

Introduced: 2/21/73  
Referred: State Affairs and  
Commerce

1 IN THE HOUSE

BY CHANCE AND M. MILLER

2 HOUSE BILL NO. 246

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a deferred compensation program  
7 for public employees; and providing for an effective  
8 date."

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

10 \* Section 1. AS 39 is amended by adding a new chapter to read:

11 CHAPTER 45. PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM.

12 Sec. 39.45.010. AUTHORITY. The state or a political subdivision  
13 of the state may, by contract, agree with an employee to defer, in whole  
14 or in part, that employee's salary or wages. If included in the contract  
15 to defer payment of salary or wages, the state or a political subdivi-  
16 sion of the state shall purchase a fixed or variable life insurance or  
17 annuity contract for the purpose of funding the deferred compensation  
18 program provided for in this chapter, for the employee.

19 Sec. 39.45.020. ADMINISTRATION OF PROGRAM. (a) The administra-  
20 tion of the deferred compensation program for state employees is under  
21 the direction of the Department of Administration. A political subdivi-  
22 sion coming under the provisions of this chapter shall designate the  
23 office or official to administer its program.

24 (b) Payroll reductions are authorized by this chapter and shall  
25 be made by the appropriate payroll officer.

26 (c) The administrator of a deferred compensation program may  
27 contract with a private person for providing consolidated billing and  
28 other administrative services.

29 Sec. 39.45.030. INVESTMENT AUTHORITY. The administrator of the

1 state or political subdivision deferred compensation program is  
2 authorized, subject to contracts with individual employees, to invest  
3 the funds held under a deferred compensation program in fixed and  
4 variable life insurance and annuity contracts.

5 Sec. 39.45.040. ADDITIONAL BENEFITS. The deferred compensation  
6 program established under this chapter exists and serves in addition  
7 to any existing retirement, pension, or benefit system established  
8 by the state or its political subdivisions and may not affect a reduc-  
9 tion in benefits receivable under an existing system.

10 Sec. 39.45.050. TAX DEFERRED INVESTMENTS. The administrator of  
11 a deferred compensation program under this chapter shall invest only  
12 in contracts which allow for deferment of the state and federal income  
13 tax until benefits are receivable under the program and shall make  
14 appropriate withholding adjustments in each participating employee's  
15 payroll.

16 Sec. 39.45.060. DEFINITIONS. In this chapter "employee" means  
17 a person, whether appointed, elected or under contract, who provides  
18 services for the state or a political subdivision of the state for  
19 which compensation is given.

20 \* Sec. 2. This Act takes effect on the day after its passage and approval  
21 or on the day it becomes law without approval.  
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