

Introduced: 4/17/75
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY BOWMAN

2 HOUSE BILL NO. 440

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a uniform public employees'
7 retirement system."

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

9 * Section 1. AS 39.35.010(b) is amended to read:

10 (b) The system created becomes effective as of January 1, 1961,
11 at which time contributions by the state and its employees begin,
12 subject to other provisions of this chapter as amended.

13 * Sec. 2. AS 39.35.020(5) is amended to read:

14 (5) as soon as possible after the close of each fiscal year,
15 and not later than six months after the close of each fiscal year,
16 send to the governor, the legislature, all political subdivisions, and
17 the board an annual statement on the operations of the system contain-
18 ing

19 (A) a balance sheet;

20 (B) a statement of income and expenditures for the
21 year;

22 (C) a report on an actuarial valuation of its assets
23 and liabilities;

24 (D) a detailed statement of the investments acquired
25 and disposed of during the year;

26 (E) a list of investments owned;

27 (F) other statistical financial data which are neces-
28 sary for a proper understanding of the financial condition of the
29 system and the result of its operations;

1 * Sec. 3. AS 39.35.030 is repealed and re-enacted to read:

2 Sec. 39.35.030. PUBLIC EMPLOYEES RETIREMENT BOARD. (a) The
3 Public Employees Retirement Board composed of three members is estab-
4 lished.

5 (b) One member of the board shall be a member of the personnel
6 board of the Department of Administration. The remaining members shall
7 be appointed by the governor as follows: one member of the board shall
8 be a borough employee or a borough elected official; one member of
9 the board shall be a city employee or a city elected official.

10 (c) Initial terms of the members are two, four and six years.
11 Subsequent terms are six years. Vacancies in the unexpired terms shall
12 be filled in the same manner as full terms.

13 (d) A member of the board may receive a per diem allowance and
14 transportation expenses in carrying out the duties set out in this
15 chapter.

16 * Sec. 4. AS 39.35.040(5) is repealed and re-enacted to read:

17 (5) to have prepared, at least biennially, an actuarial
18 valuation of the total obligations under the system on the basis of
19 the valuation and in time for incorporation of the results in the
20 employer's budget, to certify to the appropriate budgetary authorities
21 of the employers; in addition,

22 (A) employers pay the appropriate social security
23 contribution;

24 (B) the board shall have an actuarial and financial
25 experience analysis of the system conducted at appropriate inter-
26 vals, but no less frequently than once every six years; the
27 biennial valuations and the actuarial and financial experience
28 analyses shall be prepared and certified by a member of the
29 American Academy of Actuaries.

1 * Sec. 5. AS 39.35.050(a) is amended to read:

2 (a) The commissioner shall appoint an administrator in charge of
3 the detailed affairs of the system. [THE COMMISSIONER MAY APPOINT THE
4 PERSONNEL DIRECTOR OF THE PERSONNEL DIVISION OF THE DEPARTMENT OF
5 ADMINISTRATION AS THE ADMINISTRATOR.]

6 * Sec. 6. AS 39.35.060(4) is amended to read:

7 (4) certify to the employers [APPROPRIATE DIVISION OF THE
8 DEPARTMENT OF ADMINISTRATION] the payments made according to this
9 chapter;

10 * Sec. 7. AS 39.35.060 is amended by adding a new paragraph to read:

11 (7) establish service credit accounts for employees.

12 * Sec. 8. AS 39.35.100(b)(3) is repealed and re-enacted to read:

13 (3) A separate account for the employers shall be maintained.
14 The account shall be credited with contributions of the employers and
15 amounts transferred from the employee contribution accounts for the
16 employees of the employers. The contributions made by the employer
17 shall include the total administrative expenses of the system. This
18 account shall be charged with all administrative expenses, pensions,
19 death refund, and other benefits paid under this system to or on behalf
20 of the employee of the employer. After an allowance for interest
21 credited to employee contribution accounts and employee savings accounts,
22 the investment income of the pension fund shall be allocated to the
23 employers asset share account.

24 * Sec. 9. AS 39.35.100(b)(4) is repealed and re-enacted to read:

25 (4) Expenditures from the account under (3) of this subsec-
26 tion shall be included in the governor's budget for each fiscal year
27 and are subject to approval by the legislature.

