



LAWS OF ALASKA

1973

Source

CSHB 265

Chapter No.

66

AN ACT

Relating to the teachers' retirement system.

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 who can complete eight years of membership service or 15 years total service, the last five of which are membership service, by the first day of July following his 65th birthday, is subject to this chapter.

* 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 within 90 days of his entry into participation in the system, or within 90 days following the first day on which he is entitled to make the election, or within 90 days of his marriage, or within 90 days of the birth or adoption of a child dependent upon him.

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

(c) If a teacher has creditable outside or Bureau of Indian Affairs (BIA) 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 his creditable outside and BIA 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 and BIA 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 14.25.065 is amended to read:

Sec. 14.25.065. TRANSMITTAL OF CONTRIBUTIONS. (a) All contributions deducted in accordance with secs. 50 and 55 of this chapter shall be transmitted to the retirement fund no later than 15 days following the close of the payroll period, with the final contributions due for any school year transmitted no later than July 15.

(b) The contributions of employers under sec. 70 of this chapter shall be transmitted by a school district to the administrator at the close of each pay period. If the contributions are not submitted within 15 days of the close of each payroll period, the amount of the contributions shall be deducted by the Department of Education from the state funds due the school district and the amount so deducted shall be transmitted to the administrator for deposit in the retirement fund. The University of Alaska shall forward its contribution to the administrator within 15 days of the close of each payroll period for deposit in the retirement fund. If the contributions are not submitted within 15 days of the close of each payroll period, the amount of the contributions shall be deducted by the commissioner of administration from any state funds due the University of Alaska and the amount deducted shall be transmitted to the administrator for deposit in the retirement fund.

* 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 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.

- * 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 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. It may be appropriated annually and deposited in the retirement fund monthly.

- * Sec. 7. AS 14.25.090 is repealed.

- * Sec. 8. AS 14.25.110 is repealed and re-enacted to read:

Sec. 14.25.110. ELIGIBILITY FOR SERVICE RETIREMENT.

(a) A teacher is eligible for normal retirement if he has completed either (1) at least 15 years of creditable service, the last five of which have been membership service, and has attained the age of 60 years, or (2) at least eight years of membership service and has attained the age of 60 years, or (3) at least 30 years of creditable service, the last five of which have been membership service.

(b) A teacher is eligible for early retirement if he has completed either of the service requirements in (a)(1) or (a)(2) of this section and has attained the age of 55 years.

(c) A teacher who has completed either of the service requirements in (a)(1) or (a)(2) of this section and has attained the age of 65 years during the school year, shall be retired on the July 1 following his 65th birthday unless he is retained by request of his employer. Provisions of this subsection regarding compulsory retirement do not apply to personnel of the University of Alaska.

(d) A retired teacher who has been receiving a disability retirement salary is eligible for a service retirement salary upon attaining 60 years of age.

(e) The burden is upon the applicant to prove eligibility for retirement benefits to the full satisfaction of the administrator.

- * Sec. 9. AS 14.25.120(a) is amended to read:

(a) Every teacher who has applied for retirement salary and who has satisfactorily shown his eligibility as provided in sec. 110 of this chapter, shall receive from the retirement fund, for each school year subsequent to the date of application, a retirement salary payable on the first day of each month, beginning the month following retirement.

- * Sec. 10. AS 14.25.120(c)(1) is amended to read:

(1) If the teacher is eligible for normal retirement as of the date on 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 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. 11. AS 14.25.120(c)(4) is amended to read:

(4) If the teacher is not eligible for normal retirement, but is eligible for early retirement, as defined in sec. 110(a) and (b) of this chapter, on the date when application for retirement salary is filed, his annual retirement salary is the amount that would be due and owing to the teacher if he were at least 60, reduced by the amount derived from the following computations: multiply one-half of one per cent times the number of months, to the nearest month, by which the applicant's attained age on the date of filing application falls short of 60 years, times the amount of annual retirement salary that would be due and owing the teacher if he were at least 60 years of age.

