

Sec. 39.35.255. Contributions by employers.

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

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

(2) paid by the employer to employees who were active members of the system during the corresponding payroll period for the fiscal year ending June 30, 2008.

(b) The administrator shall allocate contributions received for full payment of

(1) the actuarially determined employer normal cost for the plan; and

(2) all contributions required by AS 39.30.370 and AS 39.35.750 for the fiscal year.

(c) If, after allocation of contributions under (b) of this section, a portion of the employer contributions remains, the administrator shall apply that remaining portion toward payment of the past service liability of the plan.

(d) Notwithstanding (a) of this section, the annual employer contribution rate may not be less than the rate sufficient to allow payment of the employer normal cost and the employer contributions required under AS 39.30.370 and AS 39.35.750.

(e) An employer of a retired member rehired under AS 39.35.150 shall include that member's base salary when calculating the contribution amount established in (a) of this section.

(f) All or a portion of the employer's share of any accrued actuarial liability to the plan may be prepaid in a lump sum. The commissioner may, by regulation, establish a minimum amount for the lump sum payment of a portion. The commissioner shall charge to the employer appropriate and reasonable costs to the plan attributable to a lump sum payment that are not greater than administrative costs applied to other employer contributions. If a lump sum payment is made, the payment shall be accounted for separately in accordance with regulations adopted by the commissioner. The regulations must provide for crediting to each lump sum payment account all earnings and losses received from investment of that payment. The lump sum payment shall be used solely to offset contributions under this section required of the employer that made the payment or on whose behalf the payment was made, taking into account earnings and losses from its investment. A lump sum payment made by or on behalf of an employer under this subsection, together with all earnings and losses from investment of that payment, may not be considered in calculating that employer's share of any discretionary payment authorized by the state that benefits multiple employers.

(g) If all or a portion of the employer's share of any accrued actuarial liability to the plan is prepaid in a lump sum under (f) of this section, the administrator shall calculate a revised employer contribution rate for that employer in recognition of that prepayment not more than 30 days following the prepayment.

(h) In this section, "normal cost" means the cost of providing the benefits expected to be credited, with respect to service, to all active members of the plan during the year beginning after the last valuation date.

History -

(Sec. 11 ch 13 SLA 2008)

Revisors Notes -

Subsections (f) and (g) were enacted as AS 39.35.270(d) and (e) in sec. 12, ch. 35, SLA 2008 and renumbered in 2008, at which time an internal reference in subsection (g) was conformed and the subsection enacted as (f) was relettered as (h).

Effective Date Notes -

Section 27, ch. 13, SLA 2008 makes this section effective July 1, 2008.

Sec. 39.35.610. Transmittal of contributions to administrator; claims against funds of an employer.

(a) The contributions of an employer and the contributions of its employees shall be transmitted to the administrator as soon as practicable after the close of the payroll period for which the contributions are made. If an employer is delinquent in transferring the contributions for more than 15 days, interest shall be assessed on the outstanding contributions at one and one-half times the most recent actuarially determined rate of earnings for the retirement plan from the date that the contributions were originally due.

(b) If contributions are not submitted within the prescribed time limit, the amount of contributions and interest due may be claimed by the administrator from any agency of the state or political subdivision that has in its possession funds of the employer or that is authorized to disburse funds to the employer that are not restricted by statute or appropriation to a specific purpose. The amount claimed shall be certified by the administrator as sufficient to pay the contributions and interest due from the employer. The agency shall submit the amount claimed, or the amount of funds of the employer subject to the administrator's claim that are in the agency's possession, whichever is less, to the administrator for deposit in the retirement fund and the Alaska retiree health care trust.

History -

(Sec. 44 f ch 143 SLA 1960; am Sec. 28 ch 1 SLA 1974; am Sec. 53 ch 128 SLA 1977; am Sec. 72 ch 20 SLA 2007; am Sec. 15 ch 13 SLA 2008)

Revisors Notes -

Under sec. 144, ch. 9, FSSLA 2005, "plan" was substituted for "system" in this section.

Amendment Notes -

The 2007 amendment, effective June 7, 2007, added subsection (b).

The 2008 amendment, effective July 1, 2008, substituted "agency shall submit the amount claimed, or the amount of funds of the employer subject to the administrator's claim that are in the agency's possession, whichever is less" for "amount claimed shall be submitted" in the last sentence of subsection (b).