28 * Sec. 10. AS 39.35.120 is repealed and re-enacted to read:

29 Sec. 39.35.120. COMMENCEMENT OF PARTICIPATION. (a) Public

1 employees of the state or a political subdivision or a public or quasi-
2 public organization of the state or former Territory of Alaska, and
3 members of a quasi-judicial board of the state, shall be included in
4 the system upon commencement of employment or on January 1, 1959,
5 whichever is later.

6 (b) Inclusion in the system is a condition of employment for an
7 employee, including elected and appointed officials.

8 * Sec. 11. AS 39.35.130 is amended to read:

9 Sec. 39.35.130. TERMINATION OF PARTICIPATION. An employee or
10 former employee shall be excluded from the system upon termination of
11 his employment with the employer, unless he has eight years of credited
12 service [IS ELIGIBLE FOR A RETIREMENT BENEFIT AT THAT TIME]. If the
13 employee does not receive a refund of his contributions at the time of
14 his termination, his voluntary contribution account [ACCOUNTS, INCLUDING
15 VOLUNTARY CONTRIBUTIONS] shall continue to be held in the system, earn
16 interest at the prescribed rate and according to the prescribed method
17 of allocation under sec. 100 of this chapter, and is [ARE] available
18 to the employee, his beneficiary, or his estate in one of the alterna-
19 tive settlement options under sec. 220 of this chapter within 60 days
20 of an application for [THEIR] withdrawal. Upon termination a refund
21 is made automatically unless the employee specifically requests that
22 the refund not be made in this manner. A former employee who resides
23 in the state after the effective date of this section may, within two
24 years of the effective date of this section, apply for reinstatement
25 under the system if termination occurred before the effective date of
26 this section and the employee had eight years of credited service under
27 the system. Retired employees who reside in the state after the effec-
28 tive date of this section, within two years of the effective date of
29 this section, are to have their service credits reviewed and retirement

1 benefits recomputed from the effective date of this section; however,
2 no retired employee is to receive a lesser benefit as a result of
3 recomputation under this section than he was receiving otherwise.

4 * Sec. 12. AS 39.35.140 is amended to read:

5 Sec. 39.35.140. RE-EMPLOYMENT OF FORMER EMPLOYEES. If an em-
6 ployee's employment is terminated before the employee becomes eligible
7 for a retirement benefit and the employee is subsequently re-employed
8 under the system [BY AN EMPLOYER], he is considered a re-employed [NEW]
9 employee and shall [MAY NOT] receive credit for a prior period of
10 employment [, EXCEPT AS PROVIDED IN SEC. 350 OF THIS CHAPTER].

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

12 (a) If a retired employee is re-employed on a regular full-time
13 basis under the system [BY AN EMPLOYER], no pension payments may be
14 made during the period of re-employment. During the period of re-
15 employment, deductions from salary may be made [AT THE OPTION OF THE
16 RETIRED EMPLOYEE] for voluntary contributions to the retirement fund as
17 provided in sec. 160 of this chapter. Upon the subsequent retirement
18 of the retired employee, he is entitled to receive a pension based on
19 his credited service and compensation before the date of his previous
20 retirement and the [. IF A PREVIOUSLY RETIRED EMPLOYEE MAKES CONTRI-
21 BUTIONS TO THE FUND DURING HIS RE-EMPLOYMENT, HIS] additional credited
22 service and compensation during the period of re-employment shall be
23 included to determine his final retirement benefit.

24 * Sec. 14. AS 39.35.153 is amended by adding new subsections to read:

25 (b) If an employee has transferred to the federal system and
26 subsequently enters this system, he shall pay back the employer's
27 amount distributed to him and shall receive credit for the service.

28 (c) An employee of the Department of Military Affairs may elect
29 coverage under this system instead of the federal system and may

1 purchase service credit for the period served in the federal system
2 for the amount of the federal employer's contribution if he had remained
3 in the system.

4 * Sec. 15. AS 39.35.160 is repealed and re-enacted to read:

5 Sec. 39.35.160. EMPLOYEE CONTRIBUTIONS. No employee contribu-
6 tions are to be made for benefits under the system. Each employee
7 shall pay the appropriate social security contribution.

8 * Sec. 16. AS 39.35.180 is amended to read:

9 Sec. 39.35.180. VOLUNTARY CONTRIBUTIONS BY EMPLOYEE. An [IN
10 ADDITION TO THE MANDATORY CONTRIBUTIONS REQUIRED OF AN EMPLOYEE UNDER
11 SEC. 170 OF THIS CHAPTER, AN] employee may, during each calendar year
12 he is participating in the system, voluntarily contribute to his
13 employee savings account an amount not to exceed five per cent of his
14 compensation.

