

Introduced: 2/18/70  
Referred: State Affairs  
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF  
THE LEGISLATIVE COUNCIL BY REQUEST

2 HOUSE BILL NO. 736

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating a retirement plan for the Alaska  
7 state 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 37. ALASKA STATE TROOPERS RETIREMENT PLAN.

11 ARTICLE 1. ADMINISTRATION.

12 Sec. 39.37.010. PURPOSE AND EFFECTIVE DATE. (a) The purpose of  
13 this chapter is to encourage qualified personnel to enter and remain in  
14 the service of the state as Alaska state troopers by establishing a  
15 plan for the payment of retirement, disability and death benefits to or  
16 on behalf of state troopers.

17 (b) The plan created becomes effective as of January 1, 1971, at  
18 which time contributions by the state and the troopers begin.

19 Sec. 39.37.020. ALASKA STATE TROOPERS RETIREMENT BOARD. (a) The  
20 Alaska State Troopers Retirement Board is composed of the members of  
21 the Public Employees Retirement Board and two additional members  
22 elected by the members of the plan from among the members of the plan.

23 (b) Elections for the troopers' representatives shall be conducted  
24 by the Alaska State Troopers Retirement Board, except that the initial  
25 election shall be conducted by the Public Employees Retirement Board.  
26 Initial terms' of the trooper representatives are one and two years.  
27 Subsequent terms are two years. Vacancies in unexpired elective terms  
28 shall be filled in the same manner as full terms. There is no limi-  
29 tation on the number of terms to which a trooper representative may be

1 elected.

2 (c) A member of the Alaska State Troopers Retirement Board may  
3 receive per diem allowances and transportation expenses in carrying out  
4 the duties set out in this chapter.

5 Sec. 39.37.030. ADMINISTRATION. (a) The retirement board is  
6 responsible for the overall and proper administration of the plan set  
7 out in this chapter and is the final authority in all matters pertain-  
8 ing to the plan. The retirement board has the following powers and  
9 duties:

10 (1) hold regular and special meetings it considers neces-  
11 sary for the proper operation of the plan; all meetings are open to  
12 the public and the retirement board keeps a full record of its pro-  
13 ceedings;

14 (2) promulgate rules and regulations necessary to carry  
15 out this chapter;

16 (3) recommend to the legislature changes in this chapter  
17 that may become necessary to carry out the intent of the plan;

18 (4) provide for the establishment and maintenance of  
19 proper records for each member of the plan;

20 (5) prescribe the rate of interest that shall be credited  
21 to the members' accounts each year;

22 (6) prescribe the policies for the proper operation of  
23 the plan and carry on other activities which are considered neces-  
24 sary to carry out the intent and purpose of the plan in accordance with  
25 this chapter.

26 (b) The commissioner of administration is responsible for the  
27 administration, management and operation of the detailed affairs of the  
28 plan in accordance with those powers and duties given him under  
29 AS 39.35 that the retirement board determines to be applicable.

1 (c) The commissioner of revenue is the treasurer for the plan  
2 in accordance with those powers and duties given him under AS 39.35  
3 that the retirement board determines to be applicable.

4 Sec. 39.37.040. REGULATIONS. Regulations adopted by the retire-  
5 ment board under this chapter relate to the internal management of a  
6 state agency and their adoption is not subject to the Administrative  
7 Procedure Act (AS 44.62).

8 ARTICLE 2. MEMBERSHIP.

9 Sec. 39.37.050. MEMBERSHIP. (a) Membership in the plan is  
10 limited to commissioned Alaska state troopers. A trooper shall be  
11 included in the plan upon commencement of his employment with the state  
12 Department of Public Safety, division of the Alaska state troopers.

13 (b) A trooper shall be excluded from the plan upon termination of  
14 his employment as a trooper, unless he is eligible for a retirement  
15 benefit at that time. If he is not eligible for a retirement benefit  
16 he may receive a refund of his contributions to the plan at the time of  
17 his termination.

