

Original sponsors: Miller and Duncan

Offered: 6/16/78

1 IN THE HOUSE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE CS FOR CS FOR HOUSE BILL NO. 10

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the public employees' retirement
7 system and the teachers' retirement system; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 39.35.360(a) is amended to read:

11 (a) An employee who completes three years of service with the
12 state after January 1, 1961, for which he makes contributions required
13 by this chapter is entitled to credited service for employment rendered
14 to the State and former Territory of Alaska before January 1, 1961,
15 regardless of the office, department, division, or agency of the state
16 or territory in which he was employed, including (1) service as a com-
17 missioned officer of the United States Public Health Service, (2) ser-
18 vice with the United States District court and the United States Commis-
19 sioner's court serving the Territory and State of Alaska succeeded to by
20 the Alaska court system, (3) persons employed as United States marshals,
21 United States deputy marshals, Civil Aeronautics Administration security
22 guards and United States Corps of Engineers security guards, (4)
23 employees of the Alaska Jail System of the United States Department of
24 Justice, (5) Civil Aeronautics Administration heavy equipment operators,
25 (6) employees of the United States Fish and Wildlife Service, [AND] (7)
26 employees of the Alaska Road Commission and Bureau of Public Roads, (8)
27 employees of the Alaska Communications System, and (9) those peace
28 officers of the territory, or of a political subdivision of the terri-
29 tory, who are employees of the state or a participating political sub-

1 division of the state on July 1, 1978. The retirement benefits payable
2 to an employee under this section which are attributable to employment
3 rendered to the State and former Territory of Alaska before January 1,
4 1961, shall be reduced by the amount of the retirement pension benefits
5 paid to him by the United States government for the same period of
6 service.

7 * Sec. 2. AS 14.25 is amended by adding a new section to read:

8 Sec. 14.25.125. CONDITIONAL SERVICE RETIREMENT BENEFITS. (a) A
9 member is eligible for a normal retirement salary at age 55 with at
10 least two years membership service if the member also is eligible for a
11 normal retirement benefit under the public employees' retirement system
12 (AS 39.35).

13 (b) A member is eligible for an early retirement salary at age 50
14 with at least two years of membership service if the member also is
15 eligible for an early retirement benefit under the public employees'
16 retirement system (AS 39.35).

17 (c) Membership service for which contributions were refunded is
18 not creditable under this section unless the refunded contributions have
19 been repaid.

20 (d) The monthly amount of a normal retirement salary is two per
21 cent of the average monthly compensation times the number of years of
22 membership service. An actuarial adjustment of this amount must be made
23 for an early retirement salary.

24 (e) Benefits payable under this section accrue from the first day
25 of the month (1) in which the member meets the eligibility requirements
26 of this section, (2) following the date of termination, and (3) follow-
27 ing application for retirement, and are payable the last day of the
28 month. If payment is delayed, a retroactive payment shall be made to
29 cover the period of deferment. The last payment shall be made for the

1 month in which the member dies or is no longer eligible for a benefit
2 under this section.

3 * Sec. 3. AS 39.35 is amended by adding a new section to read:

4 Sec. 39.35.385. CONDITIONAL SERVICE RETIREMENT BENEFITS. (a) An
5 employee is eligible for a normal retirement benefit at age 55 with at
6 least two years of credited service if the employee also is eligible for
7 a normal retirement salary under the teachers' retirement system (AS
8 14.25).

9 (b) An employee is eligible for an early retirement benefit at age
10 50 with at least two years of credited service if the employee also is
11 eligible for an early retirement salary under the teachers' retirement
12 system (AS 14.25).

13 (c) Credited service for which contributions were refunded is not
14 creditable under this section unless the refunded contributions have
15 been repaid.

16 (d) The monthly amount of a normal retirement benefit for a peace
17 officer or fireman is two per cent of the average monthly compensation
18 times the years of service up through 10 years, plus two and one-half
19 per cent of the average monthly compensation times the years of service
20 over 10 years. For all other employees it is two per cent of the
21 average monthly compensation times the number of years of service. An
22 actuarial adjustment of this amount must be made for an early retirement
23 benefit.

24 (e) Benefits payable under this section accrue from the first day
25 of the month (1) in which the member meets the eligibility requirements
26 of this section, (2) following the date of termination, and (3) follow-
27 ing application for retirement, and are payable the last day of the
28 month. If payment is delayed, a retroactive payment shall be made to
29 cover the period of deferment. The last payment shall be made for the

1 month in which the member dies or is no longer eligible for a benefit
2 under this section.