15 * Sec. 17. AS 39.35.260 is amended to read:

16 Sec. 39.35.260. ANNUAL CALCULATION. (a) The contribution rate
17 under the system [FOR EACH EMPLOYER] shall be calculated every fiscal
18 year, using the information available at the time the computation is
19 made. The computation shall be completed in time to be considered in
20 the [STATE] budget of each employer. [EACH EMPLOYER SHALL PROVIDE IN
21 ITS BUDGET FOR THE PAYMENT OF CONTRIBUTIONS ACCORDING TO ITS CURRENT
22 CONTRIBUTION RATE.]

23 (b) The state shall pay the amount of employees' or former em-
24 ployees' previous mandatory contributions to the system since January 1,
25 1961.

26 * Sec. 18. AS 39.35.280 is amended to read:

27 Sec. 39.35.280. DETERMINATION AND PAYMENT OF STATE CONTRIBUTIONS.
28 (a) The total amount of contributions required under secs. 260 - 290
29 [250 - 290] of this chapter to be made by the state into the system

1 shall be ascertained by the Department of Administration as soon as
2 practicable after the end of each calendar month and shall be paid from
3 the general fund of the state, except as provided in this section. If
4 an employee is paid wages by the state during the month from a special
5 or administrative fund provided by law, the payment to the system shall
6 be made from that special or administrative fund. If the wages of an
7 employee include both wages for state employment paid from the general
8 fund of the state and wages for state employment paid from special or
9 administrative funds, the amount to be paid into the system shall be
10 prorated among the state funds in proportion to the wages paid to the
11 individuals from each fund. However, no payment may be made from the
12 special or administrative fund if the statute covering the special or
13 administrative fund prohibits it.

14 (b) The state shall pay 50 per cent of the employer contributions
15 for employers other than the state. When Prudhoe Bay revenues commence
16 to be received by the state, 100 per cent of all employers' contribu-
17 tions shall be paid by the state.

18 * Sec. 19. AS 39.35 is amended by adding a new section to read:

19 Sec. 39.35.285. DEFERRED BENEFIT PAYMENT. Other provisions of
20 law notwithstanding, benefit payments by employers under the system
21 shall be based on the actual amount of retirement benefits paid out of
22 the system. When Prudhoe Bay revenues commence to be received by the
23 state, 100 per cent of the amount of benefit payments by employers
24 under the system shall be paid by the state.

25 * Sec. 20. AS 39.35.300 is amended to read:

26 Sec. 39.35.300. EMPLOYMENT CREDIT [WITH THE STATE]. An employee
27 is entitled to service credit for the entire period of [UNINTERRUPTED]
28 employment under the system [WITH THE STATE FOR WHICH HE MAKES CONTRI-
29 BUTIONS REQUIRED BY THIS CHAPTER] beginning January 1, 1959 [1961], or

1 the latest date the employee entered employment, whichever is later,
2 and ending with the termination of his employment, regardless of the
3 employer [OFFICE, DEPARTMENT, DIVISION, OR AGENCY OF THE STATE IN WHICH
4 HE WAS EMPLOYED].

5 * Sec. 21. AS 39.35.320 is amended to read:

6 Sec. 39.35.320. TRANSFERS WITHIN THE SYSTEM [BETWEEN EMPLOYERS].
7 If an employee transfers within the system, whether or not he withdraws
8 [FROM ONE PARTICIPATING EMPLOYER TO ANOTHER WITHOUT WITHDRAWING] his
9 contributions, his service credit at the time of the transfer shall be
10 preserved, and he does not forfeit any service credit by reason of the
11 transfer.

12 * Sec. 22. AS 39.35.340 is repealed and re-enacted to read:

13 Sec. 39.35.340. MILITARY SERVICE. (a) An employee is entitled
14 to service credit for military service in the armed forces of the United
15 States either by enlistment or induction. The service credit may not
16 exceed an aggregate period of 10 years.

17 (b) An employee who is entitled to service credit for military
18 service may not be required to make retroactive contributions under the
19 system for the period of service credit.

