

Introduced: 5/13/77  
Referred: Judiciary and  
Finance

1 IN THE SENATE

BY RODEY AND KERTTULA

2 SENATE BILL NO. 360

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 retirement system  
7 for judges and magistrates; and providing for an effective  
8 date."

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

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

11 CHAPTER 27. CONTRIBUTORY JUDICIAL RETIREMENT SYSTEM.

12 Sec. 22.27.010. APPLICATION. Each justice or judge appointed  
13 before July 1, 1977 accrues benefits under the provisions of ch. 25 of  
14 this title except that magistrates appointed before that date accrue  
15 benefits under the provisions of AS 39.35. Each justice or judge  
16 appointed after that date accrues benefits under the system provided in  
17 this chapter.

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

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

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

28 Sec. 22.27.050. RETIREMENT OF JUSTICES AND JUDGES. (a) A justice  
29 or judge shall be retired on the date that he reaches the age of 70. He

1 is eligible for retirement pay if he has had five or more years of  
2 service at the time of retirement as a justice or judge.

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

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

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

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

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

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

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

29 (b) To be eligible for the survivors' benefits, the surviving

1 spouse must have been married to the justice or judge for at least two  
2 years immediately preceding the death of the justice or judge. The  
3 benefits continue until the remarriage or death of the surviving spouse.

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

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

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

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

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

1 (b) The contribution rate shall be a percentage which, when  
2 applied to the covered compensation of all active members of the system,  
3 will generate sufficient contributions to properly support, in conjunc-  
4 tion with employee contributions, the benefits of the system.

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

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

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

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

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

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

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

8 Sec. 22.27.900. DEFINITIONS. In this chapter, unless the context  
9 clearly indicates otherwise,

10 (1) "commissioner" means the commissioner of administration;

11 (2) "judge" means a superior court or district court judge or  
12 magistrate;

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.