

Introduced: 2/23/73
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 266

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the public employees' retirement
7 system."

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

9 * Section 1. AS 39.35.040(2) is amended to read:

10 (2) to adopt, with modifications it considers proper, rules
11 and regulations recommended by the administrator [PERSONNEL DIRECTOR]
12 for carrying out this chapter;

13 * Sec. 2. AS 39.35.040(3) is amended to read:

14 (3) to consider and adopt resolutions on matters referred
15 to it by the administrator [PERSONNEL DIRECTOR] in connection with
16 changes in policy and revisions of this chapter;

17 * Sec. 3. AS 39.35.040(4) is repealed and re-enacted to read:

18 (4) to act as an appeals board, hold hearings at the request
19 of an employer, employee, widow or a beneficiary on decisions made by
20 the administrator, and submit its findings to the administrator;

21 * Sec. 4. AS 39.35.040(5) is amended to read:

22 (5) to have prepared, at least biennially, an actuarial
23 valuation of the total obligations under the system of the state and
24 each participating political subdivision and public organization and,
25 on the basis of the valuation and in time for incorporation of the
26 results in the state budget, to certify to the appropriate budgetary
27 authorities of the state and each participating political subdivision
28 and public organization:

29 (A) an appropriate contribution rate for all partici-

1 participating employers, [THE STATE;] in addition to which the state
2 shall pay the appropriate social security contribution; and

3 (B) an amount appropriate for each participating
4 employer to liquidate his past service liability; [APPROPRIATE
5 TOTAL CONTRIBUTION RATE FOR EACH PARTICIPATING POLITICAL SUB-
6 DIVISION AND PUBLIC ORGANIZATION; IN ADDITION] the board shall
7 have an actuarial and financial experience analysis of the system
8 conducted at appropriate intervals, but no less frequently than
9 once every six years; the biennial valuations and the actuarial
10 and financial experience analyses shall be prepared and certi-
11 fied by a member of the American Academy of Actuaries [FELLOW OF
12 THE SOCIETY OF ACTUARIES];

13 * Sec. 5. AS 39.35.050 is amended to read:

14 Sec. 39.35.050. ADMINISTRATOR [DIRECTOR]. (a) The commissioner
15 shall appoint an administrator [A DIRECTOR] in charge of the detailed
16 affairs of the system. The commissioner may appoint the personnel
17 director of the personnel division of the Department of Administration
18 as the administrator [DIRECTOR].

19 (b) The administrator [DIRECTOR] shall serve as secretary of
20 the board. He shall administer the business of the system and is
21 responsible for its proper operation.

22 * Sec. 6. AS 39.35.060 is amended to read:

23 Sec. 39.35.060. POWERS AND DUTIES OF THE ADMINISTRATOR [DIR-
24 ECTOR]. The administrator [DIRECTOR] has the following powers and
25 duties:

26 (1) with the assistance of a technical actuarial advisor,
27 the administrator [DIRECTOR] shall submit to the board the required
28 actuarial tables and the statistical data necessary for periodic
29 actuarial surveys of the operating experience of the system;

1 (2) maintain records of the employees included in the
2 system which are necessary for the proper administration of the system
3 and furnish information requested by the actuary for preparing valua-
4 tions and periodic experience analyses;

5 (3) attend meetings of the board;

6 (4) certify to the appropriate division of the Department
7 of Administration the payments made according to this chapter;

8 (5) remit to the appropriate division of the Department
9 of Revenue for deposit in the name of the system, money received for
10 the account of the system;

11 (6) formulate and recommend to the board rules and regula-
12 tions to govern the operation of the system.

13 * Sec. 7. AS 39.35.070 is amended to read:

14 Sec. 39.35.070. DUTY OF EMPLOYERS TO FURNISH RECORDS. Each
15 employer shall furnish the administrator [DIRECTOR] with records
16 concerning the periods of service, dates of birth, compensation, new
17 entrants into service, death, withdrawals and other employee data
18 necessary for the proper and effective operation of the system.

