

1 IN THE House

BY Education Committee

House BILL NO: 135

2
3 IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4 TWENTIETH SESSION

5 A BILL

6 For an Act entitled: "An Act pertaining to the Teachers'
7 Retirement System amending Sections
8 37-5-22, 37-5-24 as amended by Chapter
9 29 SLA 1951, 37-5-26, 37-5-27, 37-5-28,
10 37-5-30, 37-5-31, 37-5-32 and 37-5-33
11 ACLA 1949, ~~and declaring an emergency.~~"

12 BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

13 Section 1. Section 37-5-22 ACLA 1949 is amended to read
14 as follows:

15 Section 37-5-22. DEFINITION OF TERMS. Whenever in
16 this Act the following words and phrases are used, unless
17 a different meaning is plainly required by the contents,
18 they shall have the following meanings:

19 1. "Public School" shall mean any day school within
20 the Territory under the supervision and control of the
21 Territorial Board of Education, (OR) the school board of
22 any incorporated city, incorporated school district, (OR)
23 independent school district, or the board of regents of
24 the University of Alaska. This term shall also include
25 public schools, Universities and Colleges in any other
26 political subdivisions of the United States and schools
27 operated on property under control of the United States
28 Government in foreign countries and Alaska.

29 2. "Teacher" shall mean any certified teacher,

1 principal, supervisor, or superintendent employed on a
2 full time basis in the public schools of the Territory,
3 (INCLUDING) the Commissioner of Education, the Deputy
4 Commissioner of Education (EDUCATIONAL SUPERVISORS)
5 Supervisors of the Department of Education, and all
6 resident teachers and instructors, including the
7 administrative head, librarian and extension service
8 personnel of the University of Alaska. This definition
9 shall also include veteran teachers not so employed who
10 have already rendered the years of service required
11 for retirement as hereinafter set forth.

12 3. The "Board" shall mean the "Teachers' Retirement
13 Board" provided for in Section (3 OF THIS ACT) 37-5-23
14 herein, to administer the retirement system.

15 4. "Retirement Fund" shall consist of all matching
16 contributions from funds appropriated by the Territorial
17 Legislature; contributions by incorporated cities, from
18 the School Tax Fund (Chapter 38, SLA 1943), and from the
19 Rural School Fund as provided in Section (10 OF THIS ACT)
20 37-5-30 herein; contributions from teachers' salaries;
21 payments of arrearages as provided in Section 4 (OF THIS
22 ACT) (37-5-24 herein); income and interest derived from
23 investment of moneys contained in the fund; and all
24 moneys derived or contributed for the same purpose from
25 any other source.

26 5. "Member" shall mean any teacher included in the
27 membership of the system as provided in Section (8 OF THIS
28 ACT) 37-5-23 herein.

29 6. "Service" shall mean service as a teacher.

1 7. "Year of Service" shall be construed to mean
2 (THE SCHOOL TERM OF NOT LESS THAN SEVEN MONTHS) service
3 of at least 140 school days, however, no more than one
4 year credit may be obtained during any one school year.
5 If service is less than 140 days, credit will be given
6 for the actual number of months of service, based on a
7 twenty-day school month.

8 8. "Retirement Salary" shall mean the money received
9 by a retired teacher from the fund.

10 9. "Non-Revertible Funds" shall mean that portion
11 of the Teachers' Retirement Fund not subject to with-
12 drawal by teachers who might discontinue teaching service
13 and membership in the system prior to retirement.

14 10. "School Year" shall begin on July 1st of each
15 year and end on June 30th of the ensuing year.

16 11. "Teaching" shall be construed to mean service
17 in the capacity of the positions stated in Subsection
18 2 of Section 37-5-22 herein.

19 Section 2. Section 37-5-24 ACLA 1949 as amended by
20 Chapter 29 SLA 1951 is amended to read as follows:

21 Section 37-5-24. RETIREMENT AGE BENEFITS.
22 Eligibility: Payments: Service credits. Every
23 (CERTIFIED) teacher who has (TAUGHT SCHOOL TWENTY-FIVE
24 YEARS, OF WHICH PERIOD AT LEAST FIFTEEN YEARS HAVE
25 BEEN SPENT IN THE PUBLIC SCHOOLS OF THE TERRITORY OR
26 THE UNIVERSITY OF ALASKA) had twenty-five years of
27 service in public schools or the Territorial Department
28 of Education, of which service at least fifteen years
29 have been in the Territory of Alaska, shall be

