

Original sponsors: Tillion, Banfield,  
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Offered: 2/4/70  
Referred: Finance

*Finance*

1 IN THE HOUSE

BY THE HEALTH, WELFARE  
AND EDUCATION COMMITTEE

2 CS FOR HOUSE BILL NO. 282

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for a supplementary retirement  
7 income for certain residents."

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

9 \* Section 1. AS 47 is amended by adding a new chapter to read:

10 CHAPTER 40. ALASKA SUPPLEMENTARY RETIREMENT INCOME.

11 Sec. 47.40.010. PERSONS ENTITLED TO RETIREMENT INCOME.

12 (a) A citizen of the United States who is 65 years of age or over  
13 and who has resided in the state for 25 years or more and who has  
14 continuously resided within the state for five years immediately  
15 preceding application, may apply to the commissioner of adminis-  
16 tration for, and is entitled to, a monthly retirement income of  
17 \$250.

18 (b) If the commissioner of administration determines that an  
19 applicant qualifies under (a) of this section, he shall immediately  
20 begin payment of the monthly income.

21 (c) A person who is eligible for retirement income under (a)  
22 of this section who is absent from the state for six consecutive  
23 months for any reason other than hospitalization, shall not be  
24 entitled to the monthly benefits for a period of 12 calendar months  
25 following his return to the state.

26 (d) A person who is eligible for retirement income under (a)  
27 of this section who is absent from the state for 30 continuous days  
28 for any reason other than hospitalization shall not be entitled to  
29 the monthly benefit for the period of one calendar month following his

1 return to the state.

2 (e) A person who receives a monthly retirement income provided  
3 for in this section may continue to do so only as long as he remains a  
4 resident of the state.

5 Sec. 47.40.020. SUPPLEMENTARY RETIREMENT INCOME FUND. (a) There  
6 is an Alaska supplementary retirement income fund created for the pur-  
7 pose of paying the retirement incomes provided for in this chapter. The  
8 fund consists of all money made available by appropriations of the state  
9 legislature, and from other appropriated funds, all contributions from  
10 whatever source, and income and interest derived from the investment  
11 of money.

12 (b) The commissioner of administration is the administrator of  
13 the fund.

14 Sec. 47.40.030. POWERS AND DUTIES OF THE ADMINISTRATOR. The  
15 commissioner of administration

16 (1) may promulgate regulations necessary to carry out the  
17 provisions of this chapter;

18 (2) may make expenditures from the fund necessary to ad-  
19 minister this chapter;

20 (3) shall establish and maintain an adequate system of  
21 accounts for the fund;

22 (4) shall publish annually a report showing the financial  
23 condition of the fund.

24 Sec. 47.40.040. SUPPLEMENTARY RETIREMENT INCOME FUND ADVISORY  
25 BOARD. (a) There is established the Supplementary Retirement Income  
26 Fund Advisory Board consisting of **three members** acquainted with the  
27 investment of funds appointed by the governor for overlapping three-  
28 year terms.

29 (b) Members of the board serve without compensation except that

1 each member may be reimbursed for actual and necessary expenses at the  
2 rate established by AS 39.20.180.

3 (c) The board shall confer with the commissioner of administration  
4 regarding the administration and the investment policies of the fund  
5 and may make such recommendations to him as they consider necessary.

6 (d) The board shall be furnished reports relating to the condi-  
7 tion and administration of the fund.

8 (e) The board shall meet at the call of the commissioner of ad-  
9 ministration.

10 Sec. 47.40.050. CUSTODY AND INVESTMENT. (a) The commissioner  
11 of revenue is the treasurer of the system and has powers and duties for  
12 this purpose including but not limited to the following:

13 (1) to act as official custodian of the cash and securities  
14 belonging to the fund;

15 (2) to receive all items of cash belonging to the system;

16 (3) to collect the interest and principal on securities  
17 acquired under this chapter and deposit the interest and principal in  
18 the retirement fund;

19 (4) to invest and reinvest the assets of the fund in accor-  
20 dance with this section.

