

1 IN THE SENATE

BY SENATOR OWEN

2

SENATE BILL NO. 62

3

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4

TWENTY-THIRD SESSION

5

A BILL

6

For an Act entitled: "An Act amending Chapter 145, SLA 1955,

7

relative to the Teachers' Retirement

8

System."

9

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

10

Section 1. Sec. 2, Chapter 145, SLA 1955, is amended to

11

read as follows:

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Section 2. DEFINITION OF TERMS.

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(a) "Board" means the Teachers' Retirement Board.

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(b) "Employer" means any INCORPORATED CITY city

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school district, incorporated school district, independent

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school district, the Board of Regents of the University of

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Alaska, and the Office of the Commissioner of Education.

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(c) "Teacher" means any certified teacher,

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principal, supervisor or superintendent employed on a full-

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time basis in the public schools of Alaska, the Commissioner

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of Education, DEPUTY COMMISSIONER OF EDUCATION, super-

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visors within the Department of Education, and all RESIDENT

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TEACHERS AND INSTRUCTORS, INCLUDING THE ADMINISTRATIVE

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OFFICERS, LIBRARIAN, AND EXTENSION SERVICE PERSONNEL OF THE

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UNIVERSITY OF ALASKA full-time resident department heads,

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instructors, professors, assistant professors, associate

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professors, deans, agricultural extension agents and super-

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visors, librarian and registrar of the University of Alaska.

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In all cases of doubt the Retirement Board shall finally

1 determine whether any person is a teacher as defined in this  
2 Act.

3 (d) "Member means any person included in the  
4 membership of the system as provided in subsection (c).

5 (e) "Prior service" means service as a "Teacher"  
6 in a public school not under the supervision and control of  
7 the Territorial Board of Education, the school board of any  
8 incorporated city, incorporated school district, independent  
9 school district, or the Board of Regents of the University  
10 of Alaska.

11 (f) "Military service" means service in the Armed  
12 Forces of the United States after January 1, 1940.

13 (g) "Membership service" means service as a  
14 teacher in a public school within the Territory of Alaska  
15 under the supervision and control of the Territorial Board  
16 of Education, the school board of any incorporated city,  
17 incorporated school district, independent school district, or  
18 the Board of Regents of the University of Alaska.

19 (h) "Creditable service" means prior service not  
20 to exceed ten (10) years, plus membership service as is  
21 provided in subsection (g).

22 (i) "Simple interest" means interest solely on  
23 the principal.

24 (j) "Year of service" means service of at least  
25 140 school days in any one school year.

26 (k) "School year" means the 12 month period  
27 beginning July 1st of each year and ending June 30th of the  
28 next ensuing year.

29 (l) "Base salary" or "basic salary" means the

1 annual salary authorized to be paid a teacher if employed in  
2 the same position in the First Judicial Division of the  
3 Territory of Alaska. "Salary authorized" means that salary  
4 fixed by the Territorial Board of Education; or if an  
5 employee of the Department of Education, University of Alaska  
6 or a Community College, that salary, in fact, paid such  
7 employee.

8 (m) "Retirement fund" means the fund consisting  
9 of all matching contributions by INCORPORATED CITIES city  
10 school districts, from the School Tax Fund, and from other  
11 appropriated funds; all contributions from whatever source;  
12 and income and interest derived from the investment of  
13 monies.

14 (n) "Retirement salary" means the money received  
15 by a retired teacher from the fund.

16 (o) "Non-revertible funds" means that portion of  
17 a teacher's contribution not subject to a refund.

18 (p) "Retirement System of 1945" and "Retirement  
19 Fund of 1945," or like terms, means the system and fund  
20 established by Sec. 37-5-21, ACLA 1949, et seq., as amended  
21 by Chapter 29, Session Laws of Alaska 1951, and Chapter 143,  
22 Session Laws of Alaska 1953.

23 Whenever used in connection with this Act, the  
24 masculine pronoun shall include both masculine and feminine  
25 gender.

