



# LAWS OF ALASKA

1988

**Source**

HCS CSSB 253(Fin)

**Chapter No.**

106

**AN ACT**

Relating to retirement credited service and benefits; making technical changes to retirement statutes; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 10.

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 4, 1988  
Actual Effective Date: June 5, 1988, except for sec. 28,  
which takes effect July 1, 1988

AN ACT

Relating to retirement credited service and benefits;  
making technical changes to retirement statutes; and  
providing for an effective date.

\* Section 1. AS 14.25.030 is amended to read:

Sec. 14.25.030. DUTIES OF THE ADMINISTRATOR. The administrator shall

(1) establish and maintain an adequate system of accounts for the system [RETIREMENT FUND];

(2) approve or disapprove claims for retirement benefits;

(3) serve as secretary of the Alaska Teachers' Retirement Board and keep an official record of all proceedings;

(4) publish annually a report showing the financial condition of the system [RETIREMENT FUND]; and

(5) do whatever else may be necessary to carry out the purposes of this chapter.

\* Sec. 2. AS 14.25.035(g) is amended to read:

(g) Expenses for the board and its operation shall be paid from the [TEACHER'S] retirement fund.

\* Sec. 3. AS 14.25.045(a) is amended to read:

(a) An employee or former employee of the National Education Association of Alaska may participate in the system [RETIREMENT FUND] under this chapter if

(1) the employee or former employee possesses or is

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1 eligible to possess a teacher certificate under AS 14.20.020 and

2 (2) the employee or former employee of the National Educa-  
3 tion Association of Alaska pays all retroactive contributions required  
4 to be made under this chapter.

5 \* Sec. 4. AS 14.25 is amended by adding a new section to read:

6 Sec. 14.25.048. TEACHERS OF ALASKA NATIVE LANGUAGE AND CULTURE.

7 (a) Except as provided in (d) of this section, an employee employed  
8 by a participating employer on or after the effective date of this  
9 section shall participate in the system under this chapter if the  
10 employee

11 (1) teaches Alaska Native language or culture in a perma-  
12 nent full-time or permanent part-time position;

13 (2) learned about the subject to be taught by living in the  
14 culture or using the language in daily life; and

15 (3) is qualified to teach the subject to elementary or  
16 secondary students as required by regulations adopted by the Depart-  
17 ment of Education.

18 (b) An employee or former employee may receive credit for retro-  
19 active membership service for employment before the effective date of  
20 this section if the employee or former employee met the requirements  
21 listed in (a) of this section at the time of the employment. To  
22 receive credit for the retroactive membership service, the employee or  
23 former employee shall claim the service and pay the retroactive con-  
24 tributions required under AS 14.25.061. However, an employee or  
25 former employee may not receive retroactive credit under this sub-  
26 section if the employee received credited service under AS 39.35 for  
27 the employment.

28 (c) An employee or former employee who received credit under  
29 AS 39.35 for service that qualifies under (a) of this section may

1 elect to transfer those periods of employment to the system. To  
2 receive credit for retroactive membership service under this subsec-  
3 tion, the employee or former employee shall claim the service and pay  
4 the retroactive contributions required under AS 14.25.061.

5 (d) Notwithstanding (a) of this section, an employee employed as  
6 a teacher of Alaska Native language and culture and participating in  
7 the Public Employees' Retirement System under AS 39.35 on the day  
8 before the effective date of this section shall remain a member under  
9 AS 39.35 unless the employee elects to become a member of the Teach-  
10 ers' Retirement System on or before 90 days after the effective date  
11 of this section.

12 \* Sec. 5. AS 14.25.050 is amended to read:

13 Sec. 14.25.050. CONTRIBUTIONS BY TEACHERS. (a) Beginning  
14 July 1, 1970, each teacher shall contribute to the system [RETIREMENT  
15 FUND] an amount equal to seven percent of the teacher's base salary  
16 accrued from July 1 to the following June 30. The employer shall  
17 deduct the contribution from the teacher's salary [SHALL BE DEDUCTED  
18 BY THE EMPLOYER] at the end of each payroll period.