19 * Sec. 8. AS 39.35.100(b)(1) is amended to read:

20 (1) An individual account shall be maintained for each
21 employee to which the amount of his mandatory contributions collected
22 under sec. 160(a) of this chapter shall be credited as of the date of
23 deduction or payment, as the case may be. As of the last day of each
24 calendar year and each fiscal year beginning with June 30, 1969, this
25 account shall be credited with interest, by applying one-half of the
26 prescribed rate of interest to the balance in the account as of that
27 date. Upon granting a pension, the amount actuarially determined as
28 necessary to fully fund the benefits to be received shall be trans-
29 ferred first from the employee contribution account and, after the

1 employee contribution account has been exhausted, then from the
2 employer contribution account into the retirement reserve account
3 [OR UPON PAYMENT OF A DEATH OR A REFUND BENEFIT, THE BALANCE OF THE
4 EMPLOYEE CONTRIBUTION ACCOUNT SHALL BE TRANSFERRED TO THE ASSET SHARE
5 ACCOUNT OF THE EMPLOYER OF THE EMPLOYEE AND THE EMPLOYEE CONTRIBUTION
6 ACCOUNT SHALL BE CHARGED WITH THE AMOUNT TRANSFERRED].

7 * Sec. 9. AS 39.35.100(b)(2) is amended to read:

8 (2) An individual account shall be maintained for each
9 employee to which the amount of his voluntary contributions shall be
10 credited as of the date of deduction or payment, as the case may be.
11 As of the last day of each calendar year and each fiscal year begin-
12 ning with June 30, 1969, this account shall be credited with interest,
13 by applying one-half of the prescribed rate of interest to the balance
14 in the account as of that date. Amounts which, before termination of
15 employment, are withdrawn by an employee from his savings account
16 shall be charged to that account. Upon an employee's retirement, the
17 amount actuarially determined as necessary to fully fund the benefits
18 to be received shall be transferred first from the employee contribution
19 account and, after the employee contribution account has been ex-
20 hausted, then from the employer contribution account into the retire-
21 ment reserve account [OR DEATH, THE BALANCE OF HIS EMPLOYEE SAVINGS
22 ACCOUNT SHALL BE TRANSFERRED TO THE ASSET SHARE ACCOUNT OF THE
23 EMPLOYER OF THE EMPLOYEE AND THE EMPLOYEE SAVINGS ACCOUNT SHALL BE
24 CHARGED WITH THE AMOUNT TRANSFERRED].

25 * Sec. 10. AS 39.35.100(b)(3) is amended to read:

26 (3) A separate account for each employer shall be maintained.
27 The account shall be credited with contributions of the employer
28 [AND AMOUNTS TRANSFERRED FROM THE EMPLOYEE CONTRIBUTION ACCOUNTS FOR
29 THE EMPLOYEES OF THE EMPLOYER,] except that contributions made by an

1 employer for the purpose of providing the employer's portion of the
2 total administrative expense of the system may not be credited to
3 this account. This account shall be charged with the employer's
4 actuarial charge for pension, death benefits [ALL PENSIONS, DEATH
5 REFUND], and other benefits paid under this system to or on behalf of
6 the employee of the employer. After an allowance for interest credited
7 to employee contribution accounts and employee savings accounts, the
8 investment income of the pension fund shall be allocated to each
9 employer asset share account according to the ratio that the average
10 of the assets in an employer's account as of the beginning and as of
11 the end of the fiscal year bears to the total of the average balance
12 of all employers.

13 * Sec. 11. AS 39.35.150 is amended to read:

14 Sec. 39.35.150. RE-EMPLOYMENT OF [VESTED OR] RETIRED EMPLOYEES.

15 (a) If a retired employee is re-employed on [A TEMPORARY OR] a regular
16 full-time basis by an employer, no pension payments may be made during
17 the period of re-employment. During the period of re-employment,
18 deductions from salary may be made at the option of the [TEMPORARY OR
19 FULL-TIME VESTED OR] retired employee for contributions to the
20 retirement fund as provided in sec. 160 of this chapter. Upon the
21 subsequent retirement of the retired employee, he is entitled to re-
22 ceive a pension based on his credited service and compensation before
23 the date of his previous retirement. If a previously [VESTED OR]
24 retired employee makes [ELECTS TO MAKE] contributions to the fund
25 during his re-employment, his additional credited service and compen-
26 sation during the period of re-employment shall be included to
27 determine his final retirement benefit.

