



LAWS OF ALASKA

1966

Source:
HB 492 am by Senate

Chapter No.:
151

AN ACT

Amending certain provisions of the teachers' retirement system; and providing for an effective date.

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

* Section 1. AS 14.25.040 is amended to read:

Sec. 14.25.040. MEMBERSHIP. After June 30, 1955, a teacher contracting for service with an employer, except one whose attained age in completed years on the July 1 falling on or after the date of commencement of service, less the number of years of creditable service prior to that July 1, exceeds 50, and who can complete 10 years of membership service by the first day of July following his 65th birthday, is subject to this chapter.

* Sec. 2. AS 14.25 is amended by adding a new section to read:

Sec. 14.25.055. SUPPLEMENTAL CONTRIBUTION BY A TEACHER. If a teacher is married or has a minor child or minor children and wishes to make his spouse or minor child or minor children eligible for a spouse's pension or survivor's allowance he may make a supplemental contribution of an additional one per cent of his base salary commencing with the first of

the month following his first day of membership in this retirement system, marriage, or July 1, 1966, whichever is later. The contribution shall be deducted by the employer on the basis of days taught at a daily rate determined by dividing the annual contribution by 140.

* Sec. 3. AS 14.25.060(c) is amended to read:

(c) If a teacher has creditable outside service he is indebted, in addition to the contributions required by sec. 50 of this chapter, as follows.

(1) If, at the time of becoming a member of the retirement system, a teacher has no membership service, his indebtedness is five per cent of the base salary paid at the time of first becoming employed as a teacher, under this chapter, multiplied by the total number of years of creditable outside service at the time of becoming a member. The total outside service claimed may not exceed 10 years and BIA service not exceeding five years. Compound interest at the rate prescribed by regulation shall be added to the indebtedness beginning July 1, 1963, or at the time of first becoming employed as a teacher, whichever is later, to the date of payment or the date of retirement, whichever occurs first.

(2) If a teacher, after becoming a member of this retirement system, discontinues active membership and subsequently desires to be reinstated and to receive credit for outside service accumulated in the interim, his indebtedness to the retirement fund for the additional credit shall be computed as five per cent of the base salary received upon reinstatement multiplied by the number of years of interim outside service. Compound interest at the rate prescribed

by regulation shall be added to the indebtedness beginning on July 1, 1963, or at the time of reinstatement, whichever is later, to the date of payment or the date of retirement, whichever occurs first.

* Sec. 4. AS 14.25.060 is amended by adding a new subsection to read:

(e) If a teacher who was not subject to the provisions of this chapter later became or becomes subject to the provisions of this chapter because of a legislative change of eligibility requirements, the teacher may at his option receive credit for his creditable service by making the following contributions:

(1) The teacher shall contribute to the retirement fund an amount equal to the contributions he actually would have made if he had been subject to the system for those years of membership service claimed after June 30, 1955. Compound interest at the rate prescribed by regulation shall be added to the amount from July 1, 1966 or at the time of first becoming employed as a teacher under this chapter, whichever occurs later, to the date of payment or the date of retirement, whichever occurs first.

(2) The teacher shall contribute to the retirement fund an amount equal to five per cent of the base salary paid at the time of first becoming employed as a teacher under this chapter, multiplied by the total number of years of creditable outside service and BIA service claimed at the time of becoming a member. However, the total outside and BIA service claimed may not exceed that provided in sec. 220(3) of this chapter. Compound interest

at the rate prescribed by regulation shall be added to the amount beginning July 1, 1963 or at the time of first becoming employed as a teacher under this chapter, whichever occurs later, to the date of payment or the date of retirement whichever occurs first.

* Sec. 5. AS 14.25.070 is amended to read:

Sec. 14.25.070. CONTRIBUTIONS BY EMPLOYER. An employer shall contribute to the retirement fund an amount equal to one-half the sum contributed each pay period by the teacher. The contributions shall be transmitted to the administrator at the close of each pay period. If the contributions are not submitted, the contributions shall be deducted by the Department of Education from state funds due the school districts and transmitted to the teachers' retirement system for deposit in the retirement fund. The University of Alaska shall forward its contribution to the administrator of the teachers' retirement system at the close of each pay period for deposit by him in the retirement fund.

* Sec. 6. AS 14.25.110(a) is amended to read:

(a) A teacher who has completed 15 years of creditable service, the last five years of which has been membership service in the state, and has completed at least 10 years of membership service, and who has attained the age of 55 years, may retire from service, and apply in writing to the administrator for retirement salary. A retired teacher who has been receiving a disability retirement salary shall be eligible for a service retirement salary upon or after attaining age 60.

* Sec. 7. AS 14.25.120(c)(1) is amended to read:

(1) If the teacher is at least 60 years of age on the date which the application for a retirement salary is filed, and has paid into the retirement fund the full amount of his indebtedness, his annual retirement salary is one and one-half per cent of his highest average base salary during any three of the last 10 years of membership service multiplied by the total number of years of creditable service, including credited fractional years.