1 eligible to retire from active teaching service and upon
2 reaching the age of fifty-five years shall be entitled to
3 receive for life from the Teachers' Retirement Fund a
4 retirement salary of (TWELVE HUNDRED DOLLARS (\$1,200.00))
5 One Thousand Five Hundred Sixty Dollars (\$1,560.00) per
6 year payable in four equal quarterly installments, October
7 1, January 1, April 1, and July 1. To be eligible to
8 receive retirement salary under this Act a teacher must
9 pay into the Retirement Fund an amount equal to twenty-five
10 times (NINETY DOLLARS (25 x \$90)) One Hundred Seventeen
11 Dollars (25 x \$117) and no teacher shall be required to
12 pay a greater sum. All teachers actively engaged in the
13 profession in Alaska, and those who may later come into
14 the Retirement System, and all aged teachers not so engaged
15 who have already rendered the required years of service
16 and apply for retirement benefits, shall be given credit
17 hereunder for all previous teaching service in the Terri-
18 tory; provided that all such teachers may also claim and
19 be given credit for teaching service not exceeding ten
20 years rendered by them respectively in any other political
21 subdivision of the United States, including schools operated
22 on property under the control of the United States Govern-
23 ment in foreign countries and Alaska; provided, further,
24 that in every case the last five years of teaching prior
25 to retirement which are claimed and credited must have been
26 in Alaska. All teachers shall have the privilege at any
27 time of paying into the Retirement Fund, for each year of
28 previous service, not to exceed twenty-five, and equal
29 amounts shall be paid by the Territory into said Fund, as

1 provided in Section 37-5-30 (10 OF THIS ACT) herein; or,
2 in the alternative, the quarterly benefits payable to
3 teachers after retirement may be withheld and credited on
4 arrearages until such time as the total teacher's contri-
5 bution in each case shall equal the sum due hereunder.

6 Exemption from taxation and process. Teachers'
7 retirement salaries shall be exempt from any Territorial
8 or municipal tax and shall not be subject to execution,
9 attachment, garnishment or any other process whatsoever.

10 Retirement. To be eligible for these benefits a
11 teacher must retire from teaching service, except as
12 hereinafter provided. After becoming eligible for
13 retirement from active service a teacher may be retired
14 or retained in service at the discretion of the employer
15 and the employee. Retirement is compulsory at the age of
16 ^{sixty} (sixty) ^{sixty-five} provided, however, that there shall be no restric-
17 tions on the occupation of a teacher who has reached the
18 compulsory retirement age of ^{sixty-five} (60) years and who is otherwise
19 eligible for retirement benefits, except with respect to
20 teaching on a full time basis in the Alaska Public School
21 System. Provided, however, that he be allowed to finish
22 out the school year if he becomes ^{sixty-five} years of age during
23 that school year. (PROVIDED, HOWEVER, THE) The compulsory
24 retirement provisions of this section shall not apply to
25 (THE ADMINISTRATIVE HEAD, TEACHERS, INSTRUCTORS, LIBRARIAN,
26 EXTENSION SERVICE AND EXPERIMENT STATION PERSONNEL OF THE
27 UNIVERSITY OF ALASKA;) University of Alaska teachers, the
28 Commissioner of Education, Deputy Commissioner of Education,
29 Supervisors of the Department of Education and full time

1 administrators in the Alaska Public School System, except
2 for the purpose of determining whether or not they shall
3 become participating members of the Retirement System as
4 prescribed in Section (8 HEREOF) 37-5-28 herein; provided,
5 however, that (UNIVERSITY CONNECTED) teachers of advanced
6 years who have been admitted into the System prior hereto
7 may hereafter elect whether to remain or withdraw. In case
8 of withdrawal, the withdrawing teacher shall be refunded
9 all money heretofore withheld from him or otherwise paid
10 by him into the Retirement System.

11 Section 3. Section 37-5-26 ACLA 1949 is amended to read as
12 follows:

13 Section 37-5-26. RETIREMENT SALARY SUSPENDED IF RE-
14 EMPLOYED. If any retired teacher shall be re-employed as
15 a teacher in (THIS) the public schools of the Territory
16 (OR ANY STATE) of Alaska, his retirement salary shall
17 immediately be suspended for the period of such re-employ-
18 ment.

