

## **Chapter 1.30**

### **RETIREMENT AND PENSIONS<sup>1</sup>**

Sections:

- 1.30.010 Purpose.
- 1.30.020 Definitions – Introductory.
- 1.30.030 Retirement System defined.
- 1.30.040 Employee defined.
- 1.30.050 Member/Member Public Agency defined.
- 1.30.055 Spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family defined.
- 1.30.060 City defined.
- 1.30.070 Board defined.
- 1.30.080 Retirement Fund defined.
- 1.30.090 City Service defined.
- 1.30.100 Prior service defined.
- 1.30.110 Continuous service defined.
- 1.30.115 Voluntary separation and involuntary separation defined.
- 1.30.120 Beneficiary defined.
- 1.30.130 Compensation defined.
- 1.30.140 Internal Revenue Code defined.
- 1.30.150 Average final compensation defined.
- 1.30.160 Normal contribution defined.
- 1.30.170 Additional contributions defined.
- 1.30.180 Regular interest defined.
- 1.30.190 Accumulated normal contributions defined.
- 1.30.200 Accumulated additional contributions defined.
- 1.30.210 Accumulated contributions defined.
- 1.30.215 *Repealed.*
- 1.30.220 Pension defined.
- 1.30.230 Annuity defined.
- 1.30.240 Retirement allowance defined.
- 1.30.250 Fiscal year defined.
- 1.30.260 Creditable and membership service defined.
- 1.30.270 Full year's employment defined.
- 1.30.275 Disability defined.
- 1.30.280 Prior system continued.
- 1.30.290 Membership in Retirement System.
- 1.30.295 Business agents – Reserving rights.
- 1.30.296 City employees – Joint City-County Law Enforcement Support Agency.
- 1.30.300 Exclusion from membership.
- 1.30.310 Notice of change in status.
- 1.30.330 Withdrawal of contributions.
- 1.30.340 Contributions – Normal rates.
- 1.30.350 Contributions – Deductions.
- 1.30.360 Contributions – City's share.
- 1.30.365 Contributions by Belt Line for prior and membership service.
- 1.30.370 Contributions – Additional permitted before November 2010.
- 1.30.380 Allowance for service – Credit for military service.
- 1.30.390 Allowance for service – Credit for prior service.
- 1.30.400 Administration vested in Board – Duties.
- 1.30.410 Duty to keep actuarial valuation of Fund.

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<sup>1</sup> Similar statute – See RCW Chapter 41.28 and RCW Sections 41.04.040 – 41.04.110.

- 1.30.420 Report of actuarial investigation to Council.
- 1.30.430 Duty to keep accounts and records.
- 1.30.440 Report showing financial condition.
- 1.30.450 Right to make changes.
- 1.30.460 Creation of Fund.
- 1.30.470 Creation of Board of Administration.
- 1.30.480 Board – Officers.
- 1.30.490 Investment of Retirement Fund.
- 1.30.500 Deposit of Retirement Fund.
- 1.30.510 Custody of Fund.
- 1.30.520 Pecuniary interest in Fund prohibited.
- 1.30.530 City's liability.
- 1.30.540 Payments by City.
- 1.30.550 Refund of contributions/Service credit buybacks.
- 1.30.560 Retention of service credits.
- 1.30.570 Service retirement.
- 1.30.580 Allowance on service retirement.
- 1.30.585 Special early retirement window benefit.
- 1.30.586 Increase for retired members.
- 1.30.600 Deferred retirement.
- 1.30.620 Additional annuity – Waiver of allowance.
- 1.30.630 Disability retirement – Authorization.
- 1.30.640 Disability retirement – Allowance.
- 1.30.650 Disability retirement – Safeguards.
- 1.30.660 Optional allowances on retirement.
- 1.30.662 Modification to coordinate member's retirement allowance with benefits receivable from federal system.
- 1.30.665 Cost of living increase.
- 1.30.667 Health insurance.
- 1.30.670 Death of member – Effect.
- 1.30.680 Retirement allowance payable monthly.
- 1.30.690 Exemption from process.
- 1.30.700 Incomplete records – Pension based on estimates.
- 1.30.710 Suspension of payments – Receipt of other compensation.
- 1.30.720 Appropriation for administration of system.
- 1.30.730 Federal O.A.S.I. – No reduction in contributions.
- 1.30.740 Federal O.A.S.I. – Minimum allowance.
- 1.30.750 Federal O.A.S.I. – Increase in benefits.
- 1.30.760 Federal O.A.S.I. – Benefits computed on funds actually received.
- 1.30.770 Federal O.A.S.I. – Agreement – Referendum.
- 1.30.780 Federal O.A.S.I. – Funds.
- 1.30.790 Federal O.A.S.I. – Duties of Director of Finance.
- 1.30.800 Federal O.A.S.I. – Effective date.
- 1.30.810 Federal O.A.S.I. – Director of Finance to be certifying officer.
- 1.30.820 Federal O.A.S.I. – Contributions – Fund.
- 1.30.830 Contributions to Tacoma Employees' Retirement System – Adjustment for federal income tax purposes.
- 1.30.840 Trust fund.
- 1.30.850 Status of benefits in event of termination of system.
- 1.30.860 Compliance with applicable provisions of the Internal Revenue Code by regulations of the Board of Administration.
- 1.30.870 Severability.
- 1.30.880 Agreement for portability of retirement benefits – Terms.
- 1.30.890 Agreements for portability of retirement benefits with the State of Washington.

### **1.30.010 Purpose.**

The purpose of this chapter is to continue the retirement and pension system for officers and employees, as authorized by Section 6.10 of the City Charter. The administration of the Retirement System is vested in the Board of Administration and delegated to the Retirement System Director as set forth in Section 1.30.400. (Ord. 25955 § 1; passed Sept. 24, 1996: Ord. 25158 § 1; passed Aug. 25, 1992: Ord. 14925; passed Nov. 9, 1953: Ord. 14039 § 1; passed Dec. 6, 1950)

**1.30.020 Definitions – Introductory.**

Unless a different meaning is plainly required by the context, the following words and phrases as hereinafter used in this chapter shall have the following meanings. (Ord. 14925; passed Nov. 9, 1953; Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.030 Retirement System defined.**

"Retirement System" means "Tacoma Employees' Retirement System," provided for in Section 1.30.280 of this chapter. (Ord. 27886 Ex. B; passed May 4, 2010; Ord. 14925; passed Nov. 9, 1953; Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.040 Employee defined.**

"Employee" means any personnel, including officers, employed in classified or unclassified City Service of the City of Tacoma, a Member Public Agency and other officers and employees of the City eligible to membership in the Retirement System, pursuant to State law. "Employee" includes full-time, part-time, special project or temporary employees; provided, that no employee shall be a member of the Retirement System except as set forth in this chapter. (Ord. 25955 § 2; passed Sept. 24, 1996; Ord. 14925; passed Nov. 9, 1953; Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.050 Member/Member Public Agency defined.**

A. "Member" means any person included in the membership of the Retirement System as provided in Sections 1.30.290 through 1.30.330 of this chapter.

B. "Member Public Agency" means the Tacoma Public Library, Tacoma-Pierce County Health Department, Pierce Transit and the Law Enforcement Support Agency. (Ord. 25955 § 3; passed Sept. 24, 1996; Ord. 14925; passed Nov. 9, 1953; Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.055 Spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family defined.**

For the purposes of this chapter, effective May 1, 2012, the terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family shall be interpreted as applying equally to Washington state registered domestic partnerships or individuals in Washington state registered domestic partnerships as well as to marital relationships and married persons, and references to dissolution of marriage shall apply equally to Washington state registered domestic partnerships that have been terminated, dissolved, or invalidated, to the extent that such interpretation does not conflict with federal law. (Ord. 28061 Ex. A; passed Apr. 3, 2012)

**1.30.060 City defined.**

"City" means the City of Tacoma and the Member Public Agencies for purposes of this chapter only; provided, that, when the term "City of Tacoma" is used hereafter in this chapter, it applies exclusively to the City of Tacoma. (Ord. 25955 § 4; passed Sept. 24, 1996; Ord. 14925; passed Nov. 9, 1953; Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.070 Board defined.**

"Board" means "Board of Administration" as provided in Sections 1.30.470 through 1.30.520 of this chapter. (Ord. 14925; passed Nov. 9, 1953; Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.080 Retirement Fund defined.**

"Retirement Fund" means "Employees' Retirement Fund" as created and established in Section 1.30.460 of this chapter. (Ord. 27886 Ex. B; passed May 4, 2010; Ord. 14925; passed Nov. 9, 1953; Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.090 City Service defined.**

"City Service" means service rendered to the City or for a Member Public Agency for compensation and, for the purpose of this chapter, a member shall be considered as being in the "City Service," only while he or she is receiving compensation from the City for such service. Reimbursement or provision for expenses incurred as a member of a City Board or Commission as a volunteer, or otherwise does not constitute "compensation." (Ord. 25955 § 5; passed Sept. 24, 1996; Ord. 14925; passed Nov. 9, 1953; Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.100 Prior service defined.**

"Prior service" means the service of a member for compensation rendered to the City prior to January 1, 1941, and shall also include military or naval service of a member and a member's service as an elective official to the extent specified in Sections 1.30.380 through 1.30.390. (Ord. 14925; passed Nov. 9, 1953; Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.110 Continuous service defined.**

"Continuous service" means uninterrupted employment by the City, including intermittent employment, except that discontinuance of City Service of a member caused by layoff, leave of absence, suspension or dismissal, followed by

reentrance into City Service within one year, shall not count as a break in the continuity of service. (Ord. 25955 § 6; passed Sept. 24, 1996: Ord. 17014 § 1; passed Mar. 20, 1962)

### **1.30.115 Voluntary separation and involuntary separation defined.**

Within this chapter, "voluntary separation" means and includes any termination or interruption of a member's employment with the City under Sections 1.24.890 and 1.24.940.

"Involuntary separation" means and includes any termination or interruption of any member's employment with the City other than through resignation under Section 1.24.890 or dismissal under Section 1.24.940. (Ord. 25955 § 7; passed Sept. 24, 1996: Ord. 16045 § 1; passed Feb. 3, 1958)

### **1.30.120 Beneficiary defined.**

"Beneficiary" means any persons in receipt of a pension, annuity, retirement allowance, disability allowance or any other benefit provided in this chapter, including any person in receipt of a retirement allowance or other benefit provided from this chapter resulting from City Service rendered by another person. Beneficiary may also mean such person or persons, trust, or organization as the member shall have nominated by written designation duly executed and filed with the Board of Administration; or if there be no such designated person or persons still living at the time of the member's death, then the surviving spouse; or if there be neither such designated person or persons still living at the time of the death nor a surviving spouse, then the member's estate. A surviving spouse is the spouse that exists at the time of death. A previously designated spousal beneficiary will be invalidated upon divorce. (Ord. 28091; passed Oct. 9, 2012: Ord. 14925; passed Nov. 9, 1953: Ord. 14039 § 2; passed Dec. 6, 1950.)

### **1.30.130 Compensation defined.**

A. "Compensation" means the regular monthly salary provided in the Compensation Plan of the City for such member. It shall not be reduced by salary reduction contributions to (i) the City's Cafeteria Plan under Section 125 of the Internal Revenue Code, (ii) the City's Eligible Deferred Compensation Plan under Internal Revenue Code Section 457 (or City contributions in lieu of thereof), (iii) effective December 21, 2004, the Post-Employment Health Savings Plan established by the City pursuant to TMC 1.12.116.C, or (iv) effective January 1, 2001, any qualified transportation fringe benefit plan under Internal Revenue Code Section 132(f)(4), but shall be reduced by contributions under Internal Revenue Code Section 457(f), contributions to such Plan as may be established by the City pursuant to TMC 1.12.116.B, and permissible cash-out payments of accrued Personal Time Off as provided for in TMC 1.12.248.B.5. It includes compensation for emergency appointments when a member has a current civil service appointment in another class other than that for which he or she is being paid. It also includes donated sick leave received and personal time taken, pursuant to Section 1.12.248 of the Tacoma Municipal Code, and earnings on overtime worked through December 31, 1999. It does not include earnings on overtime worked on or after January 1, 2000, Training Pay, Standby Pay, Night Premium, Lunch Premium, Travel Time Pay, Accident Report Pay, Penalty Pay, Student Instruction Pay, or Holiday Pay which result in the member contributing on over 2,080 hours annually, and corresponding categories of pay defined by a Member Public Agency's compensation plan and/or personnel rules. Effective January 1, 2009, it does not include amounts paid pursuant to TMC 1.12.110.H. Effective January 1, 2009, an individual receiving a differential wage payment during military service, as defined by Internal Revenue Code Section 3401(h)(2), is treated as an Employee of the City for purposes of wage withholding, but the differential wage payment is not included in compensation for purposes of the Retirement System.

B. In addition to other applicable limitations set forth in this chapter, and notwithstanding any other provisions of this chapter to the contrary for fiscal years beginning on or after January 1, 1996, the annual compensation of each member taken into account shall not exceed the Omnibus Budget Reconciliation Act of 1993 (hereafter "OBRA '93") annual compensation limit; provided, that the OBRA '93 limit shall only apply with respect to the compensation of members who become members on or after January 1, 1996. The OBRA '93 annual compensation limit shall be the amount, as adjusted by the Commissioner for increases in the cost of living, set forth in Section 401(a)(17) of the Internal Revenue Code. For purposes of determining benefit accruals in a plan year beginning after December 31, 2001, compensation for any prior plan year shall be limited to \$200,000, or such greater amount allowed by law for members who became members before January 1, 1996. (Ord. 28092; passed Oct. 9, 2012: Ord. 27750 Ex. A; passed Oct. 28, 2008: Ord. 27334 § 1; passed Mar. 22, 2005: Ord. 26873 § 1; passed Nov. 13, 2001: Ord. 26530 § 1; passed Nov. 9, 1999: Ord. 26396 § 1; passed Apr. 13, 1999: Ord. 26223 § 1; passed May 5, 1998: Ord. 25955 § 8; passed Sept. 24, 1996: Ord. 25807 § 1; passed Dec. 12, 1995: Ord. 25160 § 1; passed Aug. 25, 1992: Ord. 24507 § 1; passed Dec. 12, 1989: Ord. 21244 § 1; passed Dec. 27, 1977: Ord. 17014 § 1; passed Mar. 20, 1962)

### **1.30.140 Internal Revenue Code defined.**

"Internal Revenue Code" means Title 26 of the United States Code, commonly known as the Internal Revenue Code of 1986, as amended from time to time. (Ord. 25955 § 9; passed Sept. 24, 1996: Ord. 14925; passed Nov. 9, 1953: Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.150 Average final compensation defined.**

The “average final compensation” means the average annual compensation, as set forth in the basic salary and wage schedule of the City’s Compensation Plan, for the highest two consecutive years of service prior to retirement, unreduced by salary reduction contributions to (i) the City’s Cafeteria Plan under Internal Revenue Code Section 125, (ii) the City’s Eligible Deferred Compensation Plan under Internal Revenue Code Section 457, (or City contributions in lieu thereof), or (iii) effective December 21, 2004, the Post-Employment Health Savings Plan established by the City pursuant to TMC 1.12.116.C, or (iv) effective January 1, 2001, any qualified transportation fringe benefit plan under Internal Revenue Code Section 132(f)(4), but shall be reduced by contributions under Internal Revenue Code Section 457(f), contributions to such Plan as may be established by the City pursuant to TMC 1.12.116.B, and permissible cash-out payments of accrued Personal Time Off as provided for in TMC 1.12.248B.5, or if the member has less than two years of service, then the annual average compensation during his or her total years of service for which service credit is allowed. It includes donated sick leave received and personal time taken, pursuant to Section 1.12.248 of the Tacoma Municipal Code, and compensation for emergency appointments when the member has a current civil service appointment in another class other than that for which he or she is being paid. It does not include overtime earnings, Training Pay, Standby Pay, Night Premium, Lunch Premium, Travel Time Pay, Accident Report Pay, Penalty Pay, Student Instruction Pay, Holiday Pay, or other pay which would result in the member contributing on over 2,080 hours annually and corresponding categories of pay defined by a Member Public Agency’s compensation plan and/or personnel rules. Average final compensation shall not include compensation received while serving in a position in which the employee is excluded from membership pursuant to Section 1.30.300. Effective January 1, 2009, it does not include amounts paid pursuant to TMC 1.12.110.H. Effective January 1, 2009, an individual receiving a differential wage payment during military service, as defined by Internal Revenue Code Section 3401(h)(2), is treated as an Employee of the City for purposes of wage withholding, but the differential wage payment is not included in average final compensation. In addition to other applicable limitations set forth in this chapter, and notwithstanding any other provision of this chapter to the contrary, for fiscal years beginning on or after January 1, 1996, the annual compensation of each member taken into account shall not exceed the OBRA ‘93 annual compensation limit; provided, that the OBRA ‘93 limit shall only apply with respect to the compensation of members who become members on or after January 1, 1996. The OBRA ‘93 annual compensation limit is defined in Section 1.30.130. (Ord. 28092; passed Oct. 9, 2012: Ord. 27750 Ex. B; passed Oct. 28, 2008: Ord. 27334 § 2; passed Mar. 22, 2005: Ord. 26873 § 2; passed Nov. 13, 2001: Ord. 26396 § 2; passed Apr. 13, 1999: Ord. 26223 § 2; passed May 5, 1998: Ord. 25955 § 10; passed Sept. 24, 1996: Ord. 25807 § 2; passed Dec. 12, 1995: Ord. 25160 § 2; passed Aug. 25, 1992: Ord. 24507 § 2; passed Dec. 12, 1989: Ord. 21244 § 2; passed Dec. 27, 1977: Ord. 19724 § 1; passed Dec. 26, 1972: Ord. 18640 § 1; passed Aug. 13, 1968: Ord. 17014 § 1; passed Mar. 20, 1962)

