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Wayne
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CS FOR HOUSE BILL NO. 47(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES FOSTER, Kito

A BILL

FOR AN ACT ENTITLED

1 **"An Act requiring certain municipalities with a population that decreased by more than**
2 **25 percent between 2000 and 2010 that participate in the defined benefit retirement plan**
3 **of the Public Employees' Retirement System of Alaska to contribute to the system an**
4 **amount calculated by applying a rate of 22 percent of the total of all base salaries paid**
5 **by the municipality to employees of the municipality who are active members of the**
6 **system during a payroll period; authorizing the administrator of the defined benefit**
7 **retirement plan of the Public Employees' Retirement System of Alaska to reduce the**
8 **rate of interest payable by certain municipalities that are delinquent in transmitting**
9 **employee and employer contributions to the retirement plan; and providing for an**
10 **effective date."**

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

12 * **Section 1.** AS 39.35.004 is amended by adding a new subsection to read:

1 (d) The administrator is authorized to determine the rate of interest assessed
2 under AS 39.35.610(c).

3 * **Sec. 2.** AS 39.35.255(a) is amended to read:

4 (a) Each employer shall contribute to the system every payroll period an
5 amount calculated by applying a rate of 22 percent of the greater of the total of all base
6 salaries

7 (1) paid by the employer to employees who are active members of the
8 system, including any adjustments to contributions required by AS 39.35.520; or

9 (2) paid by the employer to employees who were active members of
10 the system during the corresponding payroll period for the fiscal year ending

11 (A) June 30, 2008; or

12 (B) June 30, 2012, if that total is less than the total under

13 (A) of this paragraph, and the employer is a municipality in which the
14 population decreased by more than 25 percent between 2000 and 2010,
15 according to the decennial census conducted by the United States Bureau
16 of the Census.

17 * **Sec. 3.** AS 39.35.610(a) is amended to read:

18 (a) The contributions of an employer and the contributions of its employees
19 shall be transmitted to the administrator as soon as practicable after the close of the
20 payroll period for which the contributions are made. **Subject to (c) of this section, if**
21 **[IF]** an employer is delinquent in transferring the contributions for more than 15 days,
22 interest shall be assessed on the outstanding contributions at one and one-half times
23 the most recent actuarially determined rate of earnings for the retirement plan from the
24 date that the contributions were originally due.

25 * **Sec. 4.** AS 39.35.610 is amended by adding a new subsection to read:

26 (c) If an employer delinquent in transferring a contribution is a municipality in
27 which the population decreased by more than 25 percent between 2000 and 2010,
28 according to the decennial census conducted by the United States Bureau of the
29 Census, the administrator may assess interest on the outstanding contribution at a rate
30 less than the rate required in (a) of this section.

31 * **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).