

MOTION NO. \_\_\_\_\_

1 A MOTION relating to Social Security Coverage;  
2 requiring certain activities to be accomplished;  
3 effecting withdrawal from Social Security; imple-  
4 menting a replacement plan; increasing benefits  
5 to individual King County Employees.

6 WHEREAS, under the Federal Social Security Act a governing  
7 body of a political subdivision which has effected Old Age Survivors  
8 Insurance coverage through an agreement which contains a voluntary  
9 termination provision, may later terminate coverage of those  
10 employees pursuant to the provisions of that agreement, provided  
11 that the voluntary termination provision is conditioned (1) That  
12 coverage of the employees has been in effect for five years, and  
13 (2) That a two-year notice must be given before the termination  
14 becomes effective; and

15 WHEREAS, the same provision is found in the State of Washington,  
16 in the statutes of the State of Washington, and in the County of  
17 King, State of Washington agreement; and

18 WHEREAS, Social Security taxes have risen faster than the  
19 benefits paid; and

20 WHEREAS, the Seattle-Post Intelligencer, in special articles  
21 from June 9, 1974 through June 13, 1974, critically questioned the  
22 worth of Social Security coverage citing startling facts; and

23 WHEREAS, nationally known writer, William A. Rusher, in the  
24 Seattle Post Intelligencer, April 30, 1974, has declared that  
25 Social Security is a "regressive payroll tax" which hurts most  
26 those least able to pay; and

27 WHEREAS, no federal employee, nor employee of the Social Security  
28 Administration, is required to expend personal funds, nor partici-  
29 pate, in Social Security; and

30 WHEREAS, the State of Washington is one of only nineteen states  
31 which require, by agreement, that public employees pay into and  
32 participate in Social Security coverage; and

WHEREAS, the City of Bellevue has exercised its option and  
withdrawn from Social Security coverage and implemented a

1 replacement plan; and

2 WHEREAS, the employees of the City of Bellevue in an employee  
3 referendum, by a margin of 87%, voted to withdraw from Social  
4 Security coverage; and

5 WHEREAS, the replacement plan adopted by the City of Bellevue  
6 has substantially increased retirement benefits of each individual  
7 employee as compared to current benefits now projected for individual  
8 King County employees; and

9 WHEREAS, the investment plan of the City of Bellevue is  
10 administered at a substantially lower rate of cost than Social  
11 Security; and

12 WHEREAS, the City of Bellevue's plan allows each employee the  
13 option of choice as to whether to participate or not; and, the  
14 current agreement between King County and the State of Washington  
15 has the affect of requiring participation as a condition of  
16 employment; and

17 WHEREAS, the City of Bellevue's plan, at an identical employee  
18 cost to that of Social Security coverage, offers increased retirement  
19 benefits and all other Social Security benefits at an identical or  
20 more beneficial level; and

21 WHEREAS, those employees who have worked ten years under Social  
22 Security coverage, or anticipate working ten years under Social  
23 Security coverage prior to actual retirement, will receive and are  
24 qualified for:

- 25 1. Minimum Social Security Benefits,  
26 2. Retirement income from the City of Bellevue,  
27 3. Retirement income from the State Retirement System;  
28 and

29 WHEREAS, employees of the City of Bellevue have the option of  
30 lump sum cash payment or deferred monthly payments at retirement,  
31 while Social Security only provides deferred payments; and

32 WHEREAS, the Howard Johnson and Company consulting firm designed

1 the replacement plan for the City of Bellevue and performed a study  
2 which clearly indicated to each individual employee the vastly  
3 improved personal benefits to be achieved by withdrawal from  
4 Social Security coverage; and

5 WHEREAS, the intent of the Council is to seek the best re-  
6 tirement plan for each individual employee in King County govern-  
7 ment,

8 NOW THEREFORE, BE IT MOVED by the Council of King County:

9 1. The Council Administrator is directed to expend up to,  
10 but not exceeding, \$10,000 from the Council Contingency Fund to  
11 complete a study no later than January 30, 1975; PROVIDED THAT, he  
12 will evaluate the ability of the County to perform an in-house  
13 study, prior to contracting outside County government for the  
14 completion of the study; if an outside contract is proposed by the  
15 Council Administrator, it shall be approved by the Council.

16 A. The study shall make recommendations as to a replace-  
17 ment plan to current Social Security Coverage;

18 B. The replacement plan shall clearly state that increased  
19 benefits to each individual employee of King County  
20 government shall result by withdrawal from Social  
21 Security coverage and implementation of a replacement  
22 plan;

23 C. The increased benefits will be computed at a rate of  
24 cost for each employee that is identical to current  
25 costs for Social Security coverage;

26 D. The County Executive will make information available to  
27 the consulting firm, consistent with statutory require-  
28 ments, to facilitate completion of the study.

29 2. The Council on or about February 1, 1975, shall approve  
30 or disapprove of recommendations proposed by the completed stud  
31  
32  
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1           3. Should the Council accept the study's recommendations, a  
2 referendum by secret ballot of all county employees shall be held  
3 to decide whether or not the County shall withdraw from Social  
4 Security coverage and implement the designed replacement plan;

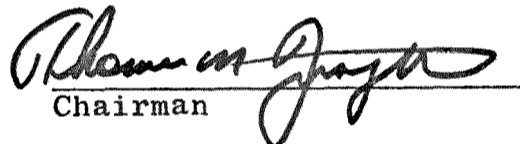
5           A. The referendum will be held on or about March 1, 1975;

6           B. The referendum will be preceded by organized hearings  
7           designed to inform all employees of the proposed with-  
8           drawal from Social Security coverage and implementation  
9           of the replacement plan.

10          4. Upon approval by the employees of King County to with-  
11 draw from Social Security and implement a replacement plan, the  
12 Council shall, by motion, notify the Washington State Department  
13 of Employment Security that King County is withdrawing from Social  
14 Security; PROVIDED THAT, such action shall be performed on or  
15 about April 1, 1975 and become effective April 1, 1977.

16           PASSED this 29<sup>th</sup> day of July, 1974.

17  
18                           KING COUNTY COUNCIL  
19                           KING COUNTY, WASHINGTON

20                             
21                           Chairman

22                           THOMAS M. FORSYTHE

23           ATTEST:

24           

25           ACTING Clerk of the Council