**1.30.160 Normal contribution defined.**

“Normal contribution” means the contribution at the rate provided for in Section 1.30.340. (Ord. 14925; passed Nov. 9, 1953: Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.170 Additional contributions defined.**

“Additional contributions” means the contributions previously provided for in Section 1.30.370. (Ord. 27931; passed Oct. 5, 2010: Ord. 14925; passed Nov. 9, 1953: Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.180 Regular interest defined.**

“Regular interest” means interest compounded quarterly, calculated at such rate and in such manner as shall have been adopted by the Board of Administration in accordance with the provision of this chapter. (Ord. 21244 § 3; passed Dec. 27, 1977: Ord. 14925; passed Nov. 9, 1953: Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.190 Accumulated normal contributions defined.**

“Accumulated normal contributions” means the sum of all normal contributions, deducted from the compensation of a member, standing to the credit of his or her individual account, together with regular interest thereon. (Ord. 25955 § 11; passed Sept. 24, 1996: Ord. 14925; passed Nov. 9, 1953: Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.200 Accumulated additional contributions defined.**

“Accumulated additional contributions” means the sum of all additional contributions made by a member, prior to the first pay period of November 2010, standing to the credit of his or her individual account, together with interest thereon, computed at the rate of interest fixed by the Board. (Ord. 27931 Ex A; passed Oct. 5, 2010: Ord. 25955 § 12; passed Sept. 24, 1996: Ord. 14925; passed Nov. 9, 1953: Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.210 Accumulated contributions defined.**

“Accumulated contributions” means accumulated normal contributions. (Ord. 14925; passed Nov. 9, 1953: Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.215 Cost of living contributions defined. Repealed by Ord. 25159.**

(Ord. 25159 § 1; passed Aug. 25, 1992: Ord. 18466 § 1; passed Dec. 26, 1967)

**1.30.220 Pension defined.**

“Pension” means payment derived from the contributions made by the City as provided for in Sections 1.30.580 through 1.30.620 and 1.30.640. (Ord. 14925; passed Nov. 9, 1953: Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.230 Annuity defined.**

“Annuity” means payments derived from contributions made by a member as provided in Sections 1.30.580 through 1.30.620 and 1.30.640. (Ord. 14925; passed Nov. 9, 1953: Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.240 Retirement allowance defined.**

“Retirement allowance” means the pension plus the annuity. (Ord. 14925; passed Nov. 9, 1953: Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.250 Fiscal year defined.**

“Fiscal year” means any year commencing with January 1, and ending with December 31, next following. (Ord. 14925; passed Nov. 9, 1953: Ord. 14039 § 2; passed Dec. 6, 1950)

**1.30.260 Creditable and membership service defined.**

“Creditable service” means and includes:

- A. Prior service. “Prior service” means service credited on actual time worked prior to January 1, 1941; and
- B. Membership service. “Membership service” means service since January 1, 1941, credited pursuant to Section 1.30.270 and, except as otherwise expressly provided in this chapter, is credited only while an employee is a member. (Ord. 25967 § 1; passed Oct. 22, 1996: Ord. 17014 § 1; passed Mar. 20, 1962)

**1.30.270 Full year’s membership service defined.**

A member shall receive service credit for hours of City Service for which the member is paid under the provisions of Section 1.30.130, but in all cases excluding overtime hours.

A full year of membership service will be credited for each full calendar year from date of membership that a member is employed as a full time employee, not counting periods in excess of 15 consecutive calendar days during which the member is in a nonpaid status. A full year of membership service will be credited to each other member for each 2,080 hours of City Service for which the member is paid under the provisions of Section 1.30.130 (excluding overtime hours). A member forced to take dock time due to emergency overtime work shall not lose credit.

A partial year of membership service shall be credited as earned. (Ord. 26694 § 1; passed Sept. 12, 2000: Ord. 26118 § 1; passed Aug. 19, 1997: Ord. 25955 § 13; passed Sept. 24, 1996: Ord. 18805 § 1; passed Apr. 22, 1969: Ord. 17014 § 1; passed Mar. 20, 1962)

**1.30.275 Disability defined.**

For purposes of this chapter, “disability” means total and permanent, physical or mental incapacity of a Member to perform his or her present job classification or any other job classification for which the Member is qualified within the employing agency. “Employing agency” is limited, only for the purposes of this section and sections 1.30.630, 1.30.640, and 1.30.650, to the City of Tacoma when the City employs the Member, and to the single Member Public Agency when that agency employs the Member. Provided that, if said disability is due to willful misconduct or violation of law as determined in accordance with section 1.30.640 herein, such Member may be limited to the remedy provided in section 1.30.650B; Provided further, that, to the extent that such conduct is protected under the federal Americans with Disabilities Act, state Anti-Discrimination Law (RCW 49.60), or any other federal, state, or local law as now or hereafter enacted, such Member shall not be so limited. (Ord. 26313 § 1; passed Oct. 27, 1998)

### **1.30.280 Prior system continued.**

The Retirement System created and established, effective January 1, 1941, by Ordinance No. 11870 (as thereafter and hereby amended) known as the Tacoma Employees Retirement System, is hereby continued in full force and effect. (Ord. 17014 § 1; passed Mar. 20, 1962)

### **1.30.290 Membership in Retirement System.**

With the exception of those employees who are excluded from membership as provided in Section 1.30.300, all employees shall become members of the Retirement System as follows:

A. Every employee, as defined in this chapter, who was in the City Service on January 1, 1941, shall become a member of the Retirement System on that date, except any employee who was not then in the City Service three months, which employee shall become a member of the system upon the completion of three months' continuous service.

B. Every employee who entered or re-entered the City Service after January 1, 1941, and prior to January 1, 1962, shall become a member of the Retirement System upon the first day of the pay period following completion of three months' continuous service.

C. Every employee who entered, enters, or re-enters City Service after January 1, 1962, shall become a member of the Retirement System as of the date of entry or re-entry.

D. Pursuant to Chapter 52, Laws of 1945, every employee or officer, elective or appointive, with at least five years of continuous service and acting in capacities in which they would not otherwise be entitled to participate in the system, and who elect in writing addressed to the Board of Administration, shall become members as of the date of such election; provided, that a Council member elected in 1997, or thereafter shall become a member in the Tacoma Employees' Retirement System unless, within 30 days of assuming office, he or she shall submit to the Board, in writing, an irrevocable election to not become a member.

E. Membership shall be granted or denied to employees of Member Public Agencies only as provided by this chapter; provided, that the class of employees of Member Public Agencies who are eligible to become members shall be expanded after the effective date of the ordinance codified in this section, with the written consent of the governing body of the respective Member Public Agency.

F. Any person who previously had been disqualified from membership in the Retirement System because of being over 58 years of age at the time of his or her employment, and who is currently an employee of the City of Tacoma in any capacity, including elected or appointed officials, may make back contributions with interest, and thereby become a member of the Retirement System as though he or she had been a member commencing on the date membership would have started had not the referenced disqualification been in effect. The City shall also pay its appropriate share of pension contributions. Any person qualifying under this section must give written notice to the Board of his or her intent to become a member, and pay the entire amount of back contributions, including interest, within 90 days from the effective date of the ordinance codified herein; but in no event later than the date of his or her retirement from the City. Back contributions shall be an amount equal to the sums which would have been deducted from the employee's gross salary had he or she been a member of the System during the years for which the contributions are being made. Interest, for the purpose of this subsection, shall be determined by using the assumption rate in effect during the period for which the employee is making back contributions.

G. Every person who, having retired under the provisions of Sections 1.30.570 or 1.30.585, re-enters City Service after such retirement shall become a member of the retirement system as of the date of reentry; subject, however, to suspension of their retirement allowance pursuant to Section 1.30.710. Provided, however, that persons re-entering City Service after retirement, under either Sections 1.30.570 or 1.30.585, as a special project employee of the City, as defined by Section 1.24.187 of the Tacoma Municipal Code, hired for and working upon (i) detached or independent construction projects of a temporary duration, or (ii) external government-financed projects or programs such as by grant-in-aid agreements with federal or state entities, shall not be required to become a member as of the date of re-entry. Provided, however, such persons shall have the opportunity to elect, at the date of re-employment, to resume membership by providing written notice to the Board of said election, which election shall be binding and irrevocable; provided further that persons re-entering City Service after retirement, under either Sections 1.30.570 or 1.30.585, shall have their retirement allowance suspended as provided in Section 1.30.710. (Ord. 27886 Ex. B; passed May 4, 2010; Ord. 27389 § 1; passed Jul. 26, 2005; Ord. 26574 § 2; passed Feb. 22, 2000; Ord. 26412 § 1; passed May 11, 1999; Ord. 26037 § 2; passed Mar. 4, 1997; Ord. 25955 § 14; passed Sept. 24, 1996; Ord. 20265 § 1; passed Dec. 17, 1974; Ord. 17014 § 1; passed Mar. 20, 1962)

### **1.30.295 Business agents – Reserving rights.**

Any regular employee of the City who heretofore or hereafter, under proper grant of leave of absence by the City and who at the time of such grant was or is a member of the Retirement System, has served or will serve as a business manager of a union

which bargains collectively with the City, shall during such leave of absence be to all intents and purposes considered as and retained as a member of the system, with all rights reserved and accruing to the employee the same as if such employee had been or was regularly employed by the City; provided, that there be paid into the Retirement Fund at the end of each pay period by or for and on behalf of the employee the total amount that would have been paid into such fund by both the employee and the City, had such employee been regularly employed by the City; provided, however, that the redeposit of funds to pick up the employee's years of service must be made within one year from the effective date of this section; and provided further, that all moneys paid into said fund as and for the City's contribution shall be permanently deposited in said fund and remain, notwithstanding the fact that such employee may leave the City Service and withdraw his or her own contributions. (Ord. 25955 § 15; passed Sept. 24, 1996: Ord. 17014 § 2; passed Mar. 20, 1962)

### **1.30.296 City employees – Joint City-County Law Enforcement Support Agency.**

Any regular employee of the City who is a member of the Tacoma Employees' Retirement System who hereafter, under proper grant of leave of absence by the City, will serve as an employee of the Joint City-County Law Enforcement Support Agency, be to all intents and purposes considered as and retained as a member of the City Retirement System, with all rights reserved and accruing to the employee the same as if such employee had been or was regularly employed by the City; provided, that there be paid into the Retirement Fund at the end of each pay period by or for and on behalf of the employee the total amount that would have been paid into such fund by both the employee and the City had such employee been regularly employed by the City, and provided further, that all moneys paid into said fund as and for the City's contribution shall be permanently deposited in the said fund and remain, notwithstanding the fact that such employee may leave the City Service or the service of the Joint Law Enforcement Support Agency and withdraw his or her own contributions. (Ord. 27886 Ex. B; passed May 4, 2010: Ord. 25955 § 16; passed Sept. 24, 1996: Ord. 20119 § 1; passed May 21, 1974)

### **1.30.300 Exclusion from membership.**

The following employees shall not become members of the Retirement System:

- A. Members of the Police Department who are entitled to the benefits of the Police Relief and Pension Fund or membership in the Law Enforcement Officers and Firefighters Retirement System as established by state law.
- B. Members of the Fire Department who are entitled to the benefits of the Firemen's Relief and Pension Fund or membership in the Law Enforcement Officers and Firefighters Retirement System as established by state law and any temporarily employed or substitute firemen who have not passed a civil service examination for firemen as defined in said state law.
- C. Any employee now or hereafter working for the Belt Line Division, who has been or who may hereafter be found to be entitled to the benefits of the Federal Railroad Retirement Act; provided, that the membership of any such employee in the Tacoma Employees' Retirement System shall be terminated upon the effective date of the ordinance codified in this section or upon the finding that such employee is entitled to the benefits of the Federal Railroad Retirement Act, whichever date is earlier.
- D. Special project employees of the City, as defined by Section 1.24.187 of the Tacoma Municipal Code and who are hired for and working upon detached or independent construction projects of temporary duration, shall not become members of the Retirement System unless they shall elect at date of employment by notice of the Board in writing so to do said election to be binding and irrevocable; special project employees of the City who are working upon external government-financed projects or programs such as by grant-in-aid agreements with federal or state entities, shall become members unless the ordinance or resolution of the City creating the project authorizes a one-time, binding and irrevocable, written election at date of employment or excludes membership; provided, further, that a copy of the ordinance or resolution must be filed with the TERS office as provided in Section 1.30.310 herein.
- E. Employees of the transit system who enter City service as new employees under the blanket agreement effective February 1, 1961, and who have attained the age of 57-1/2 years at the time of such entry, shall not become members of the Retirement System unless they shall elect by notice to the Board in writing to do so.
- F. Employees under an emergency appointment, as defined by Tacoma Municipal Code Section 1.24.113, and temporary student employees and occupational interns.
- G. Any employee not having completed three months of continuous service, except those employees who are re-entering the system and have previously completed three months of continuous service. Provided, however, effective January 1, 2000, the foregoing shall no longer apply to individuals hired on or after said date, except that individuals hired in a temporary or emergency capacity or other classification which, at date of hire, is scheduled to be for a period of less than six months of continuous service shall not become members until completion of six months of continuous service.



H. Any part-time event or temporary event employee working not more than 40 hours in any biweekly payroll period who is an employee of the Public Assembly Facility Department. Such part-time event or temporary event employee shall not earn additional service credit based upon such employment.

I. Pro Tem Hearing Examiners and Pro Tem Judges and Commissioners of the Municipal Court.

J. Employees of the Tacoma Public Library regularly scheduled to work less than 20 hours per week or temporary/substitutes not having completed six months of nonintermittent, uninterrupted service, including, without limitation, those classified as temporary/substitutes, student employees, or pages.

K. Volunteers, including but not limited to members of boards, committees, or commissions who do not receive compensation as defined in this chapter.

L. Any persons providing services under written contract specifying that the persons are independent contractors, regardless of their status under Federal employment tax provisions of the Internal Revenue Code or their status under Washington's Industrial Insurance laws.

M. Any employee of a Member Public Agency that is a member of the Public Employees' Retirement System or any employee excluded pursuant to contracts existing as of the effective date of the ordinance codified in this section.