19 (b) Each teacher is entitled to receive credit for unrefunded  
20 contributions paid into the retirement system [FUND] of 1945.

21 \* Sec. 6. AS 14.25.060(a) is amended to read:

22 (a) If a member has military service or Alaska Bureau of Indian  
23 Affairs (BIA) service, or if a member joined the system before Ju-  
24 ly 1, 1978, and has creditable outside service, the member is indebted  
25 to the system [RETIREMENT FUND] as follows:

26 (1) At the time of first becoming a member of the system,  
27 the arrearage indebtedness is seven percent of the base salary multi-  
28 plied by the total number of years of creditable outside, military,  
29 and Alaska BIA service. The administrator shall add compound interest

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1 at the rate prescribed by regulation to the arrearage indebtedness  
2 beginning July 1, 1963, or at the time the member first becomes eligi-  
3 ble to claim the service, whichever is later, to the date of payment  
4 or the date of retirement, whichever occurs first.

5 (2) If a member terminates from the system and is subse-  
6 quently reemployed as a member, the arrearage indebtedness to the  
7 system [RETIREMENT FUND] for outside, military, or Alaska BIA service  
8 accumulated in the interim is seven percent of the base salary upon  
9 reentering membership service, multiplied by the number of years of  
10 interim outside, military, and Alaska BIA service. Compound interest  
11 at the rate prescribed by regulation shall be added to the arrearage  
12 indebtedness beginning July 1, 1963, or the date of reemployment as a  
13 member, whichever is later, to the date of payment or the date of  
14 retirement, whichever occurs first.

15 \* Sec. 7. AS 14.25.060(b) is amended to read:

16 (b) If a member joins the system on or after July 1, 1978, and  
17 has creditable outside service, the member may claim this service. If  
18 claimed, the member is indebted to the system [RETIREMENT FUND] as  
19 follows:

20 (1) The arrearage indebtedness is the full actuarial cost  
21 of providing benefits for the service being claimed. Compound inter-  
22 est at the rate prescribed by regulation shall be added to the arrear-  
23 age indebtedness beginning the date the actuarial cost is established  
24 to the date of payment or the date of retirement, whichever occurs  
25 first.

26 (2) If a member terminates from the system and is subse-  
27 quently reemployed as a member, the arrearage indebtedness for outside  
28 service during the interim is the full actuarial cost of providing  
29 benefits for the interim service being claimed. Compound interest at

1 the rate prescribed by regulation shall be added to the arrearage  
2 indebtedness beginning the date the actuarial cost is established to  
3 the date of payment or the date of retirement, whichever occurs first.

4 [(3) REPEALED]

5 \* Sec. 8. AS 14.25.061(a) is amended to read:

6 (a) A member who was not subject to the provisions of this  
7 chapter, but who becomes subject to them because of a legislative  
8 change, may elect to receive credit for retroactive membership service  
9 by contributing to the system [RETIREMENT FUND] an amount equal to the  
10 contributions the member would have made had the member been subject  
11 to the provisions of this chapter for those years of retroactive  
12 service after June 30, 1955. Retroactive contributions are not re-  
13 quired for retroactive membership service before July 1, 1955. Com-  
14 pound interest at the rate prescribed by regulation shall be added to  
15 the retroactive indebtedness from July 1, 1966, or the time of first  
16 becoming eligible under this chapter, whichever is later, to the date  
17 of payment or the date of retirement, whichever occurs first.

18 \* Sec. 9. AS 14.25.062 is amended to read:

19 Sec. 14.25.062. REINSTATEMENT INDEBTEDNESS. A teacher who has  
20 received a refund of contributions in accordance with AS 14.25.150 is  
21 indebted to the system [RETIREMENT FUND] in the amount of the total  
22 refund. Compound interest at the rate prescribed by regulation shall  
23 be added to the reinstatement indebtedness from the date of the refund  
24 to the date of repayment or the date of retirement, whichever occurs  
25 first.

