

Introduced: 1/29/76
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 670

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

10 * Section 1. AS 39.35.400(b) is repealed and re-enacted to read:

11 (b) The nonoccupational disability pension benefits accrue
12 beginning the first day of the month following termination of employ-
13 ment as a result of the disability. If a final determination granting
14 the pension is not made in time to pay the first month's pension when
15 due, a retroactive payment shall be made to cover the period of defer-
16 ment. Benefits shall be continued after one year from the date of
17 appointment to nonoccupational disability only if the disabled person
18 fulfills the requirements set out in (e) of this section. The last
19 payment shall be for the month in which (1) the death of the disabled
20 employee occurs, or (2) the month in which the disabled employee
21 recovers from disability, or (3) the month in which the disabled
22 employee ceases to be eligible for disability benefits under the
23 Social Security Act, or (4) the month the disabled employee reaches
24 normal retirement age, whichever occurs first.

25 * Sec. 2. AS 39.35.400(c) is amended to read:

26 (c) If the disabled [RETIRED] employee becomes ineligible to
27 receive [RECOVERS FROM THE] nonoccupational disability benefits, he is
28 entitled to receive a normal or early retirement pension if he would
29 have been eligible for the pension had his employment continued during

1 the period of disability. However, the period of disability does not
2 constitute credited service.

3 * Sec. 3. AS 39.35.400(d) is amended to read:

4 (d) The monthly amount of the nonoccupational disability pension
5 shall be determined in accordance with sec. 370(c) of this chapter,
6 considering the employee's credited service and compensation before
7 termination of employment. [HOWEVER, THE AMOUNT SHALL BE REDUCED BY
8 WAGE CONTINUATION PAYMENTS WHICH ARE AVAILABLE TO THE EMPLOYEE AND
9 WHICH ARE ATTRIBUTABLE TO THE EMPLOYERS. THE AMOUNT MAY NOT EXCEED
10 THE BENEFIT DETERMINED IN ACCORDANCE WITH SEC. 410(d) OF THIS CHAPTER.]

11 * Sec. 4. AS 39.35.400(e) is repealed and re-enacted to read:

12 (e) A disabled employee receiving a nonoccupational disability
13 pension shall provide the administrator, one year after appointment to
14 disability retirement and once each year thereafter until disability
15 benefits cease, proof of continuing eligibility to receive disability
16 payments under the Social Security Act. If a disabled employee is
17 otherwise ineligible for social security, he shall provide the admini-
18 strator with sufficient medical evidence once each year to demonstrate
19 that disability benefits under the Social Security Act would be payable
20 had the employee been otherwise eligible. If the disabled employee
21 fails to provide the administrator with evidence of continuing eligi-
22 bility for disability payments under the Social Security Act or other
23 medical evidence required by the administrator within 30 days following
24 each anniversary date, the disability payments from the system shall
25 cease. If that information is subsequently provided to the admini-
26 strator, payments will resume beginning for the month following that
27 in which the information is provided. When disability payments under
28 the Social Security Act cease, it is the responsibility of the disabled
29 employee to notify the administrator immediately. Upon notification,

1 the administrator shall cease making disability payments.

2 * Sec. 5. AS 39.35.400 is amended by adding a new subsection to read:

3 (f) A disabled employee's nonoccupational disability pension
4 terminates when the employee first attains eligibility for normal re-
5 tirement. At that time, his retirement benefits will be calculated
6 under the provisions of sec. 370(c).

7 * Sec. 6. AS 39.35.410(b) is repealed and re-enacted to read:

8 (b) The occupational disability pension benefits accrue beginning
9 the first day of the month following termination of employment as a
10 result of the disability. If a final determination granting the
11 pension is not made in time to pay the first month's pension when due,
12 a retroactive payment shall be made to cover the period of deferment.
13 Benefits shall be continued after one year from date of appointment to
14 occupational disability only if the disabled person fulfills the
15 requirements set out in (g) of this section. The last payment shall be
16 for the month in which (1) the death of the disabled employee occurs,
17 or (2) the month in which the disabled employee recovers from dis-
18 ability, or (3) the month in which the disabled employee ceases to be
19 eligible for disability benefits under the Social Security Act, or (4)
20 the month the disabled employee reaches normal retirement age, which-
21 ever occurs first.