N. Any temporary employee of the Department of Public Utilities Light Division classified as Code 7 pursuant to Temporary Employment Memorandum between Local 483 IBEW and the City of Tacoma dated October 3, 1997. (Ord. 27886 Ex. B; passed May 4, 2010: Ord. 27433 § 1; passed Nov. 29, 2005: Ord. 26530 § 2; passed Nov. 9, 1999: Ord. 26396 § 3; passed Apr. 13, 1999: Ord. 26118 § 2; passed Aug. 19, 1997: Ord. 25955 § 17; passed Sept. 24, 1996: Ord. 23170 § 1; passed May 1, 1984: Ord. 22752 § 1; passed Aug. 3, 1982: Ord. 21244 § 4; passed Dec. 27, 1977: Ord. 20154 § 1; passed Jul. 2, 1974: Ord. 18032 § 1; passed Mar. 22, 1966: Ord. 17699 § 1; passed Oct. 20, 1964: Ord. 17187 § 1; passed Oct. 16, 1962: Ord. 17014 § 3; passed Mar. 20, 1962)

### **1.30.310 Notice of change in status.**

It shall be the duty of the head of each office or department of the City to give immediate notice in writing to the Board of Administration of the change in status of any member of his or her office or department resulting from transfer, promotion, leave of absence, resignation, reinstatement, dismissal or death. The head of each office or department shall furnish such other information concerning any member as the Board may require. (Ord. 25955 § 18; passed Sept. 24, 1996: Ord. 14925; passed Nov. 9, 1953; Ord. 14039 § 4; passed Dec. 6, 1950)

### **1.30.330 Withdrawal of contributions.**

The accumulated contributions made or accruing subsequent to January 1, 1952, of any member who shall be permanently separated from City Service and who shall not be retired or who has not elected a deferred retirement under any of the provisions of this chapter or who has not retained his or her service credits on account of transfer to another retirement system in accordance with the provisions hereof, shall be subject to withdrawal by such member at any time within five years from the date of such separation and, upon the neglect or failure of any such member to withdraw said contributions within said period, the same shall become the absolute property of the Tacoma Employees' Retirement System and be included in the funds held by the System to meet the service credit obligations of the City; provided, that nothing herein contained shall be construed to authorize the forfeiture of the accumulated contributions made by or accrued to any member prior to January 1, 1952. Upon a member's retirement or permanent separation from City Service, such member may withdraw his or her contributions made on his or her overtime earnings, together with regular interest thereon. (Ord. 27886 Ex. B; passed May 4, 2010: Ord. 26118 § 3; passed Aug. 19, 1997: Ord. 25955 § 19; passed Sept. 24, 1996: Ord. 21244 § 5; passed Dec. 27, 1977: Ord. 17014 § 3; passed Mar. 20, 1962)

### **1.30.340 Contributions – Normal rates.**

The normal rates of contributions of all members shall be the percent of compensation as defined in Section 1.30.130 as is determined necessary on the basis of actuarial investigation in conformance with this section, but does not include that compensation received by members at the time of retirement or termination/separation for accumulated sick leave, vacation leave, and personal time, pursuant to Chapter 1.12 of the Tacoma Municipal Code. The normal rate of contribution of members may be increased or decreased on the basis of actuarial investigation, as hereinafter provided in Section 1.30.410, and a change in said rate shall be made when necessary to ensure the actuarial and financial soundness of the System. (Ord. 27932 Ex. A; passed Oct. 5, 2010: Ord. 27779 Ex. A; passed Jan. 13, 2009: Ord. 27334 § 3; passed Mar. 22, 2005: Ord. 26734 § 1; passed Nov. 14, 2000: Ord. 26223 § 3; passed May 5, 1998: Ord. 25967 § 2; passed Oct. 22, 1996: Ord. 25955 § 20; passed Sept. 24, 1996: Ord. 25159 § 1; passed Aug. 25, 1992: Ord. 24507 § 3; passed Dec. 12, 1989: Ord. 21915 § 1; passed Dec. 11, 1979: Ord. 20929 § 1; passed Dec. 28, 1976: Ord. 19724 § 2; passed Dec. 26, 1972: Ord. 18971 § 1; passed Nov. 25, 1969: Ord. 17014 § 3; passed Mar. 20, 1962)

### **1.30.350 Contributions – Deductions.**

The Director of Finance shall deduct 8.28 percent, including the required contributions by the member to the cost of living increase as provided in Section 1.30.665 hereof, from the compensation as defined in Section 1.30.130, and shall provide the Retirement Board with a certified copy of each time roll. The deduction shall be 8.74% effective as of the first pay period in 2011, and shall increase to 9.2% effective as of the first pay period in 2012. Each of the amounts so deducted by the Director of Finance shall forthwith be paid into the Retirement Fund and shall be credited by the Board to the individual account of the member. Regular interest shall be credited to each individual account upon such dates as may be determined by the Board. Every employee shall be deemed to have conclusively consented and agreed to the contributions deducted as above provided. (Ord. 27932 Ex. A; passed Oct. 5, 2010: Ord. 27779 Ex. A; passed Jan. 13, 2009: Ord. 26734 § 2; passed Nov. 14, 2000: Ord. 25967 § 3; passed Oct. 22, 1996: Ord. 25955 § 21; passed Sept. 24, 1996: Ord. 24507 § 4; passed Dec. 12, 1989: Ord. 21915 § 2; passed Dec. 11, 1979: Ord. 20929 § 2; passed Dec. 28, 1976: Ord. 17014 § 3; passed Mar. 20, 1962)

### **1.30.360 Contributions – City's share.**

At the end of each payroll period, the Director of Finance shall determine the aggregate amount of covered payroll for each department and shall certify such aggregate amount to the Retirement Board and shall thereupon transfer to the Retirement Fund, hereinafter provided for, from the money appropriated for that purpose, that percentage of the aggregate covered payroll of each utility, the Retirement System and General Fund, which is determined by the Retirement Board based on actuarial investigation as the amount necessary to fund membership service, prior service, and basic service pensions on an actuarially-sound basis. Effective January 1, 2000, no contributions shall be made on overtime. The percentage is established at 9.72% and shall be 10.26% effective as of the first pay period in 2011, and shall increase to 10.80% effective as of the first pay period in 2012, including the required contributions by the City to the cost of living increase as provided for in Section 1.30.665, until increased or decreased on the basis of actuarial investigation, as hereinafter provided in Section 1.30.410. Said percentage shall be changed when found to be necessary to ensure the actuarial and financial soundness of the System. Regular interest shall be credited to the accumulated contributions of the City in the manner and upon such dates as may be determined by the Board. (Ord. 27932 Ex. A; passed Oct. 5, 2010: Ord. 27779 Ex. A; passed Jan. 13, 2009: Ord. 26734 § 3; passed Nov. 14, 2000: Ord. 26530 § 3; passed Nov. 9, 1999: Ord. 25967 § 4; passed Oct. 22, 1996: Ord. 21915 § 3; passed Dec. 11, 1979: Ord. 20929 § 3; passed Dec. 28, 1976: Ord. 19724 § 3; passed Dec. 26, 1972: Ord. 18805 § 2; passed Apr. 22, 1969: Ord. 17014 § 3; passed Mar. 20, 1962)

### **1.30.365 Contributions by Belt Line for prior and membership service.**

Notwithstanding any other provision herein contained, the Belt Line Division shall continue for so long as may be necessary to provide funds necessary to pay prior service pensions and any membership service pensions that are not funded to which any of its employees may be entitled. (Ord. 17014 § 3; passed Mar. 20, 1962)

### **1.30.370 Contributions – Additional permitted before November 2010.**

Effective the first pay period of November 2010, members may no longer elect to contribute in excess of contributions provided for in Section 1.30.340, however, any such excess contributions made prior to the effective date of this section shall be considered "accumulated additional contributions" as such term is defined in Section 1.30.200 and interest will be computed accordingly. Refunds of additional contributions shall be governed by the same rules governing normal contributions unless the Board shall establish separate rules therefor. (Ord. 27931 Ex. A; passed Oct. 5, 2010: Ord. 15495; passed Dec. 12, 1955: Ord. 14039 § 5; passed Dec. 6, 1950)

### **1.30.380 Allowance for service – Credit for military service.**

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

A. Time during which a member is absent on leave without pay shall not be allowed in computing service; provided, however, that any member shall be given service credit for a period of military service, equal to and with all benefits of a prior service credit for any period served by him or her in full-time active duty in the Armed Forces of the United States upon the call of the President, or for any period served by the member, as an enlistee in full-time active duty in the Armed Forces of the United States during a national emergency as proclaimed by the President, if the member enlisted after the national emergency was declared and entered one of the branches of the Armed Forces directly from City of Tacoma service, and if at the time of such service the member was or is a regular employee on leave of absence. Such credit for military service shall not be granted for any period of time beyond the earliest date that the member could have obtained a discharge from the military service to return to City of Tacoma service, and further such credit shall likewise not be granted unless the member makes application for reinstatement into City of Tacoma service within 90 days immediately following the date that he or she could have obtained a

discharge from military service as mentioned above. Certificate of honorable discharge from and/or documentary evidence of such service shall be submitted by the member to the Board in order to obtain credit for such service.

B. In addition to the military service credit, hereinabove provided, the Board shall hereafter grant retirement credit to any member or retired member of the Retirement System who is or was formally a member of the Washington National Guard or of the Army, Navy, Air Force, Coast Guard, or Marine Corps reserve of the United States, or of any organized reserve or armed forces of the United States, for periods of military leaves of absence from City employment heretofore taken by the member in order for the member to report for active duty, when called, or take part in active training duty in such manner and at such times as he or she may be ordered to active duty or active training duty; provided, however, that such retirement service credit shall not exceed 21 days during any one year beginning October 1 and ending the following September 30, effective October 1, 2008; provided, further, that any member or retired member shall receive retirement service credit for the portion of any month during which they were in a paid status with the City and for which period they have not heretofore been granted such credit as a result of their not having been in a paid status for 120 days or 80 percent of the month when the loss of credit was due to an annual military leave of absence during a portion of the month. All retired members who receive additional service credit under the terms of this paragraph shall have their pensions recalculated and, thereafter, their pensions shall be for the amount indicated by such recalculation.

C. To the extent not otherwise provided herein, effective as of December 12, 1994, a member who returns to City Service from qualifying military service as defined in Chapter 43 of Title 38 of the United States Code, within 90 days after being honorably released, shall be entitled to service credit equal to the length of the member's military service, not to exceed five years; provided, however, that the member must pay an amount equal to the employee contributions that would have been payable for such additional period of service credit, under Section 1.30.340, as in effect at the time the member left City Service to serve in a uniformed service of the United States. Such payment may be made in a lump sum, provided such lump sum payment is made within five years of the member's date of reemployment or five years from the effective date of this ordinance, whichever is later, using any form of payment permitted under Section 1.30.550.D of this chapter. Alternatively, a member may make an irrevocable salary reduction election in an amount sufficient to accumulate the required contribution necessary to pay for said qualifying service over a period of time not greater than that permitted under Chapter 43 of Title 38 of the United States Code. Once such irrevocable election is made, the member will have no subsequent option to receive the salary reductions directly and any direct payment for such service will not be allowed while the member is employed. Should a member who has made an irrevocable salary deduction election become unable to accumulate the full required service credit contribution necessary due to death, disability resulting in separation from City Service, layoff, or termination of employment, said member shall be entitled to receive a prorated amount of service credit based on the contributions accumulated by the member to the date of death, disability, layoff, or termination; provided, however, any such member, or the member's estate in the case of death, may complete the remainder of the payments by making a lump sum payment within 60 days of the date of the member's death, disability, layoff, or termination to receive full service credit. The employer contributions for the member's period of military service credit shall be paid by the member's public agency employing the member, as defined in Section 1.30.275, commensurate to and contemporaneous with the member's payment of contributions. The Board may promulgate regulations implementing this subsection.

D. Each member shall file with the Board such information affecting his or her status as a member of the Retirement System as the Board may require. (Ord. 27798 Ex. A; passed May 5, 2009: Ord. 27111 § 1; passed Jul. 1, 2003: Ord. 26820 § 1; passed Jun. 26, 2001: Ord. 25955 § 22; passed Sept. 24, 1996: Ord. 20754 § 1; passed Jul. 20, 1976: Ord. 17014 § 4; passed Mar. 20, 1962)

### **1.30.390 Allowance for service – Credit for prior service.**

The Board shall grant credit for prior service to each member who entered the Retirement System on January 1, 1941, and to each member entering after that date, if such entry is within two years after rendering City Service prior to January 1, 1941; provided, however, that the Board may grant credit for prior service to those entering the Retirement System after January 1, 1941, where the employee, because of sickness or other disability, has been on leave of absence regularly granted since discontinuance of City Service, regardless of the length of such leave.

Such credit shall also be granted to members of the System for any period served as an elective officer of the City prior to May 1, 1946.

No prior service credit shall be used as a basis for retirement or other benefit unless the membership continues until retirement on a retirement allowance or until the granting of other benefits. (Ord. 14358; passed Dec. 19, 1951: Ord. 14039 § 6; passed Dec. 6, 1950)

### **1.30.400 Administration vested in Board – Duties.**

The administration of the Retirement System is hereby vested in the Board of Administration created in Sections 1.30.470 through 1.30.520. The Board shall exercise the powers and the duties conferred upon it by those sections and in addition those

powers and duties set out in Sections 1.30.410 through 1.30.450 and shall have the power to appoint or remove the Retirement System Director of the Retirement Board subject to the approval of the City Council. The Retirement Director is responsible for duties as delegated by the Retirement Board, including the operation and administration of the Retirement Office and its staff. (Ord. 25158 § 2; passed Aug. 25, 1992: Ord. 19829 § 1; passed May 22, 1973: Ord. 14039 § 7; passed Dec. 6, 1950)

#### **1.30.410 Duty to keep actuarial valuation of Fund.**

The Board shall keep in convenient form such data as shall be necessary for the actuarial valuation of the Retirement Fund created by this chapter. The Board shall, from time to time, set the investment earnings assumption used in the actuarial valuation of the Fund. At least as often as is required by state law, the Board shall cause to be made an actuarial valuation of the assets and liabilities of the Retirement Fund, and shall further cause to be made an actuarial investigation (experience study) into the mortality, service, and compensation experience of the members and beneficiaries. Upon the basis of such investigation and valuation, and subject to the approval of the City Council, the Board shall:

A. Make any necessary changes in the investment earnings assumption used in the actuarial valuation, subject to subsequent periodic changes as hereinbefore provided;

B. Adopt for the Retirement System such mortality, service and other tables as shall be necessary;

C. Revise or change the rate of contributions by the City and by the member employee on the basis of the actuarial investigation and valuation.. (Ord. 27997 Ex. A; passed Jun. 21, 2011: Ord. 27886 Ex. A; passed May 4, 2010: Ord. 26313 § 2; passed Oct. 27, 1998: Ord. 25955 § 23; passed Sept. 24, 1996: Ord. 21915 § 4; passed Dec. 11, 1979: Ord. 21244 § 6; passed Dec. 27, 1977: Ord. 18805 § 2; passed Apr. 22, 1969: Ord. 18032 § 2; passed Mar. 22, 1966: Ord. 17014 § 4; passed Mar. 20, 1962)

#### **1.30.420 Report of actuarial investigation to Council.**

The Board shall promptly transmit to the City Council a report covering the actuarial investigation and actuarial valuation provided for in Section 1.30.410. (Ord. 14039 § 7; passed Dec. 6, 1950)

#### **1.30.430 Duty to keep accounts and records.**

In addition to other records and accounts, the Board shall keep such detailed records and accounts as shall be necessary to show the financial condition of the Retirement Fund at all times. (Ord. 14039 § 7; passed Dec. 6, 1950)

#### **1.30.440 Report showing financial condition.**

The Board shall annually transmit to the City Council a report showing the financial condition of the fund established by this chapter. (Ord. 14039 § 7; passed Dec. 6, 1950)

#### **1.30.450 Right to make changes.**

Nothing in Sections 1.30.400 through 1.30.450 shall be construed to limit the right of the Board, subject to approval of the City Council, to make changes in the rates of interest, or in the rates of contributions by members and the City whenever said Board deems it necessary, or advisable, or to secure actuarial reports more often than every five years (Ord. 17014 § 4; passed Mar. 20, 1962)

#### **1.30.460 Creation of Fund.**

A fund is hereby created and established to be known as the "Employees' Retirement Fund" and shall consist of all the moneys paid into it in accordance with the provisions of this chapter whether such moneys shall take the form of cash, securities or other assets (Ord. 27886 Ex. B; passed May 4, 2010: Ord. 17014 § 4; passed Mar. 20, 1962)

#### **1.30.470 Creation of Board of Administration.**

A. Composition and Powers. There is hereby created and established a Board of Administration which shall, under the provisions of this chapter and the direction of the City Council, administer the Retirement System and Retirement Fund created by this chapter. Under and pursuant to the direction of the City Council, the Board shall provide for the proper investment of the moneys in the Retirement Fund. The Board of Administration shall not require City Council action to enter into contracts within the scope of its functions to provide for the proper investment of moneys in the Retirement Fund. The Board's authority shall include, but not be limited to, the authority to negotiate such contracts, select investment managers, add investment categories, or change investment allocations, all without action on the part of City Council. The City Council also delegates to the Board contracting and purchasing authority other than that described above as is consistent with the authority granted the City Manager, or his or her designee, or the Director of Utilities, or his or her designee, contained in Chapter 1.06 TMC or as hereinafter amended. However, the Board shall provide the City Council with quarterly status reports justifying the overall investment strategy for the Tacoma Employees' Retirement System.

