

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 pertaining to the Teachers' Retirement System; amending Secs. 2, 4, 12, 15, 7 and 16 of Chapter 145, SLA 1955; repealing 8 and re-enacting Secs. 7 and 17 of Chapter 9 145, SLA 1955; repealing Section 18 of 10 Chapter 145, SLA 1955; and setting an 11 effective date." 12

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

14 Section 1. Sec. 2, Chapter 145, SLA 1955, is amended to 15 read as follows.

16 Section 2. DEFINITION OF TERMS.

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

18 (b) "Employer" means any INCORPORATED CITY city 19 school district, incorporated school district, independent 20 school district, the Board of Regents of the University of 21 Alaska, and the Office of the Commissioner of Education.

22 (c) "Teacher" means any certified teacher, 23 principal, supervisor or superintendent employed on a full- 24 time basis in the public schools of Alaska, the Commissioner 25 of Education, DEPUTY COMMISSIONER OF EDUCATION, super- 26 visors within the Department of Education, and all RESIDENT 27 TEACHERS AND INSTRUCTORS, INCLUDING THE ADMINISTRATIVE 28 OFFICERS, LIBRARIAN, AND EXTENSION SERVICE PERSONNEL OF THE 29 UNIVERSITY OF ALASKA full-time resident department heads.

1 instructors, professors, assistant professors, associate
2 professors, deans, agricultural extension agents and super-
3 visors, librarian and registrar of the University of Alaska.

4 In all cases of doubt the Retirement Board shall finally
5 determine whether any person is a teacher as defined in this
6 Act.

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

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

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

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

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

26 (i) "Simple interest" means interest solely on
27 the principal.

28 (j) "Year of service" means service of at least
29 140 school days in any one school year.

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

(l) "Base salary" of "basic salary" means the annual salary authorized to be paid a teacher if employed in the same position in the First Judicial Division of the Territory of Alaska. "Salary authorized" means that salary fixed by the Territorial Board of Education; or if an employee of the Department of Education, University of Alaska or a Community College, that salary, in fact, paid such employee.

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

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

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

(p) "Retirement System of 1945" and "Retirement Fund of 1945," or like terms, means the system and fund established by Sec. 27-5-21, ACLA 1949, et seq., as amended by Chapter 29, Session Laws of Alaska 1951, and Chapter 143 Session Laws of Alaska 1953.

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

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

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

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

22 Section 7. CONTRIBUTIONS BY TEACHERS FOR ARREARAGES.
23 If a teacher has previous creditable service, he shall be
24 indebted, in addition to the above contributions, in the
25 following amounts:
26 (a) If, at the time of becoming a member of this
27 retirement system, a teacher has membership service covering
28 all or any part of the period July 1, 1950, through June 30,
29 1955, his indebtedness shall be five percent (5%) of the

1 average base salary (said base salary not to exceed Six
2 Thousand Dollars in any one school year), over such period
3 of membership service as occurred between July 1, 1950 and
4 June 30, 1955, multiplied by the total number of years of
5 creditable service, including prior service, if any, at the
6 time of becoming a member.

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

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

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

1 (10) years.

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

4 Section 12. ELIGIBILITY FOR SERVICE RETIREMENT.

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

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

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

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

28 Section 15. MANNER OF COMPUTING DISABILITY RETIREMENT
29 SALARY. Every teacher who has made application for

1 disability retirement salary shall receive from the Retirement
2 Fund, for each school year subsequent to the date of
3 said application, a disability retirement salary payable on
4 the first day of each month, commencing the month following
5 the disability.

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

8 The amount of disability retirement salary to be paid
9 shall be computed as follows:

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

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

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

1 the teacher to the Retirement Fund of 1945 for membership
2 service.

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

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

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

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

24 In the case of a teacher in membership service at the
25 time of death, who has not received any retirement salary,
26 the amount of the payment shall be the sum of (a) his
27 accumulated contributions, as determined under Sec. 16 of
28 this Act, and (b) One Thousand Dollars (\$1,000.00), plus One
29 Hundred Dollars (\$100.00) multiplied by the number of

1 completed school years of membership service, plus an addi-
2 tional sum of Five Hundred Dollars (\$500.00), if the
3 deceased teacher is survived by one or more children under
4 the age of eighteen (18) years at the time of his death;
5 provided, however, that in no case shall the amount payable
6 under provision (b) exceed Three Thousand Dollars (\$3,000.00).

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

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

1 of this section.
2 Sec. 8. Sec. 18, Chapter 145, SLA 1955, is hereby repealed.
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