

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 NOT EXCEEDING FIVE YEARS.] The combined
8 total of outside and BIA service claimed may not exceed 15 years;
9 however, no more than 10 years outside service may be claimed.

10 Compound interest at the rate prescribed by regulation shall be add-
11 ed to the indebtedness beginning July 1, 1963, or at the time of
12 first becoming employed as a teacher, whichever is later, to the date
13 of payment or the date of retirement, whichever occurs first.

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

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

26 (2) The teacher shall contribute to the retirement fund an
27 amount equal to seven [FIVE] per cent of the base salary paid at the
28 time of first becoming employed as a teacher under this chapter,
29 multiplied by the total number of years of creditable outside service

1 and BIA service claimed at the time of becoming a member. However,
2 the total outside and BIA service claimed may not exceed that provided
3 in sec. 220(3) of this chapter. Compound interest at the rate pre-
4 scribed by regulation shall be added to the amount beginning July 1,
5 1963, or at the time of first becoming employed as a teacher under
6 this chapter, whichever occurs later, to the date of payment or the
7 date of retirement, whichever occurs first.

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

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

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

27 Sec. 14.25.080. CONTRIBUTIONS BY THE STATE. The state legisla-
28 ture may [SHALL] appropriate to the retirement fund an amount equal to
29 either one-half the percentage, as certified by the administrator, of

1 the amount required in addition to teacher contributions to provide
2 the benefits of this chapter or an amount equal to five per cent of
3 the teachers' base salaries, whichever is less [SUM CONTRIBUTED EACH
4 PAY PERIOD BY THE TEACHERS]. It may [SHALL] be appropriated annually
5 and deposited in the retirement fund semiannually.

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

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

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

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

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

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

28 (e) A teacher who is at least 60 years of age, on the date on
29 which the application for retirement salary was filed, and who retires

1 before July 1, 1970, with 25 years of creditable service, at least
2 15 of which were membership service, and who is entitled to a retire-
3 ment salary under either this retirement fund or the retirement fund
4 of 1945 shall receive a retirement salary of at least \$200 a month,
5 not including adjustments made under sec. 142 or sec. 143 of this
6 chapter.

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

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

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

23 (b) The amount of the survivor's allowance shall be equal to
24 either 10 per cent of the teacher's base salary immediately before
25 his death or after normal retirement or becoming disabled [,] for
26 each minor child or 40 per cent of the base salary, whichever is less
27 [UP TO A MAXIMUM OF FOUR MINOR CHILDREN]. In addition, an [A SUR-
28 VIVOR'S] allowance of 35 per cent of the teacher's base salary shall
29 be paid [WILL BE PAYABLE] to his spouse if the spouse is entitled to

1 the survivor's allowance and is not remarried, and [OR, IF THE SPOUSE
2 DIES OR THERE IS NO SPOUSE,] an allowance of 10 per cent of the base
3 salary shall be paid to a [THE] guardian entitled to the survivor's
4 allowance [OF ONE OR MORE OF THE MINOR CHILDREN]. [IN NO EVENT,
5 HOWEVER, SHALL A SURVIVOR'S ALLOWANCE BE PAYABLE TO A SPOUSE WHO HAS
6 REMARRIED OR MORE THAN ONE GUARDIAN.] Neither the [THE] remarriage
7 of a surviving spouse nor the adoption of a minor child by a new
8 spouse of a surviving spouse will [NOT] bar the [A] minor child from
9 receiving or continuing to receive his survivor's allowance. If more
10 than one guardian is appointed, the allowance, including the 10 per
11 cent additional allowance, shall be paid according to the number of
12 minor children assigned to each guardian.

13 * Sec. 13. AS 14.25.220(5) is amended to read:

14 (5) "membership service" means service as a teacher in a
15 public school within the [TERRITORY OR] State of Alaska [OR BOTH]
16 under the supervision and control of [THE TERRITORIAL BOARD OF ED-
17 UCATION OR] the Department of Education, the school board of any
18 borough school district, incorporated city, incorporated school
19 district, independent school district, or the Board of Regents of
20 the University of Alaska, or any period during which the teacher is
21 on an approved sabbatical leave granted in accordance with AS 14.20.
22 310 or is receiving a disability retirement salary; "membership
23 service" is also service as a teacher in a "nonpublic" school which
24 means a school established by an agency other than a State or its
25 subdivisions which is primarily supported by other than public funds,
26 and the operation of whose program rests with other than publicly
27 elected or appointed officials, and which offers grades kindergarten
28 through 12, or any combination of them, and is state approved or
29 accredited.

1 * Sec. 14. AS 14.25.220(8) is amended to read:

2 (8) "outside service" means service as a teacher in a
3 public school or an institution of higher learning listed in the
4 Annual Education Directory of Higher Education published by the
5 U.S. Department of Health, Education and Welfare or a nonpublic
6 school which is state approved or accredited not under the super-
7 vision and control of the Department of Education, [THE TERRITORIAL
8 BOARD OF EDUCATION,] the State Board of Education sitting in any
9 capacity, the school board of a borough school district, incorporated
10 city school district, incorporated school district, independent
11 school district, or the Board of Regents of the University of Alaska;

12 * Sec. 15, AS 14.25.220(14) is repealed and re-enacted to read:

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

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

22 (15) "teacher" or "member" means a certified teacher,
23 certified school nurse, principal, supervisor, or superintendent
24 employed on a full-time or a part-time basis in a position having
25 duties which normally require a year of service in the public schools
26 of the state, the commissioner of education, supervisors within the
27 Department of Education and all full-time resident professional and
28 administrative personnel of the University of Alaska as designated
29 by the Board of Regents; in case of doubt, except as to personnel of

1 the University of Alaska, the administrator shall finally determine
2 whether or not a person is a teacher as defined in this chapter;

3 * Sec. 17. AS 14.25.220(16) is amended to read:

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

12 * Sec. 18. AS 14.25.220 is amended by adding a new subsection to read:

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

17 * Sec. 19. This Act takes effect on July 1, 1970.
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