28 (b) In the case of re-employment of an employee who retires
29 under sec. 370(c) or 380 of this chapter, the pension payable upon the

1 employee's subsequent retirement shall be reduced by the actuarial
2 equivalent of early retirement benefits previously received by the
3 employee.

4 * Sec. 12. AS 39.35.200 is amended to read:

5 Sec. 39.35.200. REFUND UPON TERMINATION OF EMPLOYMENT FOR REASON
6 OTHER THAN DEATH. Upon termination of employment for a reason other
7 than death, an employee [WHO IS NOT ELIGIBLE FOR A RETIREMENT BENEFIT]
8 is entitled to receive refund of the balance, determined as of the
9 date of termination of employment, of (1) his employee contribution
10 account and (2) his employee savings account. If, upon termination
11 of employment, the employee has credited service of less than five
12 years and has less than \$1,000 in his employee contribution account,
13 refund of the employee contribution account and the employee savings
14 account must be made.

15 * Sec. 13. AS 39.35.250 is amended to read:

16 Sec. 39.35.250. CALCULATION OF EMPLOYER'S CONTRIBUTION RATE.
17 An employer shall make contributions to the system in amounts deter-
18 mined in accordance with this section. A single contribution rate
19 shall be determined for all employers in the system sufficient to
20 support liabilities for benefits earned after December 31, 1972,
21 or entry date of the employer, whichever is later. The contribution
22 rate shall be the sum of the following percentages [A SEPARATE CONTRI-
23 BUTION RATE SHALL BE DETERMINED FOR EACH EMPLOYER, AND THE CONTRIBUTION
24 RATE SHALL BE THE SUM OF THE FOLLOWING PERCENTAGES]:

25 (1) the percentage of compensation of all [THE] partici-
26 parting employees of all employers in the system [THE EMPLOYER] which,
27 if paid over the entire period of their credited service, and when
28 combined with employee contributions available for the payment of
29 benefits under the system, is sufficient to provide the benefits

1 payable to the employees; this percentage is known as the normal cost
2 rate applicable to the employer;

3 (2) the percentage of compensation of all [THE] partici-
4 pating employees of each employer in the system [THE EMPLOYER]
5 necessary to provide the uniform annual amount required, at the
6 prescribed rate of interest, to amortize the amount of the unfunded
7 obligation of the employer over the balance of a period of 40 years;
8 this period begins the effective date of the employer's participation
9 in the system; and the unfunded obligation shall, on the beginning of
10 each fiscal year, be determined as the present value of all benefits
11 to be provided for the participating employees of the employer less the
12 sum of: (A) the balance of all employee contribution accounts of the
13 employees of the employer, (B) the present value of expected future
14 contributions from employees of the employer which are available for
15 the payment of benefits under the system, (C) the balance of the asset
16 share account of the employer, and (D) the present value of expected
17 future normal cost contributions of the employer; this percentage is
18 known as the prior service rate;

19 (3) the percentage of compensation of all [THE] participating
20 employees of all employers in the system [THE EMPLOYER] necessary to
21 provide the employer's pro rata share of the administrative expenses of
22 the system for the current fiscal year; an appropriate adjustment shall
23 be made for any surplus or deficiency existing in the employer's expense
24 account at the end of the previous fiscal year; administrative expenses
25 shall be shared by the employers in the ratio that the number of parti-
26 cipating employees of an employer bears to the total number of employees
27 participating in the system.

28 * Sec. 14. AS 39.35.270 is amended to read:

29 Sec. 39.35.270. AMOUNT OF EMPLOYER'S CONTRIBUTIONS. The amount

1 of each employer's contributions shall be determined by applying the
2 employer's contribution rate to the total of all compensation paid to
3 participating employees of the employer for each payroll period, and
4 this amount, plus a percentage of the annual payment for past service
5 liability, shall be remitted by the employer to the commissioner of
6 administration. The percentage of the annual payment for past service
7 liability payable shall be determined by a fraction, the numerator of
8 which is one and the denominator of which is the number of payroll per-
9 iods of the employer in one year.

10 * Sec. 15. AS 39.35.400(a) is amended to read:

11 (a) An employee is eligible for a nonoccupational disability
12 pension if his employment is terminated because of a total and
13 apparently permanent nonoccupational disability, as defined in sec.
14 680 of this chapter, before his normal retirement date and after five
15 or more years of credited service.