22 * Sec. 7. AS 39.35.410(c) is amended to read:

23 (c) If the disabled [RETIRED] employee becomes ineligible to
24 receive [RECOVERS FROM THE] occupational disability benefits before
25 his normal retirement date, the disabled [RETIRED] employee shall then
26 be entitled to receive an early retirement pension if he would have
27 been eligible for the pension had his employment continued during the
28 period of disability. The period of disability constitutes credited
29 service [FOR ALL EMPLOYEES].

1 * Sec. 8. AS 39.35.410(d) is repealed and re-enacted to read:

2 (d) The monthly amount of an occupational disability pension is
3 40 per cent of the disabled employee's gross monthly compensation at
4 the time of termination due to disability.

5 * Sec. 9. AS 39.35.410(e) is repealed.

6 * Sec. 10. AS 39.35.410(g) is repealed and re-enacted to read:

7 (g) A disabled employee receiving an occupational disability
8 pension shall provide the administrator, one year after appointment to
9 disability retirement and once each year thereafter until disability
10 benefits cease, proof of continuing eligibility to receive disability
11 payments under the Social Security Act. If a disabled employee is
12 otherwise ineligible for social security, he shall provide the admini-
13 strator with sufficient medical evidence once each year to demonstrate
14 that disability benefits under the Social Security Act would be pay-
15 able had the employee been otherwise eligible. If the disabled
16 employee fails to provide the administrator with evidence of continu-
17 ing eligibility for disability payments under the Social Security Act
18 or other medical evidence required by the administrator within 30 days
19 following each anniversary date, the disability payments from the
20 system shall cease. If that information is subsequently provided to
21 the administrator, payments will resume beginning for the month
22 following that in which the information is provided. When disability
23 payments under the Social Security Act cease, it is the responsibility
24 of the disabled employee to notify the administrator immediately.
25 Upon notification, the administrator shall cease making disability
26 payments.

27 * Sec. 11. AS 39.35.420(a) is amended to read:

28 (a) If the death of an employee occurs from nonoccupational
29 causes before appointment to [HIS] retirement, and [BUT] after complet-

1 ing [HE HAS COMPLETED] at least one year but less than five years of
2 credited service, [AND THE EMPLOYEE'S SURVIVOR IS NOT ENTITLED TO A
3 SURVIVING SPOUSE'S PENSION UNDER SEC. 430 OF THIS CHAPTER,] a lump sum
4 death benefit shall be paid to the beneficiary of the employee. The
5 amount of the lump sum death benefit shall be \$1,000 plus \$100 for
6 each year of credited service. The lump sum death benefit is in
7 addition to a refund of the balance of the employee contribution
8 account of the deceased employee under sec. 210 of this chapter.

9 * Sec. 12. AS 39.35.420(b) is amended to read:

10 (b) If the death of an [THE] employee or deferred vested member
11 occurs from nonoccupational causes before appointment to [HIS] retire-
12 ment and after completing [HE HAS COMPLETED] at least five years of
13 credited service, [AND THE EMPLOYEE'S SURVIVOR IS NOT ENTITLED TO A
14 SURVIVING SPOUSE'S PENSION UNDER SEC. 430 OF THIS CHAPTER,] the
15 surviving spouse [SURVIVOR] may at his or her discretion receive
16 either the benefits described in (a) of this section or a 50 per cent
17 joint and survivor option based upon credited service to the date of
18 the employee's death or termination and payable to the surviving spouse
19 [SURVIVOR] commencing for [THE FIRST DAY OF] the month following the
20 death of the employee.

21 * Sec. 13. AS 39.35.430(a) is repealed.

22 * Sec. 14. AS 39.35.430(b) is amended to read:

23 (b) If (1) the death of an employee [A PEACE OFFICER OR A FIRE-
24 MAN] occurs before his retirement and before his normal retirement
25 date, and (2) the proximate cause of death is a bodily injury sustained
26 or a hazard undergone while in the performance and within the scope of
27 his duties, and (3) the injury or hazard is not the proximate result
28 of wilful negligence of the employee, a monthly survivor's pension
29 equal to 40 per cent of his monthly compensation in the month in which

1 he died shall be paid to his surviving spouse. If [HIS SURVIVING
2 SPOUSE REMARRIES OR IF] there is no surviving spouse the monthly sur-
3 vivor's pension shall be paid in equal parts to the children of the
4 employee, including those adopted, who are either under 19 [18] years
5 old or under 23 years old and registered at and attending on a full-
6 time basis an accredited educational or technical institution recog-
7 nized by the Department of Education. On the date the normal retire-
8 ment of the employee would have occurred if he had lived, monthly
9 payments shall equal the monthly amount of the normal retirement
10 benefit to which the employee, had he lived and continued his employ-
11 ment [AS A PEACE OFFICER OR A FIREMAN] until his normal retirement
12 date, would have been entitled with an average monthly compensation as
13 existed at his death and the credited service to which he would have
14 been entitled [HAD].

