

Introduced: 2/19/79
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 243

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to teachers' and public employees'
7 retirement; and providing for an effective date."

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

9 * Section 1. AS 14.25 is amended by adding new sections to read:

10 Sec. 14.25.012. PURPOSE AND EFFECTIVE DATE. (a) The purpose of
11 this chapter is to encourage qualified teachers to enter and remain in
12 service with participating employers by establishing a system for the
13 payment of retirement, disability, and death benefits to or on behalf
14 of the members.

15 (b) The system created became effective as of July 1, 1955, at
16 which time contributions by the participating employers and members
17 began.

18 Sec. 14.25.015. ADMINISTRATOR. The commissioner shall appoint
19 an administrator of the system.

20 * Sec. 2. AS 14.25.030 is amended to read:

21 Sec. 14.25.030. DUTIES OF THE ADMINISTRATOR. The administrator
22 shall

23 (1) establish and maintain an adequate system of accounts
24 for the retirement fund;

25 (2) approve or disapprove claims for retirement benefits
26 [SALARY];

27 (3) serve as secretary of the board and keep an official
28 record of all proceedings;

29 (4) publish annually a report showing the financial con-

1 dition of the retirement fund; and

2 (5) do whatever else may be necessary to carry out the
3 purposes of this chapter.

4 * Sec. 3. AS 14.25.035(e) is amended to read:

5 (e) The board shall serve as an appeal board and shall hold
6 hearings at the request of an employer, member [EMPLOYEE], annuitant,
7 or any beneficiary on [IN REGARD TO RULINGS OR] decisions made by the
8 administrator [OF THE TEACHERS' RETIREMENT SYSTEM]. The board shall
9 submit its findings to the administrator. The board shall hold
10 annually one or more public hearings to discuss proposed changes in
11 the [TEACHERS' RETIREMENT] system and to consider and adopt resolutions
12 which might apply to this system.

13 * Sec. 4. AS 14.25.035 is amended by adding a new subsection to read:

14 (h) The board may waive the requirements of AS 14.25.173 in
15 accordance with AS 14.25.175.

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

17 Sec. 14.25.043. RE-EMPLOYMENT OF RETIRED MEMBERS. If a retired
18 member again becomes an active member, no benefit payments may be made
19 during the period of re-employment. The retirement benefit must be
20 suspended for the entire school year if the teacher is re-employed as
21 an active teacher for a period equivalent to a year of service. During
22 the period of re-employment, deductions from the member's salary will
23 be made in accordance with AS 14.25.050. Upon subsequent retirement,
24 the retired member is entitled to receive an additional benefit based
25 on the credited service and the average base salary during the period
26 of re-employment in accordance with AS 14.25.110.

27 * Sec. 6. AS 14.25.055 is amended to read:

28 Sec. 14.25.055. SUPPLEMENTAL CONTRIBUTIONS BY TEACHERS. If a
29 teacher is married or has a minor child and wishes to make his spouse

1 or minor child eligible for a spouse's pension or a survivor's allow-
2 ance, he may elect to make a supplemental contribution of an additional
3 one per cent of his base salary within 90 days of his entry into parti-
4 cipation in the system, or within 90 days of his marriage, or within
5 90 days of the birth or adoption of a child dependent upon him, or
6 during any open enrollment period authorized by the Teachers' Retire-
7 ment System Board. Once an election is made under this section, sup-
8 plemental contributions must be made whenever contributions are re-
9 quired under AS 14.25.050 unless the teacher executes a written waiver
10 with the administrator. The execution of a waiver relinquishes all
11 rights and benefits previously accrued under AS 14.25.162 and 14.25.164.

12 * Sec. 7. AS 14.25.060(a) is amended to read:

13 (a) If a member has military service or Alaska Bureau of Indian
14 Affairs (BIA) service, or if a member joined the system before July 1,
15 1978 [1977] and has credited [CREDITABLE] outside service, [OR IF A MEM-
16 BER HAS MILITARY SERVICE OR ALASKA BUREAU OF INDIAN AFFAIRS (BIA)
17 SERVICE,] the member is indebted to the retirement fund as follows:

18 (1) At the time of first becoming a member of the system,
19 the arrearage indebtedness is seven per cent of the base salary multi-
20 plied by the total number of years of credited [CREDITABLE] outside,
21 military and Alaska BIA service. Compound interest at the rate pre-
22 scribed by regulation shall be added to the arrearage indebtedness
23 beginning July 1, 1963, or at the time of first becoming employed as a
24 member, whichever is later, to the date of payment or the date of
25 retirement, whichever occurs first.

