

Original Sponsor:  
Judiciary Committee

Offered: 4/2/63  
Referred: Rules

1 IN THE SENATE BY THE HOUSE FINANCE COMMITTEE  
2 HOUSE CS FOR SENATE BILL NO. 69  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRD LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act providing retirement and other bene-  
7 fits for justices and judges of the supreme  
8 and superior courts of Alaska; and providing  
9 for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. AS 22 is amended by adding a new chapter to read:

12 CHAPTER 25. RETIREMENT AND DEATH BENEFITS.

13 ARTICLE 1. JUSTICES AND JUDGES.

14 Sec. 22.25.010. RETIREMENT OF JUSTICES AND JUDGES. (a)

15 A supreme court justice or superior court judge shall be re-  
16 tired on the date that he reaches the age of 70. He is  
17 eligible for retirement pay if he has had five or more years  
18 of service at the time of retirement as a justice or judge.

19 (b) A justice or judge may be retired for incapacity as  
20 provided in AS 22.05.110 and 22.10.160. He is eligible for  
21 retirement pay if he has had two or more years service at the  
22 time of retirement. The effective date of retirement under  
23 this subsection is the first day of the month coinciding with  
24 or after the date upon which the governor, with respect to a  
25 justice, or the supreme court, with respect to a judge, files  
26 with the director of the Public Employees' Retirement System  
27 of Alaska a written declaration to the effect that a designated  
28 justice or judge was retired for incapacity. A duplicate  
29 copy of the delcaration shall be filed with the Judicial

1 Council.

2 (c) A justice or judge who served for a period of five  
3 years, and who believes that he has become so incapacitated  
4 as to prevent him from efficiently performing his judicial  
5 duties, may file with the governor a written application for  
6 retirement which contains a sworn statement of his service  
7 and of his incapacity. When an application is filed the  
8 governor shall appoint a board of three persons to inquire  
9 into the circumstances, and may, upon the board's recommenda-  
10 tion, retire the justice or judge. The effective date of  
11 the retirement shall be as provided in (b) of this section.

12 (d) A justice or judge may voluntarily retire, and is  
13 eligible for retirement pay, when he has (1) reached the age  
14 of 65 years and has served for 10 years or more, or (2) his  
15 age plus his years of service equal 75. In the latter case,  
16 if the justice or judge has not reached the age of 65 years,  
17 he may elect either to have his retirement pay begin when he  
18 reaches the age of 65 years, or to have his retirement pay  
19 begin on an actuarial equivalent basis as of the effective  
20 date of his retirement. A justice or judge desiring to  
21 retire under this subsection shall file with the governor a  
22 notice of his desire, together with a sworn statement of the  
23 facts establishing his eligibility to retire. The governor  
24 shall certify those facts to the director of the Public  
25 Employees' Retirement System and declare, in writing, the  
26 eligibility or ineligibility for retirement of the justice  
27 or judge. If a justice or judge is eligible for retirement  
28 under this subsection, his retirement pay is effective on the  
29 first day of the month coinciding with or after the date the

1 written declaration of the governor is filed with the  
2 director. A duplicate copy of the declaration shall be  
3 filed by the governor with the Judicial Council.

4 (e) A justice or judge who was rejected at a general  
5 election and who served for nine years before the time his  
6 office became vacant by reason of the rejection is considered  
7 to have retired for the purposes of secs. 10 - 80 of this  
8 chapter and is eligible for retirement pay. If a justice or  
9 judge is considered to have retired under this subsection and  
10 has not reached the age of 65 years, he may elect either to  
11 have his retirement pay begin when he reaches the age of 65,  
12 or to have his pay begin on an actuarial equivalent basis as  
13 of the effective date of his retirement. The effective date  
14 of retirement pay under this subsection is the first day of  
15 the month coinciding with or after the date upon which the  
16 office becomes vacant.

