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Introduced: 1/31/69  
Referred: Health, Welfare and  
Education, State Affairs and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 50

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST 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 1969 [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 to  
20 make his spouse or minor child or minor children eligible for a spouse's  
21 pension or survivor's allowance he may make a supplemental contribution  
22 of an additional one per cent of his base salary commencing with the  
23 first of the second month following his first day of membership in  
24 this retirement system, marriage, or November 1, 1967, whichever is  
25 later. [THE CONTRIBUTION SHALL BE DEDUCTED BY THE EMPLOYER ON THE  
26 BASIS OF DAYS TAUGHT AT A DAILY RATE DETERMINED BY DIVIDING THE ANNUAL  
27 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 legisla-  
7 ture shall appropriate to the retirement fund an amount equal to one-  
8 half the sum contributed each pay period by the teachers. It shall  
9 be appropriated annually and deposited in the retirement fund monthly  
10 [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 14.25.160(a) is amended to read:

22 (a) upon receipt of a valid claim and proper proof of death of  
23 a member who has not ever made a supplemental contribution or whose  
24 supplemental contributions were made for less than one year and who  
25 is entitled to a refund of contributions, a payment, in the amount  
26 specified thereafter shall be paid [TO HIS ESTATE OR] to a person he  
27 has nominated by written designation executed and filed with the  
28 administrator. If the member failed to designate a beneficiary, or if  
29 no designated beneficiary survives the member, the payment shall be

1 made (1) to his surviving spouse or, if there is none surviving, (2) to  
2 his surviving children in equal parts or, if there is none surviving,  
3 (3) to his surviving parents in equal parts or, if there is none  
4 surviving, (4) to his estate. All claims and presentations of proof  
5 shall be made within five years of termination of service or, if in  
6 membership service at the time of death, within five years after the  
7 date of death.

8 \* Sec. 7. AS 14.25.162(b) is amended to read:

9 (b) The amount of the survivor's allowance shall be equal to 10  
10 per cent of the teacher's base salary immediately before his death or  
11 becoming disabled, for each minor child up to a maximum of four minor  
12 children. In addition, a survivor's allowance of 35 per cent of the  
13 teacher's base salary will be payable to his spouse or, if the spouse  
14 dies or there is no spouse, an allowance of 10 per cent of the base  
15 salary shall be paid to the guardian of one or more of the minor  
16 children. In no event, however, shall a survivor's allowance be pay-  
17 able to a spouse who has remarried, or more than one guardian. The  
18 remarriage of a spouse will not bar a minor child from receiving or  
19 continuing to receive his survivor's allowance.

20 \* Sec. 8. AS 14.25.162(d) is amended to read:

21 (d) In the event of termination of the survivor's allowance  
22 and in the absence of a spouse who has or will be eligible for a  
23 spouse's pension, a payment of the amount of the teacher's accumulated  
24 contributions, plus all interest credited to his account to the date  
25 of death or retirement, whichever occurs first, plus an amount equal  
26 to 75 per cent of the payment that would have been made on the death  
27 of a teacher under sec. 160(b)(2) of this chapter will be made if  
28 the teacher has had less than 20 years of membership service or 100  
29 per cent of the payment that would have been made on the death of the

1 teacher under sec. 160(b)(2) of this chapter if the teacher has  
2 completed 20 or more years of membership service, [THE AMOUNT OF THE  
3 TEACHER'S ACCUMULATED CONTRIBUTIONS, PLUS ALL INTEREST CREDITED TO  
4 HIS ACCOUNT TO THE DATE OF DEATH OR RETIREMENT, WHICHEVER OCCURS FIRST]  
5 less all payments to the teacher, spouse, guardian or minor children  
6 shall be made to the person he has nominated by written designation  
7 executed and filed with the administrator. If the member failed to  
8 designate a beneficiary, or if no designated beneficiary survives the  
9 member, the payment shall be made (1) to his surviving spouse or, if  
10 there is none surviving, (2) to his surviving children in equal parts  
11 or, if there is none surviving, (3) to his surviving parents in equal  
12 parts or, if there is none surviving, (4) to his estate. This payment  
13 shall be on the same terms and conditions as a payment made on the  
14 death of a teacher.

15 \* Sec. 9. AS 14.25.164(a) is amended to read:

16 (a) If a teacher dies while in membership service or while  
17 receiving a service or [AND] disability retirement salary, or is  
18 receiving or is entitled to receive a deferred vested benefit, the  
19 surviving spouse is entitled to a spouse's pension if he or she has  
20 not remarried and if the teacher has made supplemental contributions  
21 for at least one year before his death. Application for the spouse's  
22 pension shall be made in writing to the administrator.

23 \* Sec. 10. AS 14.25.164(b) is amended to read:

24 (b) The spouse's pension is payable on the first day of each  
25 month, commencing with the first day of the month coinciding with or  
26 next following the month in which the spouse attains age 60, unless  
27 the spouse is totally and permanently disabled prior to age 60. If  
28 the spouse is totally and permanently disabled from engaging in a  
29 regular remunerative occupation or employment but not including any

1 condition primarily resulting from or caused by chronic alcoholism or  
2 addiction to narcotics, the spouse's pension shall commence on the first  
3 of the month coinciding with or next following the employee's death.  
4 In the event that the spouse ceases to be totally and permanently dis-  
5 abled prior to age 60, the pension shall be suspended until the spouse  
6 again becomes eligible for the pension because of age. The payment on  
7 the first day of the month in which the spouse dies or remarries con-  
8 stitutes the last payment.

9 \* Sec. 11. AS 14.25.200 is amended to read:

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

21 \* Sec. 12. AS 14.25.220(2) is amended to read:

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

28 \* Sec. 13. AS 14.25.220(14) is amended to read:

29       (14) "minor child" means a child of the member whom the

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

12 \* Sec. 14. AS 14.25.220(15) is amended to read:

13 (15) "teacher" or "member" means a certified teacher,  
14 certified school nurse, principal, supervisor, or superintendent  
15 employed on a full-time basis in a position having duties which  
16 normally require a year of service in the public schools of the state,  
17 the commissioner of education, supervisors within the Department of  
18 Education, and all full-time resident professional and administrative  
19 personnel of the University of Alaska as designated by the Board of  
20 Regents; in case of doubt, except as to personnel of the University of  
21 Alaska, the administrator shall finally determine whether or not any  
22 person is a teacher as defined in this chapter;

23 \* Sec. 15. AS 14.25.220(16) is amended to read:

24 (16) "year of service" means service as defined in AS  
25 14.03.030 [OF AT LEAST 140 SCHOOL DAYS IN ANY ONE SCHOOL YEAR];  
26 fractional credit shall be given for membership service in any year  
27 after July 1, 1969 [1960], [IF THE NUMBER OF DAYS OF SCHOOL SERVICE IS  
28 LESS THAN 140 BUT AT LEAST 20,] according to the ratio that the number  
29 of such school days of service bears to 180 days [140 AND PROVIDING

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THAT APPROPRIATE CONTRIBUTIONS ARE MADE BY THE TEACHER];

\* Sec. 16. 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. 17. This Act takes effect on July 1, 1969.