26 \* Sec. 10. AS 14.25.065 is amended to read:

27 Sec. 14.25.065. TRANSMITTAL OF CONTRIBUTIONS. (a) All contri-  
28 butions deducted in accordance with AS 14.25.050 and 14.25.055 shall  
29 be transmitted to the system for deposit in the retirement fund no

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1 later than 15 days following the close of the payroll period, with the  
2 final contributions due for any school year transmitted no later than  
3 July 15.

4 (b) The contributions of employers under AS 14.25.070 must be  
5 transmitted to the system for deposit in the retirement fund [ADMINIS-  
6 TRATOR] at the close of each pay period. If the contributions are not  
7 submitted within 15 days of the close of each payroll period, interest  
8 must be assessed on the outstanding contributions at one and one-half  
9 times the most recent actuarially determined rate of earnings for the  
10 system from the date that contributions were originally due. In  
11 addition, the amount of the contributions and interest may be deducted  
12 by the Department of Education from the state funds due the school  
13 district and the amount so deducted transmitted to the system [ADMIN-  
14 ISTRATOR] for deposit in the retirement fund. Amounts due from the  
15 University of Alaska and interest as prescribed in this section may be  
16 deducted by the commissioner of administration from any state funds  
17 due the University of Alaska and the amount deducted transmitted to  
18 the administrator for deposit in the retirement fund.

19 \* Sec. 11. AS 14.25.070 is amended to read:

20 Sec. 14.25.070. CONTRIBUTIONS BY EMPLOYER. An employer shall  
21 contribute to the system [RETIREMENT FUND] an amount equal to the  
22 percentage, as certified by the administrator, of the sum total of the  
23 base salaries of all teachers that is required in addition to teacher  
24 contributions to provide the benefits of this chapter times the sum  
25 total of the base salaries paid to teachers by the employer.

26 \* Sec. 12. AS 14.25.143(a) is amended to read:

27 (a) When the administrator determines that the cost of living  
28 has increased and that the financial condition of the system [RETIRE-  
29 MENT FUND] permits, the administrator shall increase benefit payments

1 to persons receiving benefits under this system.

2 \* Sec. 13. AS 14.25.160(b) is amended to read:

3 (b) Upon the death of an active member who meets the conditions  
4 specified in (a) of this section, the amount of the death benefit is  
5 the sum of the following less any retirement benefit previously re-  
6 ceived by the member:

7 (1) the member contribution account;

8 (2) \$100 times the years of membership service;

9 (3) \$1,000; and

10 (4) \$500 if the deceased member is survived by one or more  
11 dependent children at the time of death and if the designated benefi-  
12 ciary is a dependent child of the member or is the parent or guardian  
13 of the dependent child of the member.

14 \* Sec. 14. AS 14.25.162(b) is amended to read:

15 (b) A survivor's allowance is payable under this section as  
16 follows:

17 (1) an allowance of 10 percent of the member's base salary  
18 immediately before the member's death, retirement, or disability shall  
19 be paid for each dependent child; if there are four or more dependent  
20 children, the total amount paid to those children is 40 percent of the  
21 member's base salary before the member's death, retirement, or dis-  
22 ability, paid in equal amounts to each child; the allowance shall be  
23 recomputed for the month in which the number of dependent children is  
24 less than four and the benefits shall be decreased accordingly; the  
25 adoption of a dependent child does not terminate the survivor's allow-  
26 ance payable under this section;

27 (2) an allowance of 35 percent of the member's base salary  
28 shall be paid to the member's surviving spouse as long as there is an  
29 eligible dependent child, as determined under (b)(1) of this section,