17 (f) In the computation of service for retirement under  
18 secs. 10 - 80 of this chapter, the time served by a judge of  
19 the superior court is added to the time served by him, if any,  
20 on the supreme court, and vice versa. All service rendered  
21 by a justice or judge before the effective date of secs. 10 -  
22 80 of this chapter shall be included in the computation.

23 Sec. 22.25.020. RETIREMENT PAY. A retired justice or  
24 judge eligible for retirement pay shall receive monthly,  
25 while retired, from the date of retirement until his death,  
26 compensation equal to four per cent per year of service, to  
27 a maximum of 50 per cent, of the monthly salary he is re-  
28 ceiving on the date of retirement, except that payments be-  
29 ginning before age 65 for reasons other than incapacity shall

1 be made on an actuarial equivalent basis. A justice or judge  
2 may be permitted to elect any other actuarially equivalent  
3 optional form of benefit with the consent of the retirement  
4 board. The election shall not be effective until attainment  
5 of age 65 or two years from the date of the election, which-  
6 ever is later. The election shall be in accordance with the  
7 conditions prescribed by the retirement board which may in-  
8 clude the requirement that the justice or judge provide  
9 evidence of good health satisfactory to the board.

10 Sec. 22.25.030. DEATH BENEFITS. (a) Upon the death of  
11 a justice or judge who is retired or who is eligible for re-  
12 tirement at the time of his death, his widow is entitled to  
13 receive during the remainder of her life and as long as she  
14 remains unmarried monthly compensation equal to one-half of  
15 the monthly retirement pay to which her deceased husband was  
16 or would have been entitled at age 65 on the basis of his  
17 actual earnings and service. However, in order to receive  
18 the compensation his widow must have been his wife con-  
19 tinuously for at least five years immediately before his  
20 death. For the purposes of this subsection a justice or judge  
21 who has served five or more years at the time of his death is  
22 considered eligible for retirement as of the date of his  
23 death.

24 (b) If the provisions of (a) of this section are not  
25 applicable, then, upon the death of a justice or judge who  
26 at the time of his death was eligible for retirement, the  
27 surviving designated beneficiary of the justice or judge, or  
28 if there is no surviving beneficiary, the estate of the  
29 justice or judge is entitled to a refund of the contributions,

1 together with interest credited thereon, made by the justice  
2 or judge under the provisions of sec. 60 of this chapter.

3 (c) Upon the death of a retired justice or judge, where  
4 the provisions of (a) of this section are not applicable,  
5 and upon the death of a widow who has received death benefits  
6 under (a) of this section, the surviving designated bene-  
7 ficiary, or if none, then the estate of the justice or judge  
8 receives the excess, if any, of the deceased's contribu-  
9 tions, together with the interest credited thereon, over the  
10 sum of retirement benefits that have been paid to the justice  
11 or judge and death benefits, if any, that have been paid to  
12 the deceased widow.

13 Sec. 22.25.040. REFUND OF CONTRIBUTIONS. A justice or  
14 judge who vacates his office for any reason and who is not  
15 then eligible for retirement is entitled to receive a refund  
16 of the total amount of his contributions, together with  
17 interest credited thereon. In the event that a justice or  
18 judge who has received a refund of contributions returns to  
19 active service, he shall repay within one year the refunded  
20 contributions with interest at the prevailing prescribed rate  
21 to receive credit for his earlier period of service under  
22 sec. 10(f) of this chapter.

23 Sec. 22.25.050. FINANCING AND ADMINISTRATION. (a)  
24 There shall be established in the Public Employees' Retire-  
25 ment System of Alaska a separate justices' and judges' re-  
26 tirement account, which shall be administered as a part of  
27 and in like manner as the Public Employees' Retirement System.

28 (b) There shall be credited to that account (1) the  
29 contributions provided by sec. 60 of this chapter, and (2)

1 interest income and other income accruing to the system under  
2 the provisions of AS 39.35, in such reasonable pro rata  
3 amount as may be determined by the Public Employees' Retirement  
4 System. Retirement pay and other benefits for justices  
5 and judges and their beneficiaries under secs. 10 - 80 of  
6 this chapter are paid from the special account.

