

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 31

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SEVENTH LEGISLATURE - FIRST 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 14.25.040 is amended to read:

10 Sec. 14.25.040. MEMBERSHIP. After June 30, 1955, a teacher
11 contracting for service with an employer, except one whose attained age
12 in completed years on the July 1 falling on or after the date of
13 commencement of service, less the number of years of creditable service
14 prior to that July 1, exceeds 50, and who can complete 5 [10] years of
15 membership service by the first day of July following his 65th birthday,
16 is subject to this chapter.

17 * Sec. 2. AS 14.25.110 is amended to read:

18 Sec. 14.25.110. ELIGIBILITY FOR SERVICE RETIREMENT. (a) A
19 teacher who has completed 15 years of creditable service, the last five
20 years of which have [HAS] been membership service in the state, [AND
21 HAS COMPLETED AT LEAST 10 YEARS OF MEMBERSHIP SERVICE,] and who has
22 attained the age of 55 years, may retire from service, and apply in
23 writing to the administrator for retirement salary. A retired teacher
24 who has been receiving a disability retirement salary shall be eligible
25 for a service retirement salary upon or after attaining age 60.

26 (b) A teacher who has completed 15 years of creditable service,
27 the last five years of which have been membership service in the state,
28 [AND HAS COMPLETED AT LEAST 10 YEARS OF MEMBERSHIP SERVICE,] and who
29 has attained the age of 65 years during a school year, shall be retired

1 on July 1 following his 65th birthday unless the teacher is retained
2 by request of his employer. Provisions of this subsection regarding
3 compulsory retirement shall not apply to personnel of the University
4 of Alaska.

5 (c) The burden is upon the applicant to prove eligibility for
6 retirement benefits to the full satisfaction of the administration.

7 * Sec. 3. AS 14.25.120(c)(1) is amended to read:

8 (1) If the teacher is at least either 60 years of age or
9 55 years of age with 30 years of creditable service on the date which
10 the application for a retirement salary is filed and has paid into the
11 retirement fund the full amount of his indebtedness, his annual retire-
12 ment salary is two per cent of his highest average base salary during
13 any three of the last 5 [10] years of membership service multiplied by
14 the total number of years of creditable service, including credited
15 fractional years.

16 * Sec. 4. AS 14.25.135(a) is amended to read:

17 (a) A teacher is eligible for a deferred benefit if

18 (1) he terminates his employment on or after the date on
19 which his attained age and credited service total at least 75 years,

20 (2) he has completed at least 15 years of creditable service,
21 [OF WHICH] at least 5 years of which [10 YEARS] have been in membership
22 service, and

23 (3) he does not withdraw his contributions to the retirement
24 fund.

25 * Sec. 5. AS 14.25.137(a) is amended to read:

26 (a) A teacher is eligible for a deferred vested benefit if

27 (1) he terminates his employment after completing 5 [10]
28 years of membership service; and

29 (2) he does not withdraw his contributions to the retirement

1 fund.

2 * Sec. 6. AS 14.25.143 is repealed and re-enacted to read:

3 Sec. 14.25.143. COST OF LIVING PENSION ADJUSTMENT. (a) Annually
4 the administrator shall determine the increase or decrease in the cost
5 of living. Based upon his findings, the administrator may increase or
6 decrease the pension payments to reflect this change in the cost of
7 living.

8 (b) The amount of any cost of living increase shall not exceed
9 five per cent for each year of retirement. Dependent upon the financial
10 condition of the retirement fund, that portion of a cost of living
11 increase in excess of two per cent for each year of retirement may be
12 funded up to 50 per cent by an appropriation from the general fund.
13 The amount of any cost of living decrease shall be used first to reduce
14 the level of general fund support.

15 (c) A retired teacher shall be eligible for a cost of living
16 pension adjustment beginning on July 1 of the year following the year
17 of his retirement. Pension adjustments shall take effect and be paid
18 beginning July 1 of each year for which they are approved.

19 (d) The administrator is authorized to implement this section by
20 regulation.

21 * Sec. 7. AS 14.25.162(f) is repealed and re-enacted to read:

22 (f) When the administrator determines that the cost of living
23 has increased or decreased, he may increase or decrease the survivor's
24 allowance to reflect the change in the cost of living. Cost of living
25 pension adjustments shall be made in accordance with provisions
26 established in AS 14.25.143.

27 * Sec. 8. AS 14.25.164(f) is repealed and re-enacted to read:

28 (f) When the administrator determines that the cost of living has
29 increased or decreased, he may increase or decrease the spouse's pension

1 to reflect the change in the cost of living. Cost of living pension
2 adjustments shall be made in accordance with provisions established
3 in AS 14.25.143.

4 * Sec. 9. This Act takes effect on July 1, 1971.
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