16 * Sec. 16. AS 39.35.400(b) is amended to read:

17 (b) Payment of the nonoccupational disability pension shall begin
18 upon the first day of the month after the expiration of a period of
19 three full months from the last day of employment. However, the admini-
20 strator [BOARD] may, in his [ITS] discretion, authorize the pension to
21 begin upon the first day of an earlier month after termination of his
22 employment. If the payment does not begin upon the first day of the
23 month coincidental with or after retirement, a retroactive payment shall
24 be made to cover the period of deferment. The last payment shall be
25 made as of the first day of the month in which the death of the retired
26 employee occurs or in which he recovers from disability.

27 * Sec. 17. AS 39.35.400(e) is amended to read:

28 (e) A retired employee receiving a nonoccupational disability
29 pension shall be required, as often as the administrator [PERSONNEL

1 DIRECTOR] considers advisable, but not more frequently than once a year,
2 to undergo a medical examination by a physician engaged by the admini-
3 strator [DIRECTOR]. If, in the judgment of the administrator [BOARD],
4 the examination indicates that the employee is no longer incapacitated
5 for service in the position held at the time his disability pension be-
6 gan, or in another comparable position, payments of his disability pen-
7 sion shall cease. The name of the employee shall then be placed on the
8 appropriate list of candidates maintained for appointment to a position
9 for which he is found to be qualified unless he elects to receive a nor-
10 mal or early retirement pension in accordance with (c) of this section.

11 * Sec. 18. AS 39.35.410(a) is amended to read:

12 (a) An employee is eligible for an occupational disability pension
13 if his employment is terminated because of a total and apparently perm-
14 anent [AN] occupational disability, as defined in sec. 680 of this
15 chapter, before his normal retirement date.

16 * Sec. 19. As 39.35.410(b) is amended to read:

17 (b) Payment of the occupational disability pension shall begin on
18 the first day of the month next following a period of three full months
19 after the last day of employment, except that the administrator [BOARD]
20 may, in his [ITS] discretion, authorize the pension to begin upon the
21 first day of an earlier month following termination of his employment.
22 If payment does not begin upon the first day of the month coincidental
23 with or after retirement, a retroactive payment shall be made to cover
24 the period of deferment. The last payment shall be made as of the first
25 day of the month in which the death of the retired employee occurs or in
26 which he recovers from occupational disability before his normal retire-
27 ment date.

28 * Sec. 20. AS 39.35.410(f) is amended to read:

29 (f) An employee is not entitled to an occupational disability

1 pension unless he files an application for it with the administrator
2 [BOARD] within six months after the date of the accident, if disability
3 is attributable to an accident, or within six months after the date
4 his disability begins if the disability is caused by an occupational
5 disease. If the disability is attributable to an accident, the employee
6 shall file a notice of the accident with the administrator [BOARD] with-
7 in 30 days following the date it occurred. This 30-day filing period
8 is suspended for the time the employee's condition prevents him from
9 filing.

10 * Sec. 21. AS 39.35.410(g) is amended to read:

11 (g) A retired employee receiving an occupational disability
12 pension shall be required, as often as the administrator [PERSONNEL
13 DIRECTOR OF THE STATE] considers advisable, but not more frequently
14 than once a year, to undergo a medical examination at a place deter-
15 mined by the administrator [PERSONNEL DIRECTOR] and by a physician or
16 physicians engaged by the administrator [DIRECTOR]. If, in the judgment
17 of the administrator [BOARD], the examination indicates that the re-
18 tired employee is no longer incapacitated for service in the position
19 held at the time his disability pension began, payments of his disa-
20 bility pension shall cease. The employee shall then be reappointed to
21 a position of the same classification in which he was employed at the
22 time of his disability if he still meets all other necessary require-
23 ments for that position, unless he elects to receive an early retire-
24 ment pension in accordance with (c) of this section. In any event, the
25 disability pension shall not cease until the employee is either re-
26 appointed, retired or otherwise disqualified from receiving a benefit
27 by being disqualified for reappointment.