The Board of Administration shall consist of nine regular members and one alternate member as follows: The Mayor, a designee of the Tacoma Public Utilities Director, a designee of the City Manager, the Director of Finance, three City employees who are eligible for membership in the Retirement System heretofore or hereafter elected by the employee members, and one member of the Retirement System who need not be a City resident but who has heretofore retired under this Retirement System, elected by the retired members of this Retirement System or surviving beneficiaries. The above eight members shall appoint the ninth member, who shall be a City resident not employed by the City.

The Board of Administration shall appoint a member of the Retirement System, either active or retired, to serve as an alternate. The alternate shall serve a three-year term. The alternate may participate at meetings of the Board of Administration as a non-voting member of the Board. The alternate shall participate as a voting member of the Board of Administration when the alternate's presence is necessary to constitute a quorum under the Board's rules or By-Laws, or when necessary to fill a temporary vacancy among the elected members of the Board. When filling a temporary vacancy, the Board shall, by motion, set forth the duration of the temporary vacancy.

The Board shall solicit applications of individuals interested in appointment as the alternate by providing notice for not less than 28 days to eligible members by posting, in the case of active members, and mailing, in the case of retired members.

B. Filling of Permanent Vacancies. In the case of a permanent vacancy in office or inability of any Board member to attend to the duties thereof, the City Council shall designate, by resolution, one or more of its members to supply the place of either the Mayor or the Director of Finance, with such designee continuing in such position only until a successor has been elected or appointed and qualified. The positions of the elected members of the Board shall be filled by special election as hereinafter provided for, for the unexpired term; provided, however, if, at the time that the vacancy occurs, there remain less than 180 days in such term, then the position shall be filled by appointment made by the remaining elective members. A vacancy in the position of the appointive member shall be filled by appointment by the Board of Administration for the unexpired term after the Board has solicited applications from individuals interested in appointment.

### C. Elections

The City Clerk of the City shall conduct an election each year for the election of one active employee of the City to the Board of Administration. The City Clerk of the City shall conduct an election every third year for the election by the retired members of the System of a retired member to the Board of Administration. The term of office for the active employee and retired member so elected shall be for three years. In connection with the election of the active employee member, on the second Tuesday of February of each year, the Clerk of the City shall post written notices of the next annual election of a City employee member to the Board of Administration. The written notices shall be posted in a prominent place in the office of the City Clerk, and on bulletin boards at the following locations: Entrances to the Tacoma Municipal Building, County-City Building, Public Utilities Administration Building, Main Library, Public Works Barn, Tacoma-Pierce County Health Department, and all other locations which 50 or more employee members use as headquarters. In connection with the election of a retired member, the City Clerk shall provide notice to retirees by mailing notice to retirees at their address of record with the Retirement Office. These notices shall state the position, term of office, and conditions and dates under which candidates must file. Dates for filing shall be set by the City Clerk and shall be the last Tuesday in February. Candidates shall declare their candidacy by filing a petition of nomination with the City Clerk signed by not less than 20 employees of the City of Tacoma who are active members of the City of Tacoma Retirement System, in the case of the election of an active member, and by not less than five retirees in the case of an election of a retired member. Those filing shall have until the Friday following the last Tuesday in February in which to withdraw. On or before the second Tuesday in March an official list of nominees shall be posted with each notice of election.

If, after the expiration of the date for filing petitions of nomination, it appears that only one qualified candidate has been nominated for the position to be filled, it shall not be necessary to hold an election, and the Board of Administration shall, at their next meeting, declare such candidate elected as a member of the Board of Administration.

If more than one qualified candidate has been nominated, the Retirement Office shall assist the City Clerk's office with the preparation of an official ballot and two envelopes for each member of the Retirement System entitled to vote. One envelope shall be smaller than the other and shall have the words "OFFICIAL BALLOT" stamped or printed on it. The larger envelope shall be preaddressed to the City Clerk and, in the case of the election of an active member, shall have the member's name, employee number, and payroll location printed in the upper left-hand corner and in the case of the election of a retired member, shall have the member's name and return address printed in the upper left-hand corner. The ballots and envelopes shall be distributed or mailed to the members entitled to vote three weeks preceding the second Tuesday in April. In the case of an election of a retired member, ballots and envelopes shall be mailed to members entitled to vote three weeks preceding the second Tuesday in April.

Should the City Clerk's office be unable to distribute or mail ballots to members entitled to vote as described above due to technical, administrative, or other matters causing ballots to not be ready by the dates prescribed above, then the City Clerk

shall have the discretion to extend the date(s) by which ballots shall be due provided that any such revised due date shall be no less than three weeks from the date of distribution or mailing of ballots which due date shall be clearly printed on ballots.

Upon receiving his or her ballot, the member shall mark the same and enclose and seal it in the smaller envelope marked "OFFICIAL BALLOT." This envelope shall be placed in the larger preaddressed envelope and be returned either directly or by mail to the City Clerk.

Upon receipt of the envelopes, the City Clerk shall check the name on the upper left-hand corner of the preaddressed envelope against the membership roster, open the envelope, remove the smaller envelope marked "OFFICIAL BALLOT," and insert the same in ballot box. No envelope bearing a postmark later than midnight or otherwise received later than the second Tuesday in April shall be opened by the City Clerk; provided, however, that if the City Clerk shall have extended the ballot due date, then no envelope bearing a postmark later than midnight or otherwise received later than the printed ballot due date shall be opened by the City Clerk.

The City Clerk shall open the "OFFICIAL BALLOT" envelopes, count the ballots, and certify the results in writing to the candidates, and post the results in the locations provided above.

All election records, including ballots, shall be preserved for 30 days from the last date for filing ballots, after which the same shall be destroyed unless a question has arisen in connection therewith.

Any candidate for office may be present or have another member as an observer present at the counting of the ballots.

In the event no nominee receives a majority of the total votes cast at the primary election, the City Clerk shall conduct a final election between the two leading nominees. The final election shall be conducted by the City Clerk in the same manner as the primary election. An official list of nominees certified to run in the final election shall be posted on or before the third Tuesday of April, or such other corresponding date as may be reasonable where the City Clerk shall have extended a ballot due date. The ballots shall be returned not later than four weeks thereafter. The nominee receiving the highest number of votes cast at the final election shall be declared elected. In the event of a tie resulting from the final election, a run-off election shall be required and shall be held in substantially the same manner as provided in Subsection C hereof for the conducting of final elections, except as to times and dates. The ballots in the final election shall be prepared, distributed, and returned to the City Clerk's office not less than 30 days after the result of the tying final election is known.

The term of the newly elected member of the Board shall commence on the first Monday in June following his or her election; provided, that, in the event of a delay due to a tie from the final election or delay due to technical, administrative, or other matters causing a delay in the distribution or mailing of ballots as provided herein, the member elected shall commence his or her term immediately, and his or her term shall end as if no delay had occurred; provided, further, that in the event of a delay as provided herein, the term of the incumbent shall be extended until such time as the election is completed.

#### D. Special Elections

A special election for the purpose of filling a vacancy in the position of an elected member shall be conducted as follows: Within 15 days after the vacancy occurs, or in the event that a member files notice of his or her resignation prior to the effective date thereof, within 15 days of the filing of such notice, the City Clerk shall give written notice of such special election and post said notices as provided in Subsection C hereof. Persons desiring to file for the unexpired term shall declare their candidacy within 10 days after such notice shall have first been posted, in the same manner as provided in Subsection C hereof. At the expiration of said 10-day period, official ballots shall be prepared and distributed by the Retirement Office in substantially the same manner as provided in Subsection C hereof, except that the times and dates set forth in said subsection shall not apply. The first distribution of ballots shall be made not more than 15 days after the preparation thereof. In the event that no candidate receives a majority of the votes cast, a final election shall be required and be held in substantially the same manner as provided in Subsection C hereof for the conducting of final elections, except as to times and dates. The ballots in the final election shall be prepared, distributed, and returned to the City Clerk's office not less than 30 days after the result of the primary or first election is known. In the event of a tie resulting from the final election, a run-off election shall be required and held in substantially the same manner as provided in Subsection C hereof for the conducting of final elections, except as to times and dates. The ballots in the final election shall be prepared, distributed, and returned to the City Clerk's office not less than 30 days after the result of the tying final election is known. The term of any newly elected member of the Board filling an unexpired term shall commence as of the first meeting of the Board following certification of the election. (Ord. 28092; passed Oct. 9, 2012: Ord. 27914 Ex. A; passed Aug. 24, 2010: Ord. 27886 Ex. B; passed May 4, 2010: Ord. 27886 Ex. a; passed Aug. 24, 2010: Ord. 27799 Ex. A; passed Jul. 21, 2009: Ord. 27646 § 1-4; passed Sept. 25, 2007: Ord. 27254 § 1; passed Jul. 27, 2004: Ord. 26572 § 1; passed Feb. 22, 2000: Ord. 26512 § 1; passed Sept. 28, 1999: Ord. 25967 § 5; passed Oct. 22, 1996: Ord. 25955 § 24; passed Sept. 24, 1996: Ord. 23506 § 1; passed Nov. 5, 1985: Ord. 21526 § 1; passed Oct. 31, 1978: Ord. 21244 § 7; passed Dec. 27, 1977: Ord. 20930 § 1; passed Dec. 14, 1976: Ord. 18494 § 1; passed Feb. 6, 1968: Ord. 16112; passed May 26, 1958: Ord. 14039 § 9; passed Dec. 6, 1950)

### **1.30.480 Board – Officers.**

The Mayor shall be ex officio Chairman and the Director of Finance ex officio Secretary and ex officio Treasurer of the Board. (Ord. 25967 § 6; passed Oct. 22, 1996: Ord. 15669; passed Aug. 20, 1956: Ord. 14039 § 9; passed Dec. 6, 1950)

### **1.30.490 Investment of Retirement Fund.**

The investment of all or any part of the Retirement Fund shall be subject to the terms, conditions, limitations and restrictions imposed by the laws of the State of Washington, as amended or as hereafter may be amended. (Ord. 17031 § 1; passed Apr. 10, 1962)

### **1.30.500 Deposit of Retirement Fund.**

Subject to such provisions as may be prescribed by law for the deposit of municipal funds in banks, cash belonging to the Retirement Fund may be deposited in any licensed national bank or banks in this State, or in any bank, banks or corporations authorized or licensed to do a banking business and organized under the laws of the State of Washington. (Ord. 15669; passed Aug. 20, 1956: Ord. 14039 § 9; passed Dec. 6, 1950)

### **1.30.510 Custody of Fund.**

The City Treasurer shall be the custodian of the Retirement Fund. All payments from said Fund shall be made by the City Treasurer, but only upon warrant duly executed by the Director of Finance. (Ord. 15669; passed Aug. 20, 1956: Ord. 14039 § 9; passed Dec. 6, 1950)

### **1.30.520 Pecuniary interest in Fund prohibited.**

Except as hereinabove provided, no member and no employee of the Board of Administration shall have any interest, direct or indirect, in the making of any investments from the Retirement Fund, or in the gains or profits accruing therefrom. No member or employee of said Board, directly or indirectly, for himself or herself or as an agent or partner of others, shall borrow any of its funds or deposits or in any manner use the same except to make such current and necessary payments as are authorized by said Board; nor shall any member or employee of said Board become an endorser or surety or become in any manner an obligor for moneys invested by the Board. (Ord. 25955 § 25; passed Sept. 24, 1996: Ord. 15669; passed Aug. 20, 1956: Ord. 14039 § 9; passed Dec. 6, 1950)

### **1.30.530 City's liability.**

There shall be paid into the Retirement Fund by the City the contributions as provided for in Sections 1.30.360 and 1.30.365, which are the amounts necessary to pay all pensions and all other benefits allowable to members and their beneficiaries under the provisions of this chapter, except such as are provided by the contributions of members as provided in Section 1.30.340 and as amended. Compensation received by members at the time of retirement for accumulated sick leave and vacation leave shall not be subject to contributions based thereon from the City. (Ord. 18971 § 3; passed Nov. 25, 1969: Ord. 17014 § 4; passed Mar. 20, 1962)

### **1.30.540 Payments by City.**

The payments of the City due the Retirement Fund as provided for in this chapter are hereby made obligations of the City, as defined in this chapter. The Board shall annually prepare an estimate of amounts necessary to meet such obligations, and submit the same as soon as practicable thereafter to the City Council, and the City Council shall provide for the raising of such amounts as are necessary to make such payments. (Ord. 21244 § 8; passed Dec. 27, 1977: Ord. 14039 § 11; passed Dec. 6, 1950)

### **1.30.550 Refund of contributions/Service credit buybacks.**

A. Refunds/Transfers. Should the City service of a member be discontinued, except by death or retirement, the member shall be paid, not later than six months after the date of discontinuance, such part of his or her accumulated contributions and accumulated additional contributions as he or she shall demand. A member who files an application for a refund of his or her contributions and subsequently becomes employed in a position with the City before the expiration of 30 days, or before a refund payment has been made, shall not be eligible for such refund payment. If, in the opinion of the Board, said member is permanently separated from City service by reason of such discontinuance, the member shall be paid all his or her accumulated contributions with interest. If the City service of a member is discontinued after December 31, 1996, other than by death or retirement, after completion of five years of membership service, the member shall be entitled to withdraw 1.5 times the member's accumulated normal contributions with interest; provided, however, the foregoing sentence shall not apply to contributions repaid pursuant to subsection B or C of this section unless such contributions shall have been on deposit with the System for five or more years. Provided that effective February 1, 2009, such a member shall be entitled to withdraw 1.5 times the member's accumulated normal contributions as of February 1, 2009, plus 1.5 times the member's accumulated

normal contributions after such date up to a rate of 6.44% of compensation as defined in Section 1.30.130. Effective January 1, 2001, if a member with five or more years of membership service retires from City Service pursuant to Section 1.30.570, elects a deferred retirement pursuant to Section 1.30.600, or dies, the member or the named beneficiary shall be entitled to withdraw in a lump sum an amount equal to 1.5 times the member's overtime contributions, plus interest, or may elect to apply such amount to the purchase of service credit pursuant to subsection D below. If a member has less than five years of membership service, the member or the named beneficiary shall be entitled to withdraw the member's overtime contributions and interest. Alternatively, in either case, the amount of overtime contributions and interest subject to withdrawal may be applied toward the purchase of an additional annuity, as provided in Section 1.30.620. While a member is in City service, the member may elect a direct trust-to-trust transfer of a lump sum in an amount up to 1.5 times the member's overtime contributions, plus interest, to another retirement system with which the System has portability under Chapter 41.54 RCW and Section 1.30.890, for purposes of restoring or purchasing service credit under the other system; provided, that such transfer shall only be available if the Retirement Board confirms to its satisfaction that the other system will accept the transfer on behalf of the member; provided further, that under no circumstances shall the lump sum be distributed or made available to the member while the member is in City service.

B. Repayment of contributions on rehire. Any member or former member who re-enters City service may redeposit in the Retirement Fund, in one lump sum, an amount equal to the amount he or she received at the time of the last termination or interruption of membership as a refund calculated in accordance with subsection A, plus interest. Effective October 1, 1999, individuals may purchase partial service credit by making a partial redeposit. The member may purchase as many full quarters as he or she wishes in a lump sum deposit, up to the total value of withdrawn contributions and interest. The full amount of the prior refund and interest from the withdrawal date shall be determined and divided by the number of quarters of service associated with the refund to arrive at a quarterly cost. A member shall be entitled to only one opportunity to repurchase partial service credit on re-entering City service. The deposit shall be paid into the Retirement Fund in accordance with rules established by the Board at an interest rate to be fixed annually by the Board of Administration. Payment shall be made within five years of the resumption of service or prior to retirement, whichever shall occur first. Effective January 1, 2002, repayment may also be made by a direct trustee-to-trustee transfer to the Retirement Fund from a plan qualified under Internal Revenue Code Section 457 or 403(b). Effective September 1, 2002, repayment may also be made by a direct rollover to the Retirement Fund from an individual retirement account or annuity qualified under Internal Revenue Code Section 408. The Board of Administration shall establish rules and procedures for acceptance of such deposits, transfers, or rollovers, including procedures to account for pre-tax transfers and rollovers and after-tax payments. Upon such redeposit being made, the City shall reinstate the applicable membership service credit and prior service credit for such member in the same manner as provided in subsection C hereof.