18 Sec. 39.37.060. REEMPLOYMENT OF FORMER MEMBERS. If a member's  
19 employment is terminated for any reason before he becomes eligible for  
20 a retirement benefit and the member is subsequently reemployed, he is  
21 entitled to the credited service he had accumulated at the time of his  
22 earlier termination, if, within two years after reemployment, he makes  
23 a contribution to the plan equal to the amount of the refund paid upon  
24 his earlier termination.

25 ARTICLE 3. CONTRIBUTIONS.

26 Sec. 39.37.070. AMOUNT OF MEMBER CONTRIBUTIONS. While partici-  
27 pating in the plan, a member shall contribute monthly to the plan a  
28 percentage of his compensation equal to the percentage contributed by  
29 other state employees under AS 39.35. Contributions shall be made

1 through payroll deductions.

2 Sec. 39.37.080. CONTRIBUTIONS BY EMPLOYER. The employer shall  
3 contribute additional money to the plan in amounts determined by the  
4 retirement board which will assure that the plan is at all times  
5 financially sound.

6 Sec. 39.37.090. TRANSFER OF CONTRIBUTIONS. Upon the effective  
7 date of this chapter, the commissioner of administration shall transfer  
8 to the Alaska state troopers retirement plan all amounts then credited  
9 to the employee contribution account and the employer asset share ac-  
10 count of the public employees retirement system of Alaska which were  
11 credited to those accounts by reason of membership of troopers in the  
12 public employees retirement system before the effective date of this  
13 chapter.

14 ARTICLE 4. BENEFITS.

15 Sec. 39.37.100. NORMAL RETIREMENT BENEFITS. A member may retire  
16 after completion of 20 years of total credited service with the Alaska  
17 state troopers, regardless of his age at the time of completion. Ser-  
18 vice need not be continuous and retirement benefits shall commence im-  
19 mediately upon retirement. Retirement benefits shall be computed at  
20 the rate of two and one-half per cent of average monthly compensation  
21 multiplied by the number of years of credited service.

22 Sec. 39.37.110. EARLY RETIREMENT BENEFITS. A member may retire  
23 after completing a minimum of 10 years of credited service and having  
24 reached the age of 55 years. Service need not be continuous and  
25 retirement benefits shall commence immediately upon retirement. Retire-  
26 ment benefits shall be computed at the rate of two and one-half per  
27 cent of average monthly compensation multiplied by the number of years  
28 of credited service.

29 Sec. 39.37.120. DEFERRED RETIREMENT BENEFITS. A member who,

1 after completion of a minimum of 10 years of credited service, has not  
2 reached the age of 55 years and who leaves the employ of the Alaska  
3 state troopers may either

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

6 (2) allow all contributions and interest to remain in the  
7 plan, and upon reaching the age of 55 years, be eligible for retirement  
8 benefits at the rate of two and one-half per cent of average monthly  
9 compensation multiplied by the number of years of credited service  
10 completed; retirement benefits commence immediately upon application  
11 of the member for benefits.

12 Sec. 39.37.130. COMPULSORY RETIREMENT. Retirement at the age of  
13 55 years shall be compulsory for members. Exceptions to this require-  
14 ment may be granted by the retirement board to members over the age of  
15 55 years on a yearly basis until January 1, 1975, at which time ex-  
16 ceptions to this provision cease. A request for an exception shall be  
17 made in writing by the member to the retirement board.

18 Sec. 39.37.140. LIMITATION OF CREDITED SERVICE. For the purpose  
19 of computing retirement benefits under this chapter, no more than 25  
20 years of credited service may be considered.

