

Original sponsor: Rules Committee
by Request of the Governor

Offered: 3/5/69
Referred: State Affairs
and Finance

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1 IN THE HOUSE

BY THE HEALTH, WELFARE
AND EDUCATION COMMITTEE

2 CS FOR 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. CONTRIBUTIONS 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 legislature
7 shall appropriate to the retirement fund an amount equal to one-half the
8 sum contributed each pay period by the teachers. It shall be appropri-
9 ated annually and deposited in the retirement fund monthly [SEMIANNUALLY].

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

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

20 * Sec. 6. AS 14.25.160(a) is amended to read:

21 (a) Upon receipt of a valid claim and proper proof of the death
22 of a member who has not ever made a supplemental contribution or whose
23 supplemental contributions were made for less than one year and who is
24 entitled to a refund of contributions, a payment, in the amount speci-
25 fied in this section [THEREAFTER] shall be paid [TO HIS ESTATE OR] to
26 a person he has nominated by written designation executed and filed with
27 the administrator. If the member failed to designate a beneficiary, or
28 if no designated beneficiary survives the member, the payment shall be
29 made (1) to his surviving spouse or, if there is none surviving, (2) to

1 his surviving children in equal parts or, if there is none surviving,
2 (3) to his surviving parents in equal parts or, if there is none
3 surviving, (4) to his estate [ALL CLAIMS AND PRESENTATION OF PROOF
4 SHALL BE MADE WITHIN FIVE YEARS OF TERMINATION OF SERVICE OR, IF IN
5 MEMBERSHIP SERVICE AT THE TIME OF DEATH, WITHIN FIVE YEARS AFTER THE
6 DATE OF DEATH].

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

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

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

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

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

14 * Sec. 9. AS 14.25.162 is amended by adding new subsections to read:

15 (e) A person entitled to the survivor's allowance under this
16 section and who resides in the state after the death of the teacher
17 shall receive a cost of living allowance in addition to his survivor's
18 allowance. The amount of this allowance is determined by multiplying
19 the survivor's allowance by a percentage determined by the administrator
20 not to exceed 10 per cent of the survivor's allowance. The adminis-
21 trator may implement this subsection by regulations. The cost of
22 living allowance shall be paid from the state general fund.

23 (f) When the administrator determines that the cost of living
24 has increased and that the financial condition of the retirement fund
25 permits, he may increase the survivor's allowance to reflect this cost
26 of living increase. The amount of the increase shall be equal to not
27 more than one and one-half per cent for each year after the death of
28 the teacher. Increases accrue from the first of July next following
29 the death of the teacher and shall be paid beginning the first of July

1 of each year. The administrator is authorized to implement this sub-
2 section by regulation.

3 * Sec. 10. AS 14.25.164(a) is amended to read:

4 (a) If a teacher dies while in membership service and while
5 receiving a service or disability retirement salary or is receiving or
6 is entitled to receive a deferred vested benefit, the surviving spouse
7 is entitled to a spouse's pension if he or she has not remarried
8 [RE-MARRIED] and if the teacher has made supplemental contributions
9 for at least one year before his death. Application for the spouse's
10 pension shall be made in writing to the administrator.

11 * Sec. 11. AS 14.25.164(b) is amended to read:

12 (b) The spouse's pension is payable on the first day of each
13 month, commencing with the first day of the month coinciding with or
14 next following the month in which the spouse attains age 60, unless
15 the spouse is totally and permanently disabled prior to age 60. If
16 the spouse is totally and permanently disabled from engaging in a
17 regular remunerative occupation or employment, the spouse's pension
18 shall commence on the first of the month coinciding with or next
19 following the teacher's death. In the event that the spouse ceases to
20 be totally and permanently disabled prior to age 60, the pension shall
21 be suspended until the spouse again becomes eligible for the pension
22 because of age. The payment on the first day of the month in which
23 the spouse dies or remarries [RE-MARRIES] constitutes the last payment.

24 * Sec. 12. AS 14.25.164 is amended by adding new subsections to read:

25 (e) A person entitled to the spouse's pension under this section
26 and who resides in the state after the death of the teacher shall
27 receive a cost of living allowance in addition to his spouse's pension.
28 The amount of this allowance is determined by multiplying the spouse's
29 pension by a percentage determined by the administrator not to exceed

1 10 per cent of the spouse's pension. The administrator may implement
2 this subsection by regulations. The cost of living allowance shall be
3 paid from the state general fund.

4 (f) When the administrator determines that the cost of living
5 has increased and that the financial condition of the retirement fund
6 permits, he may increase the spouse's pension to reflect this cost of
7 living increase. The amount of the increase shall be equal to not more
8 than one and one-half per cent for each year after the death of the
9 teacher. Increases accrue from the first of July next following the
10 death of the teacher and shall be paid beginning the first of July of
11 each year. The administrator is authorized to implement this subsection
12 by regulation.

13 * Sec. 13. AS 14.25.200 is amended to read:

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

25 * Sec. 14. AS 14.25 is amended by adding a new section to read:

26 Sec. 14.25.205. TIME LIMIT FOR APPLICATION. If no application
27 for benefits or for refund has been filed by July 1 following the date
28 on which the member would attain age 75, no benefits or refunds may be
29 paid under this chapter and the member's records may be destroyed.

1 *Sec. 15. 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 sec. 50 of this chapter,
5 base salary accrued includes any payments made after June 30 of a
6 school year for services rendered before the end of the school year
7 [THE ACTUAL SALARY RECEIVED BY A TEACHER];

8 * Sec. 16. 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 or was supporting at the time of the
11 member's death, whether or not subsequently adopted by a new husband
12 or wife of the surviving spouse and who is under the age of 19, or a
13 child of the member whom the member was supporting and who has not
14 attained the age of 23 and is registered and attending as a full-time
15 student an accredited educational or technical institution recognized
16 by the state Department of Education; if a child between the ages of
17 19 and 23 is out of school for more than one semester, payments of his
18 benefits shall terminate permanently [WHO HAS NOT YET ATTAINED AGE 18,
19 INCLUDING A CHILD LEGALLY ADOPTED BY THE TEACHER WHOSE SERVICE AND
20 SUPPLEMENTAL CONTRIBUTIONS GIVES RISE TO A SURVIVOR ALLOWANCE ON BEHALF
21 OF THE CHILD];

22 * Sec. 17. AS 14.25.220(15) is amended to read:

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

1 of doubt, except as to personnel of the University of Alaska, the
2 administrator shall finally determine whether or not any person is a
3 teacher as defined in this chapter;

4 * Sec. 18. AS 14.25.220(16) is amended to read:

5 (16) "year of service" means service as defined in AS
6 14.03.030 [OF AT LEAST 140 SCHOOL DAYS IN ANY ONE SCHOOL YEAR];
7 fractional credit shall be given for membership service in any year
8 after July 1, 1969 [1960], [IF THE NUMBER OF DAYS OF SCHOOL SERVICE IS
9 LESS THAN 140 BUT AT LEAST 20,] according to the ratio that the number
10 of such school days of service bears to 180 days [140 AND PROVIDING
11 THAT APPROPRIATE CONTRIBUTIONS ARE MADE BY THE TEACHER];

12 * Sec. 19. AS 14.25.220 is amended by adding a new subsection to read:

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

17 * Sec. 20. This Act takes effect on July 1, 1969.
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