C. Repayment window. Any member who has heretofore withdrawn his or her contributions from the Retirement System and who has further failed to redeposit them in the Retirement Fund upon the resumption of membership in the Retirement System may, for a one-time only repayment period of one year commencing December 1, 1986, redeposit the total amount withdrawn, together with interest compounded annually at a rate established by the Board of Administration of the Tacoma Employees' Retirement System. Any member who has heretofore withdrawn his or her contributions from the Retirement System and who has further failed to redeposit them in the Retirement Fund upon the resumption of membership in the Retirement System may, for a one-time only repayment period of 3.5 years, commencing January 1, 1997, redeposit the total amount withdrawn, or effective October 1, 1999, a portion thereof, together with interest compounded annually at a rate established by the Board of Administration of the Tacoma Employees' Retirement System; provided, that effective May 1, 2000, a member may elect to accomplish the redepositing of contributions, or any part thereof, by irrevocably electing to transfer all of his or her account balance representing his or her accumulated contributions on overtime earnings to his or her unrestricted Accumulated Normal Contributions account, except that if the member's account balance representing contributions on overtime earnings exceeds the amount needed to redeposit contributions, then only the amount needed for redeposit of contributions shall be transferred. Upon transfer, the amount shall be for all purposes treated as Accumulated Normal Contributions attributable to Compensation other than overtime.

Any member who has heretofore withdrawn his or her contributions from the Retirement System and who has further failed to redeposit them in the Retirement Fund upon the resumption of membership in the Retirement System may, for a one-time only repayment period of one year, commencing January 1, 2004, redeposit the total amount withdrawn or, consistent with the provisions of this section, a portion thereof, together with interest compounded annually at a rate established by the Board of Administration. Any redeposit made under the provisions of this subsection may be accomplished by any of the repayment methods authorized by this section.

D. Purchase of Permissive Service Credit. Effective January 1, 2002, any Member who is vested and has five or more years of City Service as a Member may purchase up to five years of creditable service at the time of retirement, provided that no purchase made pursuant to this paragraph shall result in a member's total years of creditable service exceeding 30. Payment shall be in a lump sum on an after-tax basis, by a direct trustee-to-trustee transfer to the Retirement Fund from a plan qualified



under Internal Revenue Code Section 457 or 403(b), or, effective September 1, 2002, by a direct rollover to the Retirement Fund from an individual retirement account or annuity qualified under Internal Revenue Code Section 408, or by irrevocably electing to apply the amount equal to 1.5 times the Member's overtime contributions, plus interest, that could be withdrawn under subsection A above. The Board of Administration shall establish rules and procedures for acceptance of such payments, transfers, rollovers, or elections, including procedures to account for pre-tax transfers, rollovers, elections, and after-tax payments. The amount of payment shall be the full actuarial costs of the increased benefit obtained by the purchase of additional creditable services as determined by the Retirement System. This provision will be interpreted to comply with Internal Revenue Code Section 415(n), but shall not establish a vested right to purchase service credit nor establish a contractual obligation on behalf of the City, and may be revoked at any time. Purchase of creditable service is not treated as an employee contribution and does not affect the 150 percent refund of accumulated normal contributions and interest as defined under Section 1.30.550 or the minimum benefit of the actuarial equivalent of 200 percent of accumulated normal contributions as defined under Section 1.30.580. (Ord. 27886 Ex. B; passed May 4, 2010: Ord. 27779 Ex. A; passed Jan. 13, 2009: Ord. 27174 § 1; passed Dec. 16, 2003: Ord. 26975 § 1; passed Aug. 13, 2002: Ord. 26873 § 3; passed Nov. 13, 2001: Ord. 26734 § 4; passed Nov. 14, 2000: Ord. 26602 § 1; passed Mar. 28, 2000: Ord. 26545 § 1; passed Dec. 7, 1999: Ord. 26512 § 2; passed Sept. 28, 1999: Ord. 26484 § 1; passed Aug. 3, 1999: Ord. 26331 § 1; passed Dec. 8, 1998: Ord. 26163 § 1; passed Dec. 16, 1997: Ord. 26118 § 4; passed Aug. 19, 1997: Ord. 25967 § 7; passed Oct. 22, 1996: Ord. 24507 § 5; passed Dec. 12, 1989: Ord. 23715 § 1; passed Oct. 7, 1986: Ord. 23032 § 1; passed Nov. 22, 1983: Ord. 20099 § 1; passed May 14, 1974: Ord. 17014 § 4; passed Mar. 20, 1962)

### **1.30.560 Retention of service credits.**

To comply with the mandate of the 1951 Washington Legislature, as set forth in Chapter 98 of the Laws of 1951 of the State of Washington, the Board of Administration, subject to the approval of the City Council by resolution, is hereby authorized to enter into agreements with regards to the transfer of retirement credit and related funds with other public retirement systems within the State of Washington to permit the exchange of retirement credit and the transfer of funds, in accordance with rules and regulations now or hereafter adopted by the Board of Administration. Notwithstanding anything to the contrary in this chapter contained, such agreements may provide:

- A. That service credits earned in the Tacoma Employees' Retirement System may be preserved for a member who transfers employment to another public body within the state and becomes a member of its retirement system.
- B. That service credits previously lost or lapsed in the Tacoma Employees' Retirement System because of previous lack of authority to proceed may be regained.
- C. That, when authorized by the Board, retirement benefits may be paid when a member becomes eligible for retirement under this system or under another system with which an agreement is in effect, whether such member becomes eligible under the rules of the latter system, under the rules of this system, or under laws of the State of Washington, that such agreement may provide for the combining of service credits and number of years of service in various retirement systems to establish eligibility for retirement, but notwithstanding anything elsewhere in this chapter to the contrary, such monthly retirement payments from this system will be for such amounts only as are actuarial equivalents of the member's accumulated contributions and from the City's funds an amount equal to the actuarial equivalent of the member's accumulated normal contributions in the Tacoma Employees' Retirement System on the date of the member's retirement, reduced only in those cases where the combined retirement allowance exceeds the maximum permissible by State law and the agreements entered into between the systems in accordance therewith. Additional pension payments required to bring the member's monthly retirement allowance to any guaranteed minimums, elsewhere provided for in this chapter, shall not be paid unless the members have earned such minimum benefits solely within this system in accordance with requirements established elsewhere in this chapter.
- D. That it shall be the sole responsibility of the member to apply for the retention, regaining or preservation of any such credits.
- E. Credits so regained, retained or preserved may be lost or lapsed if membership is not maintained in accordance with rules and regulations now or hereafter established by such agreements or by the Board of Administration.
- F. That granting of such rights or payments as these agreements may provide for shall be done only in accordance with rules and regulations to be established by the Board of Administration.

If an employee of the City of Tacoma, who is also a member of the Tacoma Employees' Retirement System, should transfer to employment with the Municipal Belt Line while same is operated by the City, said employee member, so long as he or she shall remain an employee of the Belt Line or the City of Tacoma, shall be entitled, in accordance with rules and regulations now or hereafter established by the Board of Administration, to the rights of preservation, retention and regaining of service credits and ultimate retirement allowances similar to those affected by agreements, as in this section provided, between the Tacoma Employees' Retirement System and other public retirement systems within the state, even though no agreement may

be effected between the Railroad Retirement System and the Tacoma Employees' Retirement System. (Ord. 27886 Ex. B; passed May 4, 2010: Ord. 25955 § 26; passed Sept. 24, 1996: Ord. 20395 § 1; passed Apr. 15, 1975: Ord. 17014 § 4; passed Mar. 20, 1962)

**1.30.570 Service retirement.**

Subject to Section 1.30.710, retirement of a member for service shall be made by the Board of Administration as follows:

A. Each member of the Retirement System may retire on the first day of the calendar month next succeeding the month in which the member shall have attained eligibility for service retirement.

B. Any member in the City Service may retire by filing with the Board a written application stating when he or she desires to be retired, such application to be made at least 30 days prior to date of retirement; provided, however, that said member, at the time specified for his or her retirement, shall have completed 10 years of City Service as defined in this chapter and shall have attained the age of 55 years, or shall have completed 20 years of such City Service and shall have attained the age of 40 years, or shall have attained the age of 60 years regardless of years of service, or shall have completed 30 years of City Service as defined in this chapter, regardless of age. A member is fully vested upon attaining any of the foregoing service retirement dates. (Ord. 27931 Ex. A; passed Oct. 5, 2010: Ord. 26412 § 2; passed May 11, 1999: Ord. 25967 § 8; passed Oct. 22, 1996: Ord. 25955 § 27; passed Sept. 24, 1996: Ord. 24507 § 6; passed Dec. 12, 1989: Ord. 24155 § 1; passed Aug. 2, 1988: Ord. 23903 § 1; passed Jul. 22, 1987: Ord. 21564 § 1; passed Dec. 19, 1978: Ord. 21244 § 9; passed Dec. 27, 1977: Ord. 20693 § 1; passed Mar. 30, 1976: Ord. 20059 § 1; passed Mar. 12, 1974: Ord. 19649 § 1; passed Aug. 15, 1972: Ord. 19181 § 1; passed Aug. 18, 1970: Ord. 18970 § 1; passed Nov. 25, 1969: Ord. 17014 § 4; passed Mar. 20, 1962)

**1.30.580 Allowance on service retirement.**

A. Upon retirement from City service on or after January 1, 1997, a member shall receive an annual retirement allowance which shall consist of the following three items, plus any amount that might be provided under Section 1.30.620:

1. An annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement;
2. A service pension purchased by the contributions of the City, which shall be an additional pension for members, such that when added to the annuity equals the percentage of his or her average final compensation applied to his or her age and creditable service at retirement in accordance with the table at the end of this subsection A multiplied by his or her years of creditable service;
3. A basic service pension of \$150.00 per annum, payable only if a member retires after age 60 with 20 years' service to his or her credit and the basic service pension shall be allowed in the computation of pension benefits only to the extent that the same, when added to the annuity and service pension, will not result in a pension benefit in excess of \$3,000.00 per annum.

Age	Creditable Service												
	30	29	28	27	26	25	24	23	22	21	20	19-10	9-1
40							0.759	0.698	0.642	0.591	0.544	NA	NA
41						0.897	0.825	0.759	0.698	0.642	0.591	NA	NA
42					1.060	0.975	0.897	0.825	0.759	0.698	0.642	NA	NA
43				1.252	1.152	1.060	0.975	0.897	0.825	0.759	0.698	NA	NA
44			1.417	1.332	1.252	1.152	1.060	0.975	0.897	0.825	0.759	NA	NA
45		1.603	1.507	1.417	1.332	1.252	1.152	1.060	0.975	0.897	0.825	NA	NA
46	2.000	1.706	1.603	1.507	1.417	1.332	1.252	1.152	1.060	0.975	0.897	NA	NA
47	2.000	1.815	1.706	1.603	1.507	1.417	1.332	1.252	1.152	1.060	0.975	NA	NA
48	2.000	1.871	1.815	1.706	1.603	1.507	1.417	1.332	1.252	1.152	1.060	NA	NA
49	2.000	1.929	1.871	1.815	1.706	1.603	1.507	1.417	1.332	1.252	1.152	NA	NA
50	2.000	1.964	1.929	1.871	1.815	1.706	1.603	1.507	1.417	1.332	1.252	NA	NA
51	2.000	2.000	1.964	1.929	1.871	1.815	1.706	1.603	1.507	1.417	1.332	NA	NA
52	2.000	2.000	2.000	1.964	1.929	1.871	1.815	1.706	1.603	1.507	1.417	NA	NA
53	2.000	2.000	2.000	2.000	1.964	1.929	1.871	1.815	1.706	1.603	1.507	NA	NA
54	2.000	2.000	2.000	2.000	2.000	1.964	1.929	1.871	1.815	1.706	1.603	NA	NA

Age	Creditable Service												
	30	29	28	27	26	25	24	23	22	21	20	19-10	9-1
55	2.000	2.000	2.000	2.000	2.000	2.000	1.964	1.929	1.871	1.815	1.706	1.706	NA
56	2.000	2.000	2.000	2.000	2.000	2.000	2.000	1.964	1.929	1.871	1.815	1.815	NA
57	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	1.964	1.929	1.871	1.871	NA
58	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	1.964	1.929	1.929	NA
59	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	1.964	1.964	NA
60	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000

Notwithstanding the foregoing table, in the event the sum of age and creditable service equals 80 or more, the percentage of average final compensation shall be two percent.

B. Effective January 1, 1976, and thereafter any employee with 30 or more years of membership service shall receive no further membership service credit, but shall continue to make contributions as long as employment continues.

C. Notwithstanding the foregoing, effective with respect to a retirement from City service on and after January 1, 1997, a service pension shall not be less than the actuarial equivalent of 200 percent of the member's accumulated normal contributions; provided, however, that a member's contributions on his or her overtime earnings shall not be included in the term "accumulated normal contributions" for the purposes of subsection C of this section only. Provided that effective February 1, 2009, a service pension shall not be less than the actuarial equivalent of 200 percent of the member's accumulated normal contributions as of February 1, 2009, plus 200 percent of the member's accumulated normal contributions after such date up to a rate of 6.44% of compensation as defined in Section 1.30.130. (Ord. 27779 Ex. A; passed Jan. 13, 2009; Ord. 26118 § 5; passed Aug. 19, 1997; Ord. 25967 § 9; passed Oct. 22, 1996; Ord. 25955 § 28; passed Sept. 24, 1996; Ord. 24155 § 2; passed Aug. 2, 1988; Ord. 19724 § 4; passed Dec. 26, 1972; Ord. 19256 § 1; passed Dec. 15, 1970; Ord. 18805 § 2; passed Apr. 22, 1969; Ord. 17014 § 4; passed Mar. 10, 1962)

**1.30.585 Special early retirement window benefit.**

A. Notwithstanding any other provision of Chapter 1.30 of the Tacoma Municipal Code to the contrary, an eligible member (as defined in this section) electing to retire from the employment of the City under Section 1.30.570 on the applicable retirement date shall be entitled to a service pension equal to the service pension payable pursuant to Section 1.30.580, but adjusted as follows:

1. For an eligible member who is age 60 or older, three years shall be added to membership service.
2. For any other eligible member, three years will be added to membership service and three years will be added to age.

In no event shall a member receive more than 30 years of creditable service.

Age will be expressed as years and full months. Actual ages will be used in calculating the actuarial equivalent optional allowances on retirement.

B. If a member meets the eligibility requirements to benefit under the provisions of this special early retirement benefit, elects to receive such benefits under an optional form of allowance providing a survivor benefit to his or her spouse, and dies prior to the commencement of benefit payments and is survived by the spouse, the death benefit to which the spouse is entitled will be calculated by taking into account the provisions of this section.

C. An eligible member is a member hereunder who meets the following requirements:

1. He or she is employed by the City on January 1, 1997.
2. He or she meets one of the following criteria on or before December 31, 1997:
  - a. Age 52 or older with not less than 22 years of creditable service;
  - b. Age 57 or older; or
  - c. Twenty-seven years of creditable service.
3. He or she elects to retire from City Service by a written election made on or after January 1, 1997, and before close of business on October 31, 1997, and does not withdraw his or her election to retire prior to December 31, 1997.
4. He or she signs and delivers and does not revoke the form of general release required by the City.

5. He or she retires on the applicable retirement date with not less than two months advance notice.

The applicable retirement date is the first day of the month subsequent to February 28, 1997, but not later than January 1, 1998.

D. Any member who re-enters City Service, having retired under this section, shall have his or her benefits suspended pursuant to Section 1.30.710. On subsequent retirement, the member's annual retirement allowance shall equal the greater of: (1) the benefit the member was receiving prior to re-entering City Service, or (2) the benefit calculated under Section 1.30.570 without consideration of this section and reduced by the actuarial equivalent of the benefits received pursuant to this section, unless the actuarial equivalent of the benefits received is repaid in a lump sum prior to subsequent retirement, all as determined by the Retirement System. (Ord. 26873 § 4; passed Nov. 13, 2001; Ord. 26412 § 3; passed May 11, 1999; Ord. 26090 § 1; passed Jun. 24, 1997; Ord. 25967 § 10; passed Oct. 22, 1996)

### **1.30.586 Increase for retired members.**

Those members who became entitled to pension benefits prior to January 1, 1971, except those who were mandatorily retired at age 65 between July 1, 1970, and January 1, 1971, shall thereafter receive a seven percent increase limited to their annuity, membership service pension, and basic service pension entitlement.

Those members who became entitled to pension benefits prior to January 1, 1973, except those who were mandatorily retired at age 65 between July 1, 1972, and January 1, 1973, shall thereafter receive a four-and-one-half percent increase limited to their annuity, membership service pension, and basic pension entitlement.

