall be reduced by the actuarial equivalent of the withdrawn lump sum.

10
11 **Section 39.** Section 4.36.270 of the Seattle Municipal Code, last amended by Ordinance
12 121366, is renumbered as Section 4.36.680 and is amended as follows:

13 **4.36.~~((270))~~680 Distribution of benefits upon death of a member~~((:))~~**

14 A. Distribution of benefits upon the death of a member who has been retired for
15 service. See Section 4.36.~~((260))~~610

16 B. Distribution of benefits upon the death of a member who has not been retired or
17 who has been retired for disability. The terms of this subsection apply upon the death of a
18 member who has been retired for disability with the exception of the requirement that such
19 member's surviving spouse waive in writing all rights to benefits under Subsection
20 4.36.~~((270))~~680.C.

21 Upon the death of any member who has not been retired or who has been retired for
22 disability, such member's accumulated contributions less any payments therefrom already made
23 to such member shall be paid to such member's surviving spouse or domestic partner, or if the
24 deceased member does not have a surviving spouse or domestic partner, or if the surviving
25 spouse prior to the death of such member consented in writing to the naming as hereafter
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1 provided of a different beneficiary or beneficiaries and waived in writing all rights to benefits
2 under ~~((Subsection))~~ subsection 4.36.((270))680.C, then to such member's estate, or to such
3 person or persons as such member shall have nominated by written designation duly executed
4 and filed with the Board. Such payment may be made in one lump sum or may be paid in
5 installments over a period of not to exceed five ~~((5))~~ years, as may be designated by the
6 member or his beneficiary, with such rate of interest as may be determined by the Board.

7 C. Distribution of benefits upon the death of a member who has not been retired.

8 1. Any surviving spouse or domestic partner, of a member not retired but having at
9 the date of death at least ten ~~((10))~~ years of creditable service as defined in this chapter, who is
10 entitled to receive such deceased member's accumulated contributions as provided in
11 ~~((Subsection))~~ subsection 4.36.((270))680.B, may elect to receive and thereupon shall be paid in
12 lieu of benefits under ~~((Subsection))~~ subsection 4.36.((270))680.B, a benefit the equivalent of a
13 survivor's "Option E" retirement allowance. The spouse or domestic partner may, however, elect
14 to receive in lieu of either the above retirement allowance or the benefits under ~~((Subsection))~~
15 subsection 4.36.((270))680.B, a lesser retirement allowance to cease at such spouse's or domestic
16 partner's death and in addition a cash payment not to exceed ~~((one-half (1/2)))~~ $\frac{1}{2}$ of the deceased
17 member's accumulated normal contributions. However, such withdrawal shall not serve to reduce
18 such lesser retirement allowance except by the amount of annuity which such withdrawal would
19 have purchased.

20 2. If there ~~((be))~~ is no surviving spouse or domestic partner at the time of death of a
21 member not retired, but having at least ten ~~((10))~~ years of creditable service as defined in this
22 chapter, and such member has surviving one ~~((1))~~ or more children under the age of ~~((eighteen~~
23 ~~((18)))~~ 18 years, and if such child or children are named as beneficiary or if the contributions of
24 the deceased member are payable to such member's estate under the provisions of ~~((Subsection))~~
25 subsection 4.36.270.B, then the legal guardian of such child or children may elect for such child

1 or children a monthly benefit as hereinafter provided, which monthly benefit shall be paid in lieu
2 of the benefits payable under ~~((Subsection))~~ subsection 4.36.~~((270))~~680.B. Such monthly
3 benefits shall be equal to the monthly benefit which would have been paid to the last spouse of
4 such deceased member if such last spouse had been living and married to the deceased member
5 at the time of his death and was otherwise eligible for and elected to receive the benefits
6 provided in ~~((Subsection))~~ subsection 4.36.~~((270))~~680.C equivalent to a survivor's "Option B"
7 retirement allowance without a cash payment of a portion of the deceased member's accumulated
8 normal contributions. The guardian may, however, elect to receive in lieu of either the above
9 benefits or the benefits under ~~((Subsection))~~ subsection 4.36.~~((270))~~680.B, a lesser retirement
10 allowance which will continue until such child or children reach the age of ~~((eighteen (18)))~~ 18
11 years and in addition a cash payment not to exceed ~~((one-half (1/2)))~~ 1/2 of the deceased member's
12 accumulated normal contributions. However, such withdrawal shall not serve to reduce such
13 lesser allowance except by the amount of annuity which such withdrawal would have purchased.
14 All benefits payable under this subsection shall be paid to the legal guardian of such child or
15 children under the age of ~~((eighteen (18)))~~ 18 years until all of such children have reached the
16 age of ~~((eighteen (18)))~~ 18 years, and shall be for the benefit of such minor children.

17 3. The amount paid to a member's estate, beneficiary or surviving spouse or
18 domestic partner may be reduced by payments made to an alternate payee under a court or
19 department order as contemplated by Section 4.36.~~((295))~~630

20 4. If the member's estate is not being probated, the Board, in its discretion, may as
21 an alternative to making payment to his or her estate, authorize payment to an heir who would
22 inherit if the estate were probated, such as a surviving spouse named under a community
23 property agreement or in the member's will.

1
2 **Section 40.** Section 4.36.280 of the Seattle Municipal Code, last amended by Ordinance
3 78444, is renumbered as Section 4.36.620 and is amended as follows:

4 **4.36.~~((280))~~620 Payments in monthly installments~~((:))~~**

5 A pension, annuity, or a retirement allowance granted under the provisions of this
6 chapter, unless otherwise specified herein, shall be payable in monthly installments, and each
7 installment shall be for the current calendar month.

