

Original sponsor: Miller

Offered: 4/27/72
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

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HOUSE CS FOR CS FOR SENATE BILL NO. 264

FCC

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to retirement benefits; and providing
7 for an effective date."

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

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* Section 1. AS 39.30.090 is amended by adding new paragraphs to read:

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(9) A person receiving benefits under AS 22.25 or 39.35 who

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is not 65 years of age may obtain major medical and life insurance

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under this section for himself and any dependents who have not reached

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the age of 65 years.

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(10) A person receiving benefits under AS 22.25 or 39.35 who

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is 65 years of age or older but who has dependents who are under 65 may

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obtain major medical insurance for these dependents under this section.

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(11) A person receiving benefits under AS 22.25 or 39.35 who

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is over 65 years of age and any dependents who are over 65 years of age

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may obtain major medical and prescription drug insurance under this

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section to cover costs which are not covered by the federal old age

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survivor's and disability insurance program.

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(12) A person electing to have insurance under (9), (10) or

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(11) of this section shall pay the cost of this insurance.

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* Sec. 2. AS 39.35.040(5)(A) is amended to read:

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(A) an appropriate contribution rate for the state [NOT

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TO EXCEED EIGHT PER CENT OF THE COMPENSATION PAID TO PARTICIPATING

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STATE EMPLOYEES]; in addition the state shall pay the appropriate

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social security contribution; and

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* Sec. 3. AS 39.35.125 is amended by adding a new subsection to read:

1 (c) An elected official may be included retroactively in the
2 system if he makes retroactive contributions equal to what he would
3 have made if he had elected to be included when he became eligible
4 under (a) of this section.

5 * Sec. 4. AS 39.35.150 is amended to read:

6 Sec. 39.35.150. RE-EMPLOYMENT OF VESTED OR RETIRED EMPLOYEES.

7 (a) If a retired employee is re-employed on a temporary or a regular
8 full-time basis by an employer, no pension payments may be made during
9 the period of re-employment. During the period of re-employment, de-
10 ductions from salary may be made at the option of the temporary or full-
11 time vested or retired employee for contributions to the retirement
12 fund as provided in sec. 160 of this chapter. Upon the subsequent
13 retirement of the retired employee, he is entitled to receive a pension
14 based on his credited service and compensation before the date of
15 his previous retirement. If a previously vested or retired employee
16 [AND, IF HE] elects to make contributions to the fund during his re-
17 employment, his additional credited service and compensation during the
18 period of re-employment shall be included to determine his final re-
19 retirement benefit.

20 (b) In the case of re-employment of an employee who retires
21 under sec. 370(c) or 380 of this chapter, the pension payable upon the
22 employee's subsequent retirement shall be reduced by the actuarial
23 equivalent of early retirement benefits previously received by the
24 employee.

25 * Sec. 5. AS 39.35.160(a) is amended to read:

26 (a) While participating in the system each peace officer and each
27 fireman shall contribute five per cent and every other employee shall
28 contribute four and one-quarter [THREE AND ONE-HALF] per cent of his
29 compensation to the public employees' retirement system.

1 * Sec. 6. AS 39.35.370(a) is amended to read:

2 (a) An employee is eligible for a normal retirement pension if
3 his employment is terminated on or after his normal retirement date
4 and after he completes five [EIGHT] or more years of credited service.

5 * Sec. 7. AS 39.35.370(c) is amended to read:

6 (c) The monthly amount of the normal retirement pension for a
7 peace officer or a firemen is two per cent of his average monthly
8 compensation times his years of credited service up through 10 years,
9 plus two and one-half per cent of his average monthly compensation times
10 his years of service over 10 years. For every other employee and retired
11 employee it is one and one-half per cent of his average monthly compensa-
12 tion times his years of service up through 10 years, plus one and three-
13 quarters [ONE-HALF] per cent of his average monthly compensation times
14 his years of service from 11 through 20, plus two per cent of his
15 average monthly compensation times his years of service over 20 years.

16 * Sec. 8. AS 39.35.380(a) is amended to read:

17 (a) An employee, other than a peace officer or fireman, is eligi-
18 ble for an early retirement pension [IF HIS EMPLOYMENT IS TERMINATED]
19 on or after his 55th birthday and after he completes five [EIGHT] or
20 more years of credited service. A peace officer or fireman is eligible
21 for an early retirement pension [IF HIS EMPLOYMENT IS TERMINATED] on or
22 after his 50th birthday and after he completes five [EIGHT] or more
23 years of credited service as a peace officer or fireman.