21 Sec. 39.37.150. OCCUPATIONAL DISABILITY PENSIONS. A member who,  
22 due to an occupational disability, is unable to perform his assigned  
23 duties shall receive a monthly pension of  $66\frac{2}{3}$  per cent of his gross  
24 monthly compensation at the time of the disability. This pension shall  
25 continue for life or until such time as the disabled member is capable  
26 of resuming duties with the Department of Public Safety. The disability  
27 benefit is payable regardless of any additional insurance or other  
28 compensation benefits. The retirement board shall determine whether  
29 an occupational disability exists based upon medical reports and other

1 evidence satisfactory to the retirement board. The retirement board  
2 shall in all instances recognize the following provisions; however,  
3 consideration is not limited to these provisions:

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

7 (2) the cumulative effect of the constant contact with that  
8 portion of the citizenry which suffers from infectious tuberculosis,  
9 the frequent strenuous duties encountered in performing daily assigned  
10 duties as a trooper, and the inhalation of smoke, toxic gases, chemical  
11 fumes and other toxic vapors, on the heart, lungs, and respiratory  
12 system shall be construed as an injury received or disease contracted  
13 while in the performance of duty; therefore, heart, lung, and respira-  
14 tory system illnesses shall be construed as occupational disabilities.

15 Sec. 39.37.160. NONOCCUPATIONAL DISABILITY PENSIONS. (a) A  
16 member who, due to a nonoccupational disability, is unable to perform  
17 his assigned duties, shall receive a monthly pension of 50 per cent of  
18 his gross monthly compensation at the time of the disability. The  
19 disability benefit is payable regardless of any additional insurance or  
20 other compensation benefits. However, a member is not eligible for  
21 nonoccupational disability pensions until he has completed five con-  
22 secutive years of credited service.

23 (b) An injury received while not performing duties for the state  
24 which renders a member incapable of performing his normal assigned  
25 duties shall be construed as a nonoccupational disability.

26 Sec. 39.37.170. OCCUPATIONAL DEATH BENEFITS. The death of a  
27 member which is caused by, or expedited by, an incident occurring dur-  
28 ing the performance of official duties for the state shall be construed  
29 as an occupational death and the following provisions apply:

1 (1) When a member dies due to reasons stated in this sec-  
2 tion, his surviving spouse, or if there is no surviving spouse, the  
3 child or children under the age of 18 years, or if there is no surviv-  
4 ing spouse or child or children, then his dependent parents or  
5 dependent unmarried sister or sisters under the age of 18 years, or  
6 dependent minor brothers shall be entitled to benefits equivalent to  
7 100 per cent of his final monthly compensation until such time as the  
8 surviving spouse may remarry, or as the surviving child or children  
9 reach the age of 18 years, or the dependent parents die, or the un-  
10 married dependent sister or sisters either marry or reach the age of 18  
11 years, or the dependent minor brother or brothers reach the age of 18  
12 years.

13 (2) The retirement board shall determine whether or not the  
14 death of a member is an occupational death based upon medical reports  
15 and other evidence satisfactory to the retirement board. The retirement  
16 board shall in all instances recognize the provisions of this section;  
17 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. 39.37.180. OCCUPATIONAL RELATED DEATH.** The death of a mem-  
22 ber which is caused by a heart, lung or respiratory system illness  
23 shall be construed as an occupational related death and the following  
24 provisions apply:

25 (1) When a member dies, due to reasons stated in this sec-  
26 tion, his surviving spouse, or if there is no surviving spouse, the  
27 child or children under the age of 18 years, or if there is no surviving  
28 spouse or child or children, then his dependent parents or dependent un-  
29 married sister or sisters under the age of 18 years, or dependent minor

1 brothers shall be entitled to benefits equivalent to 50 per cent of his  
2 final monthly compensation until such time as the surviving spouse may  
3 remarry, or as the surviving child or children reach the age of 18  
4 years, or the dependent parents die, or the unmarried dependent sister  
5 or sisters either marry or reach the age of 18 years, or the dependent  
6 minor brother or brothers reach the age of 18 years.

7 (2) The retirement board shall determine whether or not the  
8 death of a member is occupation - related based upon medical reports  
9 and other evidence satisfactory to the retirement board. The retirement  
10 board shall in all instances recognize the provisions of this section;  
11 however, consideration may not be limited to these provisions.