8
9 **Section 41.** Section 4.36.290 of the Seattle Municipal Code, last amended by Ordinance
10 78444, is renumbered as Section 4.36.625 and is amended as follows:

11 **4.36.~~((290))~~625 Benefits not subject to garnishment or attachment~~((:))~~**

12 The right of a person to a death benefit, pension, an annuity or a retirement allowance, to
13 the return of contributions, the death benefit, pension, annuity or retirement allowance itself, any
14 optional benefit, any other right accrued or accruing to any person under the provisions of this
15 chapter, and the moneys in the fund created under this chapter shall not be subject to execution,
16 garnishment, attachment, or any other process whatsoever, and shall be unassignable except as in
17 this chapter specifically provided.

18
19 **Section 42.** Section 4.36.295 of the Seattle Municipal Code, last amended by Ordinance
20 120114, is renumbered as Section 4.36.630 and is amended as follows:

21 **4.36.~~((295))~~630 Qualified domestic relations orders—Orders of State Department of
22 Social and Health Services to withhold and deliver~~((:))~~**

23 A. Authority. The Director may make payments to:
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1 1. A spouse, former spouse, child, or other dependent of a member as directed in an
2 order of the court that constitutes a qualified domestic relations order under 26 U.S.C. § 414 (p);
3 and/or

4 2. The Washington State Department of Social and Health Services as directed in an
5 order to withhold and deliver under RCW 70.20A.080, each subject to the terms and conditions
6 of this section, and to supplemental requirements that may be adopted by the Director by rule
7 consistent with state and federal law to implement the ordinance codified in this section.

8 The term "order" as used in this section means either or both of the foregoing orders, and
9 the term "alternate payee" means the recipient of payment on account of an order.

10 B. Limitations.

11 1. Any payment to an alternate payee pursuant to an order shall reduce by a like
12 amount the payment of benefits or withdrawal of contributions that would otherwise have been
13 payable to or on account of the member without the order. Payment of an order shall first
14 commence when benefits or a withdrawal of contributions is made to or on account of the
15 member. The amount paid shall not exceed the benefits payable under this chapter and the
16 retirement option selected by the member, or in the case of a withdrawal of accumulated
17 contributions, the amount on deposit to the credit of the member.

18 2. A payment to the alternate payee shall cease if the payment to a member would
19 end on account of his or her death under a retirement option (Sections 4.36.~~((210))~~605 through
20 4.36.~~((260))~~610) or the member's reemployment (Sections 4.36.~~((240))~~655 and 4.36.~~((310))~~635)
21 in the absence of the order. The Director may not, on account of such an order, limit or coerce
22 the decision of an eligible member to accept a disability allowance (Sections 4.36.~~((220))~~645
23 through 4.36.~~((230))~~650) or, if on disability retirement, to return to City employment (Sections
24 4.36.~~((240))~~655 and 4.36.~~((250))~~660), or to convert to a service retirement allowance (Section
25 4.36.~~((240))~~655); to withdraw accumulated contributions or to leave his or her contributions on
26

1 deposit (Section 4.36.~~((190))665~~), or to select a payment option (Sections 4.36.~~((210))605~~
2 through 4.36.~~((260))610~~).

3 C. Formula for Determination.

4 1. If the member is already receiving benefits or has arranged to receive payment at
5 a proximate date, the order must identify the alternate payee and the amount to be paid as:

6 a. A precise sum to be paid in a single payment or in equal monthly installments and
7 the duration of the installment payments; or

8 b. A fixed percentage of the member's "disposable earnings" as defined in RCW
9 74.20A.090 or "disposable benefits" as defined in RCW 41.50.500(2), which are payable under
10 the payment option that the member has selected.

11 2. If the member is not yet receiving benefits or has not arranged to receive payment
12 at a proximate date, the order may also determine the amount payable to an alternate payee by a
13 formula or ratio that becomes complete upon the Director supplying the member's creditable or
14 gross contributions; for example, a ratio that measures the member's creditable service on the
15 date of the order to the member's creditable service at the time of retirement, or the member's
16 contributions at a stated date, or a stipulated amount to the member's total contributions at the
17 time benefits commence, or a withdrawal of accumulated contributions occurs. The City will not
18 increase payments by an interest factor or adjust dollar values by a price index in calculating the
19 payment to an alternate payee.

20 D. Rounding of Numbers. A percentage of disposable benefits or a ratio on a formula
21 must be capable of being expressed as a decimal to no more than three ~~((3))~~ places; fractions
22 extending beyond the third decimal place will be rounded to the nearest number at the third
23 decimal place and the amount of any warrant rounded to the nearest cent.

24 E. Filing of Orders for Future Use. The Director may keep orders on file until such
25 time as the member makes a withdrawal of accumulated contributions or draws benefits. If such
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1 an order is on file as to a member, the Director may delay payment of benefits or of accumulated
2 contributions for up to ~~((thirty (30)))~~ 30 days in order to determine whether or not the order is
3 current and in effect.

4 F. Alternate Payee's Responsibility. An alternate payee has the responsibility of
5 supplying and maintaining with the Director a current mailing address for making payments; if
6 payments are to commence upon occurrence of an event, informing the Director when the event
7 occurs; and in the event of an erroneous overpayment, returning to the City the warrant or check
8 for issuance of another in the correct amount. Warrants or checks returned on account of an
9 incorrect address may be held as unclaimed property.

10
11 **Section 43.** Section 4.36.300 of the Seattle Municipal Code, last amended by Ordinance
12 78444, is renumbered as Section 4.36.560 and is amended as follows:

13 **4.36.~~((300))~~560 Estimate of length of service~~((-))~~**

14 If it shall be impracticable for the Board to determine from the records the length of
15 service, the compensation, or the age of any member, the Board may estimate for the purpose of
16 this chapter, such length of service, compensation or age.

17
18 **Section 44.** Section 4.36.310 of the Seattle Municipal Code, last amended by Ordinance
19 107164, is renumbered as Section 4.36.635 and is amended as follows:

20 **4.36.~~((310))~~635 Retired members who are employed on salary~~((-))~~**

21 ~~((Effective January 1, 1953 a))~~ Annuity payments shall be paid to retired members who
22 are in City service, but all pension payments shall be suspended while such retired members are
23 employed on salary by the City, except as to the amount such pension payments may exceed the
24 salary for the same period; provided, that such pension part of retirement allowances shall not be

1 suspended as to any member who is temporarily employed in City service for periods not to
2 exceed 1040 hours in any one ~~((1))~~ year.

