

HOUSE BILL NO. 254

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE KERTTULA

Introduced: 1/10/00

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the voluntary deduction of dues for membership in certain
2 retiree organizations."

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

4 * **Section 1.** AS 39.35.500 is amended to read:

5 **Sec. 39.35.500. Safeguard of employee funds held by the system.** Except
6 as provided in AS 29.45.030(a)(1), employee contributions and other amounts held in
7 the system are exempt from Alaska state and local taxes. **Except as provided in (b)**
8 **of this section, amounts** [AMOUNTS] held on behalf of, or payable to, any employee
9 or other person who is or may become eligible for benefits under the system are not
10 subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or
11 charge of any kind, either voluntary or involuntary, before being received by the
12 person entitled to the amount under the terms of the system. An attempt to anticipate,
13 alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise dispose of a right
14 to amounts held under the system is void. However, an employee's right to receive

1 benefits may be assigned

2 (1) under a qualified domestic relations order; [OR]

3 (2) to a trust or similar legal device that meets the requirements for a
4 Medicaid-qualifying trust under AS 47.07.020(f) and 42 U.S.C. 1396p(d)(4); **or**

5 **(3) as provided in (b) of this section.**

6 * **Sec. 2.** AS 39.35.500 is amended by adding a new subsection to read:

7 (b) A person receiving benefits under this chapter who intends to join or who
8 belongs to a retirement organization may authorize the administrator to deduct from
9 the person's benefits the amount of annual dues owed to the organization. The person
10 shall make the authorization in writing on a form approved by the administrator. The
11 authorization shall remain in effect until revoked in writing. The revocation is
12 effective when received by the administrator. The administrator may, by regulation,
13 assess a reasonable administrative fee to compensate the system for administration of
14 this subsection. In this subsection, "retirement organization" means an organization
15 representing persons receiving benefits under this chapter that is affiliated with an
16 organization representing employees of the employer under AS 23.40.070 - 23.40.260.