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1 for whom the surviving spouse is legally responsible; if there is no  
2 surviving spouse, an allowance of 10 percent of the member's base  
3 salary shall be paid to each court-appointed guardian, not to exceed  
4 one allowance for each child or for each group of children who have  
5 the same guardian or joint guardians;

6 (3) when no further benefits are payable under this sec-  
7 tion, the difference between the amount that would have been paid  
8 under AS 14.25.160 and any payments made to the member, spouse, guard-  
9 fian, or dependent children under this section shall be paid to those  
10 beneficiaries described in AS 14.25.166 [AS 14.25.160(a)];

11 (4) benefits are not payable under this section if benefits  
12 are payable under AS 14.25.155, 14.25.157, 14.25.164, or 14.25.167.

13 \* Sec. 15. AS 14.25.164(b) is amended to read:

14 (b) A spouse's pension is payable under this section as follows:

15 (1) a spouse's pension is equal to 50 percent of the re-  
16 tirement benefit that the deceased member was receiving; if the member  
17 was not receiving a retirement benefit, the spouse's pension is equal  
18 to 50 percent of the amount the member would have received, based on  
19 the member's average base salary and credited service to the date of  
20 the member's death and assuming that the member would have been eligi-  
21 ble for a normal retirement benefit as of that date;

22 (2) in the event of the death of a member's spouse who is  
23 receiving a spouse's pension, the difference between the amount that  
24 would have been paid under AS 14.25.160 and any payments made to the  
25 member, spouse, guardian, or dependent children shall be paid to those  
26 beneficiaries described in AS 14.25.166 [AS 14.25.160];

27 (3) benefits are not payable under this section if benefits  
28 are payable under AS 14.25.155, 14.25.157, 14.25.162, or 14.25.167.

29 \* Sec. 16. AS 14.25.190 is amended to read:

1           Sec. 14.25.190. ACTUARIAL EVALUATIONS OF THE SYSTEM [RETIREMENT  
2 FUND]. Actuarial evaluations of the system [RETIREMENT FUND] shall be  
3 made at intervals of not more than five years and on the basis of the  
4 reevaluations the administrator may recommend any necessary readjust-  
5 ment to the legislature. Actuarial and financial experience analyses  
6 shall be prepared and certified by a member of the American Academy of  
7 Actuaries.

8 \* Sec. 17. AS 14.25.200 is amended to read:

9           Sec. 14.25.200. EXEMPTION FROM TAXATION AND PROCESS. (a)  
10 Member contributions and other amounts held in the system [RETIREMENT  
11 FUND] on behalf of a member or other person who is or may become  
12 eligible for benefits under the system are exempt from Alaska state  
13 and municipal taxes and are not subject to anticipation, alienation,  
14 sale, transfer, assignment, pledge, encumbrance, or charge of any  
15 kind, either voluntary or involuntary, before they are received by the  
16 person entitled to the amount under the terms of the system, and any  
17 attempt to anticipate, alienate, sell, transfer, assign, pledge,  
18 encumber, charge, or otherwise dispose of any right to amounts accrued  
19 in the system [RETIREMENT FUND] is void. However, a member's right to  
20 receive benefits may be assigned under a qualified domestic relations  
21 order.

22           (b) Member contributions and other amounts held in the system  
23 [RETIREMENT FUND] and benefits payable under this chapter are exempt  
24 from garnishment, execution, or levy as provided in AS 09.38 (exemp-  
25 tions).