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

15 Sec. 39.37.190. HEALTH INSURANCE BENEFITS. When a member retires  
16 after completing 20 or more years of credited service, the state shall  
17 continue to pay for the health insurance provided the member by the  
18 state before his retirement, for the remainder of his life.

19 Sec. 39.37.200. ESCALATED BENEFITS. Retirement benefits shall be  
20 increased in direct proportion to salary increases in the pay level and  
21 range on the basis of which the benefits are being paid. These increases  
22 commence immediately upon the increase in wages at that pay level.

23 ARTICLE 5. PARTICIPATION BY POLITICAL SUBDIVISIONS.

24 Sec. 39.37.210. REQUEST BY POLITICAL SUBDIVISION TO PARTICIPATE  
25 AND ADOPTION OF RESOLUTION. A municipality or other political subdivi-  
26 sion of the state which provides coverage for its police officer  
27 employees under Title II of the Federal Social Security Act may request  
28 to become a participating employer in this plan. The request shall be  
29 made after adoption of a resolution by the legislative body of the

1 political subdivision and after approval of the resolution by the person  
2 required by law to approve the resolution. A certified copy of the  
3 resolution shall be filed with the Alaska State Troopers Retirement  
4 Board and the Department of Administration. If the board and the com-  
5 missioner of administration approve the request for participation, the  
6 political subdivision is a participating employer.

7 Sec. 39.37.220. SURVEY TO DETERMINE ESTIMATED COST. A political  
8 subdivision contemplating participation in this plan may request a  
9 preliminary survey to determine the estimated cost of participation,  
10 the benefits derived, and other information which is appropriate. The  
11 political subdivision requesting the survey shall pay the cost of it.

12 Sec. 39.37.230. EFFECTIVE DATE OF PARTICIPATION. The effective  
13 date of participation in the plan by a political subdivision is the  
14 first day of any month after the effective date of this chapter which  
15 is acceptable to the governing body of the political subdivision and  
16 to the commissioner of administration.

17 Sec. 39.37.240. AGREEMENT TO CONTRIBUTE. The political subdivision  
18 shall agree to make contributions each year which are sufficient to  
19 meet the normal cost attributable to inclusion of its police officer  
20 employees and to amortize the past service cost for its police officer  
21 employees over a period not exceeding 40 years.

22 Sec. 39.37.250. ELIGIBLE EMPLOYEES BOUND TO SYSTEM. Only the  
23 police officers employed by a political subdivision are eligible to  
24 participate in this plan. The police officers employed by a partici-  
25 pating political subdivision are bound by the provisions of this plan  
26 and are entitled to the benefits provided under it.

27 Sec. 39.37.260. TRANSMITTAL OF CONTRIBUTIONS TO COMMISSIONER OF  
28 ADMINISTRATION. The contributions of the political subdivision and  
29 the contributions of its police officer employees shall be transmitted

1 to the commissioner of administration as soon as practicable after the  
2 close of the payroll period for which the contributions are made. If  
3 an employer is delinquent in transferring the contributions for more  
4 than 30 days, interest shall be assessed on the outstanding contribution  
5 at one and one-half times the prescribed rate from the date that the  
6 contributions were originally due.

7 Sec. 39.37.270. TERMINATION OF PARTICIPATION. (a) If the con-  
8 tributions are not transmitted to the commissioner of administration  
9 within the prescribed time limit, the commissioner may grant an exten-  
10 sion. If the political subdivision is in default at the end of the  
11 extension, participation in the plan is terminated, and it shall be  
12 sent notice of termination.