26 (2) If a member terminates from the system and is sub-
27 sequently reemployed as a member, the arrearage indebtedness to the
28 retirement fund for outside, military, or Alaska BIA service accumu-
29 lated in the interim is seven per cent of the base salary upon re-

1 entering membership service, multiplied by the number of years of
2 interim outside, military, and Alaska BIA service. Compound interest
3 at the rate prescribed by regulation shall be added to the arrearage
4 indebtedness beginning July 1, 1963, or the date of reemployment as a
5 member, whichever is later, to the date of payment or the date of
6 retirement, whichever occurs first.

7 * Sec. 8. AS 14.25.060(b) is amended to read:

8 (b) If a member joins the system on or after July 1, 1978 and
9 has credited [CREDITABLE] outside service, the member may claim this
10 service. If claimed, the member is indebted to the retirement fund as
11 follows:

12 (1) The arrearage indebtedness is the full actuarial cost
13 of providing benefits for the service being claimed. Compound interest
14 at the rate prescribed by regulation shall be added to the arrearage
15 indebtedness beginning the date the actuarial cost is established to
16 the date of payment or the date of retirement, whichever occurs first.

17 (2) If a member terminates from the system and is subse-
18 quently reemployed as a member, the arrearage indebtedness for outside
19 service during the interim is the full actuarial cost of providing
20 benefits for the interim service being claimed. Compound interest at
21 the rate prescribed by regulation shall be added to the arrearage
22 indebtedness beginning the date the actuarial cost is established to
23 the date of payment or the date of retirement, whichever occurs first.

24 (3) A member who joins the system on or after July 1, 1978
25 [AND CLAIMS ALASKA BIA SERVICE IS EXEMPT FROM (1) AND (2) OF THIS SUB-
26 SECTION WITH RESPECT TO THAT SERVICE. HIS ARREARAGE INDEBTEDNESS FOR
27 THE ALASKA BIA SERVICE SHALL BE CALCULATED UNDER (a) OF THIS SECTION.
28 HOWEVER, SUCH A MEMBER] may claim no more than five years Alaska BIA
29 service. A [THIS PARAGRAPH DOES NOT APPLY TO A] member who has, at

1 the time he claims Alaska BIA service, a vested military or federal
2 retirement benefit, or a [. A] member who acquires a vested military
3 or federal retirement benefit after claiming Alaska BIA service [UNDER
4 THIS PARAGRAPH] shall have his arrearage indebtedness for that service
5 recalculated under (1) or (2) of this subsection, as appropriate,
6 retroactive to the date he claimed the service.

7 * Sec. 9. AS 14.25.061(a) is amended to read:

8 (a) A member who was not subject to the provisions of this
9 chapter, but who becomes subject to them because of a legislative
10 change, may elect to receive credit for retroactive [CREDITABLE] ser-
11 vice by contributing to the retirement fund an amount equal to the
12 contributions the member [HE] would have made had the member [HE] been
13 subject to the provisions of this chapter for those years of retro-
14 active [CREDITABLE] service after June 30, 1955. Retroactive contri-
15 butions are not required for retroactive [CREDITABLE] service before
16 July 1, 1955. Compound interest at the rate prescribed by regulation
17 shall be added to the retroactive indebtedness from July 1, 1966 or
18 the time of first becoming eligible under this chapter, whichever is
19 later, to the date of payment or the date of retirement, whichever
20 occurs first.

21 * Sec. 10. AS 14.25.061(b) is amended to read:

22 (b) If retroactive indebtedness contributions have been made for
23 retroactive [CREDITABLE] service before July 1, 1955, the member is
24 entitled to a refund of those retroactive indebtedness contributions.

25 * Sec. 11. AS 14.25.062 is amended to read:

26 Sec. 14.25.062. REINSTATEMENT INDEBTEDNESS. A [IF A] teacher
27 who has received a refund of contributions in accordance with AS 14.25.-
28 150 [SEC. 150 OF THIS CHAPTER] is [REEMPLOYED IN MEMBERSHIP SERVICE,
29 HE IS] indebted to the retirement fund in the amount of the total

1 refund. Compound interest at the rate prescribed by regulation shall
2 be added to the reinstatement indebtedness from the date of the refund
3 to the date of repayment or the date of retirement, whichever occurs
4 first.

