

Original sponsor: Health, Education
and Social Services Committee

Offered: 6/1/75
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 46

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

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

9 * Section 1. AS 14.25.110(a) is amended to read:

10 (a) A teacher is eligible for normal retirement if he has com-
11 pleted either

12 (1) at least 15 years of creditable service of which, if the
13 date of normal retirement is: (A) before July 1, 1976, the last five
14 must have been membership service; (B) before July 1, 1977, the last
15 six must have been membership service; (C) before July 1, 1978, the
16 last seven must have been membership service; (D) subsequent to June 30,
17 1978, the last eight must have been membership service [, THE LAST FIVE
18 OF WHICH HAVE BEEN MEMBERSHIP SERVICE], and has attained the age of 55
19 [60] years, or

20 (2) at least eight years of membership service and has
21 attained the age of 55 [60] years, or

22 (3) at least 25 years of creditable service, the last five of
23 which have been membership service, or

24 (4) at least 20 years of membership service.

25 * Sec. 2. AS 14.25.110(b) is amended to read:

26 (b) A teacher is eligible for early retirement if he has completed
27 either of the service requirements in (a)(1) or (a)(2) of this section
28 and has attained the age of 50 [55] years.

29 * Sec. 3. AS 14.25.110(d) is amended to read:

1 (d) A retired teacher who has been receiving a disability retire-
2 ment salary is eligible for a service retirement salary upon attaining
3 55 [60] years of age.

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

5 (4) If the teacher is not eligible for normal retirement, but
6 is eligible for early retirement, as defined in sec. 110(a) and (b) of
7 this chapter, on the date when application for retirement salary is
8 filed, his annual retirement salary is the amount that would be due and
9 owing to the teacher if he were at least 55 [60], reduced by the amount
10 derived from the following computations: multiply one-half of one per
11 cent times the number of months, to the nearest month, by which the
12 applicant's attained age on the date of filing application falls short
13 of 55 [60] years, times the amount of annual retirement salary that would
14 be due and owing the teacher if he were at least 55 [60] years of age.

15 * Sec. 5. AS 14.25.120(c)(8) is amended to read:

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

1 * Sec. 6. AS 14.25.120(d) is amended to read:

2 (d) A teacher who was receiving a service retirement salary on
3 July 1, 1955, shall receive an additional \$50 a month for life, payable
4 on the first day of each month, if the teacher was at least 55 [60] years
5 of age on July 1, 1955.

6 * Sec. 7. AS 14.25.130(a) is amended to read:

7 (a) A teacher in membership service who has become permanently
8 disabled, as defined in sec. 220 of this chapter, before age 55 [60] and
9 who has had five or more membership years may be retired by the admini-
10 strator as of the first day of the month following the permanent dis-
11 ability. The administrator, after a report of medical examination of
12 the teacher and other information the administrator may request has been
13 submitted, shall certify that the teacher is physically or mentally
14 incapacitated for the further performance of duty, and that the incapa-
15 city is likely to be permanent and that the teacher should be retired.

16 * Sec. 8. AS 14.25.135 is amended to read:

17 Sec. 14.25.135. DEFERRED RETIREMENT BENEFIT. (a) A teacher is
18 eligible for a deferred benefit if:

19 (1) he terminates his employment on [IN] or after the date on
20 which his attained age and credited service total at least 70 [75]
21 years;

22 (2) he has completed at least 15 years of creditable service,
23 the last five [AT LEAST EIGHT] years of which have been in membership
24 service; and

25 (3) he does not withdraw his contributions to the retirement
26 fund.

27 (b) Payment of the deferred benefit shall begin on the first day
28 of the month coinciding with or following the teacher's 55th [60TH]
29 birthday or the first day of the month in which his application for

1 deferred benefit is filed with the administrator, whichever is later.
2 The last payment shall be made as of the first day of the month in which
3 the death of the retired teacher occurs.

4 (c) The monthly amount of a normal deferred benefit shall be deter-
5 mined in accordance with sec. 120 of this chapter as it is in effect on
6 the date of his termination of employment, considering the teacher's
7 credited service and compensation before his termination of employment.
8 If his benefit begins before his normal retirement date, the benefit
9 shall be reduced to the actuarial equivalent.

10 (d) A teacher is not entitled to a deferred benefit unless an
11 application for it is filed with the administrator on or after the
12 teacher reaches his early retirement date and before he attains [NOT
13 LATER THAN] his 70th birthday. If the application is received after
14 his 55th [60TH] birthday but on or before his 70th birthday, no retro-
15 active payment may be made for the months preceding the month in which
16 the application is received.