20 (c) An employee who has served in the Alaska Army National Guard
21 or Air National Guard shall receive one year of service credit for each
22 two years service with a maximum entitlement of 10 years accumulation
23 of credit under the system.

24 * Sec. 23. AS 39.35.350 is amended to read:

25 Sec. 39.35.350. INTERRUPTED EMPLOYMENT. If an employee's employ-
26 ment is terminated for any reason before he becomes eligible for a
27 retirement benefit and the employee is subsequently reemployed, the
28 employee is entitled to the credited service he had accumulated at the
29 time of his last termination [, IF THE EMPLOYEE MAKES A CONTRIBUTION

1 TO THE SYSTEM EQUAL TO THE AMOUNT OF THE REFUND PAID UPON HIS LAST
2 TERMINATION, AND ATTRIBUTABLE TO THE BALANCE IN HIS EMPLOYEE CONTRI-
3 BUTION ACCOUNT AT THAT TIME, TOGETHER WITH INTEREST AT THE PRESCRIBED
4 RATE TO THE DATE OF REPAYMENT OF THE CONTRIBUTION. A REPAYMENT TO
5 ESTABLISH CREDIT FOR THE LAST PERIOD OF INTERRUPTED SERVICE WILL NOT
6 BE PERMITTED MORE THAN THREE YEARS AFTER THE DATE ON WHICH NOTICE OF
7 THE AMOUNT OF CONTRIBUTION AND INTEREST DUE WAS MAILED TO THE EMPLOYEE
8 AT HIS PLACE OF EMPLOYMENT].

9 *Sec. 24. AS 39.35.360 is repealed and re-enacted to read:

10 Sec. 39.35.360. EARLIER SERVICE. (a) An employee or former
11 employee who resides in the state after the effective date of this
12 section and completed one year of service under the system after Janu-
13 ary 1, 1959 is entitled to service credit for employment rendered to
14 the state and former Territory of Alaska or its political subdivisions
15 before January 1, 1961, regardless of the office, department, division,
16 or agency of the state or territory or federal agency absorbed by the
17 state in which he was employed, including but not limited to service
18 as a commissioned officer of the United States Public Health Service,
19 the United States District Court and the United States Commissioner's
20 Court serving the Territory and State of Alaska succeeded to by the
21 Alaska court system, and persons employed as United States deputy
22 marshals and Civil Aeronautics Administration security guards.

23 (b) An employee who is entitled to service credit for prior
24 service is not required to make retroactive contributions under the
25 system for the period of prior service credit.

26 (c) No service credit may be granted for employment which resulted
27 in pension benefits being payable to the employee from any other retire-
28 ment system of the employer or paid by the employer.

29 (d) Other provisions of this section notwithstanding, an employee

1 who is in the employment of the state on the effective date of this
2 Act who, before January 3, 1959, served in the court system of Alaska
3 and was paid by the clerk of the court under sec. 10 of the Act of
4 June 6, 1900, as amended (48 USC 107), from the fund designated "C",
5 is entitled to service credit for this service in addition to the other
6 service credit to which he may be entitled under this chapter. Retro-
7 active contributions are not required to be made to obtain the service
8 credit under this subsection.

9 * Sec. 25. AS 39.35.370(c) is amended to read:

10 (c) The monthly amount of the normal retirement pension for a
11 public safety employee [PEACE OFFICER OR A FIREMAN] is two per cent of
12 his average monthly compensation times his years of credited service
13 up through 10 years, plus two and one-half per cent of his average
14 monthly compensation times his years of credited service over 10 years.
15 For every other employee and retired employee it is two per cent of
16 his average monthly compensation times his years of credited service
17 up through 20 years, plus two and one-half per cent of his average
18 monthly compensation times his years of credited service over 20 years.

19 * Sec. 26. AS 39.35.380(a) is amended to read:

20 (a) An employee, other than a public safety employee [PEACE OFFI-
21 CER OR FIREMAN], is eligible for an early retirement pension on or after
22 his 55th birthday and after he completes five or more years of credited
23 service. A public safety employee [PEACE OFFICER OR FIREMAN] is
24 eligible for an early retirement pension on or after his 50th birthday
25 and after he completes five or more years of credited service as a
26 public safety employee [PEACE OFFICER OR FIREMAN].

27 * Sec. 27. AS 39.35.410(b) is repealed and re-enacted to read:

28 (b) Payment of the occupational disability pension shall begin
29 on the first day of the disability.