5 * Sec. 12. AS 14.25 is amended by adding a new section to read:

6 Sec. 14.25.063. PAYMENT OF INDEBTEDNESS. (a) For purposes of
7 this chapter, a member does not have to be re-employed under this
8 system in order to make indebtedness payments. However, a former
9 member must be re-employed under this system in order to make indebted-
10 ness payments. Payments apply first to accrued interest and then to
11 principal.

12 (b) If the member has not paid the full amount of indebtedness
13 owing to the system by the date of application for retirement, he may
14 elect either:

15 (1) option one -- to have any retirement benefit which
16 becomes due the member withheld until the total amount withheld is
17 equal to the outstanding indebtedness due the system; or

18 (2) option two -- to cancel the outstanding indebtedness to
19 the system by accepting an actuarially reduced annuity for life.

20 (c) If option one under (b)(1) of this section is elected, the
21 member may pay all or any part of the outstanding indebtedness at a
22 later date. However, option two under (b)(2) of this section, if
23 elected, is irrevocable.

24 * Sec. 13. AS 14.25.065(b) is amended to read:

25 (b) The contributions of employers under AS 14.25.070 must [SEC.
26 70 OF THIS CHAPTER SHALL] be transmitted [BY A SCHOOL DISTRICT] to the
27 administrator at the close of each pay period. If the contributions
28 are not submitted within 15 days of the close of each payroll period,
29 interest must be assessed on the outstanding contributions at one and

1 one-half times the most recent actuarially determined rate of earnings
2 for the system from the date that contributions were originally due.
3 In addition, the amount of the contributions and interest may [SHALL]
4 be deducted by the Department of Education from the state funds due
5 the school district and the amount so deducted [SHALL BE] transmitted
6 to the administrator for deposit in the retirement fund. Amounts due
7 from the [THE] University of Alaska and interest as prescribed in this
8 section [SHALL FORWARD ITS CONTRIBUTION TO THE ADMINISTRATOR WITHIN 15
9 DAYS OF THE CLOSE OF EACH PAYROLL PERIOD FOR DEPOSIT IN THE RETIREMENT
10 FUND. IF THE CONTRIBUTIONS ARE NOT SUBMITTED WITHIN 15 DAYS OF THE
11 CLOSE OF EACH PAYROLL PERIOD, THE AMOUNT OF THE CONTRIBUTIONS] may
12 [SHALL] be deducted by the commissioner of administration from any
13 state funds due the University of Alaska and the amount deducted
14 [SHALL BE] transmitted to the administrator for deposit in the retire-
15 ment fund.

16 * Sec. 14. AS 14.25.100 is amended to read:

17 Sec. 14.25.100. CREDIT FOR SERVICE IN THE ARMED FORCES. (a) A
18 member [TEACHER] who served as an active member of the armed forces of
19 the United States [AFTER DECEMBER 31, 1939] may receive credited
20 [CREDITABLE] service under this [RETIREMENT] system up to a maximum of
21 five years. Each 12 months of military service equals one school
22 year, and lesser military periods will be determined for credit pur-
23 poses in a proportionate ratio to a year. To receive credited [CREDIT-
24 ABLE] service under this section, the member [TEACHER] must have
25 received a discharge other than dishonorable. Credit for service in
26 the armed forces shall be granted only if the member [TEACHER] makes
27 contributions for the service in the same manner as required for
28 outside service under AS 14.25.060 [SEC. 60 OF THIS CHAPTER]. The
29 military service credited under this section shall be included in the

1 10 year limitation of outside service as specified in AS 14.25.060
2 [SEC. 60 OF THIS CHAPTER], except if entry into the armed forces is
3 immediately preceded by Alaska membership service and following dis-
4 charge is continued by Alaska membership service within one year
5 thereafter, service may not be counted for purposes of determining the
6 applicability of the 10 year limitation on outside service.

7 (b) Where a member [TEACHER] is unable to resume teaching in a
8 public school within one year following discharge because of hospitali-
9 zation, rehabilitation training, a disability derived while in the
10 armed forces, or other like circumstances, the administrator shall
11 determine the allowance or disallowance of any service in the armed
12 forces.

