

Introduced: 3/17/77  
Referred: State Affairs

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 HOUSE BILL NO. 364

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to withdrawal of the state from  
7 federal social security; and providing for an effective  
8 date."

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

10 \* Section 1. If approved by employees of the State of Alaska as set out  
11 in sec. 6 of this Act, the commissioner of administration shall take all  
12 necessary steps to terminate the state's participation in federal old age and  
13 survivors insurance entered into under AS 39.30.010.

14 \* Sec. 2. The amounts which both the state and the employees of the state  
15 would otherwise pay into the federal social security system shall be held in  
16 a special employee benefit account in the Department of Administration to be  
17 used to increase employee retirement and death and disability benefits in a  
18 method to be determined by subsequent legislative action. These increased  
19 employee benefits shall be made retroactive to January 1, 1978.

20 \* Sec. 3. All employees of the state, except temporary employees and  
21 members of the teachers' retirement system, who are not currently members of  
22 the public employees' retirement system shall become participating members of  
23 the system with full credit for past service to the state, and shall be  
24 included in the increased employee retirement and death and disability  
25 benefits accruing as a result of withdrawal from the social security system.

26 \* Sec. 4. The State of Alaska shall provide a death benefit to benefi-  
27 ciaries of temporary employees who die while employed by the state. The  
28 death benefit shall be equal to one full year's salary and shall be paid to  
29 the deceased employee's designated beneficiaries. The state shall also

1 provide a disability benefit to temporary employees who become disabled while  
2 in the employ of the state and when the disability has resulted from occupa-  
3 tional causes. The disability benefit shall be equal to 40 per cent of the  
4 disabled employee's monthly salary at the time disability occurs. Disability  
5 benefits begin the first month following the month disability occurs. The  
6 last payment shall be for the month in which

7 (1) the death of the disabled employee occurs;

8 (2) the disabled employee recovers from disability;

9 (3) the disabled employee would cease to be eligible for  
10 disability benefits under the criteria for disability benefits estab-  
11 lished by the Social Security Act; or

12 (4) the disabled employee becomes eligible to receive a  
13 retirement pension from the public employees' retirement system based on  
14 prior service if the retirement pension is equal to or greater than the  
15 disability benefit payable under this section.

16 \* Sec. 5. If state employees approve withdrawal from the social security  
17 system, affected employees shall form an Advisory Council on Retirement  
18 Benefits to recommend suitable revisions to employee retirement benefits.  
19 The advisory council shall consist of the director of the division of retire-  
20 ment and one representative from each organization representing state em-  
21 ployees.

22 \* Sec. 6. The Department of Administration shall conduct an election by  
23 secret ballot between 120 and 150 days after the effective date of this  
24 section. The department shall, at least 90 days before the election, prepare  
25 a list of all state employees eligible to vote, along with mailing addresses,  
26 and make the list available to interested persons or employee representative  
27 organizations. The question on the ballot shall read: "Do you favor with-  
28 drawal from the Social Security System?" A simple majority of those em-  
29 ployees voting shall determine the outcome of this issue. No information

1 concerning the election issue may be distributed with or attached to the  
2 ballot.

3 \* Sec. 7. Sections 1 - 5 of this Act become effective on January 1, 1978  
4 if approved by a majority of the votes cast by all state employees affected,  
5 including permanent, seasonal and temporary. Section 6 of this Act takes  
6 effect immediately in accordance with AS 01.10.070(c).

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