

HOUSE BILL NO. 223

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES HUDSON, Kerttula

Introduced: 3/30/01

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the voluntary deduction of the amount of certain annual dues from**
2 **retirement benefits."**

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

4 *** Section 1.** AS 14.25.200(a) is amended to read:

5 (a) Except as provided in AS 29.45.030(a)(1) or in (c) **or (d)** of this section,
6 member contributions and other amounts held in the system on behalf of a member or
7 other person who is or may become eligible for benefits under the system are exempt
8 from Alaska state and municipal taxes and are not subject to anticipation, alienation,
9 sale, transfer, assignment, pledge, encumbrance, or charge of any kind, either
10 voluntary or involuntary, before they are received by the person entitled to the amount
11 under the terms of the system. Any attempt to anticipate, alienate, sell, transfer,
12 assign, pledge, encumber, charge, or otherwise dispose of any right to amounts
13 accrued in the system is void. However, a member's right to receive benefits or the
14 member contribution account may be assigned

- 1 (1) under a qualified domestic relations order;
- 2 (2) to a trust or similar legal device that meets the requirements for a
- 3 Medicaid-qualifying trust under AS 47.07.020(f) and 42 U.S.C. 1396p(d)(4); or
- 4 (3) as provided in (c) or (d) of this section.

5 * **Sec. 2.** AS 14.25.200 is amended by adding a new subsection to read:

6 (d) A person receiving benefits under this chapter who intends to join or who

7 belongs to a retirement organization may authorize the administrator to deduct from

8 the person's benefits the amount of annual dues owed to the organization. The person

9 shall make the authorization in writing on a form approved by the administrator. The

10 authorization shall remain in effect until revoked in writing. A revocation is effective

11 when received by the administrator. The administrator may, by regulation, assess a

12 reasonable administrative fee to compensate the system for administration of this

13 subsection. In this subsection, "retirement organization" means an organization

14 representing persons receiving benefits under this chapter that is affiliated with an

15 organization representing employees of the employer under AS 23.40.070 - 23.40.260.

16 * **Sec. 3.** AS 39.35.500(a) is amended to read:

17 (a) Except as provided in AS 29.45.030(a)(1) or in (b) of this section,

18 employee contributions and other amounts held in the system are exempt from Alaska

19 state and local taxes. Except as provided in this subsection and in (b) or (c) of this

20 section, amounts held on behalf of, or payable to, any employee or other person who is

21 or may become eligible for benefits under the system are not subject to anticipation,

22 alienation, sale, transfer, assignment, pledge, encumbrance, or charge of any kind,

23 either voluntary or involuntary, before being received by the person entitled to the

24 amount under the terms of the system. An attempt to anticipate, alienate, sell, transfer,

25 assign, pledge, encumber, charge, or otherwise dispose of a right to amounts held

26 under the system is void. However, an employee's right to receive benefits or the

27 member's employee contribution account may be assigned

- 28 (1) under a qualified domestic relations order; or
- 29 (2) to a trust or similar legal device that meets the requirements for a
- 30 Medicaid-qualifying trust under AS 47.07.020(f) and 42 U.S.C. 1396p(d)(4).

31 * **Sec. 4.** AS 39.35.500 is amended by adding a new subsection to read:

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