

money from the natural disaster recovery fund of 1964 for state grants-in-aid provided for in (a) of this section.

Sec. 6. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 22, 1964

CHAPTER 80

AN ACT

Relating to the public employees' retirement system; and providing for an effective date.

(C.S.H.B. 262)

Be it enacted by the Legislature of the State of Alaska:

Section 1. AS 39.35.110(a)(1) is amended to read:

(1) bonds or other interest bearing obligations and securities of the (A) United States or an agency of the United States, (B) a state of the United States, or (C) a political subdivision of a state of the United States, if the political subdivision has a population as shown by the last federal census preceding the investment of not less than 30,000 inhabitants; with respect to political subdivision of this state, no population limitation applies;

Sec. 2. AS 39.35.110(a) is amended by adding new paragraphs to read:

(4) shares of federally chartered savings and loan associations in Alaska, to the extent that such investment is insured by the federal government or an agency thereof;

(5) deposits with mutual savings banks in Alaska, to the extent that such investment is insured by the federal government or an agency thereof.

Sec. 3. AS 39.35.110(c) is amended to read:

(c) In making investments the commissioner of revenue shall exercise the judgment and care under the circumstances then prevailing which a man of ordinary prudence, discretion, and intelligence exercises in the management of his own affairs not in regard to speculation but in regard to the permanent disposition of his funds, considering the probable income from

them as well as the probable safety of his capital. However, no more than 50 per cent of the pension fund may be invested at a given time in corporate stocks and bonds, nor may any more than five per cent of the voting stock of one corporation be owned. Stocks eligible for purchase are restricted to stocks which, except for bank stocks and insurance stocks, are listed upon an exchange registered with the Federal Securities and Exchange Commission.

Sec. 4. AS 39.35.360 is repealed and re-enacted to read:

Sec. 39.35.360. **Earlier Service.** (a) An employee who completes three years of service with the state after January 1, 1961, is entitled to service credit for employment rendered to the state and former territory of Alaska before January 1, 1961, regardless of the office, department, division, or agency of the state or territory in which he was employed.

(b) An employee who is entitled to service credit for previous service is not required to make retroactive contributions under this system for the period of previous service credit.

Sec. 5. AS 39.35.390(a) is amended to read:

(a) An employee is eligible for a deferred retirement benefit if his employment is terminated on or after attainment of age 50 and credited service of 15 years, and he does not withdraw the balance in his employee contribution account.

Sec. 6. This Act takes effect July 1, 1964.

Approved April 22, 1964