Those members who became entitled to pension benefits during the period from January 1, 1951, through December 31, 1975, shall receive an increase in their pension benefits. Their pension benefits shall be adjusted effective January 1, 1995, to reflect the cost of living. The appropriate inflation measure shall be the change in the Seattle Consumer Price Index for urban wage earners and clerical works (CPI-W) from the time of retirement to the end of 1993, as reported by the Bureau of Labor Statistics in mid-February 1994. This increase shall restore the members' benefits to 50 percent of their original earning power determined as of the date of retirement. (Ord. 25650 § 1; passed Dec. 20, 1994; Ord. 19724 § 5; passed Dec. 26, 1972; Ord. 19256 § 2; passed Dec. 15, 1970; Ord. 18805 § 3; passed Apr. 22, 1969)

### **1.30.600 Deferred retirement.**

A member who leaves City service after five or more years' creditable service may elect in writing to the Retirement Board to leave his or her accumulated contributions in the Retirement Fund. Such contributions shall be credited with regular interest and are refundable upon written request at any time; however, if said funds are not withdrawn the member may elect to receive a retirement allowance as provided under Section 1.30.580 after satisfying the requirements of Section 1.30.570. The retirement allowance shall be calculated pursuant to the provisions of Section 1.30.580 as in effect when the member ceased to be in City service and ceased contributions to the System, except for members covered under Sections 1.30.880 and 1.30.890. Members eligible to retire under the portability provisions of said sections shall have their retirement allowance calculated pursuant to the provisions of Section 1.30.580 as in effect when the member ceased service and contributions to all participating retirement systems covered under the portability provisions. (Ord. 26873 § 5; passed Nov. 13, 2001; Ord. 26530 § 4; passed Nov. 9, 1999; Ord. 25967 § 11; passed Oct. 22, 1996; Ord. 25955 § 29; passed Sept. 24, 1996; Ord. 24402 § 1; passed Aug. 1, 1989; Ord. 21244 § 10; passed Dec. 27, 1977; Ord. 17699 § 2; passed Oct. 20, 1964; Ord. 17014 § 4; passed Mar. 20, 1962)

### **1.30.620 Additional annuity – Waiver of allowance.**

A member, upon retirement from service, shall receive, in addition to the retirement allowance provided elsewhere in Sections 1.30.580 through 1.30.610, an additional annuity which shall be the actuarial equivalent of any accumulated additional contributions which he or she has to his or her credit at the time of his or her retirement.

Notwithstanding the provisions in Sections 1.30.580 through 1.30.620 contained, any member retired from service or entitled to so retire may, upon written request, waive temporarily or permanently the right to receive any portion of his or her retirement allowance as hereinabove set forth, upon the following terms and conditions:

That the portion so waived shall be so applied as to first reduce the basic pension and prior service pension and thereafter to reduce proportionately the amount designated to be paid the pensioner under the annuity and membership service pension benefits to which he or she may be entitled. In the event that any such waiver is made pursuant to such request, the same shall, upon becoming effective, constitute, while the same is in effect, full authority for the City to reduce the payments to the pensioner, as herein and therein provided, and shall forever relieve the City of any obligation to at any time pay the full specific benefits in this section or elsewhere provided for which would otherwise accrue during the period that said waiver is in force and effect. (Ord. 25955 § 30; passed Sept. 24, 1996; Ord. 17014 § 4; passed Mar. 20, 1962)

### **1.30.630 Disability retirement – Authorization.**

Any member while in City Service or any member on leave of absence or disability leave may be retired by the Board of Administration for permanent and total disability upon examination as follows:

A. Any member who becomes incapacitated for the performance of duty because of any accident or fortuitous event caused by or incurred as a result of the performance of duties as an employee of the City of Tacoma, regardless of length of service with the City, may be retired upon disability, as provided in this Section 1.30.630. Any member who has not elected to receive a service retirement allowance as provided in Sections 1.30.570 through 1.30.610, and who has at least five years of creditable service as defined by this chapter (provided, that the required five years of City Service shall have been credited to the member over a period not to exceed ten years immediately preceding retirement), may apply for a disability retirement. Any member who entered the Retirement System on or before June 1, 2012 may use the portability provisions in Sections 1.30.880 and 1.30.890 to accrue the five years of creditable service required to apply for disability retirement under this Section. Any member who enters the Retirement System after June 1, 2012 must accrue the entire five years of creditable service required to apply for disability retirement under this Section as a member of the Retirement System. Effective January 1, 2009, a member may apply for a disability retirement within one year of discontinuance of City Service if the member applied for benefits under the City's Basic Long-Term Disability Insurance Plan within 180 days of discontinuance of City Service for a condition that was present while in City Service and is receiving Long-Term Disability payments. Otherwise a member must apply for a disability retirement within three months after discontinuance of City Service and show that the member's incapacity has been continuous from discontinuance of City Service. The member shall be examined by a physician or surgeon appointed by the Board of Administration upon application of the head of the office or department in which the member is employed, or upon application of the member or a person acting in his or her behalf. The examining physician or surgeon must find in writing that the member is permanently and totally incapacitated, either physically or mentally, for the performance of duty and ought to be retired. If such medical examination shows to the satisfaction of the Board that the member is permanently and totally incapacitated either physically or mentally, for the performance of duty and ought to be retired, the Board shall retire the member for disability forthwith.

B. A member may, for a period of up to six months after denial of a member's application for disability retirement, reapply to the Board of Administration for disability retirement. The member must include with said reapplication newly obtained medical information or diagnoses evidencing that the member is permanently and totally incapacitated and that the member's sickness or disability existed at the time of discontinuance of City Service and continues to the date of reapplication. Upon such reapplication, the member shall be re-examined by a physician or surgeon appointed by the Board of Administration. If such medical examination shows, to the satisfaction of the Board, that the member is permanently and totally incapacitated, either physically or mentally, for the performance of duty and ought to be retired, the Board shall retire the member for disability forthwith.

C. The Board shall secure such medical services and advice as it may deem necessary to carry out the purpose of this section and Section 1.30.650 of this chapter and shall pay for such medical services and advice such compensation as the Board shall deem reasonable. (Ord. 28062 Ex. A; passed Apr. 3, 2012; Ord. 27800 Ex. A; passed May 5, 2009; Ord. 26695 § 1; passed Sept. 12, 2000; Ord. 25955 § 31; passed Sept. 24, 1996; Ord. 25231 § 1; passed Dec. 22, 1992; Ord. 21244 § 11; passed Dec. 27, 1977; Ord. 14039 § 15; passed Dec. 6, 1950)

### **1.30.640 Disability retirement – Allowance.**

A. Any member retiring on or after May 1, 1969, for disability as herein provided, provided the disability is not due to willful misconduct or violation of law, of which the Board shall be the sole judge, shall receive an annual retirement allowance which shall be such an amount as with that portion of his or her annuity provided by his or her accumulated normal contributions will make his or her disability retirement allowance equal:

1. One and one-half percent of his or her average final compensation multiplied by the number of years of service credited to him or her, if such disability retirement allowance exceeds one-third of his or her average final compensation.
2. If the disability retirement allowance computed under subsection A.1 does not exceed one-third of his or her average final compensation, 1.5 percent of his or her average final compensation multiplied by the number of years of service which would be creditable to him or her were his or her service to continue until attainment by him or her of age 65, but in such case, the retirement allowance shall not exceed one-third of his or her average final compensation.
3. If the disability retirement allowance computed under subsections A.1 or A.2 above does not exceed the sum of \$100 per month, then the disability retirement allowance shall be the sum of \$100 per month.

B. If disability is due to willful misconduct or violation of law on the part of the member, the Board of Administration in its discretion may pay to the member in one lump sum his or her accumulated contributions in lieu of a retirement allowance, and

such payment shall constitute full satisfaction of all obligations of the City to such member, and upon receipt of such payment he or she shall cease to be a member of the Retirement System.

C. Upon retiring for disability as above provided, a member shall receive an additional annuity which shall be the actuarial equivalent of any accumulated additional contributions which he or she has to his or her credit at the time of his retirement.

D. A member retired under the provisions of Section 1.30.630 of this chapter may elect optional allowances on retirement as set forth in Section 1.30.660 of this chapter. Any option elected shall be in writing and shall be irrevocable. Upon the death of a member receiving a disability retirement allowance, benefits will be paid according to the option elected. Effective September 1, 2002, any member (i) who retired prior to November 26, 2000, under the provisions of Section 1.30.630 of this chapter; and (ii) who is receiving disability benefits as of said effective date is eligible to elect prospectively optional allowances D, E, or F, as set forth in Section 1.30.660 of this chapter. Any election of an optional allowance by such a member shall be made in writing no later than December 31, 2002, and shall be irrevocable. A beneficiary or heir of a deceased member is not eligible to elect an optional allowance. The actuarial equivalent value of the optional allowance will be based on the Member's age and other applicable factors as of the date the new election is made. (Ord. 26975 § 2; passed Aug. 13, 2002: Ord. 26734 § 5; passed Nov. 14, 2000: Ord. 25955 § 32; passed Sept. 24, 1996: Ord. 21244 § 12; passed Dec. 27, 1977: Ord. 18852; passed Jun. 17, 1969: Ord. 18805; passed Apr. 22, 1969: Ord. 18651; passed Oct. 22, 1968: Ord. 17014 § 4; passed Mar. 20, 1962)

### **1.30.650 Disability retirement – Safeguards.**

A. The Board of Administration may, at its pleasure, require any member who is receiving a disability retirement allowance ("disability beneficiary") or disability applicant under age 60 to undergo medical examination to be made by a physician or surgeon appointed by the Board at a place to be designated by the Board. Upon the basis of such examination the Board shall determine whether such disability beneficiary or disability applicant is still totally and permanently incapacitated, either physically or mentally, for service in the office or department of the City where he or she was employed or in other City Service for which he or she is qualified. If the Board of Administration shall determine that the beneficiary or disability applicant is not so incapacitated, his or her retirement allowance shall be canceled in 30 days.

B. Should a disability beneficiary reenter the City Service and be eligible for membership in the Retirement System in accordance with Section 1.30.290, his or her retirement allowance shall be canceled and he or she shall immediately become a member of the Retirement System. His or her individual account shall be credited with his or her accumulated contributions less the annuity payments made to him or her. Such member shall receive credit for prior service and membership service previously credited in the same manner as if he or she had never been retired for disability.

C. Should any disability beneficiary under age 60 years refuse to submit to medical examination, his or her pension may be discontinued until his or her withdrawal of such refusal, and should refusal continue for one year his or her retirement allowance may be canceled. Should the disability beneficiary, prior to attaining age 60 years, engage in a gainful occupation not in City Service or should he or she reenter the City Service and be ineligible for membership in the Retirement System in accordance with Section 1.30.300, the Board of Administration shall reduce the amount of his or her retirement allowance to an amount which, when added to the compensation earned by him or her in such occupation, shall not exceed 70 percent of the salary currently payable for the last job classification filled by the disability beneficiary or, in case the classification no longer exists, for a comparable classification. Should the earning capacity of such disability beneficiary be further altered, the Board may further alter his or her retirement allowance to an amount which shall not exceed the retirement allowance otherwise payable but which, subject to such limitation, shall equal, when added to the compensation earned by him or her, 70 percent of the salary currently payable for the last job classification filed by the disability beneficiary or, in case the classification no longer exists, for a comparable classification. When the disability beneficiary reaches the age of 60 years, any reductions in his or her retirement allowance because of compensation earned by him or her shall be restored and his or her allowance shall not again be modified for any cause except as otherwise provided in this chapter.

D. Should the retirement allowance of any disability beneficiary be canceled for any cause other than reentrance into the City Service he or she shall be paid his or her accumulated contributions, less annuity payments made to him or her. (Ord. 25955 § 33; passed Sept. 24, 1996: Ord. 25231 § 2; passed Dec. 22, 1992: Ord. 23264 § 1; passed Sept. 25, 1984: Ord. 17014 § 4; passed Mar. 20, 1962)

### **1.30.660 Optional allowances on retirement.**

A member may elect to receive, in lieu of the retirement allowance provided for in Sections 1.30.580 through 1.30.620, its actuarial equivalent in the form of a lesser retirement allowance, payable in accordance with the terms and conditions of one of the options set forth below in this section. Election of any option must be made by written application filed with the Board of Administration at least 30 days in advance of retirement as provided in Section 1.30.570 and shall be irrevocable.

Option A. The lesser retirement allowance shall be payable to the member throughout his or her life; provided, that if he or she dies before he or she receives in annuity payments referred to in subsection A.1 of Section 1.30.580 and in Section 1.30.620, a total amount equal to the amounts of his or her accumulated contributions and his or her accumulated additional contributions combined as they were at the date of his or her retirement, the balances of these accumulated contributions and accumulated additional contributions shall be paid in one sum to his or her estate or to such person as he or she shall nominate by written designation duly executed and filed with the Board.

Option B. The lesser retirement allowance shall be payable to a member throughout his or her life; provided, that if he or she dies before he or she receives in annuity payments referred to in subsection A.1 of Section 1.30.580 and in Section 1.30.620, a total amount equal to the amounts of his or her accumulated contributions and his or her accumulated additional contributions combined as they were at the date of his or her retirement, the annuity payments resulting from his or her accumulated contributions and accumulated additional contributions shall be continued and paid to his or her estate or to such person as he or she shall nominate by written designation duly executed and filed with the Board, until the total amount of annuity payments shall equal the total amounts of his or her accumulated contributions and accumulated additional contributions as they were at the date of his or her retirement.

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

Option D. The lesser retirement allowance shall be payable to the member throughout life, and after the death of the member one-half of the lesser retirement allowance shall be continued throughout the life of and paid to the wife or husband of the member, which wife or husband shall hold such relationship at the time of retirement. Provided, with respect to members retiring on or after January 1, 1999, in the event the wife or husband of the member predeceases the member, the benefit payable to the member effective as of the first day of the month following the death of the wife or the husband shall be increased to the retirement allowance provided for in Sections 1.30.580 through 1.30.620 as if the member had not elected an optional allowance under this section upon his or her retirement; provided further, that effective January 1, 2006, in the event the wife or husband of a member electing hereunder, or who has previously elected hereunder, predeceases the member and the member thereafter remarries, said member shall have, within three months of remarriage, or until March 31, 2006, if already remarried, the option to irrevocably designate the member's new spouse as the wife or husband of the member under this Option D, but said designation shall not become effective until the expiration of six months from the date of exercise of said election and shall be null and void if the member dies before it becomes effective. The retirement allowance payable to the member effective as of the first day of the month following the effectiveness of the designation of the new spouse shall be the lesser retirement allowance the member was receiving (or the increased allowance if the member retired on or after January 1, 1999, as the case may be), actuarially adjusted by the same factors as if the member were electing this Option D at the effective date. If the member exercises the option to designate a new spouse and the member's new spouse predeceases the member, the benefit payable to the member effective as of the first day of the month following the death of the wife or the husband shall be increased to the retirement allowance provided for in Sections 1.30.580 through 1.30.620 as if the member had not elected an optional allowance under this section. Provided further, that with respect to members retiring on or after January 1, 2008, in the event the member and husband or wife are divorced and Section 1.30.690.C is satisfied, the benefit payable to the member effective as of the first day of the month following the entry of the Order shall be increased to the retirement allowance provided for in Sections 1.30.580 through 1.30.620 as if the member had not elected an optional allowance under this section upon his or her retirement; provided further, that in the event the member is divorced hereunder and thereafter remarries, said member shall have, within three months of remarriage, the option to irrevocably designate the member's new spouse as the wife or husband of the member under this Option D, subject to the same conditions as provided in this Option D for a member who remarries after the death of a husband or wife.

Option E. The lesser retirement allowance shall be payable to the member through life, and after death of the member it shall be continued throughout the life of and paid to the wife or husband of the member, which wife or husband shall hold such relationship at the time of retirement. Provided, with respect to members retiring on or after January 1, 1999, in the event the wife or husband of the member predeceases the member, the benefit payable to the member effective as of the first day of the month following the death of the wife or the husband shall be increased to the retirement allowance provided for in Sections 1.30.580 through 1.30.620 as if the member had not elected an optional allowance under this section upon his or her retirement; provided further, that effective January 1, 2006, in the event the wife or husband of a member electing hereunder, or who has previously elected hereunder, predeceases the member and the member thereafter remarries, said member shall have, within three months of remarriage, or until March 31, 2006, if already remarried, the option to irrevocably designate the member's new spouse as the wife or husband of the member under this Option E, but said designation shall not become effective until the expiration of six months from the date of exercise of said election and shall be null and void if the member dies before it becomes effective. The retirement allowance payable to the member effective as of the first day of the month

following the effectiveness of the designation of the new spouse shall be the lesser retirement allowance the member was receiving (or the increased allowance if the member retired on or after January 1, 1999, as the case may be), actuarially adjusted by the same factors as if the member were electing this Option at the effective date. If the member exercises the option to designate a new spouse and the member's new spouse predeceases the member, the benefit payable to the member effective as of the first day of the month following the death of the wife or the husband shall be increased to the retirement allowance provided for in Sections 1.30.580 through 1.30.620 as if the member had not elected an optional allowance under this section. Provided further, that with respect to members retiring on or after January 1, 2008, in the event the member and husband or wife are divorced and Section 1.30.690.C is satisfied, the benefit payable to the member effective as of the first day of the month following the entry of the Order shall be increased to the retirement allowance provided for in Sections 1.30.580 through 1.30.620 as if the member had not elected an optional allowance under this section upon his or her retirement; provided further, that in the event the member is divorced hereunder and thereafter remarries, said member shall have, within three months of remarriage, the option to irrevocably designate the member's new spouse as the wife or husband of the member under this Option E, subject to the same conditions as provided in this Option E for a member who remarries after the death of a husband or wife.