13 (c) Repealed by sec. 7 ch. 155 SLA 1976.

14 (d) Repealed by sec. 7 ch. 155 SLA 1976.

15 (e) A member [TEACHER] may not be credited with the same period
16 of service in the armed forces under this section if credit for that
17 military service was granted under the public employee's retirement
18 system (AS 39.35). The combined period of military service claimed
19 under this section and AS 39.35 may not exceed five years.

20 * Sec. 15. AS 14.25.110 is repealed and re-enacted to read:

21 Sec. 14.25.110. RETIREMENT BENEFITS. (a) A member is eligible
22 for a normal retirement benefit after meeting any one of the following:

23 (1) at least 15 years of credited service, the last five of
24 which have been membership service, for a member first hired before
25 July 1, 1975, and has attained the age of 55 years;

26 (2) at least eight years of membership service and has
27 attained the age of 55 years;

28 (3) at least five years of membership service and at least
29 three years of Alaska BIA service and has attained the age of 55

1 years;

2 (4) at least 25 years of credited service, the last five of
3 which have been membership service;

4 (5) at least 20 years of membership service; or

5 (6) at least 20 years of combined membership service and
6 Alaska BIA service, the last five of which have been membership ser-
7 vice.

8 (b) A member is eligible for an early retirement benefit upon
9 completing either of the service requirements in (a)(1), (2), or (3)
10 of this section and attaining the age of 50 years.

11 (c) The burden is on the applicant to prove eligibility for
12 retirement benefits to the full satisfaction of the administrator.

13 (d) The monthly amount of a retirement benefit for a member who
14 has paid the full amount of any indebtedness is two per cent of the
15 member's average base salary during any three school years of member-
16 ship service times the years of credited service, including credited
17 fractional years. An actuarial adjustment must be made for early
18 retirement.

19 (e) The monthly amount of a retirement benefit must be deter-
20 mined in accordance with (d) of this chapter as it is in effect on the
21 date of termination of the member's last segment of employment.

22 (f) The annual amount of retirement benefits for a retiring
23 member who was a member of the retirement system established by the
24 Retirement Act of 1945 may not be less than \$975 plus 10 per cent of
25 the total contribution made by the member to the retirement fund of
26 1945.

27 (g) A member who is eligible for a service retirement salary
28 under this chapter or the retirement system of 1945 is entitled to a
29 benefit of at least \$20 per month for each year of credited service,

1 not including adjustments made under AS 14.25.142 or 14.25.143. If
2 the member elected option two under AS 14.25.063(b)(2) for payment of
3 any indebtedness when he initially applied for a retirement benefit,
4 or if he elected to receive an early retirement benefit under (b) of
5 this section, the resulting benefit reduction continues in effect.

6 (h) The monthly retirement benefit for a member who was receiving
7 a retirement benefit on July 1, 1955 is \$50 a month, if the member was
8 at least 55 years of age on July 1, 1955.

9 (i) Benefits payable under this section accrue from the first
10 day of the month after which all of the following requirements are
11 met: (1) the member meets the eligibility requirements of this
12 section; (2) the member terminates employment; and (3) the member
13 applies for retirement. Benefits are not payable under this section
14 during a school year in which credit for a full year of service is
15 granted. The benefits are payable the last day of the month. If
16 payment is delayed, a retroactive payment must be made for the month
17 in which a benefit is payable under this section.

18 * Sec. 16. AS 14.25.125(c) is amended to read:

19 (c) Membership service for which contributions were refunded is
20 not creditable under this section unless the refunded contributions
21 have been repaid. For purposes of this section, a member or former
22 member does not have to be re-employed under this system in order to
23 repay refunded contributions. Compound interest at the rate prescribed
24 by regulation must be added to the reinstatement indebtedness from the
25 date of the refund to the date of repayment.