26 \* Sec. 18. AS 14.25.220(21) is amended to read:

27           (21) "membership service" means

28           (A) full or part-time service as a teacher in a public  
29 school in the Territory or State of Alaska, or both, under the

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1 supervision and control of the Territorial Board of Education or  
2 the Department of Education or the school board of a city, re-  
3 gional educational attendance area, or borough school district;

4 (B) full-time or part-time teaching at the University  
5 of Alaska or a full-time administrative position at the Univer-  
6 sity of Alaska which requires academic standing and which has  
7 been approved for inclusion in the system by the administrator;

8 (C) any period during which the teacher receives a  
9 disability benefit under this system or is on an approved sabbat-  
10 ical leave granted in accordance with AS 14.20.310;

11 (D) continuous service as a state legislator when  
12 performed by a state legislator who elects membership under  
13 AS 14.25.040(b), subject to the requirements of AS 14.25.040(c);  
14 [OR]

15 (E) full-time or part-time service as an employee of  
16 the Special Education Service Agency, subject to the requirements  
17 of AS 14.25.047; or

18 (F) full-time or part-time service as an Alaska Native  
19 language or culture expert, subject to the requirements of  
20 AS 14.25.048;

21 \* Sec. 19. AS 14.25.220(35) is repealed and reenacted to read:

22 (35) "retirement fund" or "fund" means the fund in which the  
23 assets of the system are deposited and held;

24 \* Sec. 20. AS 22.25.030 is amended by adding a new subsection to read:

25 (g) If there is no surviving spouse or surviving dependent child  
26 entitled to benefits under this section or if after payment of all  
27 survivors' benefits due under this section, less than the amount of  
28 contributions made by the justice or judge to the system under AS 22.-  
29 25.011 and interest credited has been paid, the difference between the

1 amount of contributions and the amount of benefits paid shall be paid  
2 to the designated beneficiary of the justice or judge. If there is no  
3 designated beneficiary or if no designated beneficiary survives the  
4 justice or judge, the balance of the contributions and interest cred-  
5 ited shall be paid to the

6 (1) surviving spouse; or, if there is none surviving,

7 (2) surviving children in equal parts; or, if there is none  
8 surviving,

9 (3) surviving parents in equal parts; or, if there is none  
10 surviving,

11 (4) justice's or judge's estate.

12 \* Sec. 21. AS 22.25 is amended by adding a new section to read:

13 Sec. 22.25.033. CLAIM FOR SURVIVOR'S BENEFITS. A person claim-  
14 ing entitlement to benefits payable under this chapter as a conse-  
15 quence of a justice's or judge's death shall provide the commissioner  
16 of administration with a marriage certificate, divorce or dissolution  
17 judgment, or other evidence of entitlement. Documents establishing  
18 entitlement may be filed with the commissioner immediately after a  
19 change in the justice's or judge's marital status. If the commission-  
20 er does not receive notification of a claim before the date 10 days  
21 after the justice's or judge's death, the person claiming entitlement  
22 is not entitled to receive from the Department of Administration any  
23 benefit already paid by the commissioner under this chapter.

24 \* Sec. 22. AS 22.25.035 is amended to read:

25 Sec. 22.25.035. RIGHTS UNDER A QUALIFIED DOMESTIC RELATIONS  
26 ORDER. A former spouse who was married to a justice or judge for at  
27 least one year [AND WHO HAS NOT REMARRIED] shall be treated as a  
28 spouse or surviving spouse under this chapter to the extent required  
29 by a qualified domestic relations order. Rights under the order do

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1 not take effect until the order is filed with the administrator.

2 \* Sec. 23. AS 39.35.060 is amended to read:

3 Sec. 39.35.060. DUTIES OF THE ADMINISTRATOR. The administrator  
4 shall

5 (1) with the assistance of a technical actuarial advisor,  
6 submit to the board the required actuarial tables and the statistical  
7 data necessary for periodic actuarial surveys of the operating experi-  
8 ence of the system;

9 (2) maintain records of the employees included in the  
10 system that are necessary for the proper administration of the system  
11 and furnish information requested by the actuary for preparing valua-  
12 tions and periodic experience analyses;

13 (3) attend meetings of the board and serve as secretary of  
14 the board;

15 (4) certify to the appropriate division of the Department  
16 of Administration the payments made under this chapter;

17 (5) remit to the [APPROPRIATE DIVISION OF THE] Department  
18 of Revenue, for deposit in the pension fund, assets [NAME OF THE  
19 SYSTEM, MONEY] received for the account of the system;

20 (6) formulate and recommend to the board regulations to  
21 govern the operation of the system;

22 (7) formulate and recommend to the board regulations to  
23 govern the operation of the supplemental employee benefit program  
24 (AS 39.30.150 - 39.30.180).

