

Original sponsor: Finance Committee

Offered: 4/30/69
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 331

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 program; and providing
7 for an effective date."

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

9 * Section 1. AS 24 is amended by adding a new chapter to read:

10 CHAPTER 55. LEGISLATIVE RETIREMENT PROGRAM.

11 ARTICLE 1. ADMINISTRATION.

12 Sec. 24.55.010. LEGISLATIVE RETIREMENT PROGRAM ESTABLISHED. (a)

13 The legislative retirement program, a system for the payment of retire-
14 ment and death benefits is established.

15 (b) The program becomes effective July 1, 1969 at which time
16 contributions by the legislators begin.

17 Sec. 24.55.020. ADMINISTRATION. The commissioner of administra-
18 tion is responsible for the administration of the program and for
19 carrying out this chapter.

20 Sec. 24.55.030. DUTIES OF COMMISSIONER OF REVENUE. The commis-
21 sioner of revenue is the treasurer of the program and shall

22 (1) act as official custodian of the cash and securities
23 belonging to the system and provide adequate safe deposit facilities
24 for them;

25 (2) receive cash belonging to the program;

26 (3) collect the interest and principal on securities
27 acquired by the system and deposit them in the pension fund maintained
28 in the name of the program;

29 (4) invest and reinvest the assets of the pension fund in

1 accordance with sec. 60 of this chapter.

2 Sec. 24.55.040. ATTORNEY GENERAL. The attorney general is the
3 attorney for the program and shall represent it in a legal proceeding.

4 Sec. 24.55.050. ACCOUNTING. (a) The commissioner of adminis-
5 tration shall establish and maintain an adequate system of accounts
6 and records for the program.

7 (b) All income of the pension fund and all disbursements made
8 by the fund shall be credited or charged, whichever is appropriate, to
9 the following accounts:

10 (1) An individual account shall be maintained for each
11 legislator to which the amount of his mandatory contributions collected
12 under sec. 80 of this chapter shall be credited when made. As of the
13 last day of each calendar year and each fiscal year beginning with
14 December 30, 1970, this account shall be credited with interest by
15 applying one-half of the prescribed rate of interest to the balance
16 in the account as of that date. Upon granting a pension, or upon
17 payment of a death or refund benefit, the balance of the legislator
18 contribution account shall be transferred to the asset share account
19 of the program and the legislator contribution account shall be
20 charged with the amount transferred.

21 (2) An expense account shall be maintained for the program.
22 The legislature shall appropriate annually an amount sufficient to
23 cover administrative expenses of the program.

24 Sec. 24.55.060. INVESTMENTS. When, in the opinion of the com-
25 missioner of administration, there is a sufficient surplus over and
26 above a safe amount to take care of current demands upon the fund, the
27 commissioner of revenue may invest the funds in any investment which he
28 considers to be in the best interest of the program according to what
29 is commonly known as the prudent man rule.

1 ARTICLE 2. MEMBERSHIP AND CONTRIBUTIONS.

2 Sec. 24.55.070. MEMBERSHIP MANDATORY. Each legislator shall
3 become a member of the program upon taking his oath of office.

4 Sec. 24.55.080. AMOUNT AND MANNER OF LEGISLATOR CONTRIBUTIONS.
5 While participating in the system each legislator shall contribute
6 five per cent of his salary to the program. In addition each legis-
7 lator shall pay the appropriate social security contribution. The
8 contributions shall be deducted monthly.

9 Sec. 24.55.090. REFUND AND REINSTATEMENT OF CONTRIBUTIONS. (a)
10 A legislator who terminates with less than eight years of service or
11 who does not wish to retire under this chapter, is entitled to a re-
12 fund of his contributions plus the interest credited to his account
13 upon filing a written application with the director of the public
14 employees' retirement system. If a legislator withdraws his contribu-
15 tions and is later reactivated, he shall be indebted to the fund in
16 the amount of his previous contributions plus interest. If a legisla-
17 tor has retired under this chapter and then re-enters active status,
18 the benefit shall terminate and upon again retiring, benefits shall be
19 adjusted in accordance with additional service and salary credit.

20 (b) No credit under the program may be transferred to any other
21 retirement system of the state.

22 Sec. 24.55.100. AMOUNT AND MANNER OF STATE CONTRIBUTION. The
23 state's contribution shall be appropriated annually in an amount
24 equal to the legislator's contributions. An estimated amount suffi-
25 cient to pay all benefits anticipated to be paid under this chapter
26 shall be included in the annual appropriation for the legislature. If
27 the actual authorized benefits necessary to be paid in a fiscal year
28 exceed the available fund balance, the benefits due shall nevertheless
29 be paid from general funds of the state not otherwise appropriated.

- 1 (3) AS 39.35.430 - 39.35.450 regarding survivor's benefits;
2 (4) AS 39.35.480 regarding cost-of-living allowance;
3 (5) AS 39.35.500 regarding nonalienation of amounts held by
4 the program;
5 (6) AS 39.35.490 regarding designation of beneficiaries;
6 (7) AS 39.35.510 regarding voluntary waiver of benefits;
7 (8) AS 39.35.520 regarding adjustments;

8 Sec. 24.55.140. BENEFITS NONTAXABLE. Benefits received under
9 this chapter are exempt from state and municipal taxes.

10 Sec. 24.55.150. DEFINITIONS. (a) In this chapter

- 11 (1) "fund" means the legislative retirement fund;
12 (2) "program" means the legislative retirement program.

13 (b) The definitions in AS 39.35.680 apply to this chapter insofar
14 as they are applicable to legislators.

15 * Sec. 2. AS 39.35.030 is amended by adding a new subsection to read:

16 (e) When considering matters pertaining to the legislative re-
17 tirement program (AS 24.55), the board membership shall be increased
18 by two incumbent legislators chosen by the Legislative Council for
19 two-year terms.

20 * Sec. 3. AS 39.35.040 is amended by adding a new paragraph to read:

21 (8) to exercise the powers and duties of (1) - (7) of this
22 section in relation to the legislative retirement program (AS 24.55)
23 when the two legislative members are sitting as members of the board.

24 * Sec. 4. Contributions previously credited to legislators under AS 39.-
25 35 shall be credited to the legislative retirement fund provided for in this
26 Act.

27 * Sec. 5. AS 39.35.125 is repealed.

28 * Sec. 6. This Act takes effect July 1, 1969.
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