- * Sec. 12. AS 14.25.120(c)(8) is amended to read:

(8) During a period of re-employment following retirement, deductions from salary may be made at the option of the teacher for contributions to the retirement fund as provided in sec. 50 of this chapter. If deductions are made, the annual amount of retirement salary shall be increased when the teacher again retires from active membership service, by adding to the annual amount previously payable, an amount equal to two per cent of the teacher's base salary for the period of re-employment. However, if the teacher has not attained the age of 60 on the date when payment of retirement salary is resumed, the additional amount provided for in this paragraph shall be reduced by the amount derived from the following computations: multiply one-half of one per cent times the number of months, to the nearest month, by which the teacher's attained age on the date of subsequent retirement falls short of 60 years, times the additional amount provided in this paragraph.

- * Sec. 13. AS 14.25.120(e) and (f) are repealed.

- * Sec. 14. AS 14.25.120(g) is amended to read:

(g) A teacher who retired before July 1, 1971, with at least 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 service retirement salary based on a minimum sum of \$15 per month for each year of creditable service, not including adjustments made under sec. 142 or sec. 143 of this chapter. A teacher who retired before July 1, 1971, with less than 25 years of creditable service, and who is entitled to a retirement salary under either this retirement fund or the retirement fund of 1945, shall receive a service retirement salary of at least \$15 per month for each year of credited service. If, on the date the teacher originally applied for retirement salary, the teacher elected option two as provided by (c)(2)(B) of this section as payment of his indebtedness or a reduced benefit in accordance with (c)(4) of this

section, the amount of the dollar reduction shall remain in effect.

- * Sec. 15. AS 14.25.130(a) is amended to read:

(a) A teacher in membership service who has become permanently disabled, as defined in sec. 220 of this chapter, 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 and other information the administrator may request 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. 16. AS 14.25.140(a) is amended to read:

(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, during each year subsequent to the date of application and certification by the administrator under sec. 130 of this chapter, a disability retirement salary payable on the first day of each month, beginning the month following the disability.

- * Sec. 17. AS 14.25.140(c) is amended to read:

(c) The amount of the disability retirement shall be equal to 50 per cent of the teacher's base salary immediately before his becoming disabled. The disability retirement salary shall be increased by 10 per cent of the teacher's base salary at the date of disability 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. 18. AS 14.25.142(b) is repealed.

- * Sec. 19. AS 14.25.143(a) is amended to read:

(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 all service retirement and survivor's benefits salaries to reflect this cost of living increase.

- * Sec. 20. AS 14.25.145 is amended to read:

Sec. 14.25.145. INTEREST ON INDIVIDUAL ACCOUNTS.
Interest shall be credited to each teacher's account at the end of each school year at the rate prescribed by regulation for that year.

- * Sec. 21. AS 14.25.150(1) is amended to read:

(1) A teacher leaving membership service shall receive his total accumulated contributions plus interest credited to his individual contribution account, less any amounts owing to the retirement fund because of previous

withdrawals.

* Sec. 22. AS 14.25.150(2) is repealed.

* Sec. 23. AS 14.25.150(3) is amended to read:

(3) If a teacher who has received a refund of contributions is re-employed in membership service, he is, upon his re-employment, indebted to the retirement fund in the amount of the refund, including interest paid him. 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.

* Sec. 24. AS 14.25.162(e) is amended to read:

(e) A person entitled to the survivor's allowance under this section and who resides in the state after the death of the teacher shall receive a cost of living allowance in addition to his survivor's allowance. The amount of this allowance shall be the amount determined by the administrator under sec. 142 of this chapter. The administrator may implement this subsection by regulations.

* Sec. 25. AS 14.25.162(f) is amended to read:

(f) 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 survivor's allowance to reflect this cost of living increase. The amount of the increase shall be the amount determined by the administrator under sec. 143 of this chapter. Increases accrue from the first of July next following the death of the teacher and shall be paid beginning the first of July of each year. The administrator is authorized to implement this subsection by regulation.

