

Introduced: 2/14/78
Referred: Health, Education &
Social Services and Finance

BY COWPER, BRADLEY, DUNCAN,
MILES, MILLER AND PARR

1 IN THE HOUSE

2 HOUSE BILL NO. 820 *DM*

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 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 14.25.035 is amended by adding a new subsection to read:

10 (h) The teachers' retirement board may authorize the payment of a
11 post-retirement bonus under sec. 144 of this chapter.

12 * Sec. 2. AS 14.25.070 is repealed and re-enacted to read:

13 Sec. 14.25.070. CONTRIBUTIONS BY EMPLOYER. An employer shall
14 contribute an amount equal to the greater of

15 (1) one-half the percentage of the sum total of the base
16 salaries of all teachers that is required in addition to teacher contri-
17 butions to provide the benefits of this chapter, excluding a bonus which
18 may be paid under sec. 144 of this chapter, times the sum total of the
19 base salaries paid to teachers by the employer; or

20 (2) the amount of teacher contributions required under sec.
21 50 of this chapter.

22 * Sec. 3. AS 14.25.080 is repealed and re-enacted to read:

23 Sec. 14.25.080. CONTRIBUTIONS BY THE STATE. The state legislature
24 may appropriate annually and deposit in the retirement fund monthly an
25 amount equal to the greater of

26 (1) one-half the percentage of the sum total of the base
27 salaries of all teachers that is required in addition to teacher contri-
28 butions to provide the benefits of this chapter, excluding a bonus which
29 may be paid under sec. 144 of this chapter, times the sum total of the

1 base salaries paid to teachers by the employer; or

2 (2) the amount of teacher contributions required under sec.
3 50 of this chapter.

4 * Sec. 4. AS 14.25 is amended by adding a new section to read:

5 Sec. 14.25.144. POST-RETIREMENT BONUS. (a) When the teachers'
6 retirement board determines that the cost of living has increased and
7 there are sufficient funds credited to the post-retirement bonus account
8 created under sec. 146 of this chapter, the administrator shall pay a
9 bonus for that year to teachers currently receiving retirement benefits
10 to reflect this cost-of-living increase.

11 (b) The amount of a bonus granted in a year under this section may
12 not be more than four per cent of the sum of a retired teacher's retire-
13 ment salary and the amount of all previous bonuses granted under this
14 section, and shall be paid annually if there are sufficient funds in the
15 post-retirement bonus account. A bonus accrues from the July 1 next
16 following the effective date of retirement and shall be paid beginning
17 July 1 of each year.

18 (c) If there are insufficient funds in the post-retirement bonus
19 account to pay all bonuses granted under (b) of this section, the admin-
20 istrator shall pay bonuses according to the year in which they were
21 granted, paying the earliest year's bonuses first. When there are in-
22 sufficient funds to pay in full the bonuses granted in a given year, the
23 administrator shall prorate the payment of bonuses granted in that
24 year. Nothing in this section may be interpreted to create a vested
25 right to receive a post-retirement bonus.

26 * Sec. 5. AS 14.25 is amended by adding a new section to read:

27 Sec. 14.25.146. POST-RETIREMENT BONUS ACCOUNT. The administrator
28 shall establish within the teachers' retirement fund the post-retirement
29 bonus account. The account shall be credited with the amount, if any,

1 by which the sum of contributions by the teachers, employer and state
2 under secs. 50, 70 and 80 of this chapter exceeds the amount required to
3 provide the benefits of this chapter, excluding benefits payable under
4 sec. 144 of this chapter. Funds credited to the account shall be
5 reserved in a reasonably safe amount to pay the current demands upon the
6 account resulting from a determination by the teachers' retirement board
7 that a post-retirement bonus is payable under sec. 144 of this chapter.

8 * Sec. 6. An increase in retirement benefits which may result from opera-
9 tion of AS 14.25.144, enacted in sec. 4 of this Act, is applicable to teachers
10 retired before July 1, 1978.

11 * Sec. 7. This Act takes effect July 1, 1978.
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29