26 Sec. 2. Sec. 4, Chapter 145, SLA 1955, is amended to read  
27 as follows:

28 Section 4. POWERS AND DUTIES. The Board shall have,  
29 but not by way of limitation, the following powers and

1 duties: (a) TO ADOPT RULES AND REGULATIONS NECESSARY FOR  
2 THE ADMINISTRATION AND ENFORCEMENT OF THIS ACT authority to  
3 promulgate and issue appropriate regulations to implemen  
4 the provisions of this Act and to cover matters not expressly  
5 touched upon or anticipated but implied by the provisions  
6 hereof. All such regulations shall have the force and  
7 effect of law; (b) to employ such assistants as are  
8 necessary at salaries determined by the Board and paid from  
9 the Retirement Fund; (c) to establish and maintain an  
10 adequate system of accounts for the Retirement Fund; (d) to  
11 approve or disapprove claims for retirement salary; (e) to  
12 keep an official record of all proceedings; (f) to publish  
13 biennially a report showing the financial conditions of the  
14 Retirement Fund; and (g) to do whatever else may be neces-  
15 sary to effectuate the purposes of this Act.

16 Sec. 3. Sec. 7, Chapter 145, SLA 1955, is repealed and re-  
17 enacted to read as follows:

18 Section 7. CONTRIBUTIONS BY TEACHERS FOR ARREARAGES.

19 If a teacher has previous creditable service, he shall be  
20 indebted, in addition to the above contributions, in the  
21 following amounts:

22 (a) If, at the time of becoming a member of this  
23 retirement system, a teacher has membership service covering  
24 all or any part of the period July 1, 1950, through June 30,  
25 1955, his indebtedness shall be five percent (5%) of the  
26 average base salary (said base salary not to exceed Six  
27 Thousand Dollars in any one school year), over such period  
28 of membership service as occurred between July 1, 1950, and  
29 June 30, 1955, multiplied by the total number of years of

1        creditable service, including prior service, if any, at the  
2        time of becoming a member.

3                (b) If, at the time of becoming a member of this  
4        retirement system, a teacher has no membership service  
5        covering any part of the period July 1, 1950, through June  
6        30, 1955, his indebtedness shall be five percent (5%) of the  
7        base salary (said base salary not to exceed Six Thousand  
8        Dollars in any one school year) paid at the time of first  
9        becoming employed as a teacher, under the provisions of this  
10       Act, multiplied by the total number of years of creditable  
11       service, including prior service, if any, at the time of  
12       becoming a member.

13               The teachers in (a) and (b) shall be credited with the  
14       total amount of contributions, if any, less any refunds,  
15       paid into the Retirement Fund of 1945.

16               If a teacher, after becoming a member of this retire-  
17       ment system discontinues membership and subsequently desires  
18       to be re-instated and receive credit for other prior service  
19       accumulated in the interim time, his indebtedness to the  
20       Retirement Fund for such additional credit shall be computed  
21       as follows: Five percent (5%) of the base salary, (said  
22       base salary not to exceed Six Thousand Dollars in any one  
23       school year) received upon re-instatement multiplied by the  
24       number of years of interim prior service; provided, however,  
25       that the total prior service claimed shall not exceed ten  
26       (10) years.

27        Sec. 4. Sec. 12, Chapter 145, SLA 1955, is amended to read  
28        as follows:

29                Section 12. ELIGIBILITY FOR SERVICE RETIREMENT.

1 (a) Any teacher who has completed twenty-five (25)  
2 years of creditable service, the last five (5) years of  
3 which is membership service in the Territory, and who has  
4 attained the age of fifty-five (55) years, may retire from  
5 service, and apply in writing to the Secretary for his  
6 retirement salary.

7 (b) Any teacher who has completed twenty-five (25)  
8 years of creditable service, the last five (5) years of  
9 which is membership service in the Territory, and who has  
10 attained the age of sixty-five (65) years during any school  
11 year, shall be retired on the first day of July following  
12 his sixty-fifth (65) birthday; Provided, however, except for  
13 the purposes of determining eligibility for membership in  
14 this retirement system, compulsory retirement at the age of  
15 sixty-five (65) shall not apply to the Commissioner of  
16 Education, THE DEPUTY COMMISSIONER OF EDUCATION supervisors  
17 within the Department of Education, AND other full-time  
18 administrators and personnel of the University of Alaska.

19 (c) The burden of proving eligibility for any  
20 retirement benefits hereunder shall be borne by the applicant  
21 to the full satisfaction of the Board.

22 Sec. 5. Sec. 15, Chapter 145, SLA 1955, is amended to read  
23 as follows:

24 Section 15. MANNER OF COMPUTING DISABILITY RETIREMENT  
25 SALARY. Every teacher who has made application for  
26 disability retirement salary shall receive from the Retirement  
27 Fund, for each school year subsequent to the date of  
28 said application, a disability retirement salary payable on  
29 the first day of each month, commencing the month following

1 the disability.