28 * Sec. 22. AS 39.35.420 is amended to read:

29 Sec. 39.35.420. NONOCCUPATIONAL DEATH BENEFITS. (a) If the

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

10 (b) If the death of the employee occurs before his retirement
11 and after he has completed at least five years of credited service, and
12 the employee's survivor is not entitled to a surviving spouse's pension
13 under sec. 430 of this chapter, the survivor may at his discretion re-
14 ceive either the benefits described in (a) of this section or a 50 per
15 cent joint and survivor option based upon credited service to the date
16 of the employee's death and payable to the survivor commencing the first
17 day of the month following the death of the employee.

18 * Sec. 23. AS 39.35.430(d) is amended to read:

19 (d) A determination of whether the proximate cause of death was a
20 bodily injury sustained, or a hazard undergone, while in the performance
21 and within the scope of the employee's duties and whether the injury or
22 hazard was the proximate result of the wilful negligence of the employee
23 shall be made by the administrator [BOARD], based upon evidence
24 satisfactory to the administrator [BOARD]. Payment of the surviving
25 spouse's pension shall begin on the first day of the month after the
26 employee's death, and the last payment shall be made as of the first day
27 of the month in which the death or remarriage of the surviving spouse
28 occurs.

29 * Sec. 24. AS 39.35.450(a) is amended to read:

1 (a) By filing an application with the administrator [BOARD], an
2 employee may designate his spouse or a dependent approved by the
3 administrator [BOARD] as his contingent beneficiary and may elect to
4 receive a pension payable in accordance with one of the following
5 joint and survivor options, instead of the normal retirement pension
6 to which he may otherwise become entitled upon retirement.

7 (1) The employee shall receive a reduced pension payable for life,
8 and payments in the amount of 75 per cent of the reduced pension shall,
9 after the employee's death, be continued to his contingent beneficiary
10 for life.

11 (2) The employee shall receive a reduced pension payable for life,
12 and payments in the amount of 50 per cent of the reduced pension shall,
13 after the employee's death, be continued to his contingent beneficiary
14 for life.

15 (3) The employee shall receive a reduced pension payable during the
16 joint lifetime of the employee and his contingent beneficiary, and pay-
17 ments in the amount of 66 2/3 per cent of the reduced pension shall,
18 after the death of either the employee or his contingent beneficiary, be
19 continued to the survivor for life.

20 * Sec. 25. AS 39.35.450(c) is amended to read:

21 (c) An employee may elect, change, or revoke an option without
22 the approval of the administrator [BOARD] if his election, change, or
23 revocation is filed in writing with the administrator [BOARD] at least
24 30 days before his retirement date. The option may not be elected,
25 changed, or revoked after the 30 day period begins.

26 * Sec. 26. AS 39.35.450(d) is amended to read:

27 (d) An employee may, regardless of his age, elect an option
28 without the approval of the administrator [BOARD] any time within six
29 months after the effective date of his employer's participation in the

1 system, if the employee is in the active employ of the employer at the
2 time the election is made.

3 * Sec. 27. AS 39.35.480(a) is amended to read:

4 (a) An employee who remains in the state after his retirement, so
5 long as he continues to reside in the state, shall receive a cost of
6 living allowance in addition to his pension. The amount of this allow-
7 ance shall be determined by the board as described in (c) of this
8 section but in no case shall be less than \$50 or 10 per cent of the
9 basic retirement benefit received by the retired employee, whichever
10 is greater [IS DETERMINED BY THE INCREASE IN BENEFIT THAT RESULTS WHEN
11 THE EMPLOYEE'S PRIMARY SOCIAL SECURITY BENEFIT, WHETHER OR NOT THE
12 EMPLOYEE IS IN FACT ELIGIBLE FOR THE BENEFIT, IS MULTIPLIED BY THE
13 RATIO THAT THE COST OF LIVING IN THE STATE BEARS TO THE COST OF LIVING
14 IN ONE OR MORE OF THE OTHER STATES OF THE UNITED STATES].