19 Section 4. Section 37-5-27 ACLA is amended to read as
20 follows:

21 Section 37-5-27. RETIREMENT SALARY OF DECEASED TEACHER
22 TO BE PAID TO BENEFICIARY. When a teacher who has become
23 eligible for retirement salary under this Act (,) dies
24 before receiving in quarterly payments an amount equal to
25 (TWENTY-TWO HUNDRED FIFTY DOLLARS (\$2,250.00), (25 x \$90))
26 twenty-nine hundred twenty-five dollars (\$2,925.00)
27 (25 x \$117), the remaining amount shall be paid to his
28 beneficiary in quarterly payments as provided in Section
29 (4 OF THIS ACT) 37-5-24 herein.

1 Section 5. Section 37-5-28 ACLA 1949 is amended to read
2 as follows:

3 Section 37-5-28. MEMBERSHIP. Membership in the
4 Retirement System shall be compulsory for all teachers
5 contracting for service commencing on or after September
6 1, 1945, unless the teacher's age is such that he cannot
7 teach the required twenty-five years by the time he has
8 reached the compulsory retirement age as fixed herein; and,
9 with this one exception, no person shall teach in any public
10 school of the Territory or the University of Alaska (AFTER
11 SEPTEMBER 1, 1945) who shall not have executed a contract
12 authorizing the deduction and withholding for deposit in
13 said Teachers' Retirement Fund (OF NINETY DOLLARS (\$90.00)
14 PER YEAR) the sum of One Hundred Seventeen Dollars (\$117.00)
15 per year.

16 Section 6. Section 37-5-30 ACLA 1949 is amended to read
17 as follows:

18 Section 37-5-30. SOURCE OF FUNDS. (THE RETIREMENT
19 FUND SHALL BE CREATED JOINTLY BY THE TEACHERS OF THE TERRI-
20 TORY, THE INCORPORATED CITIES, THE UNIVERSITY OF ALASKA,
21 THE OFFICE OF THE COMMISSIONER OF EDUCATION AND THE
22 TERRITORY AND PAYMENTS) The Retirement Fund is created
23 and shall consist of moneys contributed jointly by the
24 teachers of the Territory of Alaska, the public schools in
25 Alaska, the Territorial Department of Education and other
26 appropriated funds. Payments shall be made into the
27 Retirement Fund (,) as follows:

28 1. Contribution by the teacher, (NINETY DOLLARS
29 (\$90.00)) One Hundred Seventeen Dollars (\$117.00) per year

1 as provided in Section (8 OF THIS ACT) 37-5-28 herein.
2 This sum (TO) shall be deducted by the employer pro-rata
3 on a monthly basis, and the same shall be forwarded semi-
4 annually on or before the first day of July and the first
5 day of January of each year by said employer to the
6 (TERRITORIAL TREASURER) office of the Secretary of the
7 Teachers' Retirement System, who will forward the money to
8 the Territorial Treasurer for deposit in said Teachers'
9 Retirement Fund.

10 2. (CONTRIBUTIONS BY THE TERRITORY BY SPECIAL
11 APPROPRIATION) Special appropriation by the Territory of
12 (FORTY-FIVE DOLLARS (\$45.00) ANNUALLY PER TEACHER) one-
13 half the sum contributed by the teachers until a (\$100,000)
14 \$500,000 reserve has been reached as provided in Section
15 (13 OF THIS ACT) 37-5-33 herein. This amount is to be
16 covered into the Retirement Fund ^{concurrently} ~~(concurrently on receipt~~
17 ~~of the Teachers' contribution.)~~ semi-annually.

18 3. Contributions by (THE INCORPORATED CITIES) city
19 schools and by incorporated and independent school districts,
20 of (TWENTY-TWO AND ONE HALF DOLLARS (\$22.50) PER YEAR) one-
21 quarter of the sum contributed by teachers for each teacher
22 in the (CITY) schools and school districts. The sum due
23 (FROM EACH CITY TO) hereunder shall be deducted by the
24 Commissioner of Education semi-annually from Territorial
25 funds due the (CITY) schools and districts and deposited
26 by him ⁱⁿ ~~(the~~ Teachers' Retirement Fund.