25 \* Sec. 24. AS 39.35.330(b) is amended to read:

26 (b) A leave or leaves of absence without pay exceeding [THAT  
27 EXCEEDS] 10 accumulated working days in any calendar year or layoff  
28 status authorized by an employer will be considered as an interruption  
29 of employment and no credited service will be granted.

1 \* Sec. 25. AS 39.35.345(b) is amended to read:

2 (b) To obtain credited service under this section, an employee  
3 must elect to do so and must verify the period of temporary service  
4 [BEFORE JULY 1, 1981, OR WITHIN ONE YEAR FOLLOWING THE DATE WHEN THE  
5 EMPLOYEE FIRST BECOMES VESTED UNDER THIS CHAPTER, IF LATER]. When  
6 eligibility for temporary service credit has been established, an  
7 indebtedness shall be determined as provided in (a) of this section.  
8 [INTEREST AS PRESCRIBED BY REGULATION ACCRUES ON THAT INDEBTEDNESS  
9 BEGINNING JULY 1, 1981, OR ONE YEAR FOLLOWING THE DATE AN EMPLOYEE  
10 FIRST BECOMES VESTED, WHICHEVER IS LATER.] Any outstanding indebted-  
11 ness existing at the time an employee retires will require an actuari-  
12 al adjustment to the benefits payable based on the temporary service:  
13 Interest as prescribed by regulation accrues on the indebtedness  
14 beginning

15 (1) July 1, 1981, or one year following the date the em-  
16 ployee first becomes vested, whichever is later, for an employee who  
17 claims temporary service credit no more than one year after the em-  
18 ployee becomes vested;

19 (2) the date of vesting, for an employee who becomes vested  
20 after June 30, 1980, who is claiming temporary service credit more  
21 than one year after vesting for service performed before the employee  
22 vested;

23 (3) July 1, 1980, for an employee who became vested before  
24 July 1, 1980, who is claiming temporary service credit after June 30,  
25 1981, for service performed before July 1, 1980;

26 (4) one year after completing the temporary service, for an  
27 employee who was vested on the last day of employment as a temporary  
28 employee and who claims the temporary service no more than one year  
29 after completing the service;

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1           (5) on the date of completing the temporary service, for an  
2 employee who was vested on the last day of employment as a temporary  
3 employee and who claims temporary service more than one year after  
4 completing the service.

5 \* Sec. 26. AS 39.35.345(c) is amended to read:

6           (c) A deferred vested employee on July 1, 1980, is eligible to  
7 claim credited service under (a) of this section. To obtain credited  
8 service under this section, a deferred vested employee must elect to  
9 do so and must verify the period of temporary service [BEFORE JULY 1,  
0 1981]. When eligibility for temporary service credit has been estab-  
1 lished, an indebtedness shall be determined as provided in (a) of this  
2 section. Interest as prescribed by regulation accrues on that indebt-  
3 edness beginning July 1, 1981. Any outstanding indebtedness existing  
4 at the time a deferred vested employee retires will require an actu-  
5 arial adjustment to the benefits payable based on the temporary ser-  
6 vice.