1 * Sec. 28. AS 39.35.410(d) is repealed and re-enacted to read:

2 (d) The monthly amount of an occupational disability pension for
3 an employee shall be two-thirds of his gross monthly compensation at
4 the time of his disability.

5 * Sec. 29. AS 39.35.410(f) is repealed and re-enacted to read:

6 (f) The employer shall file an application for an occupational
7 disability pension on behalf of the employee with the administrator,
8 if the disability is attributed to an accident or occupational disease,
9 as soon as that disability is shown to exist.

10 * Sec. 30. AS 39.35.420 is amended to read:

11 Sec. 39.35.420. NONOCCUPATIONAL DEATH BENEFITS. (a) If the
12 death of an employee occurs before his retirement, but after he has
13 completed at least one year but less than five years of credited ser-
14 vice, or the death of a former employee occurs before his retirement
15 but after he has completed at least eight years of credited service,
16 and the employee's survivor is not entitled to a surviving spouse's
17 pension under sec. 430 of this chapter, a lump sum death benefit shall
18 be paid to the beneficiary of the employee or former employee. The
19 amount of the lump sum death benefit shall be \$1,000 plus \$100 for each
20 year of credited service. The lump sum death benefit is in addition
21 to a refund of the balance of the employee contribution account of the
22 deceased employee under sec. 210 of this chapter.

23 (b) If the death of the employee occurs before his retirement
24 and after he has completed at least five years of credited service,
25 or, if a former employee, at least eight years of credited service,
26 and the employee's survivor is not entitled to a surviving spouse's
27 pension under sec. 430 of this chapter, the survivor may at his dis-
28 cretion receive either the benefits described in (a) of this section
29 or a 50 per cent joint and survivor option based upon credited service

1 to the date of the employee's death and payable to the survivor com-
2 mencing the first day of the month following the death of the employee.

3 * Sec. 31. AS 39.35.430(b) is amended to read:

4 (b) If (1) the death of an employee [A PEACE OFFICER OR A FIRE-
5 MAN] occurs before his retirement and before his normal retirement date,
6 and (2) the proximate cause of death is a bodily injury sustained or a
7 hazard undergone while in the performance and within the scope of his
8 duties, and (3) the injury or hazard is not the proximate result of the
9 wilful negligence of the employee, a monthly survivor's pension equal
10 to his monthly compensation in the month in which he died shall be paid
11 to his surviving spouse. If his surviving spouse remarries or if there
12 is no surviving spouse, the monthly survivor's pension shall be paid
13 in equal parts to the children of the employee, including those adopted,
14 who are either under 18 years old or under 23 years old and registered
15 at and attending on a full-time basis an accredited educational or
16 technical institution recognized by the Department of Education. On
17 the date the normal retirement of the employee would have occurred
18 if he had lived, monthly payments shall equal the monthly amount of the
19 normal retirement benefit to which the employee, had he lived and con-
20 tinued his employment [AS A PEACE OFFICER OR A FIREMAN] until his
21 normal retirement date, would have been entitled with an average
22 monthly compensation as existed at his death and the credited service
23 which he would have had.

24 * Sec. 32. AS 39.35.430(d) is amended to read:

25 (d) A determination of whether the proximate cause of death was
26 a bodily injury sustained, or a hazard undergone, while in the perfor-
27 mance and within the scope of the employee's duties and whether the
28 injury or hazard was the proximate result of the wilful negligence of
29 the employee shall be made by the administrator, based upon evidence

1 satisfactory to the administrator. Payment of the surviving spouse's
2 pension shall begin on the first day of the month after the employee's
3 death, and the last payment shall be made as of the first day of the
4 month in which the death or remarriage of the surviving spouse occurs.
5 Decisions of the administrator may be appealed to the board.

6 * Sec. 33. AS 39.35.440(b) is amended to read:

7 (b) Upon the death of a retired employee [WHO WAS A PEACE OFFICER
8 OR A FIREMAN ON THE DATE OF HIS RETIREMENT AND] who is receiving or is
9 entitled to receive an occupational disability pension, a surviving
10 spouse's pension equal to two-thirds of his average monthly compensation
11 shall be paid to his surviving spouse. If his surviving spouse re-
12 marries or if there is no surviving spouse, the survivor's pension shall
13 be paid in equal parts to the children of the employee, including those
14 adopted, who are either under 18 years old or under 23 years old and
15 registered at and attending on a full-time basis an accredited educa-
16 tional or a technical institution recognized by the Department of
17 Education.

