

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

1 IN THE SENATE

RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

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
7 System; and providing for an effective date."

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

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

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

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

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

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

1 payment or the date of retirement, whichever occurs first.

2 (2) If a teacher, after becoming a member of this
3 retirement system, discontinues active membership and sub-
4 sequently desires to be reinstated and to receive credit for
5 outside service accumulated in the interim, his indebtedness
6 to the retirement fund for the additional credit shall be
7 computed at five per cent of the base salary received upon
8 reinstatement multiplied by the number of years of interim
9 outside service. Compound interest of three per cent a year
10 shall be added to the indebtedness beginning on July 1, 1963
11 or at the time of reinstatement, to the date of payment or
12 the date of retirement, whichever occurs first. [HOWEVER,
13 THE TOTAL OUTSIDE SERVICE CLAIMED MAY NOT EXCEED 10 YEARS.]

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

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

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

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

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

24 Sec. 14.25.110. ELIGIBILITY FOR SERVICE RETIREMENT.

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

1 the administrator for retirement salary.

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

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

19 * Sec. 5. AS 14.25.130(a) is amended to read:

20 (a) A teacher in membership service who has become
21 permanently disabled and who has had five or more membership
22 years may be retired by the administrator as of the first
23 day of the month following the permanent disability. The
24 administrator, after a report of medical examination of the
25 teacher has been submitted, shall certify that the teacher is
26 physically or mentally incapacitated for the further per-
27 formance of duty, and that the incapacity is likely to be
28 permanent and that the teacher should be retired. However,
29 the number of years in outside service and BIA service may

1 not exceed the number of years in membership service [HOWEVER,
2 THE NUMBER OF YEARS OF PRIOR SERVICE CREDITED FOR THE PURPOSE
3 OF DISABILITY RETIREMENT SHALL NOT EXCEED 10 YEARS OR THE
4 NUMBER OF MEMBERSHIP YEARS, WHICHEVER IS SMALLER].

5 * Sec. 6. AS 14.25 is amended by adding a new section to read:

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

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

11 (2) he has completed at least 15 years of credit-
12 able service, of which at least 10 years have been in
13 membership service, and

14 (3) he does not withdraw his contributions to the
15 retirement fund.

16 (b) Payment of the deferred benefit shall begin on the
17 first day of the month coinciding with or following the
18 teacher's 60th birthday or the first day of the month in
19 which his application for deferred benefit is filed with
20 the administrator, whichever is later. The last payment
21 shall be made as of the first day of the month in which the
22 death of the retired teacher occurs.

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

28 (d) A teacher is not entitled to a deferred benefit
29 unless an application for it is filed with the administrator

1 not later than his 70th birthday. If the application is
2 received after his 60th birthday but on or before his 70th
3 birthday, no retroactive payment may be made for the months
4 preceding the month in which the application is received.

5 * Sec. 7. AS 14.25.150(3) is amended to read:

6 (3) If a teacher who has received a refund of
7 contributions is re-employed in membership service, he becomes
8 indebted to the retirement fund in the amount of the refund,
9 including interest paid him, if any, increased by the amount,
10 if any, deducted for administrative expenses. This indebted-
11 ness to the retirement fund shall bear compound interest at
12 the rate of three [TWO] per cent a year beginning [FROM]
13 July 1 following the date of re-employment to the date of
14 repayment or the date of retirement of the teacher, whichever
15 occurs first.

16 * Sec. 8. AS 14.25.220(3) is amended to read:

17 (3) "creditable service" means outside service not
18 exceeding 10 years and BIA service not exceeding five years,
19 plus membership service as provided in (5) of this section;

20 * Sec. 9. AS 14.25.220(4) is amended to read:

21 (4) "employer" means a borough school district,
22 a city school district, incorporated school district,
23 independent school district, the Board of Regents of the
24 University of Alaska, or the Department of Education;

25 * Sec. 10. AS 14.25.220(5) is amended to read:

26 (5) "membership service" means service as a
27 teacher in a public school within the Territory or State of
28 Alaska or both under the supervision and control of the
29 Territorial Board of Education or the Department of Education,

1 the school board of any borough school district, incorporated
2 city, incorporated school district, independent school
3 district, or the Board of Regents of the University of Alaska;

4 * Sec. 11. AS 14.25.220(8) is amended to read:

5 (8) "outside service" means service as a "teacher"
6 in a public school not under the supervision and control of
7 the Department of Education or the Territorial Board of
8 Education, the school board of a borough school district,
9 [AN] incorporated city, incorporated school district, inde-
10 pendent school district, or the Board of Regents of the
11 University of Alaska;

12 * Sec. 12. AS 14.25.220 is amended by adding a new paragraph
13 to read:

14 (17) "BIA" service means service as a teacher in
15 a school operated by the Bureau of Indian Affairs in Alaska."

16 * Sec. 13. This Act takes effect July 1, 1963
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