7 \* Sec. 27. AS 39.35.360(a) is amended to read:

8           (a) An employee [EMPLOYED BEFORE JANUARY 1, 1980,] who completes  
9 three years of credited service with the state after January 1, 1961,  
0 for which the employee makes contributions required by this chapter is  
1 entitled to credited service for service rendered (1) before Janu-  
2 ary 1, 1961, as an employee of the state and former Territory of  
3 Alaska; (2) before January 1, 1961, as an employee of the United  
4 States government in Alaska, excluding service in the armed forces of  
5 the United States; [OR] (3) after January 1, 1961, as a peace officer,  
6 correctional officer, or fireman of a participating political subdivi-  
7 sion of the state if the employee is vested and is an active peace  
8 officer, correctional officer, or fireman in the system on or before  
9 January 1, 1983; or (4) after January 1, 1961, as a special officer

1 commissioned by the state troopers if the employee has not otherwise  
2 received credit for the service and if the employee was employed on or  
3 before January 1, 1983, is vested, and has been an active special  
4 officer, peace officer, correctional officer, or fireman in the system  
5 [AS OF JULY 1, 1980]. The retirement benefits payable to an employee  
6 under this section shall be reduced by the amount of the retirement  
7 pension benefits paid to the employee by the United States government  
8 for the same period of service.

9 \* Sec. 28. AS 39.35.360(k) is amended to read:

10 (k) A [PEACE OFFICER OR FIREMAN EMPLOYED BY A MUNICIPALITY WHO  
11 IS A] vested member is eligible to receive credited service for em-  
12 ployment after January 1, 1961, [AND BEFORE JANUARY 1, 1976,] as a  
13 peace officer or fireman in a municipality that is an employer under  
14 this system but that was not an employer at the time of the employ-  
15 ment. A vested member who claims retroactive credited service on or  
16 after July 1, 1988, is indebted to the system. The amount of the  
17 indebtedness is the full actuarial cost of providing benefits for the  
18 credited service claimed [TO RECEIVE RETROACTIVE CREDIT, THE MEMBER  
19 MUST CLAIM THE SERVICE BEFORE JULY 1, 1988. WHEN THE MEMBER CLAIMS  
20 RETROACTIVE CREDITED SERVICE, AN INDEBTEDNESS OF THE MEMBER TO THE  
21 SYSTEM SHALL BE ESTABLISHED. THE AMOUNT OF THIS INDEBTEDNESS IS EQUAL  
22 TO THE CONTRIBUTIONS THE PEACE OFFICER OR FIREMAN WOULD HAVE MADE IF  
23 THE OFFICER OR FIREMAN HAD BEEN ELIGIBLE FOR MEMBERSHIP IN THE SYS-  
24 TEM]. Interest as established by regulation accrues on the indebt-  
25 edness under this subsection beginning the first of the month follow-  
26 ing establishment of the indebtedness [JANUARY 1, 1976]. Any out-  
27 standing indebtedness that exists at the time the officer or fireman  
28 retires will require an actuarial adjustment to the benefits that are  
29 based on retroactive credited service under this subsection.

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\* Sec. 29. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.389. ALTERNATE BENEFITS FOR EPORS MEMBERS. (a) Notwithstanding former AS 39.37.050, a former member of the Alaska Territorial Legislature who is receiving a benefit on the effective date of this section under the Elected Public Officers Retirement System and who has at least 30 years of credited service in the territorial and state legislatures may elect a benefit under this subsection instead of the benefit under former AS 39.37.050. The monthly amount of a benefit under this subsection is the greater of the member's years of credited service multiplied by

(1) the member's average monthly compensation and that amount multiplied by two percent; or

(2) \$100.

(b) Notwithstanding former AS 39.37.060, a surviving spouse receiving a benefit under the Elected Public Officers Retirement System whose spouse met the requirements of (a) of this section at the time of the spouse's death may elect a benefit under this subsection instead of the benefit under former AS 39.37.060. The amount of a benefit under this subsection is 50 percent of the amount calculated for the deceased spouse under (a) of this section.

(c) Benefits payable under this section accrue from the first day of the month following receipt of an application for benefits under this section and are payable on the last day of the month.