26 * Sec. 17. AS 14.25.130 is amended to read:

27 Sec. 14.25.130. DISABILITY BENEFITS [ELIGIBILITY FOR DISABILITY
28 RETIREMENT]. (a) A member [TEACHER IN MEMBERSHIP SERVICE] who has
29 become permanently disabled, as defined in AS 14.25.220 after July 1,

1 1966 [SEC. 220 OF THIS CHAPTER], before age 55 and who has [HAD] five
2 or more [MEMBERSHIP] years of membership service may be retired by the
3 administrator as of the first day of the month following the permanent
4 disability. After [THE ADMINISTRATOR, AFTER] a report of medical
5 examination of the member, an application [TEACHER] and other requested
6 information [THE ADMINISTRATOR MAY REQUEST] has been submitted, the
7 administrator shall determine if [CERTIFY THAT] the member [TEACHER]
8 is physically or mentally incapacitated for [THE] further performance
9 of duty, and if [THAT] the incapacity is likely to be permanent and
10 whether [THAT] the member [TEACHER] should receive disability benefits
11 [BE RETIRED].

12 [(b) A TEACHER RETIRED BECAUSE OF DISABILITY UNDER THIS SECTION
13 WHO SUBSEQUENTLY RECOVERS FROM THE DISABILITY IS NOT ENTITLED TO ANY
14 DISABILITY RETIREMENT SALARY FROM THE FIRST DAY OF THE MONTH FOLLOWING
15 RECOVERY.]

16 (c) Once each year during the first five years following appoint-
17 ment to [RETIREMENT OF A TEACHER FOR] disability under this section,
18 and once every three-year period thereafter, the administrator may
19 require a disabled member [TEACHER] who has not attained eligibility
20 for normal retirement to undergo a medical or mental examination by a
21 competent physician. The administrator shall suspend any disability
22 benefit [RETIREMENT ALLOWANCE] for a disabled member [TEACHER] who
23 refuses to undergo a physical or mental examination when requested [BY
24 THE ADMINISTRATOR] under this section.

25 (d) The amount of the disability benefit is equal to 50 per
26 cent of the member's base salary immediately before becoming disabled.
27 The disability benefit is increased by 10 per cent for each dependent
28 child, up to a maximum of four dependent children.

29 (e) Benefits payable under this section accrue from the first

1 day of the month after which the following requirements are met: (1)
2 the member meets the eligibility requirements of this section; and (2)
3 the member terminates employment. The benefits are payable the last
4 day of the month. If payment is delayed, a retroactive payment must
5 be made to cover the period of deferment. The last payment for a
6 dependent child must be for the month in which the child ceases to be
7 a dependent child. The last payment for the disabled member must be
8 made for the month in which the disabled member recovers from his
9 disability, dies, or is eligible for normal retirement.

10 * Sec. 18. AS 14.25.143(a) is amended to read:

11 (a) When the administrator determines that the cost of living
12 has increased and that the financial condition of the retirement fund
13 permits, the administrator [HE] may increase all annuitant's [SERVICE
14 RETIREMENT] and survivor's benefits [SALARIES] to reflect this cost of
15 living increase.

16 * Sec. 19. AS 14.25.160 is repealed and re-enacted to read:

17 Sec. 14.25.160. DEATH BENEFITS. (a) Upon receipt of a valid
18 claim and proof of the death of a member who has not made supplemental
19 contributions or whose supplemental contributions under AS 14.25.055
20 were made for less than one year of membership service, a death benefit
21 will be paid to the beneficiaries the member has designated in writing
22 and filed with the administrator. If the member failed to designate a
23 beneficiary, or if no designated beneficiary survives the member, the
24 payments will be made as follows:

25 (1) to the surviving spouse;

26 (2) if there is no surviving spouse, to the surviving
27 children in equal amounts;

28 (3) if there is no surviving child, to the surviving parents
29 in equal amounts; or

1 (4) if there is no surviving parent, to the member's estate.

2 (b) Upon the death of an active member who meets the conditions
3 specified in (a) of this section, the amount of the death benefit is
4 the sum of the following less any retirement benefit previously
5 received by the member:

6 (1) the member's mandatory contribution account;

7 (2) \$100 times the years of membership service;

8 (3) \$1,000; and

9 (4) \$500 if the deceased member is survived by one or more
10 dependent children at the time of death.

11 (c) If the sum of (b)(2) and (3) of this section exceeds \$3,000,
12 only \$3,000 may be added to amounts under (b)(1) and (4) in calcu-
13 lating the death benefit under (b) of this section.

14 (d) Upon the death of an inactive member who meets the conditions
15 specified in (a) of this section, payment is the amount determined in
16 (b)(1) of this section.