Option F. If a member at the time of his or her retirement has no wife or husband, then and in that event the lesser retirement allowance shall be payable to the member throughout his or her life; and, after the death of the member,

1. One-half of the lesser retirement allowance shall be continued throughout the life of and paid to the beneficiary designated by the member who is over the age of 18 years, or
2. The lesser retirement allowance shall be continued throughout the life of and paid to the beneficiary designated by the member who is over the age of 18 years.

Provided, with respect to members retiring on or after January 1, 1999, in the event the beneficiary of the member predeceases the member, the benefit payable to the member effective as of the first day of the month following the death of the beneficiary shall be increased to the retirement allowance provided for in Sections 1.30.580 through 1.30.620 as if the member had not elected an optional allowance under this section upon his or her retirement. (Ord. 27647 § 1; Ex. A; passed Sept. 25, 2007; Ord. 27433 § 2; passed Nov. 29, 2005; Ord. 26573 § 1; passed Feb. 22, 2000; Ord. 26350 § 1; passed Jan. 12, 1999; Ord. 25955 § 34; passed Sept. 24, 1996; Ord. 24507 § 7; passed Dec. 12, 1989; Ord. 21244 § 13; passed Dec. 27, 1977; Ord. 17014 § 4; passed Mar. 20, 1962)

### **1.30.662 Modification to coordinate member's retirement allowance with benefits receivable from federal system.**

A. A member who retires from service prior to the age of becoming eligible for retirement payments under the federal system, commonly known as Social Security, and who at the time of retiring is fully insured under the federal system, may elect to have his or her retirement allowance payable during his or her life only, increased prior to such eligible age and reduced after such age by amounts which have equivalent actuarial values, provided the subsequent decrease in his or her retirement allowance, and provided further that it shall be the responsibility of the member to obtain an estimate of his or her Old-Age Benefit at age 62 from the federal system.

B. If a member who has elected the provision under subsection A dies leaving a beneficiary entitled to an allowance, the beneficiary's allowance shall be the same as the beneficiary would have received had the member not elected the provision under subsection A. (Ord. 25955 § 35; passed Sept. 24, 1996; Ord. 24507 § 8; passed Dec. 12, 1989; Ord. 19419 § 1; passed Aug. 17, 1971)

### **1.30.665 Cost of living increase.**

A. Notwithstanding any other provisions of this chapter, and subject to the provisions of this section, as of July 1 of each year, commencing with January 1, 1997, every monthly retirement allowance, less that portion attributable to additional contributions, payable to or on account of any person who has heretofore retired or died or who shall hereafter retire or die as a member of the Retirement System and whose retirement or death occurred on or before July 1 of the preceding year, shall be increased or decreased by a percentage of the monthly retirement allowance then being received, which shall approximate, to the nearest 0.05 of one percent, the percentage of annual increase or decrease in the cost of living during the preceding calendar year, as determined by the Retirement Board in the manner provided in this section; provided, that such increase or decrease shall not exceed 2.125 percent of any monthly retirement allowance in any year, regardless of the percentage of change in such cost of living. After applying the above adjustment, if the member's inflation adjusted service pension shall equal less than 50 percent of the service pension at date of retirement adjusted for inflation by application of the Seattle Consumer Price Index for Urban Wage Earners and Clerical Workers (the "Indexed Benefit"), such service pension shall be further increased so that it shall not be less than 50 percent of such Indexed Benefit.



B. Determination of the percentage of annual increase or decrease in the cost of living shall be made by the Board of Administration each year by reference to the Seattle Consumer Price Index for Urban Wage Earners and Clerical Workers, for each of the two immediately preceding calendar years. The percentage by which such index for the most recent full calendar year shall have increased or decreased over or below such index for the full calendar year immediately prior thereto shall be the percentage used to calculate adjustments in the monthly retirement allowances pursuant to Subsection A of this section.

C. The amount of any cost of living increase or decrease in any year which is in excess of the maximum annual retirement allowance adjustment of 2.125 percent, provided in subsection A of this section shall be accumulated from year to year and included in the computation of increases or decreases in succeeding years.

D. No monthly retirement allowance shall be reduced by operation of this section below the amount payable on the effective date of entitlement thereto. (Ord. 26734 § 6; passed Nov. 14, 2000: Ord. 25967 § 12; passed Oct. 22, 1996: Ord. 25159 § 3; passed Aug. 25, 1992: Ord. 20099 § 2; passed May 14, 1974: Ord. 18971 § 2; passed Nov. 25, 1969: Ord. 18805 § 2; passed Apr. 22, 1969: Ord. 18466 § 2; passed Dec. 26, 1967)

### **1.30.667 Health insurance.**

Any member receiving a pension for years of service hereunder, who because of lack of age only, cannot qualify for Social Security and Medicare benefits, shall be granted the privilege and option, at his or her own expense, to purchase from a health care contractor or insurer furnishing such service to active employees of the City, a policy or policies of health insurance embodying therein terms substantially similar to those granted active employees, paying therefor the same amount as the City pays for its employees on a composite rate. Payment for said insurance shall be an authorized deduction from any pension check, and the Board of Administration and Director of Finance are authorized to make such deductions. The option and privilege herein granted shall terminate automatically upon the member's reaching an eligible age to qualify for Medicare, whether in fact or not such member obtains the same. In no event shall the granting of this privilege give or grant the retired member any preferential treatment with reference to the health contracts over and above that of active employees of the City of Tacoma, and such privilege is at all times subject to the ability of the City of Tacoma to negotiate for and obtain said health care coverage. There shall exist no obligation on the part of the City to contribute any part of the purchase price of said policy, nor shall the City's General or Revenue Funds nor the Employee's Retirement Fund make any contribution therefor; provided, however, that if in fact any change results in the composite rate charged the City for all its employees from the granting of this privilege, such adjustment in the composite rate shall not be deemed a contribution of the City or Board of Administration hereunder. (Ord. 25955 § 36; passed Sept. 24, 1996: Ord. 20377 § 1; passed Mar. 25, 1975)

### **1.30.670 Death of member – Effect.**

A. Upon the death of any member who has not been retired, pursuant to the provisions of this chapter, there shall be paid to his or her beneficiary his or her accumulated contributions and his or her accumulated additional contributions, less any payments therefrom already made to the member, if any. Such payments may be made in one lump sum or may be paid in installments over a period of not to exceed five years, as may be designated by the beneficiary, in accordance with such rules as may be established by the Board of Administration, and with such rate of interest applicable as may be determined by the Board of Administration.

B. Upon the death of any member who has not retired but who, as of the date of death, was eligible for service retirement in accordance with subsection B of Section 1.30.570 of this chapter, the beneficiary may elect to receive one of the following death benefits:

1. the benefit provided in subsection A above;
2. a retirement allowance payable only for the remainder of his or her life and equal to that which would have been received had the deceased member retired on the date of death having elected a lesser retirement allowance payable to the member for life and continuing for the life of the named beneficiary, provided that effective January 1, 2000, any non-spouse beneficiary electing hereunder must be over the age of 18 years; or
3. a lump sum cash payment not to exceed one-half of the deceased member's accumulated contributions and accumulated additional contributions and a retirement allowance payable only for the remainder of his or her life and equal to that which would have been received had the deceased member retired on the date of death having elected a lesser retirement allowance payable to the member for life and continuing for the life of the named beneficiary, but reduced proportionately by the lump sum cash payment provided that effective January 1, 2000, any non-spouse beneficiary electing hereunder must be over the age of 18 years.

C. Upon the death of any member who has not retired but who, as of the date of his or her death, had five years' creditable service, the beneficiary may elect to receive the death benefit provided in subsection A above or, in lieu thereof, may elect to receive a monthly retirement allowance payable for ten years in an amount that is the actuarial equivalent of 200 percent of the member's accumulated normal contributions, with interest. Provided that effective February 1, 2009, such allowance shall be

equal to the actuarial equivalent of 200 percent of the member's accumulated normal contributions as of February 1, 2009, plus 200 percent of the member's accumulated normal contributions after such date up to a rate of 6.44% of compensation as defined in Section 1.30.130. The member's contributions and interest on overtime, if any, shall be paid to the beneficiary in accordance with Section 1.30.550.

D. In the event the beneficiary is the member's surviving spouse, upon the death of any member who has not retired but who, as of the date of his or her death, had five years' creditable service, in lieu of the death benefit provided under subsection C, the spouse may elect to defer payment of a death benefit, leaving the member's accumulated contributions with interest, not including contributions on overtime with interest, in the Retirement Fund until a deferral date. A deferral date is any date following the date when the member could have elected to start receiving a retirement allowance under Section 1.30.570 based on the member's date of birth and years of service at the time of death; provided, however, that if the spouse is older than the member, the spouse's age and date of birth may be used in lieu of the member's age for purposes of determining eligibility to start receiving a benefit under Section 1.30.570. Such contributions shall be credited with regular interest and shall be payable in accordance with subsection C, above, upon written request at any time prior to the deferral date. The value of the deferred death benefit payable under this section at the deferral date shall be twice the value of the member's normal contributions plus interest earned to the deferral date, excluding contributions on overtime and interest thereon which are payable in accordance with Section 1.30.550 at the member's death. The form of the benefit payable under this section at the deferral date shall be a monthly retirement allowance converted on an actuarial equivalent basis to a life annuity for the life of the spouse.

If the spouse should die before the commencement of the deferred death benefit, then a death benefit will be payable to the spouse's estate in a lump sum equal to the value of the benefit under subsection C, above, with the member's normal contributions accruing interest to the date of the spouse's death.

If the spouse should die after the commencement of the deferred death benefit, then a death benefit may be payable to the spouse's estate in a lump sum equal to twice the value of the member's normal contributions, plus interest earned to the date the deferred death benefit payments to the spouse began (excluding contributions on overtime and interest thereon), less any payments already made to the spouse.

E. In the case of a death occurring on or after January 1, 2007, if a member dies while performing qualified military service (as defined by Internal Revenue Code Section 414(u)), the member's survivors are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service), such as full vesting upon death, provided under this Section 1.30.670 as if the member had resumed and then terminated employment on account of death. (Ord. 28092; passed Oct. 9, 2012: Ord. 28091; passed Oct. 9, 2012: Ord. 27779 Ex. A; passed Jan. 13, 2009: Ord. 27582 § 1; passed Jan. 16, 2007: Ord. 26868 § 1; passed Oct. 23, 2001: Ord. 26734 § 7; passed Nov. 14, 2000: Ord. 26603 § 1; passed Mar. 28, 2000: Ord. 25955 § 37; passed Sept. 24, 1996: Ord. 21244 § 14; passed Dec. 27, 1977: Ord. 19701 § 1; passed Nov. 14, 1972: Ord. 18805 § 21; passed Apr. 22, 1969: Ord. 18466 § 3; passed Dec. 26, 1967: Ord. 14039 § 19; passed Dec. 6, 1950)

### **1.30.680 Retirement allowance payable monthly.**

A pension, annuity, or a retirement allowance granted under the provisions of this chapter, unless otherwise specified herein, shall be payable in monthly installments, and each installment shall cover for the current calendar month. Effective January 1, 2002, all new retirees shall be required to receive payment of their retirement allowance by electronic direct deposit with their bank or credit union. Upon the death of a member while receiving a pension, annuity, or retirement allowance, the final month's payment shall be pro-rated for the portion of the month that the member survived, and shall be paid to the member's bank or credit union account by direct deposit, if applicable. Upon the death of a surviving spouse or other beneficiary designated by the member who is receiving monthly payments, if applicable, the final month's payment shall be pro-rated for the portion of the month that the spouse or designated beneficiary survived, and shall be paid to such spouse or beneficiary's account by direct deposit, if applicable. (Ord. 27997 Ex. B; passed Jun. 21, 2011: Ord. 26873 § 6; passed Nov. 13, 2001: Ord. 26868 § 2; passed Oct. 23, 2001: Ord. 14039 § 20; passed Dec. 6, 1950)

### **1.30.690 Exemption from process.**

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

B. Notwithstanding the foregoing, benefits due a member hereunder pursuant to the provisions of this chapter shall be paid to an alternate payee in accordance with the applicable requirements of any Qualified Domestic Relations Order, or as directed in an Order to Withhold and Deliver under RCW 74.20A.080. A Qualified Domestic Relations Order means a domestic relations order which creates or recognizes the existence of an alternate payee's right to, or assigns to the alternate payee the right to, receive all or a portion of the benefits payable with respect to a member under this chapter. A Domestic Relations Order

means any judgment, decree, or order (including approval of a property settlement agreement) which relates to the provisions of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a member and is made pursuant to a state domestic relations law. A Domestic Relations Order will be qualified only if it:

1. Unambiguously specifies the amount or percentage of the member's benefits to be paid by the Retirement System to each alternate payee or the manner in which such amount or percentage is to be determined;
2. Does not require the Retirement System to provide any type of form or benefits or any option not otherwise provided under this chapter;
3. Does not require the Retirement System to provide increased benefits (determined on the basis of actuarial value);
4. Does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee or to a person pursuant to an Order to Withhold and Deliver;
5. Does not require the Retirement System to pay a benefit to the alternate payee before the earliest date on which a benefit could be elected by a member who had the same years of City Service as a member had at the date of the entry of the order; and
6. Complies in all respects with the requirements of the Board of Administration's rules with respect to Qualified Domestic Relations Orders as they are in effect from time to time.

