

Introduced: 2/16/63
Referred: Health, Welfare
and Education and Finance

RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 84

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Teachers' Retirement System; and providing for an effective
7 date."
8

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

10 * Section 1. AS 14.25.040 is amended to read:

11 Sec. 14.25.040. MEMBERSHIP. After June 30, 1955, a
12 teacher contracting for service with an employer, except
13 one whose attained age in completed years on the July 1
14 falling on or after the date of commencement of service,
15 less the number of years of creditable service prior to
16 that July 1, exceeds 50 [40], is subject to this chapter.

17 * Sec. 2. AS 14.25.060(c) is amended to read:

18 (c) If a teacher has creditable outside service he is
19 indebted, in addition to the contributions required by
20 sec. 50 of this chapter, as follows:

21 (1) If, at the time of becoming a member of the
22 retirement system, a teacher has no membership service,
23 his indebtedness is five per cent of the base salary paid
24 at the time of first becoming employed as a teacher, under
25 this chapter, multiplied by the total number of years of
26 creditable outside service at the time of becoming a member.
27 The total outside service claimed may not exceed 10 years.
28 Compound interest of three per cent a year shall be added
29 to the indebtedness beginning July 1, 1963 or at the time

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1 of first becoming employed as a teacher, to the date of
2 payment or the date of retirement, whichever occurs first.

3 (2) If a teacher, after becoming a member of this
4 retirement system, discontinues active membership and
5 subsequently desires to be reinstated and to receive credit
6 for outside service accumulated in the interim, his indebted-
7 ness to the retirement fund for the additional credit shall
8 be computed at five per cent of the base salary received
9 upon reinstatement multiplied by the number of years of in-
10 terim outside service. However, the total outside service
11 claimed may not exceed 10 years. Compound interest of three
12 per cent a year shall be added to the indebtedness beginning
13 on July 1, 1963 or at the time of reinstatement, to the date
14 of payment or the date of retirement, whichever occurs first.

15 * Sec. 3. AS 14.25.090 is amended to read:

16 Sec. 14.25.090. CONTRIBUTIONS BY THE STATE FOR
17 ARREARAGES. The state shall annually appropriate to the
18 retirement fund from the general fund of the state an amount
19 equal to

20 (1) the arrearage and interest payments made by
21 teachers as provided in sec. 60 of this chapter;

22 (2) the arrearage outstanding under option (2) of
23 sec. 120 of this chapter.

24 * Sec. 4. AS 14.25.110 is amended to read:

25 Sec. 14.25.110. ELIGIBILITY FOR SERVICE RETIREMENT.

26 (a) A teacher who has completed 15 [25] years of creditable
27 service, the last five years of which has been membership
28 service in the state, and has completed at least 10 years
29 of membership service, and who has attained the age of 55

1 years, may retire from service, and apply in writing to
2 the administrator for retirement salary.

3 (b) A teacher who has completed 15 [25] years of cred-
4 itable service, the last five years of which has been mem-
5 bership service in the state, and has completed at least 10
6 years of membership service, and who has attained the age of
7 65 years during a school year, shall be retired on July 1
8 following his 65th birthday unless the teacher is retained
9 by request of his employer. Provisions of this subsection
10 regarding compulsory retirement shall not apply to personnel
11 of the University of Alaska. [EXCEPT FOR THE PURPOSES OF
12 DETERMINING ELIGIBILITY FOR MEMBERSHIP IN THE RETIREMENT
13 SYSTEM, COMPULSORY RETIREMENT AT THE AGE OF 65 DOES NOT
14 APPLY TO THE COMMISSIONER OF EDUCATION, SUPERVISORS IN THE
15 DEPARTMENT OF EDUCATION, OTHER FULL-TIME ADMINISTRATORS, OR
16 PERSONNEL OF THE UNIVERSITY OF ALASKA.]

17 (c) The burden is upon the applicant to prove eligi-
18 bility for retirement benefits to the full satisfaction of
19 the administrator.

20 * Sec. 5. AS 14. 25 is amended by adding a new section to
21 read:

22 Sec. 14.25.135. DEFERRED RETIREMENT BENEFIT. (a) A
23 teacher is eligible for a deferred benefit if

24 (1) he terminates his employment on or after the
25 date on which his attained age and credited service total
26 at least 75 years,

27 (2) he has completed at least 15 years of cred-
28 itable service, of which at least 10 years have been in
29 membership service, and

1 (3) he does not withdraw his contributions to the
2 retirement fund.

3 (b) Payment of the deferred benefit shall begin on the
4 first day of the month coinciding with or following the
5 teacher's 60th birthday or the first day of the month in
6 which his application for deferred benefit is filed with
7 the administrator, whichever is later. The last payment
8 shall be made as of the first day of the month in which the
9 death of the retired teacher occurs.

10 (c) The monthly amount of a normal deferred benefit
11 shall be determined in accordance with sec. 120 of this
12 chapter as it is in effect on the date of his termination of
13 employment, considering the teacher's credited service and
14 compensation before his termination of employment.

15 (d) A teacher is not entitled to a deferred benefit
16 unless an application for it is filed with the administrator
17 not later than his 70th birthday. If the application is re-
18 ceived after his 60th birthday but on or before his 70th
19 birthday, no retroactive payment may be made for the months
20 preceding the month in which the application is received.

21 * Sec. 6. AS 14.25.150(3) is amended to read:

22 (3) If a teacher who has received a refund of contri-
23 butions is re-employed in membership service, he becomes
24 indebted to the retirement fund in the amount of the refund,
25 including interest paid him, if any, increased by the
26 amount, if any, deducted for administrative expenses. This
27 indebtedness to the retirement fund shall bear compound in-
28 terest at the rate of three [TWO] per cent a year beginning
29 [FROM] July 1 following the date of re-employment to the

1 date of repayment or the date of retirement of the teacher,
2 whichever occurs first.

3 * Sec. 7. This Act takes effect July 1, 1963.
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