3
4 **Section 45.** Section 4.36.320 of the Seattle Municipal Code, last amended by Ordinance
5 121366, is renumbered as Section 4.36.690 and is amended as follows:

6 **4.36.~~((320))690~~ Death benefits—Payment~~((:))~~**

7 A. Upon proof of the death of a member of the retirement system who has paid all
8 death benefit assessments as hereinafter provided, the sum of ~~((Two Thousand Dollars (\$2,000)))~~
9 \$2,000 as a death benefit shall be paid to such member's surviving spouse or domestic partner or
10 if such deceased member does not have a surviving spouse or domestic partner, or if the
11 surviving spouse prior to the death of such member consented in writing to the naming as
12 hereinafter provided of a different beneficiary or beneficiaries, then to such member's estate or to
13 such person or persons as such member shall have nominated by written designation duly
14 executed and filed with the Board. If the member's estate is not being probated, the Board, in its
15 discretion, may as an alternative to making payment to his or her estate, authorize payment to an
16 heir who would inherit if the estate were probated, such as a surviving spouse named under a
17 community property agreement or in the member's will.

18 B. Any member of the retirement system may elect to continue in the death benefit
19 system and pay the death benefit assessments: provided, that such payment shall not be required
20 of a member retiring for disability until age ~~((sixty (60)))~~ 60, whereupon such member shall be
21 required to pay all death benefit assessments thereafter accruing if he or she desires to continue
22 in the death benefit system. Upon proof of the death of such member, the payment shall be
23 ~~((Two Thousand Dollars (\$2,000)))~~ \$2,000.

1
2 **Section 46.** Section 4.36.330 of the Seattle Municipal Code, last amended by Ordinance
3 121366, is renumbered as Section 4.36.695 and is amended as follows:

4 **4.36.~~((330))695~~ Death benefits—Specifications~~((:))~~**

5 A. All moneys paid into or out of the retirement fund on account of the death benefit
6 system shall be accounted for by double entry separately in the records of the retirement system
7 in such a manner as to reveal currently the amount of money held for payment of death benefits.

8 B. Death benefit assessments shall become due and payable January 1st of each year
9 and collectible by payroll deduction or otherwise as directed by the Board. In order to insure
10 coverage of members laid off or on leave of absence or on family or medical leave under Chapter
11 4.26, the Board is authorized to transfer amounts necessary to pay assessments due from such
12 members from their normal contributions as temporary loans to be repaid by such members on
13 return to City service. Death benefit assessments shall be in such amount as shall be determined
14 by the Board but shall not exceed the sum of ~~((Twelve Dollars (\$12)))~~ \$12 in any calendar year.

15 C. An employee becoming a member of the system during the year shall pay the
16 death benefit assessment fixed for that year if such membership is effective prior to October 1st,
17 which assessment shall be collectible by payroll deduction when the first normal contribution is
18 made. Employees becoming members in October, November and December shall pay only
19 ~~((one-half (1/2)))~~ ½ of that annual assessment.

20 D. The City shall match all death benefit assessments collected from members and
21 such matching payments shall become due and payable immediately following determination of
22 the amount necessary, and should the death benefit system require payments by the City of more
23 than the amount necessary to match an assessment of not to exceed ~~((Twelve Dollars (\$12)))~~
24 \$12, as determined by the Board on advice of its actuary, the same may be made from undivided
25 earnings of the City and the employee in the retirement fund not otherwise obligated. All
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1 payments by the City shall be due and payable annually on January 1st. Assessments collected
2 from retired members shall be matched by funds from departments from which such members
3 retired.

4 E. Membership in the death benefit system shall terminate when any member
5 resigns, quits or is discharged and no refund of any portion of death benefit assessments shall be
6 made by reason thereof. Should the Board determine that a member of the retirement system not
7 in City service was maintaining membership for the sole purpose of possibly receiving
8 retirement benefits in the future, the Board shall deny participation in the death benefit system to
9 such member.

10 F. The Board of Administration shall make all rules and regulations necessary to
11 supplement the death benefit provisions of this chapter.

12
13 **Section 47.** Section 4.36.340 of the Seattle Municipal Code, last amended by Ordinance
14 78444, is renumbered as Section 4.36.700 and is amended as follows:

15 **4.36.~~((340))~~700 Appropriation for administration of retirement system((-))**

16 The City Council shall appropriate annually from the retirement fund the amount it
17 deems necessary for the purpose of paying the expenses of administering the retirement system.
18 The Board of Administration shall annually submit to the City Council its estimate of the amount
19 necessary to pay such expenses.

20
21 **Section 48.** Section 4.36.360 of the Seattle Municipal Code, last amended by Ordinance
22 111992, is renumbered as Section 4.36.705 and is amended as follows:

23 **4.36.~~((360))~~705 Trust fund((-))**

24 A. The retirement fund shall be a trust fund for the exclusive benefit of the members
25 of the City Employees' Retirement System and their beneficiaries. No part of the corpus or
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1 income of the retirement fund shall be used for or diverted to, purposes other than for the
2 exclusive benefit of the members of the system or their beneficiaries and the payment of fees and
3 expenses of maintaining and administering the system.

4 B. This section shall be interpreted to allow the following:

5 1. A return of a contribution to the City or its application as a credit on future
6 contributions, after the Board determines that the City has paid or overpaid the contribution
7 under a mistake of fact;

8 2. The making of refunds required by law; and

9 3. Termination of the retirement system and distribution of its assets after all
10 liabilities with respect to the members of the retirement system and their beneficiaries have been
11 satisfied.