24 * Sec. 9. AS 39.35.390 is amended to read:

25 Sec. 39.35.390. DEFERRED RETIREMENT BENEFIT. (a) An employee
26 is eligible for a deferred vested retirement benefit if his employment
27 is terminated on or after attainment of five [EIGHT] years accredited
28 service and he does not withdraw the balance in his employee contribu-
29 tion account.

1 (b) Payment of the deferred pension shall begin upon the first
2 day of the month coinciding with or following the employee's normal
3 retirement date and after he applies for the pension. The last pay-
4 ment shall be made as of the first day of the month in which the death
5 of the retired employee occurs.

6 (c) The monthly amount of the normal retirement pension shall
7 be determined in accordance with sec. 370(c) of this chapter as it is
8 in effect on the date of his termination of employment, considering
9 the employee's credited service and compensation before his termina-
10 tion of employment. If his benefit begins before his normal retirement
11 date, the benefit shall be reduced to the actuarial equivalent.

12 (d) An employee is not entitled to a deferred pension unless
13 an application for it is filed with the board on or after he reaches his
14 early [NORMAL] retirement date and before he attains age 70. If
15 the employee fails to apply for a deferred retirement benefit before
16 he becomes 70 years of age, he is eligible for a refund as if his
17 employment had terminated for a reason other than death at age 70
18 under secs. 200 - 220 of this chapter.

19 (e) An employee who is eligible for a deferred retirement benefit
20 who applies for this benefit on or after he reaches his normal retire-
21 ment date may elect a joint and survivor option under the same terms
22 and conditions as set out in sec. 450 of this chapter.

23 * Sec. 10. AS 39.35.400(a) is amended to read:

24 (a) An employee is eligible for a nonoccupational disability
25 pension if his employment is terminated because of a nonoccupational
26 disability before his normal retirement date and after five [EIGHT] or
27 more years of credited service.

28 * Sec. 11. AS 39.35.420 is amended to read:

29 Sec. 39.35.420. NONOCCUPATIONAL DEATH BENEFITS. If the death of

1 an employee occurs before his retirement, but after he has completed at
2 least one year of credited service, and the employee's survivor is not
3 entitled to a surviving spouse's pension under sec. 430 of this chapter,
4 a lump sum death benefit shall be paid to the beneficiary of the em-
5 ployee. The amount of the lump sum death benefit shall be \$1,000 plus
6 \$100 for each year of credited service. The lump sum death benefit is
7 in addition to a refund of the balance of the employee contribution
8 account of the deceased employee under sec. 210 of this chapter.

9 * Sec. 12. AS 39.35.450(c) is amended to read:

10 (c) An employee may elect, change, or revoke an option without
11 the approval of the board if his election, change, or revocation is
12 filed in writing with the board at least 30 days before his [NORMAL]
13 retirement date. The option may not be elected, changed, or revoked
14 after the 30 day period begins.

15 * Sec. 13. AS 39.35.475 is amended to read:

16 Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. When the
17 commissioner of administration determines that the cost of living has
18 increased and the financial condition of the retirement fund permits,
19 he will recommend to the retirement board increased pension payments to
20 retired employees, spouses or other beneficiaries to reflect this in-
21 crease in the cost of living and the board may adopt the increase by
22 regulation. The amount of the increase may not exceed four [ONE AND
23 ONE-HALF] per cent for each year of retirement. A retired employee
24 shall first be eligible for an increase at the end of the year follow-
25 ing the year of his retirement. Increases shall be effective on and
26 paid beginning the first day of January.

27 * Sec. 14. AS 39.35 is amended by adding a new section to read:

28 Sec. 39.35.485. MINIMUM BENEFIT. An employee whose termination
29 occurred before July 1, 1972 and who is eligible for a benefit calculated

1 in accordance with sec. 370(c) of this chapter is entitled to a bene-
2 fit of at least \$10 a month for each year of credited service,
3 not including adjustments made under secs. 380, 410, 450, 475 and 480.

4 * Sec. 15. AS 39.35.680(5)(B) is amended to read:

5 (B) means an elected official currently serving who
6 [, WITHIN 60 DAYS AFTER TAKING THE OATH OF HIS OFFICE OR WITHIN
7 60 DAYS AFTER MAY 12, 1966,] elects to pay contributions required
8 of an employee and to be included in the system under sec. 125 of
9 this chapter; for purposes of this paragraph a state legislator
10 is considered to be a full-time elected official;

11 * Sec. 16. AS 39.35.125 is repealed provided that any elected official
12 who is vested is entitled prior to December 31, 1972, to elect to take a
13 deferred or early retirement under the terms of the Public Employees'
14 Retirement System of Alaska.

15 * Sec. 17. This Act takes effect on July 1, 1972.
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