

Original sponsor: Rules Committee by
request of the Governor

1 IN THE SENATE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE BILL NO. 147

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 14.25.120(c)(4) is amended to read:

10 (4) If the teacher has not attained the age of 60 or
11 completed 30 years of creditable service on the date when application
12 for retirement salary is filed, the annual retirement salary that
13 would be due and owing to the teacher if he were at least 60 shall be
14 reduced annually by the amount derived from the following computations:
15 multiply one-half of one per cent times the number of months, to the
16 nearest month, by which the applicant's attained age on date of filing
17 application falls short of 60 times the amount of annual retirement
18 salary that would be due and owing the teacher if he were at least 60.

19 * Sec. 2. AS 14.25.120(c)(8) is amended to read:

20 (8) During the period of re-employment, deductions from
21 salary may be made at the option of the teacher for contributions to
22 the retirement fund as provided in sec. 50 of this chapter. If
23 deductions are made, the annual amount of retirement salary shall be
24 increased when the teacher again retires from active membership service,
25 by adding to the annual amount previously payable, an amount equal to
26 two [ONE AND ONE-HALF] per cent of the base salary for the period of
27 re-employment. However, if the teacher has not attained the age of
28 60 on the date when payment of retirement salary is resumed, the
29 additional amount provided for in this paragraph shall be reduced

1 annually by the amount derived from the following computations:
2 multiply one-half of one per cent times the number of months, to the
3 nearest month, by which the teacher's attained age on the date of
4 subsequent retirement falls short of 60 times the additional amount
5 provided for in this paragraph.

6 * Sec. 3. AS 14.25.120 is amended by adding a new paragraph:

7 (f) A teacher who retires before July 1, 1971, with at least 25
8 years of creditable service, at least 15 of which were membership
9 service, and who is entitled to a retirement salary under either this
10 retirement fund or the retirement fund of 1945, shall receive a service
11 retirement salary of not less than \$300 per month, not including
12 adjustments made under sec. 142 or sec. 143 of this chapter. A
13 teacher who retired before July 1, 1971, with less than 25 years of
14 creditable service, and who is entitled to a retirement salary under
15 either this retirement fund or the retirement fund of 1945, shall
16 receive a service retirement salary of at least \$12 per month for each
17 year of credited service. If on the date the teacher originally
18 applied for retirement salary, the teacher elected option two as
19 provided by sec. 120(c)(2)(B) of this chapter as payment of his
20 indebtedness or a reduced benefit in accordance with sec. 120(c)(4) of
21 this chapter, the amount of the dollar reduction shall remain in
22 effect.

23 * Sec. 4. AS 14.25.137(a) is amended to read:

24 (a) A teacher is eligible for a deferred vested benefit if
25 (1) he terminates his employment after completing eight [10]
26 years of membership service; and
27 (2) he does not withdraw his contributions to the retirement
28 fund.

29 * Sec. 5. AS 14.25.143(b) is amended to read:

1 (b). The amount of the increase shall be equal to not more than
2 one and one-half per cent compounded for each year of retirement.
3 Increases accrue from the first of July next following the effective
4 date of retirement and shall be paid beginning the first of July of
5 each year.

6 * Sec. 6. AS 14.25.220(5) is amended to read:

7 (5) "membership service" means service as a teacher in a
8 public school within the State of Alaska under the supervision and
9 control of the Department of Education, the school board of any borough
10 school district, incorporated city, incorporated school district,
11 independent school district, or the Board of Regents of the University
12 of Alaska, or any period during which the teacher is on an approved
13 sabbatical leave granted in accordance with AS 14.20.310 or is
14 receiving a disability retirement salary ["MEMBERSHIP SERVICE" IS ALSO
15 SERVICE AS A TEACHER IN A "NONPUBLIC" SCHOOL WHICH MEANS A SCHOOL
16 ESTABLISHED BY AN AGENCY OTHER THAN A STATE OR ITS SUBDIVISIONS WHICH
17 IS PRIMARILY SUPPORTED BY OTHER THAN PUBLIC FUNDS, AND THE OPERATION
18 OF WHOSE PROGRAM RESTS WITH OTHER THAN PUBLICLY ELECTED OR APPOINTED
19 OFFICIALS, AND WHICH OFFERS GRADES KINDERGARTEN THROUGH 12, OR ANY
20 COMBINATION OF THEM, AND IS STATE APPROVED OR ACCREDITED];

21 * Sec. 7. AS 14.25.220(8) is amended by adding a new subsection to read:

22 (D) a full-time elementary or secondary teacher in an
23 approved and accredited non-public school in Alaska.

24 * Sec. 8. AS 14.25.220 is amended by adding a new subsection to read:

25 (22) "average base salary" means the highest average base
26 salary during any three of the last 10 years of membership service or
27 the member's total period of membership service, whichever is less.
28 The base salary in any school year for which the member receives less
29 than two-thirds of a year of credit shall not be included in the

1 determination of the average. If two-thirds or more of a year of
2 service credit is granted, the full year's salary shall be included
3 in the determination of the average.

4 * Sec. 9. Sec. 2 of this Act is retrospective to July 1, 1970.

5 * Sec. 10. This Act takes effect July 1, 1971.
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