12
13 **Section 49.** Section 4.36.370 of the Seattle Municipal Code, last amended by Ordinance
14 111992, is renumbered as Section 4.36.710 and is amended as follows:

15 **4.36.~~((370))~~710 Status of benefits in event of termination of system((:))**

16 If the City terminates or partially terminates the retirement system, members shall have a
17 nonforfeitable right to benefits accrued prior to the date of such termination or partial
18 terminations to the extent funded as of that date, or the amounts credited to the employees'
19 accounts. As used in this section, "terminate" means to discontinue the system completely
20 without a comparable replacement plan; "partially terminate" means to exclude a segment of
21 employees from coverage without the provision of a comparable replacement; and
22 "nonforfeitable" means that a member's or beneficiary's right to an immediate or deferred benefit
23 that arises from the member's City service is unconditional and legally enforceable against the
24 retirement system to the extent then accrued, except that rights to a benefit based upon the City's

1 contribution and completion of a minimum term of City service may be lost by death of the
2 member before the term has expired.

3
4 **Section 50.** Section 4.36.380 of the Seattle Municipal Code, last amended by Ordinance
5 111992, is renumbered as Section 4.36.640 and is amended as follows:

6 **4.36.~~(380)~~640 Maximum benefits payable~~(-)~~**

7 A. The maximum benefits payable to any member shall not exceed the limitation for
8 defined benefit plans for qualified pension trusts established by 26 U.S.C. § 415, a copy of which
9 is attached hereto as Appendix "A" and by this reference incorporated herein.

10 B. The Board of Administration shall determine this limitation, advise members on
11 inquiry as to its amount, and include a general description of the limitations in its annual report
12 to members.

13
14 **Section 51.** Section 4.36.385 of the Seattle Municipal Code, last amended by Ordinance
15 124392, is renumbered as Section 4.36.715 and is amended as follows:

16 **4.36.~~(385)~~715 Compliance with Internal Revenue Code~~(-)~~**

17 A. In General. This chapter shall be administered in a manner to comply with the
18 applicable requirements of 26 U.S.C. Section 401(a) and the Board is authorized to promulgate
19 rules as it deems necessary to effectuate such compliance.

20 B. Compliance with Code section 401(a)(2) -- Exclusive Benefit. See Section
21 4.36.~~(360)~~705.

22 C. Compliance with Code section 401(a)(9) -- Required Minimum Distributions

23 1. The requirements of this section will take precedence over any inconsistent
24 provisions of this chapter.

1 2. All benefits and distributions required under this section will be determined and
2 paid in accordance with a reasonable and good faith interpretation of the requirements of Code
3 section 401(a)(9) and the regulations thereunder, as applicable to a governmental plan within the
4 meaning of Code section 414(d).

5 3. Distributions to a member and his or her beneficiaries under this section shall
6 only be made in accordance with the incidental death benefit requirements of IRC section
7 401(a)(9)(G) and the Treasury Regulations thereunder.

8 4. The Board will begin distributions of a member's retirement benefits under this
9 chapter no later than the member's "required beginning date." A member's "required beginning
10 date" is the later of the April 1st following the close of the calendar year in which the member
11 leaves City employment or, the April 1st following the close of the calendar year in which the
12 member attains the age of ~~((seventy and one-half (70 1/2)))~~ 70 1/2.

13 5. If the member dies before distributions begin, the member's retirement benefits
14 must begin to be distributed, no later than as follows:

15 i. If the member's surviving spouse is the member's sole designated
16 beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar
17 year immediately following the calendar year in which the member died, or by December 31 of
18 the calendar year in which the member would have attained age 70 1/2, if later.

19 ii. If the member's surviving spouse is not the member's sole designated
20 beneficiary, then distributions to the designated beneficiary will begin by December 31 of the
21 calendar year immediately following the calendar year in which the member died.

22 iii. If there is no designated beneficiary as of September 30 of the year
23 following the year of the member's death, the member's entire interest will be distributed by
24 December 31 of the calendar year containing the fifth anniversary of the member's death.

1 iv. If the member's surviving spouse is the member's sole designated
2 beneficiary and the surviving spouse dies after the member but before distributions to the
3 surviving spouse begin, this subparagraph (rather than ~~((5.4))~~ subparagraph 4.36.715.C.5.i
4 above) will apply as if the surviving spouse were the member. For purposes of this subsection,
5 unless this subparagraph applies, distributions are considered to begin on the member's required
6 beginning date. If this subparagraph applies, distributions are considered to begin on the date
7 distributions are required to begin to the surviving spouse under ~~((5.4))~~ subparagraph
8 4.36.715.C.5.i above. If distributions under an annuity purchased from an insurance company
9 irrevocably commence to the member before the member's required beginning date or to the
10 member's surviving spouse before the date distributions are required to begin to the surviving
11 spouse, the date distributions are considered to begin is the date distributions actually commence.

12 If the member's interest is distributed in the form of an annuity purchased from an
13 insurance company, distributions thereunder will be made in accordance with the requirements
14 of Code section 401(a)(9) and the Treasury Regulations thereunder.

15 D. Compliance with Code section 401(a)(17) -- Compensation Limit. The compensation
16 limit is addressed under the definition of "Compensation" in Section 4.36.040.

17 E. Compliance with Code section 401(a)(31) -- Eligible Rollover Distributions. See
18 Section 4.36.~~((193))~~670.

19 F. Compliance with Code section 414(p) -- Qualified Domestic Relations Orders
20 (QDRO). The treatment of QDROs under this chapter is described under Section
21 4.36.~~((295))~~630.

22 G. Compliance with Code section 415. See subsection 4.36.~~((380))~~640.A.

23 H. Compliance with the Uniformed Services Employment and Reemployment Rights Act
24 of 1994 (USERRA) and the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART)

1 1. HEART Act Death Benefits. In the case of a death occurring on or after
2 January 1, 2007, if a member dies while performing qualified military service (as defined in
3 Code section 414(u)(5), the member's beneficiary is entitled to any additional benefits (other
4 than benefit accruals relating to the period of qualified military service) provided under this
5 chapter as if the member had resumed employment and then terminated employment on account
6 of death. Moreover, the member's qualified military service will count as service for vesting
7 purposes, as though the member had resumed employment under USERRA immediately prior to
8 the member's death.

