

Smith H

Introduced: 2/4/70
Referred: Health, Welfare
and Education

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 455

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the teachers' retirement system;
7 and providing for an effective date."

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

9 * Section 1. AS 14.25.050 is amended to read:

10 Sec. 14.25.050. CONTRIBUTIONS BY TEACHERS. Beginning July 1,
11 1970 [1969], each teacher shall contribute to the retirement fund an
12 amount equal to seven [FIVE] per cent of his base salary accrued from
13 July 1 to the following June 30. The contribution shall be deducted
14 by the employer at the end of each payroll period.

15 * Sec. 2. AS 14.25.055 is amended to read:

16 Sec. 14.25.055. SUPPLEMENTAL CONTRIBUTION BY A TEACHER. If a
17 teacher is married or has a minor child [OR MINOR CHILDREN] and wishes
18 to make his spouse or minor child [OR MINOR CHILDREN] eligible for a
19 spouse's pension or a survivor's allowance, he may elect to make a
20 supplemental contribution of an additional one per cent of his base
21 salary, but not later than November 1, 1970, or 30 days following the
22 first day after October 1, 1970, on which he is entitled to make the
23 election [COMMENCING WITH THE FIRST OF THE SECOND MONTH FOLLOWING HIS
24 FIRST DAY OF MEMBERSHIP IN THIS RETIREMENT SYSTEM, MARRIAGE, OR
25 NOVEMBER 1, 1967], whichever is later.

26 * Sec. 3. AS 14.25.060(c) is amended to read:

27 (c) If a teacher has creditable outside service he is indebted,
28 in addition to the contributions required by sec. 50 of this chapter,
29 as follows: [.]

1 (1) If, at the time of becoming a member of the retirement
2 system, a teacher has no membership service, his indebtedness is
3 seven [FIVE] per cent of the base salary paid at the time of first
4 becoming employed as a teacher [,] under this chapter, multiplied by
5 the total number of years of creditable outside service at the time of
6 becoming a member. The total outside service claimed may not exceed
7 10 years and BIA service may not exceed [EXCEEDING] five years.
8 Compound interest at the rate prescribed by regulation shall be added
9 to the indebtedness beginning July 1, 1963, or at the time of first
10 becoming employed as a teacher, whichever is later, to the date of
11 payment or the date of retirement, whichever occurs first.

12 (2) If a teacher, after becoming a member of this retire-
13 ment system, discontinues active membership and subsequently desires
14 to be reinstated and to receive credit for outside service accumulated
15 in the interim, his indebtedness to the retirement fund for the
16 additional credit shall be computed as seven [FIVE] per cent of the
17 base salary received upon reinstatement multiplied by the number of
18 years of interim outside service. Compound interest at the rate
19 prescribed by regulation shall be added to the indebtedness beginning
20 on July 1, 1963, or at the time of reinstatement, whichever is later,
21 to the date of payment or the date of retirement, whichever occurs
22 first.

23 * Sec. 4. AS 14.25.060(e)(2) is amended to read:

24 (2) The teacher shall contribute to the retirement fund an
25 amount equal to seven [FIVE] per cent of the base salary paid at the
26 time of first becoming employed as a teacher under this chapter,
27 multiplied by the total number of years of creditable outside service
28 and BIA service claimed at the time of becoming a member. However,
29 the total outside and BIA service claimed may not exceed that provided

1 in sec. 220(3) of this chapter. Compound interest at the rate pre-
2 scribed by regulation shall be added to the amount beginning July 1,
3 1963₂, or at the time of first becoming employed as a teacher under
4 this chapter, whichever occurs later, to the date of payment or the
5 date of retirement, whichever occurs first.

