

Introduced: 2/2/68  
Referred: Health, Welfare and  
Education and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 491

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 \* Section 1. AS 14.25.050 is amended to read:

10 Sec. 14.25.050. CONTRIBUTION BY TEACHERS. Beginning July 1,  
11 1968 [1955], each teacher shall contribute to the retirement fund an  
12 amount equal to five per cent of his base salary accrued from July 1  
13 to the following June 30. The contribution shall be deducted by the  
14 employer at the end of each payroll period [ON THE BASIS OF DAYS  
15 TAUGHT AT A DAILY RATE DETERMINED BY DIVIDING THE ANNUAL CONTRIBUTION  
16 BY 140].

17 \* Sec. 2. AS 14.25.055 is amended to read:

18 Sec. 14.25.055. SUPPLEMENTAL CONTRIBUTION BY A TEACHER. If a  
19 teacher is married or has a minor child or minor children and wishes  
20 to make his spouse or minor child or minor children eligible for a  
21 spouse's pension or survivor's allowance he may make a supplemental  
22 contribution of an additional one per cent of his base salary com-  
23 mencing with the first of the second month following his first day of  
24 membership in this retirement system, marriage, or November 1, 1967,  
25 whichever is later. [THE CONTRIBUTION SHALL BE DEDUCTED BY THE  
26 EMPLOYER ON THE BASIS OF DAYS TAUGHT AT A DAILY RATE DETERMINED BY  
27 DIVIDING THE ANNUAL CONTRIBUTION BY 140.]

28 \* Sec. 3. AS 14.25 is amended by adding a new section to read:

29 Sec. 14.25.065. TRANSMITTAL OF CONTRIBUTIONS. All contributions

1 deducted in accordance with secs. 50 and 55 of this chapter shall be  
2 transmitted to the retirement fund no later than the 15th of the month  
3 following the close of the payroll period, with the final contributions  
4 due for any school year transmitted no later than August 31.

5 \* Sec. 4. AS 14.25.080 is amended to read:

6 Sec. 14.25.080. CONTRIBUTIONS BY THE STATE. The state legis-  
7 lature shall appropriate to the retirement fund an amount equal to  
8 one-half the sum contributed each pay period by the teachers. It  
9 shall be appropriated annually and deposited in the retirement fund  
10 monthly [SEMIANNUALLY].

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

12 (7) All claims for refund as provided by this section must  
13 be by written application [AND FILED WITH THE ADMINISTRATOR WITHIN  
14 FIVE YEARS FROM THE DATE OF TERMINATION OF MEMBERSHIP SERVICE. FOR  
15 THE PURPOSE OF THIS CHAPTER ONLY, A LEAVE OF ABSENCE DOES NOT TOLL  
16 THE FIVE-YEAR PERIOD WITHIN WHICH THE WRITTEN APPLICATION FOR REFUND  
17 MUST BE FILED]. A teacher who has previously forfeited his claim to  
18 any refund under the provisions of former legislation because of  
19 failure to file a timely application is entitled to a refund upon  
20 submitting a written application.

21 \* Sec. 6. AS 14.25.162(b) is amended to read:

22 (b) The amount of the survivor's allowance shall be equal to 10  
23 per cent of the teacher's base salary immediately before his death or  
24 becoming disabled, for each minor child up to a maximum of four minor  
25 children. In addition, a survivor's allowance of 35 per cent of the  
26 teacher's base salary will be payable to his spouse or, if the spouse  
27 dies or there is no spouse, an allowance of 10 per cent of the base  
28 salary shall be paid to the guardian of one or more of the minor  
29 children. In no event, however, shall a survivor's allowance be

1 payable to a spouse who has remarried, or more than one guardian.  
2 The remarriage of a spouse will not bar a minor child from receiving  
3 or continuing to receive his survivor's allowance if the income of  
4 the surviving spouse does not exceed \$8,000 per year, or the state  
5 minimum teachers' salary scale, whichever is greater.

6 \* Sec. 7. AS 14.25.162(d) is amended to read:

7 (d) In the event of termination of the survivor's allowance and  
8 in the absence of a spouse who has or will be eligible for a spouse's  
9 pension, a payment of an amount equal to 75 per cent of the payment  
10 that would have been made on the death of a teacher under sec. 160 of  
11 this chapter will be made if the teacher has had less than 20 years  
12 of membership service or 100 per cent of the payment that would have  
13 been made on the death of the teacher under sec. 160 of this chapter  
14 if the teacher has completed 20 or more years of membership service,  
15 [THE AMOUNT OF THE TEACHER'S ACCUMULATED CONTRIBUTIONS, PLUS ALL  
16 INTEREST CREDITED TO HIS ACCOUNT TO THE DATE OF DEATH OR RETIREMENT,  
17 WHICHEVER OCCURS FIRST] less all payments to the teacher, spouse,  
18 guardian or minor children shall be made to the teacher's estate or  
19 to a person he has nominated by written designation executed and filed  
20 with the administrator. This payment shall be on the same terms and  
21 conditions as a payment made on the death of a teacher.