27 4. Contributions from the Territorial School Tax fund
28 (Chapter 38 SLA 1943), (TWENTY-TWO AND ONE HALF DOLLARS
29 (\$22.50) PER YEAR) one-quarter of the sum contributed by

1 teachers for each teacher. Concurrently on receipt of the
2 teachers' contribution the sum due from the School Tax
3 Fund shall be covered into the Retirement Fund semi-
4 annually.

5 5. Contribution from the Rural School Funds, (TWENTY-
6 TWO AND ONE HALF DOLLARS (\$22.50) PER YEAR) one-quarter of
7 the sum contributed by teachers for each rural school
8 teacher. Concurrently on receipt of the teachers' contri-
9 bution the sum due from the Rural School Fund shall be
10 covered into the Retirement Fund semi-annually.

11 6. Contributions from the Territorial School Tax
12 Fund (Chapter 38 SLA 1943) to match 100% arrearage payments
13 by teachers for prior service as provided in Section (4 OF
14 THIS ACT) 37-5-24 herein. Concurrently on receipt of the
15 teachers' contribution the amount due from the School Tax
16 Fund shall be covered into the Retirement Fund, provided
17 that the amount from this fund for this purpose shall not
18 exceed \$12,000.00 in any one year.

19 7. Contributions by University of Alaska, (TWENTY-
20 TWO AND ONE-HALF DOLLARS (\$22.50) PER YEAR) one-quarter of
21 the sum contributed by teachers for each teacher or
22 employee of the University under the Retirement System,
23 to be paid semi-annually.

24 8. Contribution by the office of the Commissioner of
25 Education, (TWENTY-TWO AND ONE-HALF DOLLARS (\$22.50) PER
26 YEAR) one-quarter of the sum contributed (FOR) by each
27 employee under the Retirement System, to be paid semi-
28 annually.

29 Section 7. Section 37-5-31 ACLA 1949 is amended to read

1 as follows:

2 Section 37-5-31. (FIRST PAYMENT. RETIREMENT SALARIES
3 SHALL BE PAID AT ANY TIME ON OR AFTER OCTOBER 1, 1946, FOR
4 THE QUARTER COMMENCING JULY 1, 1946.) APPLICATION FOR
5 RETIREMENT. Persons eligible for retirement salary shall
6 make written applications to the (BOARD ON FORMS PRESCRIBED
7 BY THE BOARD AND DULY SWORN TO.) Secretary of the Teachers'
8 Retirement System, who will present the applications to
9 the Territorial Retirement Board for approval. The burden
10 of proof of eligibility as defined in this Act shall fall
11 entirely upon the teacher.

12 Section 8. Section 37-5-32 ACLA 1949 is amended to read
13 as follows:

14 Section 37-5-32. WITHDRAWAL FROM SERVICE. Any
15 teacher who has been a contributing member for three or more
16 years, upon leaving the profession (,) or leaving the
17 Territory before receiving any retirement salary, shall
18 be entitled to a refund of seventy-five per cent (75%) of
19 such contributions, without interest, upon written appli-
20 cation to the (BOARD) Secretary of the Teachers' Retirement
21 System made within twenty-four months after date of such
22 (CESSATION) leaving. The beneficiary of a person who has
23 died in service before becoming eligible for retirement
24 salary shall be entitled to ^{one hundred per cent (100%)} ~~(a seventy-five per cent (75%))~~
25 of the contributions, without interest, that the teacher
26 has made. Teachers with less than ^{three years} (three) years membership
27 shall be entitled to a refund of thirty-three and one third
28 per cent (33 1/3%) of the amount of their contributions,
29 without interest, provided claim is presented to the (BOARD)

1 Secretary of the Teachers' Retirement System within twelve
2 months of the termination of service.

3 Section 9. Section 37-5-33 ACLA 1949 is amended to read
4 as follows:

5 Section 37-5-33. SUSPENDED CONTRIBUTION BY TERRITORY.
6 Whenever the portion of non-revertible funds, as defined
7 in Section (2) 37-5-22 herein, shall reach (\$100,000)
8 \$600,000, payments into the fund by the Territory by
9 special appropriations as set forth in sub-section 2 of
10 Section (10) 37-5-30 herein shall be suspended and shall
11 not be resumed unless and until the portion of the
12 Retirement Fund which is non-revertible falls below
13 (\$100,000) \$600,000; provided, however, that the other
14 provisions for matching teachers' contributions, as set
15 forth in Section (10) 37-5-30 herein, shall at all times
16 remain in effect.