21 (b) When, in the opinion of the commissioner of administration,  
22 there is on hand in the fund a surplus over and above a reasonably safe  
23 amount to take care of current demands upon the fund, the surplus or  
24 so much of it as in the judgment of the commissioner of administration  
25 is considered proper may be invested by the commissioner of revenue  
26 in (1) bonds or other interest-bearing obligations and securities of  
27 the United States or an agency of the United States, a state of the  
28 United States, or a political subdivision of any state of the United  
29 States, if the political subdivision has a population as shown by the

1 last federal census preceding the investment of no less than 30,000 in-  
2 habitants, except no population limitation applies to a political sub-  
3 division of this state; (2) first lien real estate mortgage securities  
4 insured by the Federal Housing Administration under the National Housing  
5 Act of the United States, or held by the Department of Commerce, or the  
6 Department of Natural Resources; (3) deposits with mutual savings  
7 banks in Alaska, to the extent that the investment is insured by the  
8 federal government or an agency of the federal government; and (4)  
9 deposits with state and national banks in Alaska to the extent that  
10 the investment is insured by the federal government or an agency of  
11 the federal government. No more than 25 per cent of the surplus may be  
12 invested in mortgage securities of the Department of Commerce, and the  
13 state shall appropriate sufficient money from the general fund to  
14 reimburse the Alaska supplementary retirement income fund for any  
15 losses incurred as a result of failure of the obligors to pay on the  
16 notes. No more than \$400,000 of the surplus may be invested annually  
17 in the mortgage securities of the Department of Natural Resources, and  
18 the state shall appropriate sufficient money from the general fund to  
19 reimburse the fund created in this chapter for any losses incurred as  
20 a result of failure of the obligors to pay on the notes.

21 (c) In making investments the commissioner of revenue shall  
22 exercise the judgment and care under the circumstances then prevailing  
23 which men of ordinary prudence, discretion, and intelligence exercise  
24 in the management of their own affairs not in regard to speculation but  
25 in regard to the permanent disposition of their funds, considering the  
26 probable income therefrom as well as the probable safety of their  
27 capital.

28 (d) Except as provided above, the commissioner of revenue may:

29 (1) invest and reinvest the principal and income of the fund

1 without distinction between principal and income;

2 (2) sell, exchange, convey, transfer or otherwise dispose of  
3 any investment of the fund by private contract or at public auction;

4 (3) vote bonds or other securities; give general or special  
5 proxies or powers of attorney with or without power of substitution;  
6 exercise conversion privileges, subscription rights or other options  
7 and make payments incidental thereto; generally exercise the powers of  
8 an owner with respect to bonds, securities or other investments held  
9 in the fund;

10 (4) make, execute, acknowledge and deliver documents of  
11 transfer and conveyance and other instruments necessary or appropriate  
12 to carry out the powers granted by this subsection;

13 (5) register investments in the name of the fund;

14 (6) do all acts whether or not expressly authorized which he  
15 considers necessary or proper for the protection of the investments  
16 held in the fund.

17 Sec. 47.40.060. EXEMPTION FROM TAXATION AND PROCESS. Retirement  
18 incomes received under this chapter are exempt from state and municipi-  
19 pal taxes and are not subject to execution, attachment, garnishment  
20 or other process.

21 Sec. 47.40.070. DEATH OR CESSATION OF RESIDENCY. The commissioner  
22 of administration shall establish procedures to determine when a  
23 recipient of income under this chapter dies or discontinues his resi-  
24 dency in the state.

25 Sec. 47.40.080. CREDIT FOR PRIOR RESIDENCY. A person who has  
26 resided in Alaska, but who is not a resident of the state at the time  
27 of the effective date of this Act shall receive credit for the time he  
28 resided in the state if he returns to the state within one year after  
29 the effective date of this Act with the intention of becoming a

1 permanent resident of the state.

2 Sec. 47.40.090. PENALTY FOR FALSE STATEMENTS. A person who wil-  
3 fully or knowingly makes a false statement, or falsifies or permits to  
4 be falsified any record required by this chapter, is guilty of a mis-  
5 demeanor and, upon conviction, is punishable by a fine of not more than  
6 \$500, or by imprisonment for not more than six months, or by both, and  
7 forfeits all rights under this chapter.

8 Sec. 47.40.100. DEFINITION. In this chapter

9 (1) "fund" means the Alaska supplementary retirement income  
10 fund;

11 (2) "resident" means a person who has his true, fixed and  
12 permanent home in the state.  
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