22 \* Sec. 8. AS 14.25.164(a) is amended to read:

23 (a) If a teacher dies while in membership service or while  
24 receiving a service or [AND] disability retirement salary, or a  
25 deferred vested benefit, the surviving spouse is entitled to a spouse's  
26 pension if he or she has not remarried and if the teacher has made  
27 supplemental contributions for at least one year before his death.  
28 Application for the spouse's pension shall be made in writing to the  
29 administrator.

1 \* Sec. 9. AS 14.25.164(b) is amended to read:

2 (b) The spouse's pension is payable on the first day of each  
3 month, commencing with the first day of the month coinciding with or  
4 next following the month in which the spouse attains age 60, unless  
5 the spouse is totally and permanently disabled prior to age 60. If  
6 the spouse is totally and permanently disabled from engaging in a  
7 regular remunerative occupation or employment but not including any  
8 condition resulting from or caused by, directly or indirectly, chronic  
9 alcoholism or addition to narcotics, and if the income of the surviving  
10 spouse is less than the state's minimum teachers' salary scale, the  
11 spouse's pension shall commence on the first of the month coinciding  
12 with or next following the employee's death. In the event that the  
13 spouse ceases to be totally and permanently disabled prior to age 60,  
14 the pension shall be suspended until the spouse again becomes eligible  
15 for the pension because of age. The payment on the first day of the  
16 month in which the spouse dies or remarries constitutes the last  
17 payment.

18 \* Sec. 10. AS 14.25.200 is amended to read:

19 Sec. 14.25.200. EXEMPTION FROM TAXATION AND PROCESS. Teachers'  
20 retirement salaries and other amounts held in the retirement fund on  
21 behalf of the teachers are exempt from state and municipal taxes and  
22 are not subject to anticipation, alienation, sale, transfer, assign-  
23 ment, pledge, encumbrance, charge, garnishment, execution or levy of  
24 any kind, either voluntary or involuntary before they are received by  
25 the person entitled to the amount under the terms of the system, and  
26 any attempt to anticipate, alienate, sell, transfer, assign, pledge,  
27 encumber, charge, or otherwise dispose of any right to amounts accrued  
28 in the retirement fund shall be void [EXECUTION, ATTACHMENT, GARNISH-  
29 MENT OR OTHER PROCESS].

1 \* Sec. 11. AS 14.25.220(2) is amended to read:

2 (2) "base salary" or "basic salary" means any remuneration  
3 accrued under a contract to a teacher for professional services ren-  
4 dered during any school year. For purposes of AS 14.25.050 base salary  
5 accrued includes any payments made after June 30 of a school year for  
6 services rendered before the end of the school year [THE ACTUAL SALARY  
7 RECEIVED BY A TEACHER];

8 \* Sec. 12. AS 14.25.220(14) is amended to read:

9 (14) "minor child" means a child of the member whom the  
10 member was obligated to support at the time of the member's death and  
11 who has not subsequently been adopted by a new husband or wife of the  
12 surviving spouse and who is under the age of 19 or a child of the  
13 member whom the member was obligated to support at the time immediately  
14 preceding the child reaching the age of 19 and who has not attained  
15 the age of 23 and is registered and attending as a full time student  
16 an accredited educational or technical institution recognized by the  
17 state Department of Education [WHO HAS NOT YET ATTAINED AGE 18,  
18 INCLUDING A CHILD LEGALLY ADOPTED BY THE TEACHER WHOSE SERVICE AND  
19 SUPPLEMENTAL CONTRIBUTIONS GIVES RISE TO A SURVIVOR ALLOWANCE ON  
20 BEHALF OF THE CHILD].

21 \* Sec. 13. AS 14.25.220(15) is amended to read:

22 (15) "teacher" or "member" means a certified teacher,  
23 principal, supervisor, or superintendent employed on a full-time basis  
24 in a position having duties which normally require a year of service  
25 in the public schools of the state, the commissioner of education,  
26 supervisors within the Department of Education, and all full-time  
27 resident professional and administrative personnel of the University  
28 of Alaska as designated by the Board of Regents; in case of doubt,  
29 except as to personnel of the University of Alaska, the administrator

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shall finally determine whether or not any person is a teacher as defined in this chapter;

\* Sec. 14. AS 14.25.220(16) is amended to read:

(16) "year of service" means service as defined in AS 14.03.030 [OF AT LEAST 140 SCHOOL DAYS IN ANY ONE SCHOOL YEAR]; fractional credit shall be given for membership service in any year after July 1, 1968 [1960], [IF THE NUMBER OF DAYS OF SCHOOL SERVICE IESS LESS THAN 140 BUT AT LEAST 20,] according to the ratio that the number of such school days of service bears to 180 days [140 AND PROVIDING THAT APPROPRIATE CONTRIBUTIONS ARE MADE BY THE TEACHER];

\* Sec. 15. AS 14.25.220 is amended by adding a new subsection to read:

(18) "full-time teaching" means teaching on a regular basis for the normal and customary work period per day or week at a particular teaching assignment; excluding teaching on a substitute, temporary or per diem basis.

\* 'Sec. 16. This Act takes effect on July 1, 1968.