

Offered: 6/15/72

Original sponsor: Miller

1 IN THE SENATE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR HOUSE CS FOR CS FOR SENATE BILL NO. 264

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

10 (9) A person receiving benefits under AS 14.25.110, AS 22.25
11 or AS 39.35 who is not 65 years of age may obtain major medical and
12 life insurance under this section for himself and any dependents who
13 have not reached the age of 65 years.

14 (10) A person receiving benefits under AS 14.25.110, AS 22.25
15 or AS 39.35 who is 65 years of age or older but who has dependents who
16 are under 65 may obtain major medical insurance for these dependents
17 under this section.

18 (11) A person receiving benefits under AS 14.25.110, AS 22.25 or
19 AS 39.35 may obtain major medical and prescription drug insurance under
20 this section for himself and any dependents to cover costs which are not
21 covered by the federal old age survivor's and disability insurance program.

22 (12) A person electing to have insurance under (9), (10) or
23 (11) of this section shall pay the cost of this insurance.

24 (13) No person may elect for coverage under (9), (10) or (11)
25 of this section unless he was or is presently eligible for coverage
26 under this section.

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

28 (A) an appropriate contribution rate for the state [NOT
29 TO EXCEED EIGHT PER CENT OF THE COMPENSATION PAID TO PARTICIPATING

1 STATE EMPLOYEES]; in addition the state shall pay the appropriate
2 social security contribution; and

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

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

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

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

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

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

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

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

1 compensation to the public employees' retirement system.

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

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

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

7 (c) The monthly amount of the normal retirement pension for a
8 peace officer or a fireman is two per cent of his average monthly
9 compensation times his years of credited service up through 10 years,
10 plus two and one-half per cent of his average monthly compensation times
11 his years of service over 10 years. For every other employee and
12 retired employee it is one and one-half per cent of his average monthly
13 compensation times his years of service up through 10 years, plus one
14 and three-quarters [ONE-HALF] per cent of his average monthly compensa-
15 tion times his years of service from 11 through 20, plus two per cent
16 of his average monthly compensation times his years of service over
17 20 years.

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

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

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

27 Sec. 39.35.390. DEFERRED RETIREMENT BENEFIT. (a) An employee
28 is eligible for a deferred vested retirement benefit if his employment
29 is terminated on or after attainment of five [EIGHT] years accredited

1 service and he does not withdraw the balance in his employee contribu-
2 tion account.

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

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

14 (d) An employee is not entitled to a deferred pension unless
15 an application for it is filed with the board on or after he reaches his
16 early [NORMAL] retirement date and before he attains age 70. If the
17 employee fails to apply for a deferred retirement benefit before he be-
18 comes 70 years of age, he is eligible for a refund as if his employment
19 had terminated for a reason other than death at age 70 under secs. 200 -
20 220 of this chapter.

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

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

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

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

2 Sec. 39.35.420. NONOCCUPATIONAL DEATH BENEFITS. If the death of
3 an employee occurs before his retirement, but after he has completed at
4 least one year of credited service, and the employee's survivor is not
5 entitled to a surviving spouse's pension under sec. 430 of this chapter,
6 a lump sum death benefit shall be paid to the beneficiary of the em-
7 ployee. The amount of the lump sum death benefit shall be \$1,000 plus
8 \$100 for each year of credited service. The lump sum death benefit is
9 in addition to a refund of the balance of the employee contribution
10 account of the deceased employee under sec. 210 of this chapter.

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

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

17 * Sec. 13. AS 39.35 is amended by adding a new section to read:

18 Sec. 39.35.451. SPOUSE SURVIVOR BENEFITS UNDER PUBLIC EMPLOYEES
19 RETIREMENT ACT OF 1949. A person whose spouse is receiving retirement
20 benefits under the Public Employees Retirement Act of 1949 on July 1,
21 1972 is entitled to survivor benefits for life in the amount of the
22 retirement benefits received by the retired employee.

