

Introduced: 1/27/77
Referred: Judiciary and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 90

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a contributory judicial retire-
7 ment system; and providing for an effective date."

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

9 * Section 1. AS 22 is amended by adding a new chapter to read:

10 CHAPTER 27. CONTRIBUTORY JUDICIAL RETIREMENT SYSTEM.

11 Sec. 22.27.010. APPLICATION. Each justice or judge appointed
12 before July 1, 1977, accrues benefits under the provisions of ch. 25
13 of this title. Each justice or judge appointed after that date accrues
14 benefits under the system provided in this chapter.

15 Sec. 22.27.020. ADMINISTRATION. The commissioner of administra-
16 tion is responsible for the administration of the system.

17 Sec. 22.27.030. REGULATIONS. The commissioner may adopt regula-
18 tions to implement the provisions of this chapter. Regulations adopted
19 by the commissioner under this chapter relate to the internal management
20 of state agencies and their adoption is not subject to the Administra-
21 tive Procedure Act (AS 44.62).

22 Sec. 22.27.040. EMPLOYEE CONTRIBUTIONS. While participating in
23 the system each justice and judge shall contribute seven per cent of
24 his compensation to the retirement system.

25 Sec. 22.27.050. RETIREMENT OF JUSTICES AND JUDGES. (a) A
26 justice or judge shall be retired on the date that he reaches the age
27 of 70. He is eligible for retirement pay if he has had five or more
28 years of service at the time of retirement as a justice or judge.

29 (b) A justice or judge may be retired for incapacity as provided

1 by law. He is eligible for retirement pay if he has had two or more
2 years of service at the time of retirement for incapacity. The effec-
3 tive date of retirement under this subsection is the first day of the
4 month coinciding with or after the date upon which the governor with
5 respect to a justice, or the supreme court with respect to a judge
6 files with the commissioner of administration a written declaration to
7 the effect that a designated justice or judge was retired for incapacity.
8 A duplicate copy of the declaration shall be filed with the judicial
9 council.

10 (c) A justice or judge who served for a period of five years,
11 and who believes that he has become so incapacitated as to prevent him
12 from efficiently performing his judicial duties may file with the
13 governor a written application for retirement which contains a sworn
14 statement of his service and of his incapacity. When an application
15 is filed, the governor shall appoint a board of three persons to
16 inquire into the circumstances, and may, upon the board's recommenda-
17 tion, retire the justice or judge. The effective date of the retire-
18 ment shall be as provided in (b) of this section.

19 (d) A justice or judge may voluntarily retire at any time and
20 has a vested right to his accrued retirement pay if he has served five
21 or more years. Retirement pay shall not commence until he has reached
22 age 60, except that an actuarially equivalent retirement pay may be
23 commenced after he has reached age 55 or upon his serving 20 years as
24 a justice or judge. The provisions of (b) of this section are an
25 exception to this rule. A justice or judge desiring to retire under
26 this subsection shall file with the commissioner of administration a
27 notice of his desire. If a justice or judge is eligible to receive
28 retirement pay at the time of his retirement, his retirement pay shall
29 commence on the first day of the month coinciding with or after the

1 date the notice is filed with the commissioner of administration. If
2 a justice or judge is not eligible to receive retirement pay at the
3 time of his retirement, his retirement pay shall commence on the first
4 day of the month he reaches age 60 or the month he becomes eligible
5 for an actuarial equivalent if he has applied for this option.

6 (e) In the computation of service for retirement under this
7 chapter, the time served by a justice or judge of any court of the
8 state is added to the time served by him, if any, on any other court
9 of the state.

10 Sec. 22.27.060. RETIREMENT PAY. A retired justice or judge
11 eligible for retirement pay shall receive from the date of his eligi-
12 bility until his death monthly compensation equal to five per cent per
13 year of service, to a maximum of 75 per cent, of the monthly salary
14 authorized for justices and judges, respectively, at the time each
15 retirement payment is made.

16 Sec. 22.27.070. SURVIVORS' BENEFITS. (a) Upon the death of a
17 justice or judge who has served for at least two years, the surviving
18 spouse is entitled to receive monthly compensation equal to 50 per
19 cent of the monthly retirement pay the justice or judge would thereafter
20 have been entitled to receive if retired at the time of death. If at
21 death the justice or judge was not yet entitled to retirement pay, or
22 was or would have been entitled to less than 60 per cent of the monthly
23 salary authorized for his office, the surviving spouse is entitled to
24 monthly compensation equal to 30 per cent of the salary authorized for
25 justices or judges, respectively, at the time each monthly payment is
26 made.