* Sec. 8. AS 14.25.130(a) is amended to read:

(a) A teacher in membership service who has become permanently disabled before age 60 and who has had five or more membership years may be retired by the administrator as of the first day of the month following the permanent disability. The administrator, after a report of medical examination of the teacher has been submitted, shall certify that the teacher is physically or mentally incapacitated for the further performance of duty, and that the incapacity is likely to be permanent and that the teacher should be retired.

* Sec. 9. AS 14.25.140 is repealed and re-enacted to read:

Sec. 14.25.140. MANNER OF COMPUTING DISABILITY RETIREMENT SALARY. (a) A teacher who becomes disabled on or after July 1, 1966 and has applied for disability retirement salary shall receive from the retirement fund, for each school year subsequent to the date of application, a disability retirement salary payable on the first day of each month, beginning the month following the disability.

(b) The payment made on the first day of the month in which the disabled teacher recovers from his disability,

dies or attains age 60 constitutes the last payment.

(c) The amount of the disability retirement shall be equal to 50 per cent of his base salary immediately before his becoming disabled. The disability retirement salary shall be increased by 10 per cent for each minor child, up to a maximum of four minor children, until the first day of the month in which the child ceases to be a minor child or the disability retirement salary terminates, whichever occurs first.

* Sec. 10. AS 14.25 is amended by adding a new section to read:

Sec. 14.25.142. COST OF LIVING ALLOWANCE. (a) A teacher who resides in the state after his retirement shall receive a cost of living allowance in addition to his retirement salary. The amount of this allowance is determined by multiplying the teacher's retirement salary by a percentage determined by the administrator not to exceed 10 per cent of the retirement salary. The administrator shall implement this section by regulations.

(b) The cost of living allowance shall be paid from the state general fund.

* Sec. 11. AS 14.25 is amended by adding a new section to read:

Sec. 14.25.143. POST RETIREMENT PENSION ADJUSTMENT.

(a) When the administrator determines that the cost of living has increased and that the financial condition of the retirement fund permits, he may increase the pension payments to reflect this cost of living increase.

(b) The amount of the increase shall be equal to not more than one and one-half per cent for each year of retirement. Increases accrue from the first of July next following

the effective date of retirement and shall be paid beginning the first of July of each year.

(c) The administrator is authorized to implement this section by regulation.

* Sec. 12. AS 14.25.150 is amended to read:

Sec. 14.25.150. PAYMENT ON WITHDRAWAL FROM SYSTEM.

A teacher leaving membership service shall be entitled to a refund of his contributions exclusive of his supplemental contributions to the retirement fund as follows.

(1) If a teacher has not been in membership service for more than two years, he shall receive his total accumulated contributions, less any amounts owing to the retirement fund because of previous withdrawals.

(2) If a teacher has been in membership service for any part of a third year or more, he shall receive his accumulated contributions plus interest credited to his individual contribution account, less any amounts owing to the retirement fund because of previous withdrawals.

(3) If a teacher who has received a refund of contributions is re-employed in membership service, he becomes indebted to the retirement fund in the amount of the refund, including interest paid him, if any, increased by the amount, if any, deducted for administrative expenses. This indebtedness to the retirement fund shall bear compound interest at the rate prescribed by regulation beginning July 1 following the date of re-employment to the date of repayment or the date of retirement of the teacher, whichever occurs first.

(4) A teacher who has received a refund under the

Retirement Act of 1945 is not entitled to any further refunds of the nonrevertible portion of his contribution.

(5) A teacher who has forfeited his claim to any refund under the provisions of the Retirement Act of 1945 because of failure to file a timely application is not entitled to a refund of any portion of those contributions made under that act.

(6) A teacher's nonrevertible contributions shall apply and be credited to the teacher's account if the teacher resumes membership service and becomes eligible for a retirement salary.

(7) All claims for refund as provided by this section must be by written application and filed with the administrator within five years from the date of termination of membership service. For the purpose of this chapter only, a leave of absence does not toll the five-year period within which the written application for refund must be filed.

* Sec. 13. AS 14.25.160(a) is amended to read:

(a) Upon receipt of a valid claim and proper proof of the death of a member who has not ever made a supplemental contribution or whose supplemental contributions were made for less than one year and who is entitled to a refund of contributions, a payment, in the amount specified thereafter shall be paid to his estate or to a person he has nominated by written designation executed and filed with the administrator. All claims and presentations of proof shall be made within five years of termination of service or, if in membership service at the time of death, within five years after the date of death.

* Sec. 14. AS 14.25.160(b) is amended to read:

(b) If a teacher is in membership service at the time of death and has not received any retirement salary, the amount of the payment is the sum of (1) his accumulated contributions as determined under secs. 145 and 150 of this chapter, and (2) \$1,000, plus \$100 multiplied by the number of completed school years of membership service, plus an additional sum of \$500 if the deceased teacher is survived by one or more minor children at the time of his death. However, in no case may the amount payable under (b)(2) of this section exceed \$3,000.