15 * Sec. 15. AS 39.35.430(c) is amended to read:

16 (c) The first payment of the surviving spouse's pension or of
17 the surviving child's [SURVIVOR'S] pension shall be made for [ON THE
18 FIRST DAY OF] the month following the month in which the employee dies
19 and the payment shall cease to be made for [AS OF THE FIRST DAY OF]
20 the month in which there is no eligible surviving spouse or child
21 [BENEFICIARY].

22 * Sec. 16. AS 39.35.430(d) is repealed.

23 * Sec. 17. AS 39.35.430(e) is repealed.

24 * Sec. 18. AS 39.35.440(a) is repealed.

25 * Sec. 19. AS 39.35.440(b) is amended to read:

26 (b) Upon the death of a retired employee who [WAS A PEACE OFFICER
27 OR A FIREMAN ON THE DATE OF HIS RETIREMENT AND WHO] is receiving or is
28 entitled to receive an occupational disability pension, a surviving
29 spouse's pension equal to 40 per cent [TWO-THIRDS] of his average

1 monthly compensation shall be paid to his surviving spouse. If [HIS
2 SURVIVING SPOUSE REMARRIES OR IF] there is no surviving spouse, the
3 survivor's pension shall be paid in equal parts to the children of the
4 employee, including those adopted, who are either under 19 [18] years
5 old or under 23 years old and registered at and attending on a full-
6 time basis an accredited educational or a technical institution recog-
7 nized by the Department of Education. On the date the normal retire-
8 ment of the employee would have occurred if he had lived, monthly
9 payments shall equal the monthly amount of the normal retirement
10 benefit to which the employee, had he lived and continued his employ-
11 ment until his normal retirement date, would have been entitled with
12 an average monthly compensation as existed at his death and the
13 credited service to which he would have been entitled.

14 * Sec. 20. AS 39.35.440(c) is amended to read:

15 (c) The first payment of the surviving spouse's pension or of
16 the surviving child's [SURVIVOR'S] pension shall be made for [ON THE
17 FIRST DAY OF] the month following the month in which the employee dies
18 and the payments shall cease to be made for [AS OF THE FIRST DAY OF]
19 the month in which there is no eligible surviving spouse or child
20 [BENEFICIARY].

21 * Sec. 21. AS 39.35.680(10) is amended to read:

22 (10) "nonoccupational disability" means a physical or
23 mental condition which, in the judgment of the administrator [BOARD],
24 based upon medical reports and other evidence satisfactory to the
25 administrator [BOARD], presumably permanently prevents an employee
26 from satisfactorily performing his usual duties for his employer or
27 the duties of another position or job which his [AN] employer makes
28 available and for which the employee is qualified by [HIS] training or
29 education, not including a condition resulting from a cause which the

1 board, in its rules, has excluded;

2 * Sec. 22. AS 39.35.680(12) is amended to read:

3 (12) "occupational disability" means a physical or mental
4 condition which presumably permanently prevents an employee from
5 satisfactorily performing his usual duties for his employer [, OR THE
6 DUTIES OF ANOTHER POSITION OR JOB WHICH AN EMPLOYER MAKES AVAILABLE
7 AND FOR WHICH THE EMPLOYEE IS QUALIFIED BY TRAINING OR EDUCATION];
8 however, the proximate cause of the condition must be a bodily injury
9 sustained, or a hazard undergone, while in the performance and within
10 the scope of the employee's duties and not the proximate result of the
11 wilful negligence of the employee; a determination of whether occupa-
12 tional disability exists shall be made by the administrator [BOARD],
13 based upon medical reports and other evidence satisfactory to the
14 administrator [BOARD];

15 * Sec. 23. This Act takes effect July 1, 1976.
16
17
18
19
20
21
22
23
24
25
26
27
28
29