

Introduced: 4/29/69
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY MCVEIGH AND KAY

2 HOUSE BILL NO. 410

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a retirement plan for state
7 troopers; and providing for an effective date."

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

9 * Section 1. AS 39 is amended by adding a new chapter to read:

10 CHAPTER 40. STATE TROOPERS' RETIREMENT PLAN.

11 Sec. 39.40.010. PURPOSE AND EFFECTIVE DATE. (a) The purpose of
12 this chapter is to encourage qualified personnel to enter and remain
13 in the service of the state as troopers by establishing a plan for
14 the payment of retirement, disability, and death benefits to or on
15 behalf of state troopers.

16 (b) The plan created becomes effective as of January 1, 1970,
17 at which time contributions by the troopers begin.

18 Sec. 39.40.020. FORMATION OF RETIREMENT BOARD. (a) The governor
19 shall appoint four representatives to the retirement board to represent
20 the state in all functions of the retirement board. Initial appoint-
21 ments shall consist of two representatives being appointed for one-year
22 terms and two representatives being appointed for two-year terms. All
23 subsequent appointments shall be for two-year terms.

24 (b) The division of state troopers, Department of Public Safety,
25 shall elect two representatives to the retirement board to represent
26 trooper members in all functions of the retirement board. Election
27 shall be by popular vote. Initial election shall consist of one
28 representative being elected for a one-year term and one representative
29 being elected for a two-year term. All subsequent elections shall be

1 for two-year terms.

2 (c) There is no limitation to the number of terms to which a
3 representative may be appointed or elected.

4 Sec. 39.40.030. ADMINISTRATION. (a) The retirement board shall
5 administer the plan as set out in this chapter and shall be the final
6 authority in all matters pertaining to the plan.

7 (b) The retirement board shall execute an agreement with a trustee
8 to manage and operate a trust fund and receive, hold, invest and reinvest
contributions made by the state and member employees, together with
interest and other income, and to pay the benefits provided under the
11 plan. The retirement board shall determine the form and terms of the
12 agreement, and may modify or terminate the agreement from time to time
13 and may remove a trustee and select a successor trustee or insurance
14 company.

15 (c) The retirement board shall provide for establishment and
16 maintenance of proper records for each member of the plan.

17 (d) The retirement board shall recommend to the legislature any
18 changes to this chapter that may become necessary to carry out the
19 intent of the plan.

20 (e) The retirement board shall meet at least monthly, and shall
21 adopt regular rules of order and rules of procedure governing its
22 meetings and hearings for the administration of the plan.

23 Sec. 39.40.040. MEMBERSHIP. (a) Enrollment in the plan shall
24 be limited to troopers and begins on the first day of employment with
25 the state.

26 (b) If a member's employment is terminated for any reason before
27 he become eligible for a retirement benefit and the member is subse-
28 quently re-employed, he is entitled to the credited service he had
29 accumulated at the time of his earlier termination, if, within two years

1 after re-employment, he makes a contribution to the plan equal to the
2 amount of the refund paid upon his earlier termination.

3 Sec. 39.40.050. CONTRIBUTIONS. (a) During his membership in
4 the plan a member shall contribute monthly to the plan an amount not
5 to exceed six per cent of his gross monthly compensation. Contributions
6 shall be made through payroll deductions. Money contributed by a member
7 shall earn annual interest at a rate of not less than four per cent.

8 (b) All money paid by members into a previous retirement plan
9 maintained by the state shall, on January 1, 1970, be withdrawn from
10 the previous plan and be added to the plan established by this chapter.
11 Title to all this money remains with the employee responsible for the
12 previous contributions.

13 (c) The state, in addition to the payroll deductions of members,
14 shall contribute additional money to the plan in an amount to assure
15 that the fund is at all times financially sound.

16 (d) All past service costs will be borne by the state and these
17 costs will be funded by adding to the plan money in an amount to assure
18 that the fund is at all times financially sound.

19 (e) All money paid by the state on behalf of troopers into a
20 previous retirement plan maintained by the state shall, on January 1,
21 1970, be withdrawn from the previous plan and be added to the plan
22 established by this chapter.

23 (f) An independent actuarial evaluation of the plan created by
24 this chapter shall be made at least every two years. Costs that may be
25 required for the actuarial evaluation shall be borne solely by the state
26 and not by funds invested in the plan.

27 Sec. 39.40.060. BENEFITS. (a) A member may retire after com-
28 pletion of 20 years of total credited service with the state, regardless
29 of age at the time of the completion. Service need not be continuous

1 and retirement benefits shall commence immediately upon retirement.
2 Retirement benefits shall be computed at the rate of one-fortieth
3 (2-1/2 per cent) of average monthly compensation times the number of
4 years of credited service.

5 (b) A member may retire after completion of a minimum of 10 years
6 of credited service and having reached the age of 55 years. Service
7 need not be continuous and retirement benefits shall commence immedi-
8 ately upon retirement. Retirement benefits shall be computed at the
9 rate of one-fortieth (2-1/2 per cent) of average monthly compensation
10 times the number of years of credited service.

11 (c) A member who, after completion of a minimum of 10 years of
12 credited service for the state and who has not reached the age of 55
13 years, and who leaves the employ of the state may either:

14 (1) withdraw all of his contributions to the plan plus
15 interest at the annual rate of 4 per cent; or

16 (2) allow all contributions and interest to remain in the
17 plan, and upon reaching the age of 55 years, be eligible for retire-
18 ment benefits at the rate of one-fortieth (2-1/2 per cent) of average
19 monthly compensation times the number of years of credited service
20 completed; retirement benefits shall commence immediately upon ap-
21 plication of the member for benefits.

