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BY B. PHILLIPS, HAMMOND,
BUTROVICH, MERDES, THOMAS,
KOSLOSKY, BEGICH, BLODGETT,
BRADSHAW, ZIEGLER

1 IN THE SENATE

2 SENATE BILL NO. 356

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. (a) A
12 person who is 60 years of age or over and who has resided in the state
13 for 30 years or more immediately before application, may apply to the
14 commissioner of health and welfare for, and is entitled to, a monthly
15 retirement income of \$250.

16 (b) If the commissioner of health and welfare determines that an
17 applicant qualifies under (a) of this section, he shall immediately so
18 notify the commissioner of administration to begin payment of the
19 monthly income.

20 (c) A person who receives a monthly retirement income provided
21 for in this section may continue to do so only as long as he remains a
22 resident of the state.

23 Sec. 47.40.020. SUPPLEMENTARY RETIREMENT INCOME FUND. (a) There
24 is an Alaska supplementary retirement income fund created for the pur-
25 pose of paying the retirement incomes provided for in this chapter.
26 The fund consists of all money made available by appropriations of the
27 state legislature, and from other appropriated funds, all contributions
28 from whatever source, and income and interest derived from the invest-
29 ment of money.

1 (b) The commissioner of administration is the administrator of
2 the fund.

3 Sec. 47.40.030. POWERS AND DUTIES OF THE ADMINISTRATOR. The
4 commissioner of administration

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

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

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

11 (4) shall publish annually a report showing the financial
12 condition of the fund.

13 Sec. 47.40.040. SUPPLEMENTARY RETIREMENT INCOME FUND ADVISORY
14 BOARD. (a) There is established the Supplementary Retirement Income
15 Fund Advisory Board consisting of three members acquainted with the
16 investment of funds appointed by the governor for overlapping three-
17 year terms.

18 (b) Members of the board serve without compensation except that
19 each member may be reimbursed for actual and necessary expenses at the
20 rate established by AS 39.20.180.

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

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

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

28 Sec. 47.40.050. CUSTODY AND INVESTMENT. (a) The commissioner
29 of revenue is the treasurer of the system and has powers and duties for

1 this purpose including but not limited to the following:

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

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

5 (3) to collect the interest and principal on securities
6 acquired under this chapter and deposit the interest and principal in
7 the retirement fund;

8 (4) to invest and reinvest the assets of the fund in accord-
9 ance with this section.

10 (b) When, in the opinion of the commissioner of administration,
11 there is on hand in the fund a surplus over and above a reasonably safe
12 amount to take care of current demands upon the fund, the surplus or
13 so much of it as in the judgment of the commissioner of administration
14 is considered proper may be invested by the commissioner of revenue
15 in (1) bonds or other interest-bearing obligations and securities of
16 the United States or an agency of the United States, a state of the
17 United States, or a political subdivision of any state of the United
18 States, if the political subdivision has a population as shown by the
19 last federal census preceding the investment of no less than 30,000 in-
20 habitants, except no population limitation applies to a political subdi-
21 vision of this state; (2) first lien real estate mortgage securities in-
22 sured by the Federal Housing Administration under the National Housing
23 Act of the United States, or held by the Department of Commerce, or
24 the Department of Natural Resources; (3) deposits with mutual savings
25 banks in Alaska, to the extent that the investment is insured by the
26 federal government or an agency of the federal government; and (4)
27 deposits with state and national banks in Alaska to the extent that
28 the investment is insured by the federal government or an agency of
29 the federal government. No more than 25 per cent of the surplus may be

1 invested in mortgage securities of the Department of Commerce, and the
2 state shall appropriate sufficient money from the general fund to
3 reimburse the teachers' retirement system for any losses incurred as
4 a result of failure of the obligors to pay on the notes. No more than
5 \$400,000 of the surplus may be invested annually in the mortgage
6 securities of the Department of Natural Resources, and the state shall
7 appropriate sufficient money from the general fund to reimburse the
8 fund created in this chapter for any losses incurred as a result of
9 failure of the obligors to pay on the notes.

10 (c) In making investments the commissioner of revenue shall
11 exercise the judgment and care under the circumstances then prevailing
12 which men of ordinary prudence, discretion, and intelligence exercise
13 in the management of their own affairs not in regard to speculation but
14 in regard to the permanent disposition of their funds, considering the
15 probable income therefrom as well as the probable safety of their
16 capital.

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

18 (1) invest and reinvest the principal and income of the fund
19 without distinction between principal and income;

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

22 (3) vote bonds or other securities; give general or special
23 proxies or powers of attorney with or without power of substitution;
24 exercise conversion privileges, subscription rights or other options
25 and make payments incidental thereto; generally exercise the powers of
26 an owner with respect to bonds, securities or other investments held
27 in the fund;

28 (4) make, execute, acknowledge and deliver documents of
29 transfer and conveyance and other instruments necessary or appropriate

1 to carry out the powers granted by this subsection;

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

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

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

10 Sec. 47.40.070. DEATH OR CESSATION OF RESIDENCY. The commissioner
11 of health and welfare shall establish procedures to determine when a
12 recipient of income under this chapter dies or discontinues his resi-
13 dency in the state.

14 Sec. 47.40.080. PENALTY FOR FALSE STATEMENTS. A person who wil-
15 fully or knowingly makes a false statement, or falsifies or permits to
16 be falsified any record required by this chapter, is guilty of a mis-
17 demeanor and, upon conviction, is punishable by a fine of not more than
18 \$500, or by imprisonment for not more than six months, or by both, and
19 forfeits all rights under this chapter.

20 Sec. 47.40.090. DEFINITION. In this chapter "fund" means the
21 Alaska supplementary retirement income fund.
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