

Introduced: 1/27/67
Referred: Health, Welfare
and Education

BY ENGSTROM
BY REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 34

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 Teachers' Retirement System."

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

8 • Section 1. AS 14.25.050 is amended to read:

9 Sec. 14.25.050. CONTRIBUTIONS BY TEACHERS. Beginning July 1,
10 1967 [1955], each teacher shall contribute to the retirement fund an
11 amount equal to six and two-thirds [FIVE] per cent of his base salary
12 up to a maximum of two and one-half times the B - O scale. Area I.
13 The contribution shall be deducted by the employer on the basis of
14 days taught at a daily rate determined by dividing the annual contri-
15 bution by 140.

16 • Sec. 2. AS 14.25 is amended by adding a new section to read:

17 Sec. 14.25.055. EXCESS CONTRIBUTIONS. Previous contributions
18 made by members beyond the equivalent of six and two-thirds per cent
19 of their base salary shall be for the excess amount on future contri-
20 butions.

21 • Sec. 3. AS 14.25.060(e)(1) is amended to read:

22 (1) If, at the time of becoming a member of the retirement
23 system, a teacher has no membership service, his indebtedness is
24 six and two-thirds [FIVE] per cent of the base salary paid at the
25 time of first becoming employed as a teacher, under this chapter,
26 multiplied by the total number of years of creditable outside service
27 at the time of becoming a member. The total outside service claimed
28 may not exceed 10 years and BIA service not exceeding five years.
29 Compound interest at the rate prescribed by regulation shall be

1 added to the indebtedness beginning July 1, 1963, or at the time of
2 first becoming employed as a teacher, whichever is later, to the date
3 of payment or the date of retirement, whichever occurs first.

4 * Sec. 4. AS 14.25.060(c)(2) is amended to read:

5 (2) If a teacher, after becoming a member of this retire-
6 ment system, discontinues active membership and subsequently desires
7 to be reinstated and to receive credit for outside service accumulated
8 in the interim, his indebtedness to the retirement fund for the
9 additional credit shall be computed as six and two thirds [FIVE] per
10 cent of the base salary received upon reinstatement multiplied by
11 the number of years of interim outside service. Compound interest
12 at the rate prescribed by regulation shall be added to the indebted-
13 ness beginning on July 1, 1963, or at the time of reinstatement,
14 whichever is later, to the date of payment or the date of retirement,
15 whichever occurs first.

16 * Sec. 5. AS 14.25.060(e)(2) is amended to read:

17 (2) The teacher shall contribute to the retirement fund an
18 amount equal to six and two-thirds [FIVE] per cent of the base salary
19 paid at the time of first becoming employed as a teacher under this
20 chapter, multiplied by the total number of years of creditable out-
21 side service and BIA service claimed at the time of becoming a member.
22 However, the total outside and BIA service claimed may not exceed that
23 provided in sec. 220(3) of this chapter. Compound interest at the
24 rate prescribed by regulation shall be added to the amount beginning
25 July 1, 1963 or at the time of first becoming employed as a teacher
26 under this chapter, whichever occurs later, to the date of payment
27 or the date of retirement whichever occurs first.

28 * Sec. 6. AS 14.25.120(e)(1) is amended to read:

29 (1) If the teacher is at least 60 years of age on the date

1 which the application for a retirement salary is filed, and has paid
2 into the retirement fund the full amount of his indebtedness, his
3 annual retirement salary is two [ONE AND ONE-HALF] per cent of his
4 highest average base salary during any three of the last 10 years of
5 membership service multiplied by the total number of years of credit-
6 able service, including credited fractional years. This percentage
7 also applies to all those who have retired under the Teachers' Retirement
8 Act of 1955.

9 * Sec. 7. AS 14.25 is amended by adding a new section to read:

10 Sec. 14.25.215. ANNUITY NOT TO BE REDUCED. No one who retires
11 on or after July 1, 1967, shall receive a retirement annuity less
12 than that which he had earned as of that date.

13 * Sec. 8. AS 14.25.220(2) is amended to read:

14 (2) "base salary" or "basic salary" means the annual salary
15 authorized by law to be paid a teacher or administrator in the area
16 in which he is employed, except that teachers and administrators at
17 state-operated and On-Base schools shall use the scale of teachers
18 and administrators at city and borough schools, and except that
19 employees of the Department of Education and of the University of
20 Alaska shall use as their "basic salary" the actual salary received
21 to a maximum of two and one-half times the B - O scale, Area I, [ACTUAL
22 SALARY RECEIVED BY A TEACHER];