22 (d) Compulsory retirement. Retirement at the age of 55 years shall
23 be compulsory for members. Exception to this provision may be granted
24 by the retirement board to members over the age of 55 years on a
25 yearly basis until January 1, 1974, at which time exceptions to this
26 provision shall cease. Request for exception shall be made in writing
27 by the member to the retirement board.

28 (e) Limitation of credited service. For the purpose of computing
29 retirement benefits, no more than 25 years of credited service may be

1 considered.

2 (f) Occupational disability. A member who, due to an occupational
3 disability, is unable to perform his assigned duties, shall receive a
4 monthly pension of $66\frac{2}{3}$ per cent of his gross monthly compensation at
5 the time of the disability. This pension shall continue for life or
6 until such time as the disabled member is capable of resuming duties
7 with the Department of Public Safety. The retirement board shall
8 determine whether an occupational disability exists based upon medical
9 reports and other evidence satisfactory to the retirement board. The
10 retirement board shall in all instances recognize the following pro-
11 visions; however, consideration is not limited to these provisions:

12 (1) an injury received while performing official duties for
13 the state which renders a member incapable of performing normal assigned
14 duties will be construed as an occupational disability;

15 (2) the cumulative effect of the constant contact with that
16 portion of the citizenry which suffers from infectious tuberculosis,
17 the frequent strenuous duties encountered in performing daily assigned
18 duties as troopers, and of the inhalation of smoke, toxic gases,
19 chemical fumes and other toxic vapors on the heart, lungs, and respira-
20 tory system shall be construed as an injury received or disease con-
21 tracted while in the performance of duty; therefore, heart, lung, and
22 respiratory system illnesses shall be construed as occupational dis-
23 abilities;

24 (3) no additional insurance or other compensation may have a
25 bearing on the payment of occupational disability benefits.

26 (g) The death of a member which is caused by, or expedited by,
27 an accident occurring during the performance of official duties for the
28 state, or the death of a member which is caused by, or expedited by, a
29 heart, lung or respiratory system illness shall be construed as

1 occupational connected and the following provisions apply:

2 (1) When a member dies, due to reasons outlined in this
3 section, his surviving spouse, or if there is no surviving spouse, the
4 child or children under the age of 18 years, or if there is no surviving
5 spouse or child or children, then his dependent parents or dependent
6 unmarried sister or sisters under the age of 18 years, or dependent
7 minor brothers shall be entitled to benefits equivalent to 50 per cent
8 of his final monthly compensation until such time as the surviving
9 spouse may remarry, or as the surviving child or children reach the age
10 of 18 years, or the unmarried dependent sister or sisters either marry
11 or reach the age of 18 years, or the dependent minor brother or
12 brothers reach the age of 18 years.

13 (2) The retirement board shall determine whether or not the
14 death of a member is occupational connected based upon medical reports
15 and other evidence satisfactory to the retirement board. The retire-
16 ment board shall in all instances recognize the provisions of this
17 section; however, consideration may not be limited to these provisions.

18 (3) No additional insurance, annuity or other compensation
19 may have a bearing on the payment of death benefits as outlined in this
20 section.

21 Sec. 39.40.070. DEFINITIONS. In this chapter,

22 (1) "trooper" means all male, full-time employees of the
23 division of state troopers of the Department of Public Safety who have
24 reached the age of 21 years, regardless of job title or assigned
25 duties;

26 (2) "average monthly compensation" means the result obtained
27 by dividing the total compensation paid to a trooper during the period
28 of three consecutive years which yielded the highest average by the
29 number of months for which the compensation was received;

1 (3) "compensation" means the total remuneration paid to a
2 trooper by the state for personal services rendered during the period
3 considered as credited service and reportable on federal W-2 forms;

4 (4) "credited service" means the total period of regular,
5 full-time employment during which retirement benefits are earned under
6 the terms and conditions of the plan, and is composed of "credited past
7 service" and "credited future service" excluding any unpaid leave of
8 absence totaling more than 30 days;

9 (5) "credited future service" means the total period of
10 regular full-time state employment performed on and after January 1,
11 1970, while the trooper is a member of the plan;

12 (6) "credited past service" means the total period of regular
13 full-time employment performed prior to January 1, 1970;

14 (7) "member" means a trooper of the state who is participating
15 in the plan;

16 (8) "occupational disability" means a physical or mental
17 condition which presumably permanently prevents a trooper from satis-
18 factorily performing his usual duties for the state and which stems from
19 conditions recognized in determining occupational disability; a
20 determination of whether the occupational disability exists shall be
21 made by the retirement board, based upon medical reports and other
22 evidence satisfactory to the retirement board.

23 (9) "plan" means the state troopers' retirement plan;

24 (10) "retirement" means termination of employment after a
25 trooper has fulfilled requirements for a pension;

26 (11) "retirement board" means the group of four state repre-
27 sentatives and two representatives of the division of state troopers,
28 Department of Public Safety, elected by the members of the division.

29 * Sec. 2. AS 39.35.680(5)(c) is amended by adding new material to read:

1 (vi) persons covered by the state troopers' retirement
2 plan (AS 39.40);

3 * Sec. 3. This Act takes effect January 1, 1970.
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