7 Sec. 22.25.060. CONTRIBUTIONS. (a) Beginning on the  
8 effective date of secs. 10 - 80 of this chapter, each justice  
9 and judge shall contribute five per cent of compensation  
10 earned and accruing after that date. This contribution is  
11 made in the form of a deduction from compensation, and is  
12 made notwithstanding that the compensation paid in cash to  
13 the justice or judge is reduced thereby below the minimum  
14 prescribed by law. Each justice and judge is considered to  
15 consent to the deduction made from his compensation. Payment  
16 of compensation less the deduction constitutes a full and  
17 complete discharge and acquittance of all claims and demands  
18 for the services rendered by him during the period covered  
19 by the payment, except as to the benefits provided for under  
20 secs. 10 - 80 of this chapter.

21 (b) For services rendered after the effective date of  
22 secs. 10 - 80 of this chapter, the state court system shall  
23 make contributions concurrently with the contributions by  
24 the justices and judges in an amount to be determined in the  
25 same manner as employer contributions are determined under  
26 the Public Employees' Retirement System of Alaska. The  
27 amount required for contributions by the state court system  
28 for the purposes of secs. 10 - 80 of this chapter shall be  
29 included in its annual appropriations, together with an

1 amount necessary for its pro rata share of the administrative  
2 expense of the retirement system.

3 Sec. 22.25.070. TRANSFER OF CONTRIBUTIONS. Upon the  
4 effective date of secs. 10 - 80 of this chapter the commis-  
5 sioner of administration shall transfer to the justices' and  
6 judges' retirement account provided by sec. 50 of this  
7 chapter all amounts then credited to the employee contribu-  
8 tion account and the employer asset share account of the  
9 Public Employees' Retirement System of Alaska which were  
10 credited to those accounts by reason of membership of  
11 justices or judges in the Public Employees' Retirement  
12 System before the effective date of sec. 10 - 80 of this  
13 chapter. Any amount held for the account of a justice or  
14 judge in an employee savings account, together with interest  
15 that may have accrued, shall be distributed to the justice  
16 or judge as soon as possible following the effective date of  
17 secs. 10 - 80 of this chapter.

18 \* Sec. 2. AS 39.35.370(c) is amended to read:

19 (c) The monthly amount of the normal retirement pension  
20 is the sum of (1) one-half of one per cent of the employee's  
21 average monthly compensation multiplied by his years of  
22 credited service, including fractional years; and (2) three-  
23 fourths of one per cent of the employee's average monthly  
24 compensation in excess of one-twelfth of the average annual  
25 taxable wage under the federal social security program during  
26 the period of credited service, after the effective date,  
27 multiplied by the number of years of credited service, in-  
28 cluding fractional years [; EXCEPT THAT THE PENSION PAYABLE  
29 TO A SUPREME AND SUPERIOR COURT JUDGE OF THE STATE SHALL BE

FURTHER INCREASED BY AN AMOUNT EQUAL TO ONE-HALF PER CENT OF HIS AVERAGE MONTHLY COMPENSATION MULTIPLIED BY HIS YEARS OF CREDITED SERVICE, INCLUDING FRACTIONAL YEARS, AS A JUDGE, NOT TO EXCEED 20 YEARS OF SERVICE].

\* Sec. 3. AS 39.35.680(5) is amended to read:

(5) "employee" means a person who receives remuneration for full-time personal services regularly rendered to an employer or who would receive remuneration except for an authorized leave of absence, excluding (A) persons compensated on a contractual or fee basis, (B) casual or part-time workers in a position having duties which will not permit at least six months of service during a calendar year, (C) persons covered by the Alaska teachers' retirement system, [AND] (D) employees of the division of marine transportation engaged in operating the state ferry system who are covered by a union or group retirement system to which the state makes contributions, and (E) justices and judges of the supreme and superior courts of Alaska;

\* Sec. 4. This Act takes effect July 1, 1963.