17 * Sec. 9. AS 14.25.137(b), (c) and (d) are amended to read:

18 (b) Payment of the deferred vested retirement benefit shall begin
19 on the first day of the month coinciding with or next following the
20 teacher's 55th [60TH] birthday or the first day of the month in which
21 his application for deferred vested benefit is filed with the administra-
22 tor, whichever is later. The last payment shall be made as of the first
23 day of the month in which the death of the teacher occurs.

24 (c) The monthly amount of the deferred vested benefit shall be
25 determined in accordance with sec. 120 of this chapter as it is in effect
26 on the date of the teacher's termination of his employment, considering
27 the teacher's credited service and compensation before his termination
28 of employment. If his benefit begins before his normal retirement date,
29 the benefit shall be reduced to the actuarial equivalent.

1 (d) An application for deferred vested benefit shall not be con-
2 sidered unless application is made on or after the teacher reaches his
3 early retirement date and before he attains his [NOT MORE THAN SIX MONTHS
4 BEFORE THE TEACHER'S 60TH BIRTHDAY AND NOT LATER THAN THE TEACHER'S] 70th
5 birthday.

6 * Sec. 10. AS 14.25.140(b) is amended to read:

7 (b) The payment made on the first day of the month in which the
8 disabled teacher recovers from his disability, dies or attains age 55
9 [60] constitutes the last payment.

10 * Sec. 11. AS 14.25.164(b) is amended to read:

11 (b) The spouse's pension is payable on the first day of each
12 month, commencing with the first day of the month coinciding with or next
13 following the month in which the spouse attains age 55 [60], unless the
14 spouse is totally and permanently disabled, as defined in sec. 220 of
15 this chapter, before age 55 [60]. If the spouse is totally and per-
16 manently disabled from engaging in a regular remunerative occupation or
17 employment, the spouse's pension shall commence on the first of the month
18 coinciding with or next following the teacher's death, or the date of
19 disability, whichever is later. If the spouse ceases to be totally and
20 permanently disabled before age 55 [60], the pension shall be suspended
21 until the spouse again becomes eligible for the pension because of age.
22 The payment on the first day of the month in which the spouse dies or
23 remarries constitutes the last payment.

24 * Sec. 12. 14.25.220(23) is amended to read:

25 (23) "normal retirement" means retirement after:

26 (A) completing at least 15 years of creditable service of
27 which, if the date of normal retirement is: (i) before July 1,
28 1976, the last five must have been membership service; (ii) before
29 July 1, 1977, the last six must have been membership service;

1 (iii) before July 1, 1978, the last seven must have been membership
2 service; (iv) subsequent to June 30, 1978, the last eight must
3 have been membership service [, THE LAST FIVE OF WHICH HAVE BEEN
4 MEMBERSHIP SERVICE], and attaining the age of 55 [60] years; or

5 (B) completing at least eight years of membership service
6 and attaining the age of 55 [60] years; or

7 (C) completing at least 25 years of creditable service,
8 the last five of which are membership service; or

9 (D) at least 20 years of membership service;

10 * Sec. 13. AS 14.25.220(24) is amended to read:

11 (24) "early retirement" means retirement after attaining the
12 age of 50 [55] years and completing either:

13 (A) at least 15 years of creditable service of which,
14 if the date of early retirement is: (i) before July 1, 1976,
15 the last five must have been membership service; (ii) before
16 July 1, 1977, the last six must have been membership service;
17 (iii) before July 1, 1978, the last seven must have been member-
18 ship service; (iv) subsequent to June 30, 1978, the last eight
19 must have been membership service [, THE LAST FIVE OF WHICH HAVE
20 BEEN MEMBERSHIP SERVICE,] or

21 (B) at least eight years of membership service;

22 * Sec. 14. AS 14.25.120(g) is amended to read:

23 (g) A teacher who retired before July 1, 1971, with at least 25
24 years of creditable service, at least 15 of which were membership
25 service, and who is entitled to a retirement salary under either this
26 retirement fund or the retirement fund of 1945, shall receive a ser-
27 vice retirement salary based on a minimum sum of \$20 [\$15] per month
28 for each year of creditable service, not including adjustments made
29 under sec. 142 or sec. 143 of this chapter. A teacher who retired

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before July 1, 1971, with less than 25 years of creditable service, and who is entitled to a retirement salary under either this retirement fund or the retirement fund of 1945, shall receive a service retirement salary of at least \$20 [\$15] per month for each year of credited service. If, on the date the teacher originally applied for retirement salary, the teacher elected option two as provided by (c)(2)(B) of this section as payment of his indebtedness or a reduced benefit in accordance with (c)(4) of this section, the amount of the dollar reduction shall remain in effect.

* Sec. 15. This Act takes effect June 30, 1975.

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