6 * Sec. 5. AS 14.25.070 is amended to read:

7 Sec. 14.25.070. CONTRIBUTIONS BY EMPLOYER. An employer shall
8 contribute to the retirement fund either an amount equal to one-half
9 the percentage as certified by the administrator, of the sum total of
10 the base salaries of all teachers that is required in addition to
11 teacher contributions to provide the benefits of this chapter times
12 the sum total of the base salaries paid to teachers by the employer
13 or an amount equal to five per cent of the sum total of the base
14 salaries paid to teachers by the employer [SUM CONTRIBUTED EACH PAY
15 PERIOD BY THE TEACHER]. The contributions shall be transmitted to the
16 administrator at the close of each pay period. If the contributions
17 are not submitted, the contributions shall be deducted by the Depart-
18 ment of Education from the state funds due the school districts and
19 transmitted to the teachers' retirement system for deposit in the
20 retirement fund. The University of Alaska shall forward its contri-
21 bution to the administrator [OF THE TEACHER'S RETIREMENT SYSTEM] at
22 the close of each pay period for deposit by him in the retirement
23 fund.

24 * Sec. 6. AS 14.25.080 is amended to read:

25 Sec. 14.25.080. CONTRIBUTIONS BY THE STATE. The state legislature
26 may [SHALL] appropriate to the retirement fund an amount equal to
27 either one-half the percentage, as certified by the administrator, of
28 the amount required in addition to teacher contributions to provide
29 the benefits of this chapter or an amount equal to five per cent of

1 the teachers' base salaries, whichever is less [SUM CONTRIBUTED EACH
2 PAY PERIOD BY THE TEACHERS]. It may [SHALL] be appropriated annually
3 and deposited in the retirement fund semiannually.

4 * Sec. 7. AS 14.25.145 is amended to read:

5 Sec. 14.25.145. INTEREST ON INDIVIDUAL ACCOUNTS. As of July 1,
6 1962, when [WHEN] a teacher begins at least his third year of member-
7 ship service, his account shall be credited with an amount equal to
8 the interest which his account would have earned at the interest
9 rates prescribed by regulation [PREVAILING] during his first two years
10 of membership service and, if none was prescribed during any part of
11 the period, at the interest rates subsequently prescribed by regu-
12 lation for that part. Thereafter, [THIS] interest shall be credited
13 to a teacher's account at the end of each school year at the rate
14 prescribed by regulation for that year.

15 * Sec. 8. Sec. 7 of this Act is retrospective in nature.

16 * Sec. 9. AS 14.25.120(c)(1) is amended to read:

17 (1) If the teacher is at least either 60 years of age or
18 55 years of age with 30 years of creditable service on the date which
19 the application for a retirement salary is filed [,] and has paid
20 into the retirement fund the full amount of his indebtedness, his
21 annual retirement salary is two [ONE AND ONE-HALF] per cent of his
22 highest average base salary during any three of the last 10 years of
23 membership service multiplied by the total number of years of credit-
24 able service, including credited fractional years.

25 * Sec. 10. AS 14.25.120 is amended by adding a new subsection to read:

26 (e) A teacher who is at least 60 years of age, who retires before
27 July 1, 1970, with 25 years of creditable service, at least 15 of
28 which were membership service, and who is entitled to a retirement
29 salary under either this retirement fund or the retirement fund of

1 1945 shall receive a retirement salary of at least \$200 a month, not
2 including adjustments made under sec. 142 or sec. 143 of this chapter.

3 * Sec. 11. AS 14.25.162(a) is amended to read:

4 (a) If a teacher dies while in membership service or while
5 receiving a disability retirement salary and leaves [, LEAVING] a
6 minor child [OR CHILDREN], his surviving spouse is entitled to a
7 survivor's allowance provided the teacher has made a supplemental
8 contribution for at least one year before his death, but if a guardian
9 has been appointed for a minor child, the guardian is entitled to the
10 allowance. A minor child who has neither a surviving spouse nor a
11 guardian is entitled to the allowance [IN THE ABSENCE OF A SURVIVING
12 OR LEGALLY COMPETENT SPOUSE THE GUARDIAN OF THE MINOR CHILDREN SHALL
13 BE ENTITLED TO THE SURVIVOR'S ALLOWANCE]. If a minor child who is at
14 least 19 years old but less than 23 years old is out of school for
15 more than one semester, payments of his benefits shall terminate
16 permanently. Application for the survivor's allowance shall be made
17 in writing to the administrator.