2 The payment made on the first day of the month in which  
3 death occurs shall constitute the last payment.

4 The amount of disability retirement salary to be paid  
5 shall be computed as follows:

6 (a) Each teacher who has made application for  
7 disability retirement salary after attaining the age of  
8 fifty-five (55) years or over, shall COMPUTE receive the  
9 amount of disability retirement salary to which he is  
10 entitled in the same manner as service retirement salaries  
11 are computed in Sec. 13(a), (b), and (c).

12 (b) Each teacher who has made application for  
13 disability retirement salary before attaining the age of  
14 fifty-five (55) years, shall COMPUTE receive the amount of  
15 disability retirement salary to which he would be entitled  
16 if he were fifty-five (55) years of age, using the methods  
17 of computation set forth in Sec. 13(b) and (c).

18 (c) If the teacher was a member of the retirement  
19 system established by the Retirement Act of 1945, any annual  
20 retirement salary allowed for disability granted heretofore  
21 shall be computed as set forth in (a) or (b) of this section,  
22 but shall in no event be less than the sum of: Thirty-Nine  
23 Dollars (\$39.00) multiplied by the number of years of  
24 creditable service up to a maximum of twenty-five (25) years,  
25 plus ten percent (10%) of the total contributions made by  
26 the teacher to the Retirement Fund of 1945 for membership  
27 service.

28 Sec. 6. Sec. 16, Chapter 145, SLA 1955, is amended to add  
29 subsection (h) as follows:

1           Section 16. PAYMENT ON WITHDRAWAL FROM SYSTEM.

2           (h) All claims for refund as provided by this  
3           section must be by written application and filed with the  
4           Secretary within five (5) years from the date of termination  
5           of membership service. For the purpose of this Act only a  
6           leave of absence shall not toll said five (5) year period  
7           within which said written application for refund must be  
8           filed.

9           Sec. 7. Sec. 17, Chapter 145, SLA 1955, is repealed and  
10          enacted to read as follows:

11           Section 17. PAYMENT UPON DEATH OF TEACHER. Upon  
12           receipt of a valid claim and proper proof of the death of a  
13           member who is entitled to a refund of contributions, a pay-  
14           ment, in the amount specified hereafter, shall be paid to  
15           his estate or to any person he has nominated by written  
16           designation, executed and filed with the Board. All claims  
17           and presentations of proof shall be made within five (5)  
18           years of termination of service, or if in membership service  
19           at the time of death, within five (5) years after date of  
20           death.

21           In the case of a teacher in membership service at the  
22           time of death, who has not received any retirement salary,  
23           the amount of the payment shall be the sum of (a) his  
24           accumulated contributions, as determined under Sec. 16 of  
25           this Act, and (b) One Thousand Dollars (\$1,000.00), plus One  
26           Hundred Dollars (\$100.00) multiplied by the number of  
27           completed school years of membership service, plus an addi-  
28           tional sum of Five Hundred Dollars (\$500.00), if the  
29           deceased teacher is survived by one or more children under

1 the age of eighteen (18) years at the time of his death;  
2 provided, however, that in no case shall the amount payable  
3 under provision (b) exceed Three Thousand Dollars (\$3,000.00).

4 In the case of a teacher, who has received retirement  
5 salary at the time of death, the payment shall be limited to  
6 the amount of his accumulated contributions, together with  
7 two percent (2%) simple interest to the date of retirement,  
8 less all retirement salary paid the deceased teacher; pro-  
9 vided, however, that if a teacher dies within one (1) year  
10 after the effective date of disability retirement, as  
11 specified in Sec. 18 of this Act, the payment on death shall  
12 be the amount specified in the second paragraph of this  
13 section, less the amount of any retirement salary previously  
14 paid the deceased teacher.

15 Upon the death of a teacher who at the time of death is  
16 not in membership service, and who is entitled to a return  
17 of his contributions, the accumulated contributions as  
18 specified in Sec. 16 of this Act shall be paid to his desig-  
19 nated beneficiary or estate. Further, if a teacher dies  
20 within one (1) year after leaving membership service, and is  
21 entitled to a return of his contributions and has not  
22 received such return on all service, and has not filed a  
23 claim for disability retirement but would have been eligible  
24 for such retirement if claim had been filed, the designated  
25 beneficiary or estate shall in addition be entitled to the  
26 payment specified in provision (b) of the second paragraph  
27 of this section.

28 Sec. 8, Sec. 18, Chapter 145, SLA 1955, is hereby repealed.  
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