

Introduced: 2/27/73
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY MALONE

2 HOUSE BILL NO. 275

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 teachers' retirement; and providing
7 for an effective date."

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

9 * Section 1. AS 14.25.050 is amended to read:

10 Sec. 14.25.050. CONTRIBUTIONS BY TEACHERS. Beginning July 1,
11 1973 [1970], each teacher shall contribute to the retirement fund an
12 amount equal to nine [SEVEN] per cent of his base salary accrued from
13 July 1 to the following June 30. The contribution shall be deducted by
14 the employer at the end of each payroll period.

15 * Sec. 2. AS 14.25.060(c) is amended to read:

16 (c) If a teacher has creditable outside service he is indebted, in
17 addition to the contributions required by sec. 50 of this chapter, as
18 follows:

19 (1) If, at the time of becoming a member of the retirement
20 system, a teacher has no membership service, his indebtedness is seven
21 per cent of the base salary paid at the time of first becoming employed
22 as a teacher under this chapter, multiplied by the [TOTAL] number of
23 years of creditable outside service accumulated prior to July 1, 1973,
24 and nine per cent of that base salary multiplied by number of years of
25 creditable outside service accumulated after July 1, 1973, at the time
26 of becoming a member. The combined total of outside and BIA service
27 claimed may not exceed 15 years; however, no more than 10 years outside
28 service may be claimed. Compound interest at the rate prescribed by
29 regulation shall be added to the indebtedness beginning July 1, 1963,

1 or at the time of first becoming employed as a teacher, whichever is
2 later, to the date of payment or the date of retirement, whichever
3 occurs first.

4 (2) If a teacher, after becoming a member of this retirement
5 system, discontinues active membership and subsequently desires to be
6 reinstated and to receive credit for outside service accumulated in the
7 interim, his indebtedness to the retirement fund for the additional
8 credit shall be computed as seven per cent of the base salary received
9 upon reinstatement multiplied by the number of years of interim outside
10 service prior to July 1, 1973, and nine per cent of that base salary
11 multiplied by the number of years of interim outside service after
12 July 1, 1973. Compound interest at the rate prescribed by regulation
13 shall be added to the indebtedness beginning on July 1, 1963, or at the
14 time of reinstatement, whichever is later, to the date of payment or the
15 date of retirement, whichever occurs first.

16 * Sec. 3. AS 14.25.110(a) is amended to read:

17 (a) A teacher who has completed either (1) 15 years of creditable
18 service, the last five years of which have been membership service in
19 the state, and who has attained the age of 50 [55] years, or (2) 20
20 [30] years of creditable service, the last five years of which have been
21 membership service in the state, may retire from service, and apply in
22 writing to the administrator for retirement salary. A retired teacher
23 who has been receiving a disability retirement salary shall be eligible
for a service retirement salary upon or after attaining age 50 [60].

24 * Sec. 4. AS 14.25.120(e)(1) is amended to read:

25 (1) If the teacher is either 55 [60] years of age or older
26 or has 20 [30] years of creditable service on the date which the appli-
27 cation for a retirement salary is filed and has paid into the retirement
28 fund the full amount of his indebtedness, his annual retirement salary
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1 is two per cent of his highest average base salary, as defined in (f)
2 of this section, multiplied by the total number of years of creditable
3 service, including credited fractional years.

4 * Sec. 5. AS 14.25.120(c)(4) is amended to read:

5 (4) If the teacher has not attained the age of 55 [60] or
6 completed 20 [30] years of creditable service on the date when appli-
7 cation for retirement salary is filed, the annual retirement salary that
8 would be due and owing to the teacher if he were at least 55 [60] shall
9 be reduced annually by the amount derived from the following computa-
10 tions: multiply one-half of one per cent times the number of months,
11 to the nearest month, by which the applicant's attained age on date of
12 filing application falls short of 55 [60] times the amount of annual
13 retirement salary that would be due and owing the teacher if he were
14 at least 55 [60].

15 * Sec. 6. AS 14.25.120(c)(8) is amended to read:

16 (8) During the period of re-employment, deductions from
17 salary may be made at the option of the teacher for contributions to the
18 retirement fund as provided in sec. 50 of this chapter. If deductions
19 are made, the annual amount of retirement salary shall be increased
20 when the teacher again retires from active membership service, by adding
21 to the annual amount previously payable, an amount equal to two per cent
22 of the base salary for the period of re-employment. However, if the
23 teacher has not attained the age of 55 [60] on the date when payment
24 of retirement salary is resumed, the additional amount provided for in
25 this paragraph shall be reduced annually by the amount derived from the
26 following computations: multiply one-half of one per cent times the
27 number of months, to the nearest month, by which the teacher's attained
28 age on the date of subsequent retirement falls short of 55 [60] times
29 the additional amount provided for in this paragraph.

1 * Sec. 7. AS 14.25.130 is amended by adding a new section to read:

2 (d) Each 12 months that a teacher received disability retirement
3 under this section shall be equal to one school year of creditable
4 outside service, and lesser periods of disability retirement shall be
5 determined for credit purposes in a proportionate ratio to a school
6 year. No contribution for service or payment of arrearages may be
7 required of the teacher to obtain creditable service under this section.

8 * Sec. 8. This Act takes effect July 1, 1973.
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