18 * Sec. 12. AS 14.25.162(b) is amended to read:

19 (b) The amount of the survivor's allowance shall be equal to
20 either 10 per cent of the teacher's base salary immediately before
21 his death or becoming disabled [,] for each minor child or 40 per cent
22 of the base salary, whichever is less [UP TO A MAXIMUM OF FOUR MINOR
23 CHILDREN]. In addition, an [A SURVIVOR'S] allowance of 35 per cent of
24 the teacher's base salary shall be paid [WILL BE PAYABLE] to his
25 spouse if the spouse is entitled to the survivor's allowance and is
26 not remarried, and [OR, IF THE SPOUSE DIES OR THERE IS NO SPOUSE,]
27 an allowance of 10 per cent of the base salary shall be paid to a
28 [THE] guardian entitled to the survivor's allowance [OF ONE OR MORE
29 OF THE MINOR CHILDREN]. [IN NO EVENT, HOWEVER, SHALL A SURVIVOR'S

1 ALLOWANCE BE PAYABLE TO A SPOUSE WHO HAS REMARRIED OR MORE THAN ONE
2 GUARDIAN.] Neither the [THE] remarriage of a surviving spouse nor
3 the adoption of a minor child by a new spouse of a surviving spouse
4 will [NOT] bar the [A] minor child from receiving or continuing to
5 receive his survivor's allowance. If more than one guardian is
6 appointed, the allowance, including the 10 per cent additional
7 allowance, shall be paid according to the number of minor children
8 assigned to each guardian.

9 * Sec. 13. AS 14.25.220(14) is repealed and re-enacted to read:

10 (14) "minor child" means a child or children of the member,
11 including those adopted, either under 19 years old whom the teacher,
12 if living, is supporting or is obligated to support or, if dead, was
13 supporting or was obligated to support at the time of his death or
14 under 23 years old and registered at and attending on a full-time
15 basis an educational or a technical institution accredited by the
16 state Department of Education and whom the teacher, if living, is
17 supporting or, if dead, was supporting at the time of his death.

18 * Sec. 14. AS 14.25.220(15) is amended to read:

19 (15) "teacher" or "member" means a certified teacher,
20 certified school nurse, principal, supervisor, or superintendent
21 employed on a full-time or a part-time basis in a position having
22 duties which normally require a year of service in the public schools
23 of the state, the commissioner of education, supervisors within the
24 Department of Education and all full-time resident professional and
25 administrative personnel of the University of Alaska as designated
26 by the Board of Regents; in case of doubt, except as to personnel of
27 the University of Alaska, the administrator shall finally determine
28 whether or not a person is a teacher as defined in this chapter;

29 * Sec. 15. AS 14.25.220(16) is amended to read:

1 (16) "year of service" means membership service during the dates
2 set for a school term under [AS DEFINED IN] AS 14.03.030; fractional
3 credit shall be given for membership service [IN ANY YEAR] after
4 July 1, 1969, according to the ratio that the number of [SUCH SCHOOL]
5 days of service bears to 180 days; if service is performed on a part-
6 time basis, fractional credit shall be given according to the ratio
7 that the number of hours of employment bears to the number of hours
8 of employment had the service been performed on a full-time basis;

9 * Sec. 16. AS 14.25.220 is amended by adding a new subsection to read:

10 (19) "part-time basis" means teaching on a regular basis
11 for part of the normal and customary work period per day or week or
12 month at a particular teaching assignment, and excludes teaching on
13 a substitute, temporary, or per diem basis.

14 * Sec. 17. This Act takes effect on July 1, 1970.
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29