



# LAWS OF ALASKA

1970

Source

Chapter No.

SB 455 am

138

## AN ACT

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

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

\* Section 1. AS 14.25.050 is amended to read:

Sec. 14.25.050. CONTRIBUTIONS BY TEACHERS. Beginning July 1, 1970, each teacher shall contribute to the retirement fund an amount equal to seven per cent of his base salary accrued from July 1 to the following June 30. The contribution shall be deducted by the employer at the end of each payroll period.

\* Sec. 2. AS 14.25.055 is amended to read:

Sec. 14.25.055. SUPPLEMENTAL CONTRIBUTION BY A TEACHER. If a teacher is married or has a minor child and wishes to make his spouse or minor child eligible for a spouse's pension or a survivor's allowance, he may elect to make a supplemental contribution of an additional one per cent of his base salary, but not later than November 1, 1970, or 30 days following the first day after October 1, 1970, on which he is entitled to make the election, whichever is later.

\* 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 seven 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 combined total of outside and BIA service claimed may not exceed 15 years; however, no more than 10 years outside service may be claimed. 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 seven 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(e)(2) is amended to read:

(2) The teacher shall contribute to the retirement fund an amount equal to seven 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 either an amount equal to one-half the percentage as certified by the administrator, of the sum total of the base salaries of all teachers that is required in addition to teacher contributions to provide the benefits of this chapter times the sum total of the base salaries paid to teachers by the employer or an amount equal to five per cent of the sum total of the base salaries paid to teachers by the employer, whichever is less. 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 at the close of each pay period for deposit by him in the retirement fund.

\* Sec. 6. AS 14.25.080 is amended to read:

Sec. 14.25.080. CONTRIBUTIONS BY THE STATE. The state legislature may appropriate to the retirement fund an amount equal to either one-half the percentage, as certified by the administrator, of the amount required in addition to teacher contributions to provide the benefits of this chapter or an amount equal to five per cent of the teachers' base salaries, whichever is less. It may be appropriated annually and deposited in the retirement fund monthly.

\* Sec. 7. AS 14.25.145 is amended to read:

Sec. 14.25.145. INTEREST ON INDIVIDUAL ACCOUNTS. As of July 1, 1962, when a teacher begins at least his third year of membership service, his account shall be credited with an amount equal to the interest which his account would have earned at the interest rates prescribed by regulation during his first two years of membership service and, if none was prescribed during any part of the period, at the interest rates subsequently prescribed by regulation for that part. Thereafter, interest shall be credited to a teacher's account at the end of each school year at the rate prescribed by regulation for that year.

\* Sec. 8. Sec. 7 of this Act is retrospective in nature.

\* Sec. 9. AS 14.25.120(c)(1) is amended to read:

(1) If the teacher is at least either 60 years of age or 55 years of age with 30 years of creditable service 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 two 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. 10. AS 14.25.120 is amended by adding a new subsection to read:

(e) A teacher who is at least 60 years of age, on the date on which the application for retirement salary was filed, and who retires before July 1, 1970, with 25 years of creditable service, at least 15 of which were membership service, and who is entitled to a retirement salary under either this retirement fund or the retirement fund of 1945 shall receive a retirement salary of at least \$200 a month, not including adjustments made under sec. 142 or sec. 143 of this chapter.

\* Sec. 11. AS 14.25.162(a) is amended to read:

(a) If a teacher dies while in membership service or while receiving a disability retirement salary or after normal retirement and leaves a minor child, 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, but if a guardian has been appointed for a minor child, the guardian is entitled to the allowance. A minor child who has neither a surviving spouse nor a guardian is entitled to the allowance. If a minor child who is at least 19 years old but less than 23

years old is out of school for more than one semester, payments of his benefits shall terminate permanently. Application for the survivor's allowance shall be made in writing to the administrator.

\* Sec. 12. AS 14.25.162(b) is amended to read:

(b) The amount of the survivor's allowance shall be equal to either 10 per cent of the teacher's base salary immediately before his death or after normal retirement or becoming disabled for each minor child or 40 per cent of the base salary, whichever is less. In addition, an allowance of 35 per cent of the teacher's base salary shall be paid to his spouse if the spouse is entitled to the survivor's allowance and is not remarried, and an allowance of 10 per cent of the base salary shall be paid to a guardian entitled to the survivor's allowance. Neither the remarriage of a surviving spouse nor the adoption of a minor child by a new spouse of a surviving spouse will bar the minor child from receiving or continuing to receive his survivor's allowance. If more than one guardian is appointed, the allowance, including the 10 per cent additional allowance, shall be paid according to the number of minor children assigned to each guardian.

\* Sec. 13. AS 14.25.220(5) is amended to read:

(5) "membership service" means service as a teacher in a public school within the State of Alaska under the supervision and control of 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; "membership service" is also service as a teacher in a "nonpublic" school which means a school established by an agency other than a state or its subdivisions which is primarily supported by other than public funds, and the operation of whose program rests with other than publicly elected or appointed officials, and which offers grades kindergarten through 12, or any combination of them, and is state approved or accredited.

\* Sec. 14. AS 14.25.220(8) is amended to read:

(8) "outside service" means service as a teacher in a public school or an institution of higher learning listed in the Annual Education Directory of Higher Education published by the U. S. Department of Health, Education and Welfare or a nonpublic school which is state approved or accredited not under the supervision and control of the Department of Education, the State Board of Education sitting in any capacity, the school board of a borough school district, incorporated city school district, incorporated school district, independent school district, or the Board of Regents of the University of Alaska;

\* Sec. 15. AS 14.25.220(14) is repealed and re-enacted to read:

(14) "minor child" means a child or children of the member, including those adopted, either under 19 years old whom the teacher, if living, is supporting or is obligated to support or, if dead, was supporting or was obligated to support at the time of his death or under 23 years old and registered at and attending on a full-time basis an educational or a technical institution accredited by the state Department of Education and whom the teacher, if living, is supporting or, if dead, was supporting at the time of his death.

\* Sec. 16. AS 14.25.220(15) is amended to read:

(15) "teacher" or "member" means a certified teacher, certified school nurse, principal, supervisor, or superintendent employed on a full-time or a part-time basis in a position having duties which normally require a year of service in the public schools of the state, the commissioner of education, supervisors within the Department of Education, and all full-time resident professional and administrative personnel of the University of Alaska as designated by the Board of Regents; in case of doubt, except as to personnel of the University of Alaska, the administrator shall finally determine whether or not a person is a teacher as defined in this chapter;

\* Sec. 17. AS 14.25.220(16) is amended to read:

(16) "year of service" means membership service during the dates set for a school term under AS 14.-03.030; fractional credit shall be given for membership service after July 1, 1969, according to the ratio that the number of days of service bears to 180 days; if service is performed on a part-time basis, fractional credit shall be given according to the ratio that the number of hours of employment bears to the number of hours of employment had the service been performed on a full-time basis;

\* Sec. 18. AS 14.25.220 is amended by adding a new subsection to read:

(19) "part-time basis" means teaching on a regular basis for part of the normal and customary work period per day or week or month at a particular teaching assignment, and excludes teaching on a substitute, temporary, or per diem basis.

\* Sec. 19. This Act takes effect on July 1, 1970.