

Original sponsor: Judiciary Committee

Offered: 6/16/78
For Today's Calendar

1 IN THE SENATE

BY THE RULES COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 627

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 public employees' and teachers'
7 retirement systems; and providing for an effective
8 date."

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

10 * Section 1. AS 39.35 is amended by adding a new section to read:

11 Sec. 39.35.157. ALASKA STATE OFFICE IN TOKYO EMPLOYEES. An em-
12 ployee of the Alaska State Office in Tokyo (AS 44.19.640 - 44.19.680) is
13 an employee of the state for purposes of inclusion in the system and may
14 be included retroactively in the system and receive service credit for
15 time previously served as an employee if, before July 1, 1979, he autho-
16 rizes the state to contribute to the system the amount held by the state
17 on his behalf in an individual account in the Far East severance account
18 within the Department of Administration. If the employee does not make
19 the election to be included retroactively, the state shall pay the
20 employee the amount held by the state on the employee's behalf in the
21 Far East severance account on July 1, 1979. The amount paid to the
22 employee from the severance account shall be converted to yen at the
23 rate of 300 yen to one dollar.

24 * Sec. 2. AS 39.35.400(c) and (d) are amended to read:

25 (c) If the disabled employee becomes ineligible to receive non-
26 occupational disability benefits, he is entitled to receive a normal or
27 early retirement pension if he would have been eligible for the pension
28 had his employment continued during the period of disability. The [HOW-
29 EVER, THE] period of disability constitutes [DOES NOT CONSTITUTE]

1 credited service, except that a period of disability beginning before
2 July 1, 1978 does not constitute credited service.

3 (d) The monthly amount of a nonoccupational disability pension is
4 40 per cent of the disabled employee's gross monthly compensation at the
5 time of termination due to disability, except that the [THE] monthly
6 amount of the nonoccupational disability pension shall be determined in
7 accordance with sec. 370(c) of this chapter, considering the employee's
8 credited service and compensation before termination of employment if
9 the termination occurred before July 1, 1978.

10 * Sec. 3. AS 39.35.400(f) is repealed and re-enacted to read:

11 (f) Upon reaching the normal retirement date, an employee who is
12 receiving the nonoccupational disability pension and who is eligible for
13 a retirement pension under this section or sec. 370 of this chapter may,
14 at his election, continue to receive disability retirement benefits
15 under (d) of this section or he may receive normal retirement benefits
16 calculated under sec. 370(c) of this chapter. If the employee elects
17 normal retirement benefits, his nonoccupational disability pension shall
18 terminate when he first attains eligibility for normal retirement, and
19 his normal retirement benefit shall be calculated under sec. 370(c) of
20 this chapter if his period of nonoccupational disability began before
21 July 1, 1978.

22 * Sec. 4. AS 39.35.410(h) is repealed and re-enacted to read:

23 (h) Upon reaching the normal retirement date, an employee who is
24 receiving an occupational disability pension and who is eligible for a
25 retirement pension under this section or sec. 370 of this chapter may,
26 at his election, continue to receive occupational retirement benefits
27 under (d) of this section or he may receive normal retirement benefits
28 calculated under sec. 370(c) of this chapter. A retired employee's
29 occupational disability pension shall terminate when the employee first

1 attains eligibility for normal retirement, and his normal retirement
2 benefit shall be calculated under the provisions of sec. 370(c) of this
3 chapter if his period of occupational disability began before July 1,
4 1978.

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

6 Sec. 14.25.105. CREDIT FOR SERVICE AS AN EMPLOYEE OF THE TERRITORY
7 OF ALASKA. (a) A teacher who completes 15 years of membership service
8 under this chapter may elect to receive creditable service for employ-
9 ment rendered to the Territory of Alaska before January 3, 1959, regard-
10 less of the office, department, division or agency of the territory in
11 which he was employed. Creditable service allowed under this section
12 may not exceed five years.

13 (b) A teacher may not be credited with service under this section
14 if credit for service as an employee of the Territory of Alaska is
15 granted for the same period under the public employees' retirement
16 system (AS 39.35).

17 (c) A teacher who elects service credit under this section for
18 prior service to the Territory of Alaska shall make a retroactive con-
19 tribution under this system for the period of territorial employment
20 following July 1, 1955.

21 (d) A teacher employed by the Territory of Alaska for five or more
22 years before 1955 and who is not currently receiving benefits from
23 either the teachers' retirement system or the public employees' retire-
24 ment system shall be granted from the teachers' retirement system \$20 a
25 month per year for each year of Alaska teaching. No retroactive contri-
26 bution is required for this retirement credit. The division of retire-
27 ment may develop regulations to implement this section.

28 * Sec. 6. AS 14.25.120(h) is repealed and re-enacted to read:

29 (h) A member who is eligible for a service retirement salary under

1 this chapter or the retirement system of 1945 is entitled to a benefit
2 of at least \$20 per month for each year of creditable service, not
3 including adjustments made under sec. 142 or 143 of this chapter. If,
4 on the date the member originally applied for the retirement salary, the
5 member elected option two under (c)(2)(B) of this section as payment of
6 his indebtedness or a reduced benefit under (c)(4) of this section, the
7 amount of the dollar reduction shall remain in effect.

8 * Sec. 7. AS 14.25.142(b) and (c) are amended to read:

9 (b) A person receiving a cost of living allowance under this
10 section shall notify the administrator when he expects to be absent from
11 the state for a continuous period that exceeds 90 [60] days. After that
12 notification, the person is no longer entitled to receive the monthly
13 cost of living allowance, except that a person may be absent from the
14 state for not more than six months without loss of the cost of living
15 allowance if the absence is the result of illness and required by order
16 of a licensed physician. Upon his return to the state, and upon noti-
17 fication to the administrator, the person is again entitled to receive
18 the monthly cost of living allowance, commencing with the first monthly
19 benefit payment made after notification of the person's return.

20 (c) For purposes of this section, "residing in the state" means
21 domiciled and physically present in the State of Alaska. Being absent
22 from the state for a continuous period of 90 [60] days or less or six
23 months or less when ordered by a physician does not change a person's
24 status as "residing in the state".

25 * Sec. 8. AS 14.25.143(d) is amended to read:

26 (d) A person receiving benefits under this chapter shall be
27 granted a 10 per cent increase in his current base benefit if he was
28 receiving benefits on July 1, 1976. The increase shall be effective
29 July 1, 1977. A retiree on disability retirement who was eligible for

1 the 10 per cent benefits under this provision and who later becomes
2 eligible for "normal retirement" shall continue to receive the benefits
3 of this section. Retroactive payments shall be made for any eligible
4 retiree who was denied payments during the period from July 1, 1977
5 until the effective date of this Act.

6 * Sec. 9. The benefits now paid under ch. 102, sec. 1, SLA 1951 as in-
7 creased by ch. 85 SLA 1970 and ch. 134 SLA 1975 are further increased by \$75
8 a month for each recipient.

9 * Sec. 10. AS 14.25.120(g) is repealed.

10 * Sec. 11. Persons retired before July 1, 1978 are entitled to receive
11 the increases in benefits enacted in Sec. 6 of this Act.

12 * Sec. 12. This Act takes effect immediately in accordance with AS 01.-
13 10.070(c).