9 2. Effective January 1, 2009, to the extent required by Code sections 414(u)(12)
10 and 3401(h), any member receiving a differential wage payment (as defined under Code section
11 3401(h)(2)) from an employer will be treated as employed by that employer, and the differential
12 wage payment will be treated as compensation for purposes of applying the limits on annual
13 additions under Code section 415(c). This provision shall be applied to all similarly situated
14 individuals in a reasonably equivalent manner.

15
16 **Section 52.** Section 4.36.400 of the Seattle Municipal Code, last amended by Ordinance
17 121365, is renumbered as Section 4.36.590 and is amended as follows:

18 **4.36.~~((400))590 Election to participate in RCW Chapter 41.54((~~(-)~~)~~**

19 A. As authorized by RCW 41.54.061, the City irrevocably elects to participate in the
20 portability of public retirement systems as contemplated by RCW Chapter 41.54, and to pay for
21 the additional cost it may incur as a result of the benefits provided.

22 B. The eligibility of members for the portability of public retirements benefits, the
23 benefits available thereunder, the limitations (including RCW 41.54.080), and the procedures
24 shall be as set out in RCW Chapter 41.54. A member may aggregate service credit in two ~~((2))~~
25 or more retirement systems for the purpose of determining the percentage factor to be used in
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1 calculating a service retirement allowance pursuant to ~~((Subsection))~~ subsection
2 4.36.~~((210))~~605.B.

3 C. Beginning January 1, 2003, a dual member, as defined at RCW 41.54.010(4), who
4 has failed to restore creditable service pursuant to RCW 41.54.020(2), or to redeposit during the
5 period of December 1, 2001 through December 31, 2002 as provided in Section 9 of Ordinance
6 120684, may redeposit in the retirement fund an amount equal to that which he or she previously
7 withdrew therefrom plus compound interest as determined by the Board. The terms and
8 conditions of purchase shall be in accordance with the provisions of ~~((Subsection))~~ subsection
9 4.36.~~((190))~~567.B~~((2))~~.

10
11 **Section 53.** Section 4.36.410 of the Seattle Municipal Code, last amended by Ordinance
12 123871, is renumbered as Section 4.36.720 and is amended as follows:

13 **4.36.~~((410))~~720 Administration of chapter—Construction—Severability**

14 A. The retirement plan created by this chapter shall be administered so as to comply
15 with the federal Internal Revenue Code, Title 26 U.S.C., where applicable, and specifically with
16 plan qualification requirements imposed on governmental plans by Section 401(a) of the Internal
17 Revenue Code.

18 B. Any section or provision of this chapter which may be susceptible to more than
19 one construction shall be interpreted in favor of the construction most likely to satisfy
20 requirements imposed on governmental plans by Section 401(a) of the Internal Revenue Code.

21 C. If any section or provision of this chapter is found to be in conflict with the plan
22 qualification requirements for governmental plans in Section 401(a) of the Internal Revenue
23 Code, the conflicting part of this chapter is hereby inoperative solely to the extent of the conflict,
24 and such finding shall not affect the operation of the remainder of this chapter.

1 ~~((D. This Chapter 4.36 shall not be construed or applied to provide membership~~
2 ~~eligibility to an officer or employee of a City contractor, whether or not the contractor is~~
3 ~~providing mandatory or discretionary governmental services, and whether or not the contractor is~~
4 ~~a for profit or non-profit entity.))~~

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1 **Section 54.** A new Section 4.36.900 is added to the Seattle Municipal Code as follows:

2 **4.36.900 Outdated provisions**

3 The following provisions no longer apply to current or possible future members of the
4 system, or involve benefits already conferred on existing members. These provisions remain in
5 effect only to the extent necessary to determine already conferred benefits and for purposes of
6 compliance with requirements of the Internal Revenue Code. None of these provisions is
7 effective with respect to current or future members of the retirement system as of the effective
8 date of this Ordinance, introduced as Council Bill _____. References to enacting and amending
9 ordinances follow each provision.

10 A. Former subsection 4.36.103.E which reads as follows:

11 “Coverage and Exclusions. This section extends to workers in active City service
12 on or after January 1, 1989. Workers in active City service in temporary, interim,
13 intermittent, and part-time positions of less than twenty (20) hours per week, who have
14 exceeded the hours in Section 4.36.103 A3 on the effective date of Ordinance 114592
15 shall have six (6) months thereafter to acquire service credit for prior service in such
16 positions. This section and Section 4.36.195 provide the exclusive methods for
17 temporary, interim, intermittent, provisional workers or workers in part-time positions of
18 less than twenty (20) hours per week over a one (1) year period to become members of
19 the retirement system.”

20 (Ord. 123361, § 96, 2010; Ord. 121595 § 1, 2004; Ord. 120794 § 63, 2002; Ord. 120114
21 § 10, 2000; Ord. 116368 § 9, 1992; Ord. 113309 § 1, 1987; Ord. 111493 §§ 1-3, 1983;
22 Ord. 111136 § 1, 1983; Ord. 111135 § 1, 1983; Ord. 107312 § 1, 1978; Ord. 101794 § 1,
23 1973; Ord. 101738 § 1, 1973; Ord. 100877 § 1, 1972; Ord. 98861 § 1, 1970; Ord. 98163
24 § 1, 1969; Ord. 83534 § 2, 1954; Ord. 78444 § 9, 1949.)

1 B. That portion of former Section 4.36.100 and subsection 4.36.110.A which reads
2 as follows:

3 “Officers and employees of the City (except those excluded by subsection H of
4 this section) and of the Seattle Public Library shall become members of the retirement
5 system upon completion of six (6) months' continuous service, as follows, except that six
6 (6) months' continuous service shall not be required for officers and employees to whom
7 subsection L of this section applies:

8 A. Mandatory Membership. Every officer or employee of the City and of the
9 Seattle Public Library, who enters City service on or after June 21, 1986, shall become a
10 member of the retirement system upon completion of six (6) months' continuous service,
11 except:

12 1. Elective officials exempt under subsection D of this section;

13 2. Individuals with a statutory right to continuation of their membership in a
14 Washington State or federal government retirement system under subsection E of this
15 section;

16 3. Certain officers in positions exempt from civil service under subsections C
17 and F of this section;

18 4. Employees who are excluded under subsection H4 of this section; and

19 5. Temporary, interim, intermittent, provisional and part-time workers under
20 Sections 4.36.103 and 4.36.195.”