17 (e) Upon the death of a disabled member who is not eligible for
18 normal retirement and who meets the conditions specified in (a) of
19 this section, payment is the amount determined in (b) of this section.

20 (f) Upon the death of a retired member who meets the conditions
21 specified in (a) of this section, payment is the amount determined in
22 (b)(1) of this section less all retirement benefits paid to the
23 deceased member.

24 (g) If supplemental contributions have been made under AS 14.25.-
25 055, benefits may be payable under AS 14.25.162 or 14.25.164 if the
26 deceased member meets the eligibility requirements of one of those
27 sections.

28 (h) Payment made to a beneficiary under this section is in place
29 of any other benefit under this chapter.

1 * Sec. 20. AS 14.25.162 is repealed and re-enacted to read:

2 Sec. 14.25.162. SURVIVOR'S ALLOWANCE. (a) If an active or dis-
3 abled member dies and leaves a dependent child, and supplemental
4 contributions have been made under AS 14.25.055 for at least one year
5 of credited service, a survivor's allowance is payable under (b) of
6 this section. If a retired member or a deferred vested member dies
7 and leaves a dependent child, and supplemental contributions have been
8 made under AS 14.25.055 for at least five years of credited service, a
9 survivor's allowance is payable under (b) of this section. Application
10 for the survivor's allowance must be made in writing to the administra-
11 tor.

12 (b) A survivor's allowance is payable under this section as
13 follows:

14 (1) an allowance of 10 per cent of the member's base salary
15 immediately before the member's death, retirement, or disability must
16 be paid for each dependent child; if there are four or more dependent
17 children, the total amount paid to those children must be 40 per cent
18 of the member's base salary before his death, retirement, or dis-
19 ability, paid in equal amounts to each child; the allowance must be
20 recomputed for the month in which the number of dependent children is
21 less than four and the benefits must be decreased accordingly; if a
22 dependent child who is at least 19 years old but less than 23 years
23 old is out of school for more than one semester, payments of the
24 dependent child's benefits terminate permanently; the adoption of a
25 dependent child does not terminate the survivor's allowance payable
26 under this section;

27 (2) an allowance of 35 per cent of the member's base salary
28 must be paid to the member's surviving spouse as long as there is an
29 eligible dependent child as determined under (b)(1) of this section;

1 if there is no surviving spouse, an allowance of 10 per cent of the
2 member's base salary must be paid to each court-appointed guardian;

3 (3) when no further benefits are payable under this section,
4 the difference between the amount that would have been paid under AS
5 14.25.160 and any payments made to the member, spouse, guardian, or
6 dependent children under this section must be paid to those benefici-
7 aries described in AS 14.25.160(a);

8 (4) benefits are not payable under this section if benefits
9 are being paid under AS 14.25.164.

10 (c) The survivor's allowance accrues from the first day of the
11 month following the death of a member and is payable on the last day
12 of the month. If payment is delayed, a retroactive payment must be
13 made for the month in which a benefit is payable under this section.
14 The last payment is for the month in which a benefit is payable under
15 this section.

16 * Sec. 21. AS 14.25.164 is repealed and re-enacted to read:

17 Sec. 14.25.164. SPOUSE'S PENSION. (a) If an active or disabled
18 member dies, a pension is payable to the member's spouse if the member
19 made supplemental contributions under AS 14.25.055 for at least one
20 year of credited service. If a retired member or deferred vested
21 member dies, a pension is payable to the member's spouse if the
22 member made supplemental contributions under AS 14.25.055 for at least
23 five years of credited service. Application for the spouse's pension
24 must be made in writing to the administrator.

25 (b) A spouse's pension is payable under this section as follows:

26 (1) a spouse's pension is equal to 50 per cent of the
27 retirement benefit that the deceased member was receiving; if the
28 member was not receiving a retirement benefit, the spouse's pension is
29 equal to 50 per cent of the amount the member would have received,

1 based on the member's average base salary and credited service to the
2 date of the member's death and assuming that the member would have
3 been eligible for a normal retirement benefit as of that date;

4 (2) in the event of the death of a member's spouse who is
5 receiving a spouse's pension, the difference between the amount that
6 would have been paid under AS 14.25.160 and any payments made to the
7 member, spouse, guardian, or dependent children, must be paid to those
8 beneficiaries described in AS 14.25.160;

9 (3) benefits are not payable under this section if benefits
10 are being paid under AS 14.25.162.

