

1 IN THE SENATE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR 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, the last five
13 of which have been membership service, except that a member first hired
14 after July 1, 1975 must have eight years of membership service and has
15 attained the age of 55 [60] years, or

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

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

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

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

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

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

26 (d) A retired teacher who has been receiving a disability retire-
27 ment salary is eligible for a service retirement salary upon attaining
28 55 [60] years of age.

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

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

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

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

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

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

1 of age on July 1, 1955.

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

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

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

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

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

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

21 (3) he does not withdraw his contributions to the retirement
22 fund.

23 (b) Payment of the deferred benefit shall begin on the first day
24 of the month coinciding with or following the teacher's 55th [60TH]
25 birthday or the first day of the month in which his application for
26 deferred benefit is filed with the administrator, whichever is later.
27 The last payment shall be made as of the first day of the month in which
28 the death of the retired teacher occurs.

29 (c) The monthly amount of a normal deferred benefit shall be deter-

1 mined in accordance with sec. 120 of this chapter as it is in effect on
2 the date of his termination of employment, considering the teacher's
3 credited service and compensation before his termination of employment.
4 If his benefit begins before his normal retirement date, the benefit
5 shall be reduced to the actuarial equivalent.

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

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

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

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

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

1 birthday.

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

3 (b) The payment made on the first day of the month in which the
4 disabled teacher recovers from his disability, dies or attains age 55
5 [60] constitutes the last payment.

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

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

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

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

22 (A) completing at least 15 years of creditable service,
23 the last five of which have been membership service, except that
24 a member first hired after July 1, 1975 must have eight years of
25 membership service, and attaining the age of 55 [60] years; or

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

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

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

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

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

5 (A) at least 15 years of creditable service, the last
6 five of which have been membership service, except that a member
7 first hired after July 1, 1975 must have eight years of membership
8 service, or

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

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

11 (g) A teacher who retired before July 1, 1971, with at least 25
12 years of creditable service, at least 15 of which were membership
13 service, and who is entitled to a retirement salary under either this
14 retirement fund or the retirement fund of 1945, shall receive a ser-
15 vice retirement salary based on a minimum sum of \$20 [\$15] per month
16 for each year of creditable service, not including adjustments made
17 under sec. 142 or sec. 143 of this chapter. A teacher who retired
18 before July 1, 1971, with less than 25 years of creditable service,
19 and who is entitled to a retirement salary under either this retire-
20 ment fund or the retirement fund of 1945, shall receive a service
21 retirement salary of at least \$20 [\$15] per month for each year of
22 credited service. If, on the date the teacher originally applied
23 for retirement salary, the teacher elected option two as provided by
24 (c)(2)(B) of this section as payment of his indebtedness or a reduced
25 benefit in accordance with (c)(4) of this section, the amount of the
26 dollar reduction shall remain in effect.

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