* Sec. 15. AS 14.25.160 is amended by adding a new subsection to read:

(e) If a teacher receives a refund under this section, it is in lieu of any other benefit under this system.

* Sec. 16. AS 14.25 is amended by adding a new section to read:

Sec. 14.25.162. SURVIVOR'S ALLOWANCE. (a) If a teacher dies while in membership service or while receiving a disability retirement salary, leaving a minor child or children, his surviving spouse is entitled to a survivor's allowance provided the teacher has made a supplemental contribution for at least one year before his death. In the absence of a surviving or legally competent spouse, the guardian of the minor children shall be entitled to the survivor's allowance. Application for the survivor's allowance shall be made in writing to the administrator.

(b) The amount of the survivor's allowance shall be equal to 10 per cent of the teacher's base salary immediately before his death or becoming disabled, for each minor child

up to a maximum of four minor children. In addition, a survivor's allowance of 35 per cent of the teacher's base salary will be payable to his spouse or, if the spouse dies or there is no spouse, an allowance of 10 per cent of the base salary shall be paid to the guardian of one or more of the minor children. In no event, however, shall a survivor's allowance be payable to a spouse who has re-married or more than one guardian.

(c) The survivor allowance is payable on the first day of each month, beginning the month following the death of a teacher. The survivor allowance shall be recomputed on the first day of the month in which the number of minor children is less than four and the pension shall be decreased accordingly. The payment on the first day of the month in which the last minor child ceases to be a minor or dies constitutes the last payment.

(d) In the event of termination of the survivor's allowance and in the absence of a spouse who has or will be eligible for a spouse's pension, a payment of the amount of the teacher's accumulated contributions, plus all interest credited to his account to the date of death or retirement, whichever occurs first, less all payments to the teacher, spouse, guardian or minor children shall be made to the teacher's estate or to a person he has nominated by written designation executed and filed with the administrator. This payment shall be on the same terms and conditions as a payment made on the death of a teacher.

* Sec. 17. AS 14.25 is amended by adding a new section to read:

Sec. 14.25.164. SPOUSE'S PENSION. (a) If a teacher dies while in membership service and while receiving a service or disability retirement salary, or a deferred or a deferred vested benefit, the surviving spouse is entitled to a spouse's pension if he or she has not re-married and if the teacher has made supplemental contribution for at least one year before his death. Application for the spouse's pension shall be made in writing to the administrator.

(b) The spouse's pension is payable on the first day of each month, commencing with the first day of the month coinciding with or next following the month in which the spouse attains age 60. The payment on the first day of the month in which the spouse dies or re-marries constitutes the last payment.

(c) The amount of the spouse's pension shall be equal to 50 per cent of the service retirement salary that the deceased teacher was receiving, or would have received, based on his base salary and creditable service to the date of his death and assuming that he would have been eligible for a service retirement salary as of that date.

(d) In the event of the death of a teacher's spouse before the time the total payments to the teacher, spouse, guardian or minor children have not been at least equal to the amount of his accumulated contributions, plus all interest credited to his account to the date of death or retirement, whichever occurs first, a payment equal to the difference shall be made to the spouse's estate or to a person she has nominated by written designation executed

and filed with the administrator. This payment shall be on the same terms and conditions as a payment upon death of a teacher.

* Sec. 18. AS 14.25 is amended by adding a new section to read:

Sec. 14.25.168. MEDICAL BENEFITS. Both a teacher who is, or has been entitled to receive a service retirement salary and who is not, or will not be, eligible for protection against medical expenses under the federal Old Age Survivor's and Disability Insurance program, and his spouse, shall be protected against medical expense during the period after the teacher's service retirement by the provision, through insurance or otherwise, of equivalent benefits by the retirement system.

* Sec. 19. AS 14.25 is amended by adding a new section to read:

Sec. 14.25.169. DUPLICATE BENEFITS. If payments from this retirement system are due to a teacher or his spouse under more than one provision of this plan, the teacher or spouse shall elect under which provision and which benefit he wishes to receive and no payments shall be made under any other provision.

* Sec. 20. AS 14.25.220(2) is amended to read:

(2) "base salary" or "basic salary" means the actual salary received by a teacher;

* Sec. 21. AS 14.25.220(5) is amended to read:

(5) "membership service" means service as a teacher in a public school within the Territory or State of Alaska or both under the supervision and control of the

Territorial Board of Education or the Department of Education, the school board of any borough school district, incorporated city, incorporated school district, independent school district, or the Board of Regents of the University of Alaska, or any period during which the teacher is on an approved sabbatical leave granted in accordance with AS 14.20.310 or is receiving a disability retirement salary;

* Sec. 22. AS 14.25.220(14) is repealed and re-enacted to read:

(14) "minor child" means child who has not yet attained age 18, including a child legally adopted by the teacher whose service and supplemental contributions gives rise to a survivor allowance on behalf of the child.

* Sec. 23. This Act shall take effect on July 1, 1966.