

1 IN THE HOUSE

BY STEVENS

2 HOUSE BILL NO. 460

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the state employees re-
7 tirement system; and providing for an effec-
8 tive date."

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

10 * Section 1. AS 39.35.370(c) is repealed and re-enacted to
11 read:

12 (c) The monthly amount of the normal retirement pension
13 shall be the sum of (1) one-half of one per cent of the
14 employee's average monthly compensation multiplied by his
15 years of credited service, including fractional years; (2)
16 one per cent of the employee's average monthly compensation
17 multiplied by his years of credited service in excess of 10
18 years, including fractional years; and (3) three-fourths of
19 one per cent of the employee's average monthly compensation
20 in excess of \$400 per month multiplied by his years of
21 credited service, including fractional years.

22 * Sec. 2. For the purposes of state financing, and to allow
23 time for an adequate actuarial study to determine cost, the new
24 element of the pension formula specified under AS 39.35.370(c)(2)
25 shall go into effect gradually, in accordance with the following
26 schedule: For employees retiring

27 (1) before January 1, 1967, the rate shall be zero per
28 cent;

29 (2) during the calendar years of 1967 and 1968, the

1 rate shall be .2 per cent;

2 (3) during the calendar years of 1969 and 1970, the
3 rate shall be .4 per cent;

4 (4) during the calendar years of 1971 and 1972, the
5 rate shall be .6 per cent;

6 (5) during the calendar years of 1973 and 1974, the
7 rate shall be .8 per cent;

8 (6) on January 1, 1975, and thereafter, the rate shall
9 be the full one per cent as specified in AS 39.35.370(c).

10 * Sec. 3. There shall be no increase in the rate of employee
11 contribution before July 1, 1969. Before this time, there shall
12 be a complete actuarial evaluation of the cost of the retirement
13 system, including separate cost figures for the additional item in
14 sec. 2(6) of this Act. The Department of Administration, in co-
15 operation with employee representatives, shall work out an equit-
16 able means for meeting additional costs, and the department shall
17 present these suggestions to the legislature in January 1969.

18 * Sec. 4. This Act takes effect on the day after its passage
19 and approval or on the day it becomes law without such approval.
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