

AMENDMENT

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TO BE OFFERED ON THE FLOOR
TO HCSSB 141 (HFIN) \ "R"

BY REPRESENTATIVE

CROFT

Page 1, line 1 through page 2, line 6: (title amendment)

Delete all material.

Insert: "**An Act relating to establishing the Alaska Retirement Management Board to replace the Alaska State Pension Investment Board, the Alaska Teachers' Retirement Board, and the Public Employees' Retirement Board; creating a temporary retirement task force; and providing for an effective date.**"

Page 2, line 8 through page 120, line 5:

Delete all material.

Insert: "**Section 1.** AS 37.10.210 is repealed and reenacted to read:

Sec. 37.10.210. Alaska Retirement Management Board. (a) The Alaska Retirement Management Board is established in the Department of Revenue. The board's primary mission is to serve as the trustee of the assets of the state's retirement systems, the State of Alaska Supplemental Annuity Plan, and the deferred compensation program for state employees. Consistent with standards of prudence, the board has the fiduciary obligation to manage and invest these assets in a manner that is sufficient to meet the liabilities and pension obligations of the systems, plan, and program. The board may, with the approval of the commissioner of revenue and upon agreement with the responsible fiduciary, manage and invest other state funds so long as the activity does not interfere with the board's primary mission. In making investments, the board shall exercise the powers and duties of a fiduciary of a state fund under AS 37.10.071.

(b) The Alaska Retirement Management Board consists of nine trustees, as follows:

(1) two members, consisting of the commissioner of administration and the commissioner of revenue;

(2) seven trustees appointed by the governor who meet the eligibility requirements for an Alaska permanent fund dividend and who are professionally credentialed or have recognized competence in investment management, finance, banking, economics, accounting, pension administration, or actuarial analysis as follows:

(A) one trustee who is a member of the general public; the trustee appointed under this subparagraph may not hold another state office, position, or employment and may not be a member or beneficiary of a retirement system managed by the board;

(B) one trustee who is employed as a finance officer for a political subdivision participating in the public employees' retirement system;

(C) one trustee who is employed as a finance officer for a political subdivision participating in the teachers' retirement system;

(D) two of whom are members of the public employees' retirement system selected from a list of nominees submitted by public employees' retirement system bargaining units; and

- (E) two of whom are members of the teachers' retirement system selected from a list of nominees submitted by the teachers' retirement system bargaining units; and
- (c) The trustees, other than the two commissioners, shall serve for staggered terms of six years and may be reappointed or elected to the board for a total of two consecutive terms. A person who has served two consecutive terms may not be reappointed to the board for at least one year.
- (d) The governor may, by written notice to the trustee, remove an appointed trustee for cause. After an appointed trustee receives written notice of removal, the trustee may not participate in board business and may not be counted for purposes of establishing a quorum.
- (e) A vacancy on the board of trustees shall be promptly filled. A person filling a vacancy holds office for the balance of the unexpired term of the person's predecessor, and the balance of the unexpired term served is not included in the three-term limitation under (c) of this section. A vacancy on the board does not impair the authority of a quorum of the board to exercise all the powers and perform all the duties of the board.
- (f) Five trustees constitute a quorum for the transaction of business and the exercise of the powers and duties of the board.
- (g) A trustee may not designate another person to serve on the board in the absence of the trustee.
- (h) The board shall provide annual training to its members on the duties and powers of a fiduciary of a state fund and other training as necessary to keep the members of the board educated about pension management and investment.
- (i) The board shall elect a trustee to serve as chair and a trustee to serve as vice-chair for one-year terms. A trustee may be reelected to serve additional terms as chair or vice-chair.

Sec. 2. AS 37 10.390 is amended to read:

Sec. 37.10.390. definitions. In AS 37.10.210 – 37.10.390, unless the context otherwise requires,

- (1) "board" means the board of trustees of the Alaska **Retirement Management** [STATE PENSION INVESTMENT] Board;
- (2) "**fund**" means **the fund or funds composed of the assets of each of the retirement systems administered and managed by the board;**
- (3) "**recognized competence**" means **a minimum of 10 years' professional experience working or teaching in the field of investment management, finance, banking, economics, accounting, pension administration, or actuarial analysis;**
- (4) "retirement systems" **or "systems"** means the teachers' retirement system, the judicial retirement system, the Alaska National Guard and Alaska Naval Militia retirement system, [AND} the public employees' retirement system, **and the elected public officers' retirement system under former AS 39.37.**

Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to read:

EFFECTIVE DATE. This Act takes effect immediately under AS 01.10.070(c).