21 (Ord. 121365 § 1, 2003; Ord. 120684 § 2, 2001; Ord. 119291 § 1, 1998; Ord. 117018 § 1,
22 1994; Ord. 114592 § 1, 1989; Ord. 112833 § 1, 1986; Ord. 107164 § 1, 1978; Ord.
23 106588 § 1, 1977; Ord. 104382 § 1, 1975; Ord. 100918 § 1, 1972; Ord. 98597 § 1, 1970;
24 Ord. 81727 § 1, 1953; Ord. 81521 § 2, 1952; Ord. 78444 § 4, 1949.)

25 C. Subsection 4.36.100.C, which reads as follows:
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1 “1986 Nonmembers. An officer or employee with six (6) months' continuous City
2 service, who on June 21, 1986, held an appointive position exempt from the classified
3 civil service (1) could elect to join or rejoin the retirement system by completing and
4 filing an election form with the Board of Administration on or before December 31,
5 1986, ("Option (1)"), or (2) after the effective date of this ordinance may elect to join or
6 rejoin the retirement system as authorized by subsection E of Section 4.36.535 ("Option
7 (2)"). Option (1) also extended to officers and employees, who held such position before
8 June 21, 1986, and on or before December 31, 1986, with respect to such a position (a)
9 were recalled from a layoff status; (b) returned from an approved leave; or (c) completed
10 six (6) months' continuous City service. An officer or employee within Option (1) could,
11 on or before December 31, 1986, contract for credit for "prior service" (creditable service
12 before December 31, 1986) in the retirement system in accord with subsection A of
13 Section 4.36.567.”

14 (Ord. 121365 § 1, 2003; Ord. 120684 § 2, 2001; Ord. 119291 § 1, 1998; Ord. 117018 § 1,
15 1994; Ord. 114592 § 1, 1989; Ord. 112833 § 1, 1986; Ord. 107164 § 1, 1978; Ord.
16 106588 § 1, 1977; Ord. 104382 § 1, 1975; Ord. 100918 § 1, 1972; Ord. 98597 § 1, 1970;
17 Ord. 81727 § 1, 1953; Ord. 81521 § 2, 1952; Ord. 78444 § 4, 1949.)

18 D. Subsection 4.36.120.D, which reads as follows:

19 “A member of the City Employees' Retirement System who has entered into an
20 irrevocable separation incentive agreement with the City pursuant to the terms of the
21 ordinances introduced as Council Bills 114257, 114258, or 114313 may purchase up to
22 four (4) years of service credit from the Retirement System. To acquire such service
23 credit:

24 1. The member shall, within fourteen (14) days of payment of the net
25 proceeds of the separation incentive payment, pay a lump sum into the retirement fund
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1 representing the employee's and the employer's contributions otherwise required to
2 receive such service credit pursuant to Seattle Municipal Code Chapter 4.36; and

3 2. The member may include in this lump sum additional personal resources
4 to the extent permitted by law in order to purchase the full four (4) years of service credit.
5 Direct transfers and other rollovers of funds from other retirement plans under Municipal
6 Code Section 4.36.585 must be made prior to the member's separation from City
7 employment.”

8 (Ord. 123871, § 8, 2012; Ord. 120922 § 4, 2002; Ord. 120891 § 1, 2002; Ord. 117241 §
9 1, 1994; Ord. 113847 § 2, 1988; Ord. 104912 § 1, 1975; Ord. 104244 § 1, 1975; Ord.
10 104156 § 2, 1974; Ord. 101615 § 1, 1972; Ord. 79798 § 1, 1951; Ord. 78444 § 6, 1949.)

11 E. Subsection 4.36.150, which reads as follows:

12 **“1975 Increase in existing retirement allowances.**

13 “The monthly benefits of all members retired for service or disability prior to
14 January 1, 1974, and the monthly benefits payable to any person as the result of the death
15 of any member who was retired for service or disability prior to January 1, 1974, shall be
16 increased as of January 1, 1975, by the percentage indicated in the following table
17 opposite the year of retirement of the member upon whose service such benefits are
18 based:

Year of retirement	Percentage increase of monthly benefit payable immediately prior to January 1, 1975
1973	1 percent
1972	2
1971	3

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1970	5
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1967	11
1966	13
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1960	25
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1953	39
1952	41
1951	43

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1950	45
1949	47
1948	49
1947	51
1946	53
1945	55
1944	57
1943	59
1942	61
1941	63
1940	65
1939	67
1938	69
1937	71
1936	73
1935	75
1934	77
1933	79
1932	81
1931	83

Erik Sund
RET, SMC Clean-up ORD
September 10, 2014
Version #8

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1930	85
1929	87

1 Provided, that the increases herein shall not be applicable to persons receiving
2 benefits as the result of the death of a member who elected "Option B" as provided in
3 Section 4.36.610. The increases provided herein shall be paid from available retirement
4 system funds or from contributions of the City. Nothing in this subsection shall affect the
5 amount of any bonus dividend declared pursuant to Section 4.36.155¹, nor shall any such
6 bonus dividend be considered as a part of monthly benefits for the purpose of computing
7 the percentage increases authorized in this subsection.

8 ¹4.36.155 was repealed by Ord. 120656.”

9 (Ord. 120358 § 2, 2001.)