27 (b) To be eligible for the survivors' benefits, the surviving
28 spouse must have been married to the justice or judge for at least two
29 years immediately preceding the death of the justice or judge. The

1 benefits continue until the remarriage or death of the surviving
2 spouse.

3 (c) If there is no surviving spouse, or if the surviving spouse
4 does not meet the requirements of (b) of this section, or upon the
5 remarriage or death of the surviving spouse, the surviving dependent
6 child or children of the justice or judge are entitled to receive in
7 equal shares 50 per cent of the amount of the survivors' benefits
8 specified under (a) of this section.

9 (d) The surviving child or children are entitled to the sur-
10 vivors' benefits under (c) of this section during the period of their
11 dependency. Dependency exists with respect to any child of a justice
12 or judge who is either (1) a minor under the laws of Alaska, (2) under
13 the age of 23 and is a student attending on a full-time basis an
14 accredited educational or technical institution recognized by the
15 Department of Education, or (3) so mentally or physically incapacitated
16 as to be unable to provide for self-care.

17 (e) If there are both an eligible surviving spouse and surviving
18 dependent children, but who reside in separate households, the sur-
19 viving spouse and dependent children are entitled to share equally in
20 the benefits payable under (a) of this section.

21 Sec. 22.27.080. TAX EXEMPTION. Benefits paid under this chapter
22 are exempt from state and municipal taxes.

23 Sec. 22.27.090. EMPLOYER CONTRIBUTIONS. (a) The employer shall
24 make contributions to the system in accordance with the rate estab-
25 lished by the commissioner of administration. That rate shall be
26 based upon the results of an actuarial valuation of the system. The
27 results of the actuarial valuation shall be based upon actuarial
28 methods and assumptions adopted by the commissioner.

29 (b) The contribution rate shall be a percentage which, when

1 applied to the covered compensation of all active members of the
2 system, will generate sufficient contributions to properly support, in
3 conjunction with employee contributions, the benefits of the system.

4 Sec. 22.27.100. ACCOUNTING. (a) The contributory judicial
5 retirement account is established to which all appropriations made for
6 the purpose of funding the retirement system under this chapter shall
7 be credited.

8 (b) An individual account shall be maintained for each justice
9 or judge to which the amount of his mandatory contributions collected
10 under this chapter shall be credited as of the date of deduction or
11 payment, as the case may be. On June 30 and December 31 of each year,
12 beginning with June 30, 1978, this account shall be credited with
13 interest by applying one-half of the prescribed rate of interest to
14 the balance in the account as of that date.

15 (c) Upon commencement of retirement pay to a justice or judge,
16 the balance in his individual account shall be transferred to the
17 contributory judicial retirement account.

18 Sec. 22.27.110. REFUNDS. Upon termination of judicial service,
19 application may be made for a refund of the balance in the individual's
20 account. Upon withdrawal of the balance, all rights to benefits
21 terminate.

22 Sec. 22.27.120. PRIOR SERVICE CREDIT. If a justice or judge who
23 has withdrawn the balance of his individual account returns to permanent
24 active service, he shall receive credit for his prior period or periods
25 of service only if he repays within one year of the date of return all
26 refunded contributions with interest at the prevailing prescribed
27 rate.

28 Sec. 22.27.130. MEDICAL BENEFITS. Each person who is entitled
29 to receive a monthly benefit from the retirement system under this

1 chapter shall be provided with major medical insurance coverage.
2 Coverage shall become effective on the same date as retirement benefits
3 commence and cease when the retired employee or survivor is no longer
4 eligible to receive a monthly benefit. The level of coverage for
5 persons over age 65 shall be the same as that available before reaching
6 age 65 except that the benefits payable shall be supplemental to those
7 afforded under the federal Old Age Survivor and Disability Insurance
8 Program, if any.

9 Sec. 22.27.900. DEFINITIONS. In this chapter, unless the con-
10 text clearly indicates otherwise,

- 11 (1) "commissioner" means the commissioner of administration;
12 (2) "judge" means a superior court or district court judge;
13 (3) "justice" means a supreme court justice.

14 * Sec. 2. AS 22.28.130 is repealed.

15 * Sec. 3. This Act takes effect July 1, 1977.
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