

**SENATE BILL NO. 292**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

**BY SENATOR ZHAROFF**

**Introduced: 2/12/96**

**Referred: State Affairs**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the longevity bonus program; and providing for an effective  
2 date."

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

4 \* **Section 1.** AS 47.45 is amended by adding a new section to read:

5           Sec. 47.45.005. LONGEVITY BONUS FUND. (a) In order to support the  
6 longevity bonus program, the longevity bonus fund is established, consisting of money  
7 appropriated to the fund. The fund shall be held and invested by the Alaska  
8 Permanent Fund Corporation subject to AS 37.13.120. However, net income from the  
9 fund may not be included in the computation of net income available for distribution  
10 under AS 37.13.140.

11           (b) The income account is established as a separate account in the longevity  
12 bonus fund. Income from the fund shall be deposited by the Alaska Permanent Fund  
13 Corporation into the account as soon as it is received and shall be retained in the  
14 account unless appropriated. Money in the account shall be invested in investments

1 authorized under AS 37.13.120, and the income shall be retained in the account unless  
2 appropriated.

3 (c) Subject to appropriation for the purpose, on the last day of each fiscal year  
4 the Alaska Permanent Fund Corporation shall transfer from the income account to the  
5 principal of the longevity bonus fund an amount sufficient to offset the effect of  
6 inflation on the principal of the fund during that fiscal year. The corporation shall  
7 calculate the amount to transfer to the principal under this subsection by

8 (1) computing the average of the monthly United States Consumer  
9 Price Index for all urban consumers for each of the two previous calendar years;

10 (2) computing the percentage change between the first and second  
11 calendar year average; and

12 (3) applying that rate to the value of the principal of the fund on the  
13 last day of the fiscal year just ended.

14 (d) After the transfer under (c) of this section and subject to appropriation for  
15 the purpose, the Alaska Permanent Fund Corporation shall transfer the balance of the  
16 money in the income account to the bonus payment fund (AS 47.45.090).

17 \* **Sec. 2.** AS 47.45.010(a) is amended to read:

18 (a) A person who is 65 years of age or over who resides in the state for at  
19 least one year immediately preceding application for a longevity bonus under this  
20 chapter may apply to the commissioner of administration [NO LATER THAN  
21 DECEMBER 31, 1996,] for qualification to receive a monthly bonus. **The amount**  
22 **of the bonus during a calendar year shall be calculated by the commissioner**  
23 **before the beginning of that year based upon the amount available in the bonus**  
24 **payment fund for distribution during that year. However, a bonus may not**  
25 **exceed \$250** [OF

26 (1) \$250, IF THE PERSON'S APPLICATION WAS SUBMITTED  
27 BEFORE JANUARY 1, 1994;

28 (2) \$200, IF THE PERSON'S APPLICATION WAS SUBMITTED ON  
29 OR AFTER JANUARY 1, 1994, BUT BEFORE JANUARY 1, 1995;

30 (3) \$150, IF THE PERSON'S APPLICATION WAS SUBMITTED ON  
31 OR AFTER JANUARY 1, 1995, BUT BEFORE JANUARY 1, 1996; OR

1 (4) \$100, IF THE PERSON'S APPLICATION WAS SUBMITTED ON  
2 OR AFTER JANUARY 1, 1996, BUT BEFORE JANUARY 1, 1997].

3 \* **Sec. 3.** AS 47.45.070(a) is amended to read:

4 (a) An unqualified person is one who

5 (1) does not meet the age or residence requirements as provided for  
6 under this chapter;

7 (2) meets the age and residence requirements of this chapter but either  
8 is confined in a state or federal mental health institution or facility and is certified by  
9 the state as unable to manage personal affairs, or resides in a nursing home as that  
10 term is defined in AS 08.70.180; however, if that person, at the time of commitment  
11 or commencement of residence, provided the principal support of a spouse, the  
12 commissioner of administration may determine to pay the confined person's bonus to  
13 the person's spouse until the spouse is qualified for a bonus;

14 (3) is otherwise qualified but confined in a penal or correctional  
15 institution or facility; upon completion of sentence or upon the conferral of a pardon,  
16 parole, or probation, the person may make application; confinement outside the state  
17 shall be considered as residence in the state if a person was convicted and sentenced  
18 from a court in Alaska; revocation of parole or probation shall be cause for immediate  
19 disqualification until release from confinement is again effected;

20 (4) voluntarily leaves the state and remains absent from the state for  
21 a continuous period of more than 90 days;

22 (5) did not apply, under AS 47.45.010(a), [BEFORE JANUARY 1,  
23 1997,] for qualification to receive a [LONGEVITY] bonus [;

24 (6) WAS FOUND QUALIFIED TO RECEIVE A LONGEVITY  
25 BONUS, WAS SUBSEQUENTLY DISQUALIFIED FOR 12 CONSECUTIVE  
26 MONTHS OR MORE, AND DID NOT REAPPLY BEFORE JANUARY 1, 1997].

27 \* **Sec. 4.** AS 47.45.090(a) is amended to read:

28 (a) The [ALASKA LONGEVITY] bonus **payment** fund is created for the  
29 purpose of paying the monthly bonuses provided for in this chapter. The **bonus**  
30 **payment** fund consists only of money made available **for distribution as bonus**  
31 **payments and to pay costs of administering this chapter** by appropriations **from the**

1 income account of the longevity bonus fund under AS 47.45.005(d), from [OF THE  
2 LEGISLATURE FROM THE GENERAL FUND, AND] income and interest derived  
3 from the investment of money of the [LONGEVITY] bonus payment fund, and from  
4 other sources. Any income or other money in the bonus payment fund that has  
5 not been appropriated for distribution or exceeds the amount needed for  
6 distribution during a calendar year lapses into the income account of the longevity  
7 bonus fund on January 1 of the following year.

8 \* **Sec. 5.** AS 47.45.100 is amended to read:

9 Sec. 47.45.100. POWERS AND DUTIES OF THE ADMINISTRATOR. The  
10 commissioner of administration shall

11 (1) adopt regulations necessary to carry out the provisions of this  
12 chapter;

13 (2) make expenditures from the bonus payment fund necessary to  
14 administer this chapter;

15 (3) establish and maintain an adequate system of accounts for the  
16 bonus payment fund [;

17 (4) REPEALED].

18 \* **Sec. 6.** AS 47.45.110 is amended to read:

19 Sec. 47.45.110. CUSTODY OF FUNDS. The commissioner of revenue is the  
20 treasurer of the system and has powers and duties for this purpose including [BUT  
21 NOT LIMITED TO] the following:

22 (1) to act as official custodian of the cash and securities belonging to  
23 the bonus payment fund;

24 (2) to receive all items of cash belonging to the bonus payment fund.

25 \* **Sec. 7.** AS 47.45.045 is repealed.

26 \* **Sec. 8.** Section 1 of this Act takes effect July 1, 1996.

27 \* **Sec. 9.** Sections 2 - 7 of this Act take effect January 1, 1998.