11 (c) The spouse's pension accrues from the first day of the month
12 following the death of a member and is payable on the last day of the
13 month. If payment is delayed, a retroactive payment must be made for
14 the month in which a benefit is payable under this section. The last
15 payment is for the month in which the spouse dies.

16 * Sec. 22. AS 14.25 is amended by adding a new section to read:

17 Sec. 14.25.175. WAIVER OF ADJUSTMENTS. (a) Upon appeal of an
18 affected member or beneficiary under (b) of this section, the board
19 may waive an adjustment or any portion of an adjustment made under AS
20 14.25.173 if

21 (1) the adjustment or portion of the adjustment will, in
22 the opinion of the board, cause undue hardship to the member or bene-
23 ficiary;

24 (2) the member is retired or has submitted notification of
25 impending retirement to his employer to be effective no later than 180
26 days after the adjustment was made; or the beneficiary was eligible to
27 receive or was receiving benefits under this chapter before the
28 adjustment;

29 (3) the adjustment will result in a loss of eligibility for

1 benefits for the member or beneficiary or result in a reduction of
2 benefits being received by the member or beneficiary of \$50 per month
3 or more;

4 (4) the adjustment was not the result of erroneous infor-
5 mation supplied by the member or beneficiary;

6 (5) before the adjustment was made, the member or benefi-
7 ciary received confirmation from the administrator that his records
8 were correct; and

9 (6) the member or beneficiary had no reasonable grounds to
10 believe his records were incorrect before the adjustment was made.

11 (b) In order to obtain consideration of a waiver under this
12 section, the affected member or beneficiary must appeal to the board
13 in writing within 30 days after receipt of notice that his records
14 have been adjusted. The board shall rule on his appeal in writing
15 within 120 days after its receipt.

16 (c) The board may, at its discretion, conduct a hearing on an
17 appeal under this section. In reaching a decision on an appeal, the
18 board may issue subpoenas, administer oaths, and compel the attendance
19 and testimony of witnesses, the taking of depositions, the submission
20 of affidavits, and the production of documents and records.

21 (d) The board may impose conditions on granting a waiver which
22 it considers equitable. These conditions may include requiring the
23 member or beneficiary to make additional contributions to the system.

24 (e) The board may reconsider a ruling under this section upon
25 request of the member or beneficiary or the administrator if the
26 request is received within 30 days after the initial ruling. Any
27 modification of the initial ruling must be made within 30 days after
28 receipt of a request for reconsideration.

29 (f) Rulings and modifications of rulings under this section

1 must be by a majority of a quorum of the board.

2 (g) Rulings on appeals and requests for reconsideration under
3 this section may be appealed by an aggrieved member or beneficiary to
4 the superior court for abuse of discretion.

5 * Sec. 23. AS 14.25.177 is repealed and re-enacted to read:

6 Sec. 14.25.177. EFFECT OF AMENDMENTS. (a) An amendment to this
7 chapter is not retroactive unless its retroactivity is expressly
8 stated within the amendment.

9 (b) The monthly amount of any benefit payable under this chapter
10 will be determined in accordance with the provisions of this chapter
11 in effect on the date of termination of the member's last segment of
12 employment.

13 * Sec. 24. AS 14.25.200 is amended to read:

14 Sec. 14.25.200. EXEMPTION FROM TAXATION AND PROCESS. Benefits
15 [TEACHERS' RETIREMENT SALARIES] and other amounts held in the retirement
16 fund on behalf of the members [TEACHERS] are exempt from Alaska state
17 and municipal taxes and are not subject to anticipation, alienation,
18 sale, transfer, assignment, pledge, encumbrance, charge, garnishment,
19 execution or levy of any kind, either voluntary or involuntary before
20 they are received by the person entitled to the amount under the terms
21 of the system, and any attempt to anticipate, alienate, sell, transfer,
22 assign, pledge, encumber, charge, or otherwise dispose of any right to
23 amounts accrued in the retirement fund is [SHALL BE] void.

