

Introduced: 2/10/67
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY STEVENS

2 HOUSE BILL NO. 154

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the state employees 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 AS 39.35.370(c) is repealed and re-enacted to read:

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

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

23 (1) before January 1, 1968, the rate shall be zero per cent;

24 (2) during the calendar years of 1968 and 1969, the rate shall
25 be .2 per cent;

26 (3) during the calendar years of 1970 and 1971, the rate shall
27 be .4 per cent;

28 (4) during the calendar years of 1972 and 1973, the rate shall
29 be .6 per cent;

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1 (5) during the calendar years of 1974 and 1975, the rate shall
2 be .8 per cent;

3 (6) on January 1, 1976, and thereafter, the rate shall be the
4 full one per cent as specified in AS 39.35.370(c).

5 * Sec. 3. There shall be no increase in the rate of employee contribution
6 before July 1, 1970. Before this time, there shall be a complete actuarial
7 evaluation of the cost of the retirement system, including separate cost
8 figures for the additional item in sec. 2(6) of this Act. The Department
9 of Administration, in cooperation with employee representatives, shall work
10 out an equitable means for meeting additional costs, and the department
11 shall present these suggestions to the legislature in January 1970.

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

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