\* Sec. 30. AS 39.35.500 is amended to read:

Sec. 39.35.500. SAFEGUARD OF EMPLOYEE FUNDS HELD BY THE SYSTEM. Employee contributions and other amounts held in the system [PENSION FUND] are exempt from Alaska state and local taxes. Amounts held on behalf of, or payable to, any employee or other person who is or may become eligible for benefits under the system are not subject to

1 anticipation, alienation, sale, transfer, assignment, pledge, encum-  
2 brance, or charge of any kind, either voluntary or involuntary, before  
3 being received by the person entitled to the amount under the terms of  
4 the system. An attempt to anticipate, alienate, sell, transfer,  
5 assign, pledge, encumber, charge, or otherwise dispose of a right to  
6 amounts held under the system is void. However, an employee's right  
7 to receive benefits may be assigned under a qualified domestic rela-  
8 tions order.

9 \* Sec. 31. AS 39.35.505 is amended to read:

10 Sec. 39.35.505. EXEMPTION OF EMPLOYEE FUNDS AND BENEFITS.  
11 Employee contributions and other amounts held in the system [PENSION  
12 FUND] and retirement benefits payable under this chapter are exempt  
13 from levy to enforce the collection of a debt as provided in AS 09.38  
14 (exemptions).

15 \* Sec. 32. AS 39.35.650 is amended to read:

16 Sec. 39.35.650. REFUNDS TO EMPLOYERS. An [IN NO EVENT MAY AN]  
17 employer may not receive an amount from the system [PENSION FUND],  
18 except as provided under AS 39.35.615(e) and 39.35.620(g).

19 \* Sec. 33. AS 39.35.680(29) is repealed and reenacted to read:

20 (29) "pension fund" or "fund" means the fund in which the  
21 assets of the system are deposited and held;

22 \* Sec. 34. Section 57, ch. 82, SLA 1986, is amended to read:

23 Sec. 57. Sections 16, 22 - 23, 25 - 27, 42, 44, 45 [42 - 45],  
24 and 50 of this Act apply only to members first hired under the Public  
25 Employees' Retirement System after June 30, 1986. Changes in the  
26 Public Employees' Retirement System enacted in this Act that require a  
27 reduction in benefits to members of the retirement system apply only  
28 to members who are first hired under the retirement system after  
29 June 30, 1986. Other sections of this Act apply to all members of the

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Public Employees' Retirement System, regardless of the date of hire.

\* Sec. 35. EPORS SURVIVORS BENEFITS. Notwithstanding former AS 39.37.-060 and sec. 51, ch. 117, SLA 1986, the surviving spouse of an elected public officer who has retirement rights under the Elected Public Officers' Retirement System is eligible to continue receiving survivors' benefits upon remarriage. If there is no surviving spouse or surviving dependent child entitled to benefits under former AS 39.37.060 or if, after payment of all survivors' benefits due under former AS 39.37.060, less than the amount of contributions made by the elected public officer under former AS 39.37.070 and interest credited has been paid, the difference between the amount of contributions and the amount of benefits paid shall be paid to the designated beneficiary of the elected public officer. If there is no designated beneficiary or if no designated beneficiary survives the elected public officer, the balance of the contributions and interest credited shall be paid to the

(1) surviving spouse; or, if there is none surviving,

(2) surviving children in equal parts; or, if there is none surviving,

(3) surviving parents in equal parts; or, if there is none surviving,

(4) elected public officer's estate.

\* Sec. 36. ELIGIBILITY OF CERTAIN NATIVE LANGUAGE AND CULTURE TEACHERS. If the effective date of sec. 4 of this Act occurs during the interim between school terms, a person is considered to be employed on the day before the effective date of sec. 4 of this Act if the person was employed by a participating employer on the last day of the school term immediately preceding the beginning of the interim and is employed by the employer on the first day of the school term immediately following the interim.

\* Sec. 37. AS 39.35.525 is repealed.

1 \* Sec. 38. Section 28 of this Act takes effect July 1, 1988.

2 \* Sec. 39. Except for sec. 28, this Act takes effect immediately under  
3 AS 01.10.070(c).  
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