* Sec. 26. AS 14.25.164(b) is amended to read:

(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, unless the spouse is totally and permanently disabled, as defined in sec. 220 of this chapter, before age 60. If the spouse is totally and permanently disabled from engaging in a regular remunerative occupation or employment, the spouse's pension shall commence on the first of the month coinciding with or next following the teacher's death, or the date of disability, whichever is later. In the event that the spouse ceases to be totally and permanently disabled before age 60, the pension shall be suspended until the spouse again becomes eligible for the pension because of age. The payment on the first day of the month in which the spouse dies or remarries constitutes the last payment.

* Sec. 27. AS 14.25.164(e) is amended to read:

(e) A person entitled to the spouse's pension under this section and who resides in the state after the death

of the teacher shall receive a cost of living allowance in addition to his spouse's pension. The amount of this allowance shall be the amount determined by the administrator under sec. 142 of this chapter. The administrator may implement this subsection by regulation.

- * Sec. 28. AS 14.25.164(f) is amended to read:

(f) 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 spouse's pension to reflect this cost of living increase. The amount of the increase shall be determined by the administrator under sec. 143 of this chapter. Increases accrue from the first of July next following the death of the teacher and shall be paid beginning the first of July of each year. The administrator is authorized to implement this subsection by regulation.

- * Sec. 29. AS 14.25.190 is amended to read:

Sec. 14.25.190. ACTUARIAL EVALUATIONS OF THE RETIREMENT FUND. Actuarial evaluations of the retirement fund shall be made at intervals of not more than five years and on the basis of the re-evaluations the administrator may recommend any necessary readjustment to the legislature. Actuarial and financial experience analyses shall be prepared and certified by a member of the American Academy of Actuaries.

- * Sec. 30. AS 14.25.220(3) is amended to read:

(3) "creditable service" means outside and Bureau of Indian Affairs (BIA) service not exceeding 15 years, with outside service limited to 10 years, plus all membership service as provided in (5) of this section;

- * Sec. 31. 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; in case of doubt, the administrator shall finally determine whether or not a person is a teacher as defined in this chapter;

- * Sec. 32. 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, 1967, during any school year as follows: (A) less than nine days, no credit; (B) nine days or more but less than 27 days, 0.1 years; (C) 27 days or more but less than 45 days, 0.2 years; (D) 45 days or more but less than 63 days, 0.3 years; (E) 63 days or more but less than 81 days, 0.4 years; (F) 81 days or more but less than

100 days, 0.5 years; (G) 100 days or more but less than 118 days, 0.6 years; (H) 118 days or more but less than 136 days, 0.7 years; (I) 136 days or more but less than 154 days, 0.8 years; (J) 154 days or more but less than 172 days, 0.9 years; (K) 172 days or more, 1.0 years; if service is performed on a part-time basis, one-half credit shall be given for each day of service;

* Sec. 33. AS 14.25.220 is amended by adding new paragraphs to read:

(23) "normal retirement" means retirement after:

(A) completing at least 15 years of creditable service, the last five of which have been membership service, and attaining the age of 60 years; or

(B) completing at least eight years of membership service and attaining the age of 60 years; or

(C) completing at least 30 years of creditable service, the last five of which are membership service;

(24) "early retirement" means retirement after attaining the age of 55 years and completing either:

(A) at least 15 years of creditable service, the last five of which have been membership service, or

(B) at least eight years of membership service;

(25) "compulsory retirement" means involuntary retirement after attaining the age of 65 and completing either 15 years of creditable service, the last five of which have been membership service, or eight years of membership service, and failure of the teacher's employer to request that the teacher be retained;

(26) "permanent disability" means a physical or mental condition which, in the judgment of the administrator, based upon medical reports and other evidence satisfactory to the administrator, presumably prevents an employee from satisfactorily performing his usual duties for his employer or the duties of another position or job which an employer makes available and for which the employee is qualified by training or education.