3 * Sec. 4. AS 14.25.220(8) is repealed and re-enacted to read:

4 (8) "outside teaching service" means service as

5 (A) a certificated full-time elementary or secondary
6 teacher or a certificated person in a position requiring a teaching
7 certificate as a condition of employment in an out-of-state public
8 school in the United States, or in a school outside of the United
9 States supported by funds of the United States;

10 (B) a full-time elementary or secondary teacher or a
11 certificated person in a position requiring a teaching certificate
12 as a condition of employment in an approved or accredited nonpublic
13 school in the United States, or in a school outside the United
14 States supported by funds of the United States;

15 (C) a person occupying a full-time position requiring
16 academic standing in an out-of-state institution of higher learning
17 accredited by a nationally recognized accrediting agency as listed
18 in the Education Directory -- Colleges and Universities by the
19 National Center for Education Statistics; or

20 (D) a full-time teacher in an approved or accredited
21 nonpublic institution of higher learning in Alaska;

22 * Sec. 5. AS 14.25.220(17) is amended to read:

23 (17) "BIA service" means service, including partial years, as a
24 teacher in a school operated by the Bureau of Indian Affairs in Alaska;

25 * Sec. 6. AS 39.35.340 is amended by adding a new subsection to read:

26 (g) A surviving spouse receiving or entitled to receive a surviv-
27 ing spouse's pension under sec. 440 of this chapter or benefits under a
28 joint and survivor option filed under sec. 450 of this chapter is eli-
29 gible to receive increased benefits based upon military service as

1 described in (a) of this section. To receive credited service for
2 military service, the surviving spouse must verify the employee's
3 military service within one year of the effective date of this Act.
4 When verified, the surviving spouse is entitled to receive an increased
5 benefit which shall be actuarially adjusted to reflect his or her in-
6 debtedness for that credit. The indebtedness shall be calculated in the
7 same manner as described in (b) of this section except that it shall be
8 based on the average monthly compensation used in calculating the bene-
9 fit. Benefits payable under this subsection are payable retroactively
10 to July 1, 1977.

11 * Sec. 7. AS 39.35.360 is amended by adding a new subsection to read:

12 (f) A surviving spouse receiving or entitled to receive a surviv-
13 ing spouse's pension under sec. 440 of this chapter or benefits under a
14 joint and survivor option filed under sec. 450 of this chapter is
15 eligible for increased benefits for any service credit authorized under
16 (a) of this section, but not claimed or authorized by law before the
17 employee's death.

18 * Sec. 8. AS 39.35.040 is amended by adding a new paragraph to read:

19 (8) to waive the requirements of sec. 520 of this chapter in
20 accordance with sec. 522 of this chapter.

21 * Sec. 9. AS 39.35 is amended by adding a new section to read:

22 Sec. 39.35.522. WAIVER OF ADJUSTMENTS. (a) Upon appeal by an
23 affected member under (b) of this section, the board may waive an adjust-
24 ment made under sec. 520 of this chapter if

25 (1) the adjustment will, in the opinion of the board, cause
26 undue hardship to the member;

27 (2) the member is retired or has submitted notification of
28 impending retirement to his employer to be effective no later than 180
29 days after the adjustment was made;

1 (3) the adjustment will result in a loss of eligibility for
2 retirement for the member or result in a reduction of benefits already
3 received by the member of \$50 per month or more;

4 (4) the adjustment was not the result of erroneous informa-
5 tion supplied by the member;

6 (5) before the adjustment was made, the member received
7 confirmation from the administrator that his records were correct; and

8 (6) the member had no reasonable grounds to believe his
9 records were incorrect before the adjustment was made.

10 (b) In order to obtain consideration of a waiver under this sec-
11 tion, the affected member must appeal to the board in writing within 30
12 days after receipt of notice that his records have been adjusted. The
13 board shall rule on his appeal in writing within 120 days after its
14 receipt.

15 (c) The board may, at its discretion, conduct a hearing on an
16 appeal under this section. In reaching a decision on an appeal, the
17 board may issue subpoenas, administer oaths, compel the attendance and
18 testimony of witnesses, compel the taking of depositions and the submis-
19 sion of affidavits, and compel the production of documents and records.

20 (d) The board may impose conditions on the granting of a waiver
21 which it considers equitable. These conditions may include requiring
22 the member to make additional contributions to the system.

23 (e) The board may reconsider a ruling under this section upon
24 request of the member or the administrator if the request is received
25 within 30 days after the initial ruling. Any modification of the
26 initial ruling must be made within 30 days after receipt of a request
27 for reconsideration.

28 (f) Rulings and modifications of rulings under this section shall
29 be by a majority of a quorum of the board.

1 (g) Rulings on appeals and requests for reconsideration under this
2 section may be appealed by an aggrieved member to the superior court for
3 abuse of discretion.

4 * Sec. 10. (a) This section applies to any person who

5 (1) was required to verify his period of military service before
6 July 1, 1977 in order to receive credited service under AS 39.35.340(b) or
7 (c);

8 (2) filed an active military service credit claim under AS 39.35.-
9 340(b) or (c) with the Department of Administration, division of retirement
10 and benefits, before July 1, 1977; and

11 (3) was denied credited service under AS 39.35.340(b) or (c)
12 solely because of his failure to verify his period of military service.

13 (b) A person to whom this section applies is entitled to credited ser-
14 vice under AS 39.35.340(b) or (c) if he verifies his period of military ser-
15 vice before January 1, 1979 and satisfies all applicable requirements of AS
16 39.35.340 other than the July 1, 1977 deadline for verification of military
17 service. No part of AS 39.35.340 is affected by this section other than the
18 July 1, 1977 deadline.

19 * Sec. 11. Section 9 of this Act is retroactive to January 1, 1978. Sec-
20 tion 10 of this Act is retroactive to July 1, 1977.

21 * Sec. 12. Sections 1 - 3 of this Act take effect July 1, 1978. The
22 remainder of this Act takes effect immediately in accordance with AS 01.10.-
23 070(c).