10 F. Subsection 4.36.191. B. C and D, which read as follows:

11 **“One year window for purchase of creditable service for initial six months of City**
12 **service for employees hired during 1988 through 1998 period**

13 1. During a window period of one (1) year, beginning on the effective date of this
14 section, employees who were hired during the period 1988 through 1998 who have not
15 purchased creditable service for the initial six (6) months of City employment may
16 purchase said creditable service by paying the purchase price, as determined by the
17 Board, into the retirement fund, or signing a creditable service purchase contract pursuant
18 to Subsection 4.36.567 C and filing it with the Retirement Board. The creditable service
19 may be purchased based on the following price formula:

20 Current City Employees

21 (current hourly rate) × (current member contribution rate) × (amount of hours to
22 be purchased).

23 Former City Employees

1 (final hourly rate as determined by the Board and adjusted for inflation) ×
2 (contribution rate in effect for new members as of effective date of Section 4.36.570) ×
3 (amount of hours to be purchased).

4 2. Purchases by former city employees made pursuant to Subsection
5 4.36.900 F.1 must be paid in full by lump sum payment by the end of the window period
6 established in said subsection or the date of retirement, whichever occurs first.

7 3. City Matching Contributions under Subsection 4.36.900 F.1. As matching
8 contributions pursuant to Subsection 4.36.540 A, each year the employing department
9 shall pay into the retirement fund the matching amount equivalent to any member lump
10 sum payment made pursuant to this section or, if a member purchased pursuant to a
11 contract under Subsection 4.36.567 C, the member's current year buy back payments all
12 as billed by the Retirement office.”

13 (Ord. 121365 § 6, 2003; Ord. 120684 § 6, 2001.)

14 G. Subsection 4.36.196, which reads as follows:

15 **“Special option for purchase of creditable service by employees of the Seattle**
16 **Firefighter's Pension Fund hired prior to January 1, 2007.**

17 1. An officer or employee of the Seattle Firefighter's Pension Fund who was
18 hired as an employee or officer thereof on or before the effective date of this Ordinance
19 and who thereafter becomes and continues his or her service as an employee of the City
20 may elect to join the City's retirement system and contract to purchase credit for prior
21 service performed for the Seattle Firefighter's Pension Board by completing and filing an
22 election form with the Board, and paying the purchase price, as determined by the Board,
23 into the retirement fund on or before thirty days after the effective date of this ordinance.
24 The creditable service may be purchased based on the following price formula:

1 (hourly rate) × (current member contribution rate (8.03% × (amount of hours to be
2 purchased) × (interest factor as calculated below).

3 Creditable service shall be based on the employee's or officer's actual hours and
4 salary in the period of time going back no more that 10 years from the effective date of
5 this ordinance. The interest factor applied to the purchase price will be determined by
6 approximating the net investment returns of the retirement fund that occurred during the
7 period of time that relates to the buyback, with a minimum interest factor no less than the
8 actuarially assumed rate of investment return for the same periods. The purchase price
9 shall be calculated using an annualized interest rate, compounded bi-weekly.

10 Notwithstanding the above purchase price interest factor, the amount credited to the
11 individual member accounts will be calculated by applying an interest rate 5.75% to
12 approximate what the creditable amount would have been had the individual been a
13 contributing member of the retirement system all along. Only the amount credited to the
14 individual member accounts will be included in any benefit calculation or any future
15 withdrawal.

16 2. An officer or employee subject to this section who fails to exercise his or
17 her option under this subsection on or before thirty days after the effective date of this
18 ordinance, may not thereafter purchase such credit provided, however, that nothing in this
19 section shall affect such an officer or employee's right to elect to join the retirement
20 system or to purchase creditable service earned subsequent to the effective date of this
21 ordinance or at any time thereafter in the manner provided under Section 4.36.525 E of
22 the Seattle Municipal Code.

23 3. The Seattle Firefighter's Pension Fund shall pay into the retirement fund
24 the matching amount equivalent to any member lump sum payment made pursuant to this
25 Section.”
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1 (Ord. 122591, § 4, 2007.)

2 H. Subsection 4.36.230.B, which reads as follows:

3 "The disability allowances of all members retired for disability prior to January 1,
4 1971, shall on January 1, 1971, be increased by Twenty Dollars (\$20) per month over the
5 monthly benefit payable immediately prior to January 1, 1971, but no such pension of
6 members retired for disability shall be less than One Hundred Forty Dollars (\$140) per
7 month as of such date. Nothing in this subsection shall affect the amount of any bonus
8 dividend declared pursuant to Section 4.36.900 E. Such increases shall be paid from
9 available retirement system funds or from contributions of the City; provided, that such
10 increases shall not be applicable to persons retired for disability on and after September
11 1, 1970 and on and before December 31, 1970 who pursuant to Ordinance 99271 select
12 benefits applicable to persons who retire on and after January 1, 1971."

13 (Ord. 124082, § 1, 2012; Ord. 121366 § 5, 2003; Ord. 119707 § 6, 1999; Ord. 116802 §
14 2, 1993; Ord. 116069 § 2, 1992; Ord. 107228 § 2, 1978; Ord. 100792 § 4, 1972; Ord.
15 99566 §§ 8, 9, 1970; Ord. 95183 §§ 2, 3, 1966; Ord. 88897 § 3, 1960; Ord. 83534 § 4,
16 1954; Ord. 81521 § 1(part), 1952; Ord. 79403 § 4, 1950; Ord. 78444 § 16, 1949.)

17 I. A provision erroneously numbered as Section 4.36.192 in Ordinance 120684 which
18 reads as follows:

19 **"Purchase of creditable service by past employees.**

20 A. This Section allows members who are City employees on December 1, 2001,
21 to purchase creditable service after termination of City employment.

22 B. The creditable service purchase provisions established by Council Bill
23 113988, Ordinance 120684, shall be available to said employees until December 31, 2002
24 except for the purchase provisions of Section 4.36.191(B) which shall be available to said
25 employees during the entire window period described therein.

1 C. Creditable service purchased pursuant to this Section must be paid in full by
2 lump sum payment by the earlier of December 31, 2002, or by the date of retirement
3 except purchases made pursuant to 4.36.191(B). Purchases made pursuant to 4.36.191(B)
4 must be paid in full by lump sum payment by the end of the window period established in
5 said subsection or the date of retirement, whichever occurs first.”

