

1 IN THE HOUSE

BY BOWMAN AND KELLEY

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 64

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the public employees' retirement
7 system; and providing for an effective date."

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

9 * Section 1. AS 39.35.160(a) is amended to read:

10 (a) While participating in the system an employee [EACH PEACE
11 OFFICER AND EACH FIREMAN] shall contribute five [PER CENT AND EVERY
12 OTHER EMPLOYEE SHALL CONTRIBUTE FOUR] and one-quarter per cent of his
13 compensation to the public employees' retirement system.

14 * Sec. 2. AS 39.35.370(c) is amended to read:

15 (c) The monthly amount of the normal retirement pension for an
16 employee and a retired employee [A PEACE OFFICER OR A FIREMAN] is two
17 per cent of his average monthly compensation times his years of
18 credited service up through 10 years, plus two and one-half per cent of
19 his average monthly compensation times his years of service over 10
20 years. However, the monthly amount of the normal retirement pension
21 may not exceed 80 per cent of the average monthly compensation upon
22 which the benefit is calculated [FOR EVERY OTHER EMPLOYEE AND RETIRED
23 EMPLOYEE IT IS TWO PER CENT OF HIS AVERAGE MONTHLY COMPENSATION TIMES
24 HIS YEARS OF SERVICE].

25 * Sec. 3. AS 39.35.380(a) is amended to read:

26 (a) An employee [, OTHER THAN A PEACE OFFICER OR FIREMAN,] is
27 eligible for an early retirement pension on or after his 50th [55TH]
28 birthday and after he completes five or more years of credited service.
29 [A PEACE OFFICER OR FIREMAN IS ELIGIBLE FOR AN EARLY RETIREMENT PENSION

1 ON OR AFTER HIS 50TH BIRTHDAY AND AFTER HE COMPLETES FIVE OR MORE YEARS
2 OF CREDITED SERVICE AS A PEACE OFFICER OR FIREMAN.]

3 * Sec. 4. AS 39.35.380 is amended by adding a new subsection to read:

4 (d) An employee who previously retired under (a) of this section
5 shall be paid benefits computed under sec. 370(c) of this chapter from
6 the effective date of this Act.

7 * Sec. 5. AS 39.35.485 is amended to read:

8 Sec. 39.35.485. MINIMUM BENEFIT. (a) An employee whose termina-
9 tion occurred before July 1, 1975 [1972] and who is eligible for a
10 benefit calculated in accordance with sec. 370(c) of this chapter is
11 entitled to a benefit of at least \$13.25 a month for each year of
12 credited service, not including adjustments made under secs. 380, 410,
13 450, 475 and 480 of this chapter.

14 (b) An employee who retired under this section before the
15 effective date of this Act shall be paid a benefit amount computed
16 under sec. 370(c) of this chapter or under this section, whichever is
17 greater.

18 * Sec. 6. AS 39.35.410(d) is amended to read:

19 (d) The monthly amount of an occupational disability pension for
20 a peace officer or a fireman shall be two-thirds of his gross monthly
21 compensation at the time of his disability. For any other employee
22 it shall be determined in accordance with sec. 370(c) of this chapter,
23 considering (1) the employee's compensation before his termination of
24 employment, and (2) either the credited service that would have been
25 accumulated if the employee's employment had continued until his 55th
26 [60TH] birthday after his disability or his actual credited service
27 before his disability, whichever is greater; except that the amount so
28 determined shall be reduced by assuming that a joint and survivor option
29 of 75 per cent became immediately effective upon retirement, with the

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employee's spouse as contingent beneficiary. If no spouse exists at the time of actual retirement, the pension shall be determined as if the spouse were the same age as the employee.

* Sec. 7. AS 39.35.680(11) is amended to read:

(11) "normal retirement date" for an employee [A PEACE OFFICER OR A FIREMAN] means the first day of the month following either his 55th birthday and five [EIGHT] years of credited service or his 20th year of credited service, whichever is earlier [, AND FOR ANY OTHER EMPLOYEE IT MEANS THE FIRST DAY OF THE MONTH FOLLOWING EITHER HIS 60TH BIRTHDAY AND EIGHT YEARS OF CREDITED SERVICE OR HIS 30TH YEAR OF CREDITED SERVICE, WHICHEVER IS EARLIER];

* Sec. 8. This Act takes effect immediately in accordance with AS 01.10.

070(c).

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