

SENATE BILL NO. 159

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/24/18

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to disbursement options under the Public Employees' Retirement**
2 **System of Alaska and the Teachers' Retirement System of Alaska for participants in the**
3 **defined contribution plan; and providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 14.25.420(a) is amended to read:

6 (a) A participant may elect to receive [DISTRIBUTION OF] the participant's
7 share of the individual account in a

8 (1) lump sum payment, which is a single payment of the entire balance
9 in the account; **or**

10 (2) periodic **distribution option authorized by regulation** [LUMP
11 SUM PAYMENT, WHICH IS A PAYMENT OF A PORTION OF THE BALANCE
12 IN THE ACCOUNT, NOT MORE THAN TWICE EACH YEAR;

13 (3) PERIOD CERTAIN ANNUITY PAYMENT, WHICH IS AN
14 ANNUITY PAYABLE IN A FIXED NUMBER OF MONTHLY INSTALLMENTS

1 FOR A DURATION OF 60, 120, OR 180 MONTHS;

2 (4) LIFE ANNUITY WITH A PERIOD CERTAIN PAYMENT,
3 WHICH IS AN ANNUITY PAYABLE UNTIL THE LATER OF THE FIRST DAY
4 OF THE MONTH IN WHICH THE ANNUITANT'S DEATH OCCURS, OR THE
5 DATE ON WHICH THE PAYMENT OF A FIXED NUMBER OF MONTHLY
6 INSTALLMENTS IS COMPLETED; THE PERIOD CERTAIN FOR
7 INSTALLMENTS IS 120 OR 180 MONTHS;

8 (5) SINGLE LIFE ANNUITY PAYMENT, WHICH IS AN
9 ANNUITY PAYABLE MONTHLY UNTIL THE FIRST OF THE MONTH IN
10 WHICH THE ANNUITANT'S DEATH OCCURS; OR

11 (6) JOINT AND SURVIVOR ANNUITY PAYMENT, WHICH IS
12 AN ANNUITY PAYABLE MONTHLY TO THE MEMBER UNTIL THE FIRST OF
13 THE MONTH IN WHICH THE MEMBER'S DEATH OCCURS; AFTER THE
14 MEMBER'S DEATH, A SURVIVOR ANNUITY EQUAL TO 50 PERCENT OR 100
15 PERCENT OF THE MEMBER'S BENEFIT, AS PREVIOUSLY ELECTED BY THE
16 MEMBER, SHALL BE PAID MONTHLY TO THE JOINT ANNUITANT FOR THE
17 REMAINDER OF THE SURVIVOR'S LIFETIME].

18 * **Sec. 2.** AS 39.35.820(a) is amended to read:

19 (a) A participant may elect to receive the participant's share of the individual
20 account in a

21 (1) lump sum payment, which is a single payment of the entire balance
22 in the account; **or**

23 (2) periodic **distribution option authorized by regulation** [LUMP
24 SUM PAYMENT, WHICH IS A PAYMENT OF A PORTION OF THE BALANCE
25 IN THE ACCOUNT, NOT MORE THAN TWICE EACH YEAR;

26 (3) PERIOD CERTAIN ANNUITY PAYMENT, WHICH IS AN
27 ANNUITY PAYABLE IN A FIXED NUMBER OF MONTHLY INSTALLMENTS
28 FOR A DURATION OF 60, 120, OR 180 MONTHS;

29 (4) LIFE ANNUITY WITH A PERIOD CERTAIN PAYMENT,
30 WHICH IS AN ANNUITY PAYABLE UNTIL THE LATER OF THE FIRST DAY
31 OF THE MONTH IN WHICH THE ANNUITANT'S DEATH OCCURS, OR THE

1 DATE ON WHICH THE PAYMENT OF A FIXED NUMBER OF MONTHLY
 2 INSTALLMENTS IS COMPLETED; THE PERIOD CERTAIN FOR
 3 INSTALLMENTS IS 120 OR 180 MONTHS;

4 (5) SINGLE LIFE ANNUITY PAYMENT, WHICH IS AN
 5 ANNUITY PAYABLE MONTHLY UNTIL THE FIRST OF THE MONTH IN
 6 WHICH THE ANNUITANT'S DEATH OCCURS; OR

7 (6) JOINT AND SURVIVOR ANNUITY PAYMENT, WHICH IS
 8 AN ANNUITY PAYABLE MONTHLY TO THE MEMBER UNTIL THE FIRST OF
 9 THE MONTH IN WHICH THE MEMBER'S DEATH OCCURS; AFTER THE
 10 MEMBER'S DEATH, A SURVIVOR ANNUITY EQUAL TO 50 PERCENT OR 100
 11 PERCENT OF THE MEMBER'S BENEFIT, AS PREVIOUSLY ELECTED BY THE
 12 MEMBER, SHALL BE PAID MONTHLY TO THE JOINT ANNUITANT FOR THE
 13 REMAINDER OF THE SURVIVOR'S LIFETIME].

14 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
 15 read:

16 TRANSITION: REGULATIONS. (a) The Department of Administration may adopt
 17 regulations necessary to implement this Act. Regulations adopted by the Department of
 18 Administration under this Act relate to the internal management of a state agency and are not
 19 subject to AS 44.62 (Administrative Procedures Act) under AS 14.25.005 and AS 39.35.005.

20 (b) Regulations adopted under this section may not take effect before the effective
 21 date of the law being implemented by the regulation.

22 * **Sec. 4.** Section 3 of this Act takes effect immediately under AS 01.10.070(c).