6
7 **Section 55.** Section 4.20.610 of the Seattle Municipal Code, last amended by Ordinance
8 111992, is amended as follows:

9 **4.20.610 Contributions to City Employees' Retirement System—Adjustment for**
10 **federal income tax purposes((-))**

11 A. The City hereby elects to extend to members of the City Employees' Retirement
12 System the tax deferral benefits allowed by 26 U.S.C. § 414(h) and Chapter 27, Laws of 1984.
13 For such purposes, the City will pay the member's contributions to the City Employees'
14 Retirement System contemplated by ((SMC)) Section 4.36.((140))540 for pay warrant dates
15 commencing on or after January 1, 1985, and will reduce the member's wages or salary by the
16 amount of the City's contribution so paid. The City contribution made under this section, plus
17 accumulated interest, shall be paid to a member upon the withdrawal of the member's
18 documented contributions pursuant to ((SMC)) Section 4.36.((190))665.

19 B. An employee's wage or salary for purposes of the Federal Insurance Contributions
20 Act (social security tax), for purposes of workers' compensation, and for all purposes other than
21 federal income taxation shall be computed as if the foregoing contribution and corresponding
22 reduction in a member's wage or salary had not been made.

23 C. The City reserves the right to discontinue this arrangement for a City contribution and
24 corresponding wage or salary reduction at any time as to compensation earned afterwards. No
25 affected member shall have any contract right to compel the City to continue the arrangement
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1 should the City decide to pay the member his or her full salary or wage and then require that the
2 member pay to the City Employees' Retirement System the member's contribution contemplated
3 by ((SMC)) Section 4.36.((110))540.

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6 **Section 56.** This ordinance shall take effect and be in force 30 days after its approval by
7 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
8 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

9 Passed by the City Council the ____ day of _____, 2014, and
10 signed by me in open session in authentication of its passage this
11 ____ day of _____, 2014.

12
13 _____
14 President _____ of the City Council

15
16 Approved by me this ____ day of _____, 2014.

17
18 _____
19 Edward B. Murray, Mayor

20
21 Filed by me this ____ day of _____, 2014.

22
23 _____
24 Monica Martinez Simmons, City Clerk

25 (Seal)

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Retirement	Tim Morrison/684-0117	Jessica Wang/615-1759

Legislation Title:

AN ORDINANCE relating to the Seattle City Employees' Retirement System; removing outdated and redundant language; re-ordering and renumbering sections; correcting Code Section cross-references in accordance therewith; amending Sections 4.36.030, 4.36.040, 4.36.050, 4.36.060, 4.36.100, 4.36.101, 4.36.103, 4.36.106, 4.36.110, 4.36.120, 4.36.124, 4.36.125, 4.36.130, 4.36.135, 4.36.140, 4.36.145, 4.36.160, 4.36.170, 4.36.180, 4.36.185, 4.36.190, 4.36.191, 4.36.192, 4.36.193, 4.36.195, 4.36.200, 4.36.210, 4.36.215, 4.36.220, 4.36.230, 4.36.240, 4.36.250, 4.36.260, 4.36.270, 4.36.280, 4.36.290, 4.36.295, 4.36.300, 4.36.310, 4.36.320, 4.36.330, 4.36.340, 4.36.360, 4.36.370, 4.36.380, 4.36.385, 4.36.400, 4.36.410 and 4.20.610 of the Seattle Municipal Code; creating new Sections 4.36.525, 4.36.585, 4.36.530, 4.36.535, 4.36.540, 4.36.565, 4.36.580, 4.36.555, 4.36.500, 4.36.520, 4.36.505, 4.36.510, 4.36.515, 4.36.545, 4.36.550, 4.36.595, 4.36.665, 4.36.567, 4.36.570, 4.36.675, 4.36.670, 4.36.575, 4.36.600, 4.36.605, 4.36.615, 4.36.645, 4.36.650, 4.36.655, 4.36.660, 4.36.610, 4.36.680, 4.36.620, 4.36.625, 4.36.630, 4.36.560, 4.36.635, 4.36.690, 4.36.695, 4.36.700, 4.36.705, 4.36.710, 4.36.640, 4.36.715, 4.36.590, 4.36.720 and 4.36.900 of the Seattle Municipal Code; and repealing Sections 4.36.150, 4.36.175, 4.36.196 and 4.36.199 of the Seattle Municipal Code.

Summary of the Legislation:

The ordinance removes language in the code that no longer applies to retirement system members. The sections will be re-ordered so that language related to the same topic appears together. Redundant language will be removed.

The changes will have no effect on the benefits to which current and future members are entitled

Background:

Over time sections and language in Chapter 4.36 of the Municipal Code have become outdated or no longer relevant. In addition, information pertaining to certain topics – for example the purchase of creditable service – is located in different parts of the chapter, making it difficult to obtain complete information from the code.

The changes in the ordinance will make it easier to use the code to determine the rules of the retirement system, while not changing the content of these rules.

Please check one of the following:

This legislation does not have any financial implications.

(Please skip to "Other Implications" section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete the instructions provided in parentheses at the end of each question.)

— This legislation has financial implications.

(If the legislation has direct fiscal impacts (e.g., appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" Section. Please delete the instructions provided in parentheses at the end of each title and question.)

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
No
- b) **What is the financial cost of not implementing the legislation?**
None
- c) **Does this legislation affect any departments besides the originating department?**
The legislation will be of help to retirement system members and to the HR staff that support them, in that it will remove outdated language and create a clearer presentation of plan rules.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
The objective of the ordinance is to simplify and clarify the presentation of the retirement system rules in the Seattle Municipal Code. This cannot be done without an ordinance
- e) **Is a public hearing required for this legislation?**
No
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No
- g) **Does this legislation affect a piece of property?**
No
- h) **Other Issues:**
None

List attachments to the fiscal note below:

No attachments