23 * Sec. 14. AS 39.35.475 is amended to read:

24 Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. When the
25 commissioner of administration determines that the cost of living has
26 increased and the financial condition of the retirement fund permits,
27 he will recommend to the retirement board increased pension payments to
28 retired employees, spouses or other beneficiaries to reflect this
29 increase in the cost of living and the board may adopt the increase by

1 regulation. The amount of the increase may not exceed four [ONE AND
2 ONE-HALF] per cent for each year of retirement. A retired employee
3 shall first be eligible for an increase at the end of the year follow-
4 ing the year of his retirement. Increases shall be effective on and
5 paid beginning the first day of January.

6 * Sec. 15. AS 39.35 is amended by adding a new section to read:

7 Sec. 39.35.485. MINIMUM BENEFIT. An employee whose termination
8 occurred before July 1, 1972 and who is eligible for a benefit calcu-
9 lated in accordance with sec. 370(c) of this chapter is entitled to a
10 benefit of at least \$10 a month for each year of credited service,
11 not including adjustments made under secs. 380, 410, 450, 475 and 480.

12 * Sec. 16. AS 39.35.680(5)(B) is amended to read:

13 (B) means an elected official currently serving who
14 [, WITHIN 60 DAYS AFTER TAKING THE OATH OF HIS OFFICE OR WITHIN
15 60 DAYS AFTER MAY 12, 1966,] elects to pay contributions required
16 of an employee and to be included in the system under sec. 125 of
17 this chapter; for purposes of this paragraph a state legislator
18 is considered to be a full-time elected official;

19 * Sec. 17. AS 26.05 is amended by adding new sections to read:

20 Sec. 26.05.222. CREATION AND ADMINISTRATION OF ALASKA NATIONAL
21 GUARD RETIREMENT PLAN. There is established in the public employees
22 retirement system of Alaska a separate Alaska National Guard retirement
23 plan and account, which shall be administered as a part of and in like
24 manner as the public employees retirement system.

25 Sec. 26.05.223. COMMENCEMENT OF PARTICIPATION IN PLAN. An active
26 member of the Alaska National Guard shall be included in this plan
27 upon commencement of his active membership in the Alaska National
28 Guard, or on January 1, 1973, whichever is later. Inclusion in the plan
29 is a condition of active membership in the Alaska National Guard.

1 Sec. 26.05.224. RETIREMENT BENEFITS. (a) An active member of
2 the Alaska National Guard is eligible for retirement pay upon voluntary
3 retirement after 20 years or more of service and upon reaching 55 years
4 of age, or upon involuntary retirement because of federal standards
5 imposed on National Guard members, regardless of length of
6 service.

7 (b) Retirement pay is \$50 a month to be continued for the same
8 number of months that the person was a member of the Alaska National
9 Guard.

10 (c) An eligible member who retires may elect to receive his
11 retirement pay beginning on the first day of the month coinciding with
12 or after retirement, or he may elect to receive his retirement pay at
13 a deferred date beginning on the first day of the month coinciding with
14 or after the date he elects for the retirement pay to begin.

15 Sec. 26.05.225. EARLIER SERVICE. A member of the Alaska National
16 Guard who is a member on January 1, 1973, is entitled to credit for
17 his service to the state and former territory of Alaska as a member of
18 the National Guard and Territorial Guard before January 1, 1973, in
19 determining eligibility for retirement pay under sec. 224 of this
20 chapter.

21 Sec. 26.05.226. CONTRIBUTIONS. After January 1, 1973 the
22 Department of Military Affairs shall contribute to the special Alaska
23 National Guard retirement account the amounts necessary to fund the
24 account as determined by the Public Employees Retirement Board. The
25 amount required for contributions by the Department of Military Affairs
26 for the purposes of this chapter shall be included in its annual appro-
27 priations, together with an amount necessary for its pro rata share
28 of the administrative expense of the retirement system.

29 Sec. 26.05.227. DEFINITION. As used in secs. 222 - 226 of this

1 chapter, "member" means an active commissioned or warrant officer
2 or enlisted man in the Alaska National Guard.

3 * Sec. 18. Sections 1 - 16 of this Act take effect on July 1, 1972.

4 * Sec. 19. Section 17 of this Act takes effect on January 1, 1973.
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