C. In order for a member to obtain the increased benefit upon divorce, as provided in Options D and E under Section 1.30.660, the member must submit either a Qualified Domestic Relations Order that meets the requirements of this section and specifies that the former husband or wife shall have no survivor benefit upon the member's death and does not purport to provide a survivor benefit to anyone else, or other proof satisfactory to the Board of Administration that the former husband or wife has irrevocably waived any survivor benefit. If the conditions in the preceding sentence are not met, a member who has retired with Option D or E under Section 1.30.660, and divorced, cannot change the form of benefit and the member's former husband or wife retains the survivor benefit, but the member's lesser retirement allowance under Option D or E may be divided by a Qualified Domestic Relations Order while the member and former husband or wife are both living. (Ord. 27647 § 2; passed Sept. 25, 2007; Ord. 26118 § 6; passed Aug. 19, 1997; Ord. 25955 § 38; passed Sept. 24, 1996; Ord. 14039 § 21; passed Dec. 6, 1950)

### **1.30.700 Incomplete records – Pension based on estimates.**

If it shall be impracticable for the Board of Administration to determine from the records the length of service, the compensation or the age of any member, the Board may estimate for the purpose of this chapter such length of service, compensation or age. (Ord. 14039 § 22; passed Dec. 6, 1950)

### **1.30.710 Suspension of payments – Receipt of other compensation.**

The payment of any retirement allowance to a member who has been retired from service shall be suspended during the time that the member is for any reason an employee of the City and is in receipt of compensation for such City Service, except as to the amount by which such retirement allowance may exceed such compensation for the same period; provided, that payment for vacation earned in the City Service prior to retirement of a member may be made without any suspension of allowance. This section shall not apply to any persons excluded from membership in the Retirement System under Section 1.30.300, 1.30.290.G, or to persons who elect not to become a member under the option granted under Section 1.30.290.D. (Ord. 27448 § 1; passed Dec. 13, 2005; Ord. 26118 § 7; passed Aug. 19, 1997; Ord. 25955 § 39; passed Sept. 24, 1996; Ord. 22753 § 1; passed Aug. 3, 1982; Ord. 14039 § 23; passed Dec. 6, 1950)

### **1.30.720 Appropriation for administration of system.**

The City Council shall appropriate annually from the Retirement Fund the amount it deems necessary for the purpose of paying the expenses of administering the Retirement System. The Board of Administration shall annually submit to the City Council its estimate of the amount necessary to pay such expenses. (Ord. 14039 § 24; passed Dec. 6, 1950)

### **1.30.730 Federal O.A.S.I. – No reduction in contributions.**

There shall be no reduction in the contributions by members and the City to the Tacoma Employees' Retirement System hereinabove and hereafter provided for, and the City and the members shall be responsible for the payment of any additional cost to them by reason of having taken advantage of the benefits of the Federal Old Age and Survivors Insurance embodied in the Federal Social Security Act. (Ord. 27886 Ex. B; passed May 4, 2010; Ord. 25955 § 40; passed Sept. 24, 1996; Ord. 17014 § 4; passed Mar. 20, 1962)

**1.30.740 Federal O.A.S.I. – Minimum allowance.**

If any member of the Tacoma Employees' Retirement System, whether or not entitled to any benefits under the Federal Old Age and Survivors Insurance embodied in the Federal Social Security Act upon retirement for any reason provided for in said Tacoma Employees' Retirement System, shall receive a less amount, including all benefits received from the Federal Old Age and Survivors Insurance, if any, but excluding any amounts received from such member's additional contributions, than such member would have been entitled to receive under the provisions of the Tacoma Employees' Retirement System in effect immediately prior to the effective date of the agreement providing for benefits under the Federal Old Age and Survivors Insurance embodied in the Federal Social Security Act, then and in that event such member or his beneficiary shall receive the difference between the total amount actually received as above computed and the minimum amount provided for in said Tacoma Employees' Retirement System in effect at the time of the effective date of the agreement above mentioned. (Ord. 27886 Ex. B; passed May 4, 2010; Ord. 15495 § 7; passed Dec. 12, 1955)

**1.30.750 Federal O.A.S.I. – Increase in benefits.**

Any person who has heretofore elected or who may hereafter elect to receive one of the options provided for in Section 1.30.660, and whose retirement allowance will be increased by the adoption of the benefits of the Federal Social Security Act, shall receive only the proper actuarial equivalent of such increase. (Ord. 15495 § 8; passed Dec. 12, 1955)

**1.30.760 Federal O.A.S.I. – Benefits computed on funds actually received.**

All benefits which are due because of the accumulated contributions of a member shall be computed only on the actual accumulated funds received and retained by the Tacoma Employees' Retirement System which are standing to the credit of the member at the time of his retirement, notwithstanding any other provision herein contained. (Ord. 27886 Ex. B; passed May 4, 2010; Ord. 15495 § 9; passed Dec. 12, 1955)

**1.30.770 Federal O.A.S.I. – Agreement – Referendum.**

The Governor of the State of Washington is hereby requested to approve this plan and to enter into an agreement with the Secretary of Health, Education and Welfare of the United States for the purpose of extending to officers and employees of the City of Tacoma the benefits of Federal Old Age and Survivors Insurance embodied in the Federal Social Security Act on this plan providing for such insurance, in addition to adjusted Retirement System benefits under the Tacoma Employees' Retirement System; and said Governor is requested to authorize a referendum thereon at the earliest possible date in accordance with Section 3 (4), Chapter 4, Laws of Washington, 1955, Ex. Sess., and Section 218 (d), (3), of the Federal Social Security Act, to the eligible officers and employees of the City of Tacoma upon the question whether they desire to be included under, or excluded from, the provisions of Federal Old Age and Survivors Insurance embodied in the Federal Social Security Act on such plan.<sup>2</sup> (Ord. 27886 Ex. B; passed May 4, 2010; Ord. 15495 § 10; passed Dec. 12, 1955)

**1.30.780 Federal O.A.S.I. – Funds.**

Upon adoption of such plan, in conformity with the provisions of the Federal Social Security Act and the agreement entered into under the State act, each year there shall be provided, in the respective funds from which City officers and employees of the various departments receive their salaries, sufficient funds to make the payments required by Section 5 (3) (a) and (4), Chapter 4, Laws of Washington, 1955, Ex. Sess. (Ord. 27886 Ex. A; passed May 4, 2010; Ord. 15495 § 11; passed Dec. 12, 1955)

**1.30.790 Federal O.A.S.I. – Duties of Director of Finance.**

The Director of Finance of the City of Tacoma is hereby designated as the officer to administer such accounting, reporting and other functions as are required for the effective operation of said plan within the City of Tacoma; he or she shall establish and set up such funds and shall make such reports, in such form and containing such information, as the Governor may from time to time require; and shall comply with such provisions as the Governor or the Secretary of Health, Education and Welfare of the United States may from time to time find necessary to assure the correctness and verification of such reports; and the Governor is authorized to terminate said plan if he or she finds there has been failure to comply substantially with its provisions, such termination to take effect at the expiration of such notice and on such conditions as may be provided by regulations of the Governor consistent with the provisions of the Federal Social Security Act. (Ord. 25955 § 41; passed Sept. 24, 1996; Ord. 15495 § 12; passed Dec. 12, 1955)

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<sup>2</sup> Referendum held and passed.

**1.30.800 Federal O.A.S.I. – Effective date.**

In the event that this plan is properly approved by the eligible officers and employees of the City of Tacoma, the effective date of this plan shall be January 1, 1955, and retroactive to said date. (Ord. 15495 § 13; passed Dec. 12, 1955)

**1.30.810 Federal O.A.S.I. – Director of Finance to be certifying officer.**

The Director of Finance of the City of Tacoma is hereby appointed as the certifying agent or officer, and such officer is hereby authorized and empowered to do all things necessary as provided for in the statutes pertaining to said plan. (Ord. 15495 § 14; passed Dec. 12, 1955)

**1.30.820 Federal O.A.S.I. – Contributions – Fund.**

The Director of Finance of the City is hereby authorized and directed, beginning January 1, 1956, to deduct from the salaries and wages of each employee and officer of the City eligible for coverage under the Federal Social Security Act, the amounts required to be deducted from such employees and officers as provided for by the Federal Insurance Contributions Act. Failure to make such deduction shall not relieve the officers or employees from liability for such contribution.

The said Director of Finance is further authorized and directed to likewise collect from the City such amounts as required to be paid by the City employer under the provisions of the Federal Insurance Contributions Act.

The said Director of Finance shall establish a fund to be known as the "O.A.S.I. Contributions Fund", and all moneys collected from the employees and officers and the City under the Federal Insurance Contributions Act or under any other act pertaining to said plan shall be deposited in this fund and shall be withdrawn and paid out of said fund for coverage under the Federal Social Security Act as by law provided. (Ord. 15495 § 15; passed Dec. 12, 1955)

**1.30.830 Contributions to Tacoma Employees' Retirement System – Adjustment for federal income tax purposes.**

The City of Tacoma hereby elects to extend to members of the Tacoma Employees' Retirement System the tax deferral benefits allowed by 26 U.S.C. Section 414(h) and Chapter 227, Laws of 1984 effective January 1, 1985, or as soon thereafter as is permissible by the Internal Revenue Service (the effective date). For such purpose, the City will pay the member's contribution to the Tacoma Employees' Retirement System contemplated by Sections 1.30.295, 1.30.296, 1.30.340, 1.30.350, and 1.30.550, and the salary reduction option under Section 1.30.380, for pay periods commencing on or after the effective date and will reduce the member's paid compensation by the amount of the City's contribution so paid. The City contribution made under this section, plus accumulated interest, shall be subject to withdrawal pursuant to Section 1.30.550 and forfeiture pursuant to Section 1.30.330.

A member's paid compensation for purposes of the Federal Insurance Contributions Act (Social Security tax), for purposes of workers' compensation and for all purposes other than federal income taxation shall be computed as if the foregoing contribution and corresponding reduction in a member's paid compensation had not been made.

The City reserves the right to discontinue this arrangement for a City contribution and corresponding paid compensation reduction at any time as to compensation earned afterwards. No affected member shall have any contract rights to compel the City to continue the arrangement should the City decide to pay the member his or her full paid compensation and then require that the member pay to the Tacoma Employees' Retirement System the member's contributions contemplated by Sections 1.30.295, 1.30.296, 1.30.340, 1.30.350, 1.30.380, and 1.30.550. (Ord. 27886 Ex. B; passed May 4, 2010; Ord. 27111 § 2; passed Jul. 1, 2003; Ord. 23411 § 1; passed Jun. 11, 1985)

**1.30.840 Trust fund.**

A. The retirement fund created pursuant to Section 1.30.460 shall be a trust fund held for the exclusive benefit of the members of the Tacoma Employees' Retirement System and their beneficiaries. No part of the corpus or income of the retirement fund shall be used for, or diverted to, purposes other than for the exclusive benefit of the members or their beneficiaries and the payment of fees and expenses of maintaining and administering the Retirement System.

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

1. A return of a contribution to the City or its application as a credit on future contributions, after the Board determines that the City has paid or overpaid the contribution under a mistake of fact; and
2. The making of refunds required by law;
3. Termination of the Retirement System and distribution of its assets to the City after all liabilities with respect to the members and their beneficiaries have been satisfied. (Ord. 27886 Ex. B; passed May 4, 2010; Ord. 23411 § 2; passed Jun. 11, 1985)

### **1.30.850 Status of benefits in event of termination of system.**

If the City terminates or partially terminates the Retirement System, each member affected shall have a nonforfeitable right to the retirement allowance accrued prior to the date of such termination or partial termination, to the extent funded as of that date, or if greater the normal contribution and additional contribution plus interest credited to the members' accounts. As used in this section, "terminate" means to discontinue the system completely without a comparable replacement plan; "partially terminate" means to exclude a segment of employees from coverage without the provision of a comparable replacement plan; and "nonforfeitable" means that a member's or beneficiary's right to an immediate or deferred benefit that arises from the member's City Service may not be forfeited by termination of service. (Ord. 23411 § 2; passed Jun. 11, 1985)

### **1.30.860 Compliance with applicable provisions of the Internal Revenue Code by regulations of the Board of Administration.**

A. Chapter 1.30 shall be administered in a manner to comply with the requirements of Internal Revenue Code Section 401(a)(8), (9), (16), (25), (30), and (31) and the Board shall promulgate regulations designed to assure compliance with the requirements of such law which will become a part of the Retirement System subject to change only by amendment of said regulations by the Board.

B. Membership of any new classification of employees will be denied if such participation will have an adverse impact on the tax qualification of TERS, pursuant to applicable federal law and regulation, including but not limited to those sections set forth above in subsection A.

C. Excess Limits Plan. Any retiree or beneficiary whose benefit or survivor benefit is limited by Internal Revenue Code Section 415 shall participate in an excess limits plan under this provision for any year in which his or her benefit is limited by Section 415. The excess limits plan shall pay the retiree or beneficiary a monthly benefit equal to the difference between the retirement allowance otherwise payable under this chapter before the application of Internal Revenue Code Section 415, and the retirement allowance as limited by Section 415. This benefit shall be payable by the City when due and shall not be paid from the Retirement Fund. The excess limits benefit shall be subject to income and employment tax withholding in accordance with applicable law. The benefit will be adjusted for the member's share of any employment taxes paid by the City on the member's behalf. This provision shall be interpreted to comply with Internal Revenue Code Section 415(m). (Ord. 26873 § 7; passed Nov. 13, 2001; Ord. 25955 § 42; passed Sept. 24, 1996; Ord. 24507 § 9; passed Dec. 12, 1989; Ord. 23411 § 2; passed Jun. 11, 1985)

### **1.30.870 Severability.**

If anyone or more sections, subsections, subdivisions, sentences, clauses or phrases of this chapter are for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this chapter, but the same shall remain in full force and effect. (Ord. 23411 § 2; passed Jun. 11, 1985.)

### **1.30.880 Agreement for portability of retirement benefits – Terms.**

A. The Board of Administration of the Tacoma Employees' Retirement System is authorized to contract with the Board of Administration of the Seattle City Employees' Retirement System and/or Board of Administration of the Spokane Employees' Retirement System (each called a "participating system") for the portability of retirement benefits of employees who are also members of the retirement systems of the cities of Seattle and Spokane, respectively.

B. The following terms and conditions shall apply in addition to such other requirements as may be established by rule of the Board or the agreement with participating systems:

1. The member must be in the active service of a participating system on or after the effective date of the Board's agreement for portability; a member retired from any of the three systems on the effective date of this chapter is not eligible.

2. Creditable service may accrue in only one participating system at a time. A member who leaves City employment to enter military service may only receive creditable service for his or her military service in one of the participating systems according to its rules.

3. A member may combine service credit in two or more participating systems for the sole purpose of determining the member's eligibility to receive a service retirement allowance, but the member may not aggregate service credit in two or more retirement systems for the purpose of determining the percentage factor to be used in calculating a service retirement allowance; PROVIDED, however, a member retiring on or after February 1, 1997, may aggregate service credit in two or more retirement systems for the purpose of determining the percentage factor to be used in calculating a service retirement allowance as provided elsewhere in this chapter. The service retirement allowances from a system, which but for this agreement would not be allowed to be paid at this date based on the dual member's age, shall be either actuarially adjusted

from the earliest age upon which the combined service would have been made such dual member eligible in that system, or the dual member may choose to defer the benefit until fully eligible.

4. A member of two or more participating systems who is eligible to retire under any system may elect to retire from all the members' systems and to receive a service retirement allowance. Each participating system shall calculate the allowance using its own criteria, except that the member shall be allowed to use the member's "base salary" from any participating system as the compensation used in calculating the allowance. "Base salary" means the salary or wages used by the participating system during a payroll period for making contributions to the system by its members generally. It includes salary or wages paid for personal services and wages and salary deferred under the provisions of the United States Internal Revenue Code. It excludes overtime payments (except as to service for the City of Spokane), nonmoney maintenance compensation, and lump sum payments for deferred annual leave, unused accumulated vacation, unused accumulated annual leave, any form of severance pay, any bonus for voluntary retirement, any other form of leave, or any similar lump sum payment.

5. The retirement allowances shall be paid separately by each participating system. Post-retirement adjustments, if any, shall be based on the payments made by each participating system to the member.

6. The total retirement allowances provided through portability of benefits shall not be less than the benefits payable by each participating system were there no portability, nor more than the benefits that would be payable had all service been with one participating system.

7. A participating system may pay a member of two or more systems a lump sum in lieu of a monthly benefit if the initial monthly benefit would be less than \$50.00.

8. If a member of two or more participating systems dies in service in any system, the surviving spouse shall receive the same benefit from each system that would have been received if the member were active in the system at the time of his or her death based on service actually established in that system.

9. The terms and conditions of the Board's agreement with the board of a participating system both establishes and limits the portability of benefits provided. The Board's agreements may be amended from time to time or supplemented by an agreement with the State of Washington for portability with State Retirement Systems. If the Board amends its agreement with the board of a participating system or makes modifications to provide portability with State systems, the rights, terms and conditions for portability are subject to amendment or abolition at any time before a member retires.

10. A member who: (a) earned retirement credit for service in a participating system, (b) withdrew his or her contributions from that system, (c) lost service credit by making the withdrawal, and (d) is now an active member of another participating system, may restore his or her prior service credit in the participating system of his or her former municipal employer by redepositing an amount determined by the system Board. Any individual hired after January 1, 1992, shall be provided with a one-year period under portability to repay contributions. This would not extend the time period for those individuals presently in the system who have not taken advantage of the one-year "windowed" period from January 1, 1991, to December 31, 1991. The amount shall be measured by the accumulated contributions withdrawn plus compound interest which would have accumulated on the withdrawn contributions from the date of withdrawal until the date of redeposit. (Ord. 27886 Ex. B; passed May 4, 2010; Ord. 26530 § 5; passed Nov. 9, 1999; Ord. 25049 § 1; passed Jan. 21, 1992; Ord. 24782 § 1; passed Dec. 11, 1990)

### **1.30.890 Agreements for portability of retirement benefits with the State of Washington.**

The City of Tacoma irrevocably elects to participate in the portability of public retirement benefits in Washington State public retirement systems, as contemplated by Chapter 41.54 RCW, and to pay for the additional costs it may incur as a result of the benefits provided.

The eligibility of members for the portability of public retirement benefits, the benefits available thereunder, the limitations (including those set forth in RCW 41.54.080), and the procedures necessary to implement portability shall be as set forth in Chapter 41.54 RCW and to the extent inconsistent with Section 1.30.880, shall govern. With respect to retirements effective on or after February 1, 1997, a member may combine service credit in two or more systems for the purpose of determining the percentage factor to be used in calculating a service retirement allowance as provided elsewhere in this chapter. (Ord. 26530 § 6; passed Nov. 9, 1999; Ord. 25375 § 1; passed Oct. 5, 1993)