15 * Sec. 28. AS 39.35.610 is amended to read:

16 Sec. 39.35.610. TRANSMITTAL OF CONTRIBUTIONS TO COMMISSIONER
17 OF ADMINISTRATION. The contributions of the political subdivision or
18 public organization and the contributions of its employees shall be
19 transmitted to the commissioner of administration as soon as practi-
20 cable after the close of the payroll period for which the contribu-
21 tions are made. If an employer is delinquent in transferring the
22 contributions for more than 15 [30] days, interest shall be assessed
23 on the outstanding contributions at one and one-half times the most
24 recent actuarially determined rate of earnings for the retirement
25 system [THE PRESCRIBED RATE] from the date that the contributions were
26 originally due.

27 * Sec. 29. AS 39.35.620(b) is repealed and re-enacted to read:

28 (b) All employees of the terminating employer whose contributions
29 have not been refunded, regardless of their employment status at the

1 date of termination, shall be considered fully vested in their adjusted
2 accrued retirement benefits as of the date of termination of the
3 employer.

4 * Sec. 30. AS 39.35.620 is amended by adding a new subsection to read:

5 (c) If the terminating employer has not liquidated his past
6 service liability on the date of termination, the accrued vested bene-
7 fits of all employees of the terminating employer to which the employees
8 are entitled because of service prior to July 1, 1973, or the date of
9 entry of the employer, whichever is later, shall be reduced by an amount
10 derived by multiplying the accrued vested benefit by a fraction, the
11 numerator of which is the remaining unfunded past service liability and
12 the denominator of which is the actuarially calculated value of benefits
13 earned prior to July 1, 1973, or the entry date of the employer, which-
14 ever is later.

15 * Sec. 31. AS 39.35.620 is amended by adding a new subsection to read:

16 (d) Each employee of a terminating employer must, within 60 days
17 of the employer's termination of participation, inform the administra-
18 tor, in writing, whether he wishes to obtain a refund or a vested
19 benefit.

20 * Sec. 32. AS 39.35.620 is amended by adding a new subsection to read:

21 (e) Each employee who elects to obtain a refund shall receive
22 a refund of the balance, determined as of the date of his employer's
23 termination of participation, of (1) his employee contribution account
24 and (2) his employee savings account. The vesting in accrued benefits
25 for each employee who elects to receive a refund is voided upon his
26 receipt of his refund. No partial refund shall be allowed under this
27 section.

28 * Sec. 33. AS 39.35.620 is amended by adding a new subsection to read:

29 (f) For each employee who elects to obtain a vested benefit,

1 the amount actuarially determined as necessary to fully fund the
2 benefits to be received shall be transferred first from the employee
3 contribution account and, after the employee contribution account has
4 been exhausted, then from the employer contribution account into
5 the retirement reserve account.

6 * Sec. 34. AS 39.35.620 is amended by adding a new subsection to read:

7 (g) After all of the employees of the terminating employer have
8 either received refunds or have been vested in their accrued benefits,
9 the remaining funds in the employer contribution account shall be re-
10 funded to the employer and the employer contribution account shall be
11 closed.

12 * Sec. 35. AS 39.35.620 is amended by adding a new subsection to read:

13 (h) Termination of an employer's participation in the system
14 shall not bar future participation in the system by that employer. If
15 a previously terminated employer returns to the system his employees
16 may be credited only with service subsequent to the date of return.
17 Adjustments made to the accrued benefits of the employees of the
18 previously terminated employer at the time of his termination shall not
19 be altered by that employer's return to participation in the system.

20 * Sec. 36. AS 39.35.680 is amended by adding new paragraphs to read:

21 (20) "military service" means service in the armed forces
22 of the United States after January 1, 1940;

23 (21) "administrator" means the person appointed by the
24 commissioner of administration pursuant to sec. 50 of this chapter;

25 (22) "past service liability" means:

26 (A) for each employer participating in the system
27 on December 31, 1972, that part of the actuarially determined
28 value of accrued benefits for that employer as of that date
29 which exceeds the total of the value of the employer account and

1 the mandatory contribution account for each employee of the em-
2 ployer as of that date;

3 (B) for each employer entering participation after
4 December 31, 1972, the actuarially determined value of benefits
5 with respect to service with that employer before the employer's
6 entry into the system;

7 (C) for all employers, the uniform annual amount re-
8 quired to amortize the amount of the unfunded obligation of the
9 employer, as described in (A) and (B) of this paragraph, over a
10 period of 40 years; this 40 year period begins the effective date
11 of the employer's participation in the system or on January 1,
12 1973, whichever is later.