18 * Sec. 34. AS 39.35.450(c) is amended to read:

19 (c) An employee may elect, change, or revoke an option without
20 the approval of the administrator if his election, change, or revoca-
21 tion is filed in writing with the administrator at least 30 days before
22 his normal retirement date. The option may not be elected, changed,
23 or revoked after 30 days following the date of retirement [THE 30-DAY
24 PERIOD BEGINS].

25 * Sec. 35. AS 39.35.450(e) is amended to read:

26 (e) An election made under this section becomes inoperative 30
27 days after [IF] the employee's pension payments commence or death
28 occurs before his normal retirement date or the contingent beneficiary's
29 death occurs before the employee's normal retirement date.

1 * Sec. 36. AS 39.35 is amended by adding a new section to read:

2 Sec. 39.35.477. RETIREMENT BENEFIT CALCULATION. (a) The amount
3 of the retirement pension is the applicant's average monthly compensa-
4 tion multiplied by the allowable percentage specified in sec. 370 of
5 this chapter.

6 (b) The base for computing the retirement pension benefit under
7 this system is the applicant's pay grade based upon step A of the state
8 employee's pay grade for the area in which he resides which in turn is
9 established by the average monthly compensation upon initial retirement.

10 (c) The method of computing post-retirement benefits is based
11 upon the pay grade fixed upon retirement. The percentage for credit
12 service is multiplied times the current pay grade for the area in which
13 the applicant resides 185 days of the year. If the applicant resides
14 outside the state for more than 185 days a year, the place of residence
15 for calculating retirement benefits is Seattle, Washington.

16 * Sec. 37. AS 39.35.485 is amended to read:

17 Sec. 39.35.485. MINIMUM BENEFIT. An employee whose termination
18 occurred before July 1, 1972 and who is eligible for a benefit calcu-
19 lated in accordance with sec. 370(c) of this chapter is entitled to a
20 benefit of at least \$20 [\$13.25] a month for each year of credited
21 service, not including adjustments made under secs. 380, 410 and [,]
22 450 [, 475 AND 480] of this chapter.

23 * Sec. 38. AS 39.35.525 is repealed and re-enacted to read:

24 Sec. 39.35.525. LIMITATION ON RETIREMENT BENEFIT. No more than
25 70 per cent of the established pay grade shall be paid to a retired
26 employee under this system.

27 * Sec. 39. AS 39.35.600 is amended to read:

28 Sec. 39.35.600. ELIGIBLE EMPLOYEES BOUND TO SYSTEM. (a) The
29 eligible employees [OF A PARTICIPATING POLITICAL SUBDIVISION OR PUBLIC

1 ORGANIZATION] are bound by the provisions of this system and are en-
2 titled to the benefits provided under it.

3 (b) An employee may elect normal retirement whether or not cur-
4 rently employed if he has the minimum required credited service.

5 * Sec. 40. AS 39.35 is amended by adding a new section to read:

6 Sec. 39.35.653. LOAN PROGRAM. A member of the system, after three
7 years of employment with the system, may apply for a residence construc-
8 tion or purchase loan at a rate not to exceed seven per cent interest
9 a year, in an amount not to exceed 90 per cent of cost or appraised
10 value, whichever is less. The loan program shall be administered by
11 the division of veterans' affairs, Department of Commerce, whose service
12 fee shall be provided from the interest charge.

13 * Sec. 41. AS 39.35.670 is amended by adding a new subsection to read:

14 (b) In addition to the penalty provided in (a) of this section,
15 the person is liable in a civil action for twice the amount paid under
16 a fraudulent claim under this section.

