

Original sponsor: Rules Committee by
request of the Governor

Offered: 3/24/76
Referred: Rules

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

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CS FOR HOUSE BILL NO. 627 am S

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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NINTH LEGISLATURE - SECOND SESSION

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A BILL

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

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

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* Section 1. AS 39.35.200 is amended to read:

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Sec. 39.35.200. REFUND UPON TERMINATION OF EMPLOYMENT FOR REASON

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OTHER THAN DEATH. Upon termination of employment for a reason other

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than death, an employee is entitled to receive a refund of the balance,

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determined as of the date of termination of employment, of (1) his

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employee contribution account and (2) his employee savings account.

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If, upon termination of employment, the employee has credited service of

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less than five years and has less than \$1,000 in his employee contribu-

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tion account, a refund of the employee contribution account and the

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employee savings account must be made. An employee who is reemployed

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with a participating employer of the system and whose contributions have

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not been refunded before reemployment is not eligible for a refund.

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* Sec. 2. AS 39.35.350 is amended to read:

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Sec. 39.35.350. INTERRUPTED EMPLOYMENT. If an employee's employ-

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ment is terminated for any reason before he becomes eligible for a retire-

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ment benefit and the employee is subsequently reemployed, the employee is

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entitled to the credited service he had accumulated at the time of his

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last termination, if the employee makes a contribution to the system

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equal to the total amount of the refund previously paid and not rein-

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stated upon his last termination, [AND ATTRIBUTABLE TO THE BALANCE IN

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HIS EMPLOYEE CONTRIBUTION ACCOUNT AT THAT TIME,] together with interest

1 at the prescribed rate to the date of repayment of the contribution. A
2 repayment to establish credit for the previous [LAST PERIOD OF INTER-
3 RUPTED] service will [NOT] be permitted until the date of termination of
4 the final period of employment [MORE THAN THREE YEARS AFTER THE DATE ON
5 WHICH NOTICE OF THE AMOUNT OF CONTRIBUTION AND INTEREST DUE WAS MAILED
6 TO THE EMPLOYEE AT HIS PLACE OF EMPLOYMENT].

7 * Sec. 3. AS 39.35.390(d) is amended to read:

8 (d) An employee is not entitled to a deferred pension unless
9 an application for it is filed [WITH THE BOARD] on or after he reaches
10 his early retirement date [AND BEFORE HE ATTAINS AGE 70]. If the
11 employee fails to apply for a deferred retirement benefit [BEFORE
12 HE BECOMES 70 YEARS OF AGE], his is eligible for a refund as if his
13 employment had terminated for a reason other than death [AT AGE 70
14 UNDER SECS. 200-220 OF THIS CHAPTER].

15 * Sec. 4. AS 39.35.520 is amended to read:

16 Sec. 39.35.520. ADJUSTMENTS. When a change or error is made in
17 the records maintained by the system, or an error is made in computing a
18 benefit, and as a result an employee or beneficiary receives from the
19 system more or less than he would have been entitled to receive had the
20 records been correct or had the error not been made, (1) the records or
21 error shall be corrected and (2) as far as practicable, future payments
22 shall be adjusted so that the actuarial equivalent of the pension or
23 benefit to which the employee or beneficiary was correctly entitled
24 shall be paid. If no future payment is due, a person who was paid any
25 amount to which he was not entitled is liable for repayment of that
26 amount, and a person who was not paid the full amount to which he was
27 entitled shall be paid the balance of that amount.

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

29 Sec. 39.35.547. EFFECT OF AMENDMENTS. An amendment to this

1 chapter which has the effect of directly or indirectly changing the
2 benefit payments for which an employee is eligible applies only to em-
3 ployees who have not yet retired, unless the statute expressly provides
4 for the inclusion of those already receiving retirement benefits.

5 * Sec. 6. AS 39.35.450(e) and 39.35.545 are repealed.

6 * Sec. 7. This Act takes effect July 1, 1976.
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