

Introduced: 3/11/77
Referred: State Affairs and
Finance

1 IN THE SENATE

BY HUBER

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 215

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for state withdrawal from federal old
7 age and survivors insurance."

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

9 * Section 1. AS 39.35.370 is amended by adding a new subsection to read:

10 (d) An employee eligible for retirement may elect to have his
11 normal retirement pension computed under (c) of this section utilizing,
12 in place of the employee's actual average monthly compensation the
13 current rate of compensation for the grade and step he held on the
14 effective date of his retirement. Pension payments for an employee so
15 electing shall thereafter be based on the compensation rate for that
16 grade and for the month in which the payment is made. This election
17 shall be made by the employee at the time he applies for retirement, and
18 once made, is irrevocable.

19 * Sec. 2. If approved by employees of the State of Alaska as set out
20 in sec. 6 of this Act, the commissioner of administration shall take all
21 necessary steps to terminate the state's participation in federal old age and
22 survivors insurance entered into under AS 39.30.010.

23 * Sec. 3. The amounts which both the state and the employees of the state
24 would otherwise pay into the federal social security system shall be held in
25 a special employee benefit account in the Department of Administration to be
26 used to increase employee retirement and death and disability benefits in a
27 method to be determined by subsequent legislative action. These increased
28 employee benefits shall be made retroactive to January 1, 1978.

29 * Sec. 4. All employees of the state, except temporary employees, who are

1 not currently members of the public employees' retirement system shall become
2 participating members of the system with full credit for past service to the
3 state, and shall be included in the increased employee retirement and death
4 and disability benefits accruing as a result of withdrawal from the social
5 security system.

6 * Sec. 5. If state employees approve withdrawal from the social security
7 system, affected employees shall form an Advisory Council on Retirement
8 Benefits to recommend suitable revisions to employee retirement benefits.
9 The advisory council shall consist of the director of the division of retire-
10 ment and one representative from each employee bargaining group.

11 * Sec. 6. The Department of Administration shall conduct an election by
12 secret ballot between 120 and 150 days after the effective date of this
13 section. The department shall, at least 90 days before the election, prepare
14 a list of all state employees eligible to vote, along with mailing addresses,
15 and make the list available to interested persons or employee representative
16 organizations.

17 * Sec. 7. Section 1 of this Act becomes effective July 1, 1977. Sections
18 2 - 5 of this Act become effective on January 1, 1978 if approved by a
19 majority of the votes cast by all state employees affected, including perma-
20 nent, seasonal and temporary. Section 6 of this Act takes effect immediately
21 in accordance with AS 01.10.070(c).

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