13 (b) Within six months after termination, the actuary of the plan  
14 shall, at the cost of the terminated employer, determine by actuarial  
15 valuation the amount in the plan attributable to the employer's partici-  
16 pation in the plan. This amount shall then be distributed by the  
17 payment or provision for the payment of benefits to police officer  
18 employees and retired police officer employees of the terminated em-  
19 ployer and to the beneficiaries of the police officer employees in the  
20 following order of precedence:

21 (1) to refund the balance in the police officer employee  
22 contribution and savings accounts as of the date of termination;

23 (2) to fund in advance the benefits of retired police officer  
24 employees, widows, and beneficiaries who are receiving or are eligible  
25 to receive benefits on the date of termination appropriately adjusted  
26 for any payments made under (b)(1) of this section;

27 (3) to all other police officer employees in proportion to,  
28 but not exceeding, the respective actuarial value of their accrued  
29 benefits as of the date of termination, appropriately adjusted for

1 payments made under (b)(1) of this section.

2 Sec. 39.37.280. DISTRIBUTION. (a) A distribution made as a  
3 result of termination of participation by an employer may, to the extent  
4 that no discrimination in value results, be paid in cash or in annuity  
5 contracts, in the discretion of the retirement board.

6 (b) In making a distribution, the determinations, divisions,  
7 appraisals, apportionments, and allotments made are final and conclusive  
8 and not subject to question.

9 Sec. 39.37.290. REFUNDS TO EMPLOYERS. In no event may an employer  
10 receive an amount from the plan, except that, upon termination of par-  
11 ticipation, the employer shall receive the amount which remains after  
12 the satisfaction of all liabilities of the plan to the police officer  
13 employees of the employer and arising out of variations between actual  
14 requirements and expected actuarial requirements.

15 ARTICLE 6. GENERAL PROVISIONS.

16 Sec. 39.37.300. FRAUD. A person who knowingly makes a false  
17 statement, or falsifies or permits to be falsified a record of this  
18 plan, in an attempt to defraud the plan, is guilty of a misdemeanor,  
19 and upon conviction is punishable by a fine of not more than \$500, or  
20 by imprisonment for not more than one year, or by both.

21 Sec. 39.37.310. DEFINITIONS. In this chapter, unless the context  
22 otherwise requires

23 (1) "average monthly compensation" means the result obtained  
24 by dividing the total compensation paid to a trooper during the one  
25 year which yielded the highest average by the number of months for  
26 which the compensation was received;

27 (2) "compensation" means the total remuneration paid to a  
28 trooper by the state for personal services rendered during the period  
29 considered as credited service with the Department of Public Safety,

1 division of Alaska state troopers, and reportable on federal W-2 forms;

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

7 (4) "credited future service" means the total period of  
8 regular full-time state employment performed on and after January 1,  
9 1971, while the trooper is a member of the retirement plan;

10 (5) "credited past service" means the total period of regular  
11 full-time employment performed before January 1, 1971, as a commissioned  
12 member of the Alaska state troopers, Alaska state police, Territorial  
13 police or Alaska highway patrol;

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

16 (7) "nonoccupational 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 occurred  
19 while the member was not acting in his official capacity as a trooper;  
20 a determination of whether the nonoccupational disability exists shall  
21 be made by the retirement board, based on medical reports and other  
22 evidence satisfactory to the retirement board;

23 (8) "occupational disability" means a physical or mental  
24 condition which presumably permanently prevents a trooper from satis-  
25 factorily performing his usual duties for the state and which stems from  
26 conditions recognized in determining occupational disability; a deter-  
27 mination of whether the occupational disability exists shall be made  
28 by the retirement board, based upon medical reports and other evidence  
29 satisfactory to the retirement board;

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(9) "plan" means the Alaska state troopers retirement plan;

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

(11) "retirement board" means the board composed of the members of the Public Employees Retirement Board and two representatives of the Alaska state troopers elected by the commissioned members of the division;

(12) "trooper" means a full-time, commissioned Alaska state trooper.

\* Sec. 2. AS 39.35.680(5)(C) is amended by adding a new subparagraph to read:

(vi) persons covered by the Alaska state troopers retirement plan (AS 39.37);

\* Sec. 3. This Act takes effect January 1, 1971.