17 * Sec. 42. AS 39.35.680(2) is amended to read:

18 (2) "average monthly compensation" means the result obtained
19 by dividing the total compensation paid to an employee during a con-
20 sidered period by the number of months, including fractional months,
21 for which compensation was received; the considered period consists of
22 the 12 calendar months [THREE CONSECUTIVE CALENDAR YEARS] during the
23 period of credited service which yields the highest average, or if the
24 employee does not have 12 calendar months [THREE YEARS] of credited
25 service, his period of credited service;

26 * Sec. 43. AS 39.35.680(4) is amended to read:

27 (4) "compensation" means the total remuneration paid to an
28 employee by an employer [THE EMPLOYERS] for personal services rendered
29 during the period considered as credited service, including cost-of-

1 living adjustments or differentials and including the monetary value [,
2 AS DETERMINED BY THE BOARD,] of subsistence and maintenance provided by
3 the employers in partial payment for services, but excluding retirement
4 and other welfare benefits financed by the employers;

5 * Sec. 44. AS 39.35.680(5) is repealed and re-enacted to read:

6 (5) "employee"

7 (A) means a person who receives remuneration for full-
8 time or part-time, temporary or seasonal personal services regu-
9 larly rendered to an employer or who would receive remuneration
10 except for an authorized leave of absence;

11 (B) means an elected official of an employer;

12 (C) does not include

13 (i) persons compensated on a contractual or fee
14 basis for which no federal or state tax withholding responsi-
15 bilities are involved,

16 (ii) persons covered by the Alaska teachers' retire-
17 ment system,

18 (iii) employees of a division or agency of an em-
19 ployer who are covered by a union to which the employer makes
20 contributions,

21 (iv) employees of the division of marine transporta-
22 tion engaged in operating the state ferry system who are
23 covered by a union or group retirement system to which the
24 state makes contributions, and

25 (v) justices and judges of the supreme, superior,
26 and district courts of Alaska;

27 (D) means members of a quasi-judiciary board of the
28 state;

29 (E) means a person who has had three years of employment

1 according to (A) of this paragraph with an employer or combination
2 of employers;

3 * Sec. 45. AS 39.35.680(6) is amended to read:

4 (6) "employee contribution account" means the account main-
5 tained to record the mandatory contributions of each employee and
6 adjustments made to the account before the effective date of this
7 paragraph as amended [IN ACCORDANCE WITH SEC. 100 OF THIS CHAPTER];

8 * Sec. 46. AS 39.35.680(8) is amended to read:

9 (8) "employer" means the state or a political subdivision
10 or public or quasi-public organization of the state or political sub-
11 division of the state or former Territory of Alaska, and a quasi-
12 judicial board of the state; quasi-public organizations include but are
13 not limited to nonprofit corporations or associations receiving contri-
14 butions from either an employer or employee [WHICH PARTICIPATES IN THE
15 SYSTEM];

16 * Sec. 47. AS 39.35.680(11) is amended to read:

17 (11) "normal retirement date" for a public safety employee
18 [PEACE OFFICER OR A FIREMAN] means the first day of the month following
19 either his 50th [55TH] birthday and eight years of credited service or
20 his 20th year of credited service, whichever is earlier, and for any
21 other employee it means the first day of the month following either his
22 55th [60TH] birthday and eight years of credited service or his 25th
23 [30TH] year of credited service, whichever is earlier;

24 * Sec. 48. AS 39.35.680(14) is repealed and re-enacted to read:

25 (14) "public safety employee" means an employee ~~who is~~
26 employed full time in the state as a peace officer, chief of police,
27 fireman or fire chief, a member of the Department of Military Affairs
28 who is required to be a member of an active reserve component of the
29 armed forces, or ambulance drivers and attendants who accompany them;

1 * Sec. 49. AS 39.35.680(19) is amended to read:

2 (19) "surviving spouse" means the spouse of an employee who
3 has been married to the employee [FOR AT LEAST ONE YEAR] and who, at
4 the time of his death, was living with him or dependent upon him for
5 support, or living apart for justifiable cause or by reason of desertion
6 by the employee; [.]

7 * Sec. 50. AS 39.35.680(20) is amended to read:

8 (20) "military service" means service in the armed forces
9 of the United States after January 1, 1940 but excludes service credited
10 for an employee under a federal or military retirement plan other than
11 a National Guard plan;

12 * Sec. 51. AS 39.35.690 is amended to read:

13 Sec. 39.35.690. SHORT TITLE. This chapter may be cited as the
14 Uniform Public Employees' Retirement System of Alaska.

15 * Sec. 52. The following laws are repealed: AS 39.35.100(b)(1), 39.35.-
16 125, 39.35.170, 39.35.250, 39.35.310, 39.35.390(d), 39.35.410(e) and (h),
17 39.35.430(a), 39.35.440(a) and (d), 39.35.475, 39.35.480, 39.35.550 - 39.35.-
18 590, and 39.35.620 - 39.35.650.