24 * Sec. 25. AS 14.25.205 is amended to read:

25 Sec. 14.25.205. TIME LIMIT FOR APPLICATION. If no application
26 for benefits or for refund has been filed with the administrator by
27 July 1 following the date on which an inactive [THE] member (except
28 a member on leave of absence without pay) would attain age 75, or if
29 no application for benefits or for refund has been filed with the ad-

1 ministrator within the 50 years following the most recent date on
2 which the person was an active member, no benefits or refunds may be
3 paid under this chapter and the member's records may be destroyed.

4 * Sec. 26. AS 14.25.220 is repealed and re-enacted to read:

5 Sec. 14.25.220. DEFINITIONS. In this chapter, unless the context
6 requires otherwise

7 (1) "active member" means a member who is employed by an
8 employer, is receiving compensation on a full or part-time basis and
9 is making contributions to the system, or a member making contributions
10 under AS 14.20.330 OR 14.20.345;

11 (2) "actuarial adjustment" means equality in value of the
12 aggregate expected payments under two different forms of pension
13 payments, considering expected mortality and interest earnings on the
14 basis of tables adopted from time to time by the board;

15 (3) "administrator" means the person appointed by the com-
16 missioner of administration under AS 14.25.015;

17 (4) "annuitant" means a retired member or a disabled member
18 who is receiving a benefit under this system;

19 (5) "average base salary" means the result obtained by
20 dividing the sum of the three highest years' base salary by three, or
21 if a member does not have three years base salary, then by dividing
22 the sum of all base salaries by the number of years of base salary;
23 the base salary for any year in which credit is granted for disability
24 totaling more than one-third of a year will not be used in the compu-
25 tation of the average base salary; the base salary in any school year
26 for which the member receives compensation for less than two-thirds of
27 a year may not be used in the computation of the average base salary;
28 if compensation is received for more than two-thirds of a year, the
29 full base salary for that school year shall be used in the computation

1 of the average base salary;

2 (6) "base salary" means the total remuneration payable
3 under contract for a full year of membership service, including
4 addenda;

5 (7) "beneficiary" means a person designated by a member to
6 receive benefits that may be due from the system upon the member's
7 death;

8 (8) "BIA service" means service, including partial years,
9 as a teacher in a school operated by the Bureau of Indian Affairs in
10 Alaska;

11 (9) "compensation" means the total remuneration paid under
12 contract to a member for services rendered during any school year; for
13 purposes of AS 14.25.050, compensation paid includes any payment made
14 after June 30 of a school year for services rendered before the end of
15 the school year;

16 (10) "credited service" means all membership service as
17 provided in (20) of this section, plus outside, military, and BIA ser-
18 vice not exceeding 15 years, with outside and military service limited
19 to 10 years except under the conditions set out in AS 14.25.100;

20 (11) "deferred vested member" means an inactive member who
21 meets the service requirements of a vested member of this section;

22 (12) "dependent child" means an unmarried child of a
23 member, including one adopted, who is dependent upon the member for
24 support and who is either (A) less than 19 years old, or (B) less than
25 23 years old and is registered at and attending on a full-time basis
26 an accredited educational or technical institution recognized by the
27 Department of Education; age restrictions set out in this paragraph do
28 not apply to a child who is totally and permanently disabled;

29 (13) "disabled member" means a member who is terminated,

1 who has not received a refund from the system, and who is receiving a
2 disability benefit from the system;

3 (14) "early retirement" means retirement under AS 14.25.-
4 110(b);

5 (15) "employer" means a public school district, the Board
6 of Regents of the University of Alaska, the Department of Education,
7 the National Education Association of Alaska, or the Regional Resource
8 Centers;

9 (16) "former member" means a member who is terminated and
10 who received a total refund of the balance of the mandatory contribu-
11 tion account, or who has requested in writing a refund of the balance
12 of the mandatory contribution account;

13 (17) "full-time teacher" means a teacher occupying a posi-
14 tion requiring teaching on a regular basis for the normal work period
15 per day or week at a teaching assignment, excluding teaching as an
16 assistant or graduate assistant or teaching on a substitute, temporary,
17 or per diem basis;

18 (18) "inactive teacher or member" means a member who is
19 terminated and who has not received a refund from the system or a
20 member who is on leave of absence and not making contributions under
21 AS 14.20.345;

22 (19) "mandatory contribution account" means the account
23 maintained by the system to record the mandatory contributions of each
24 member, including interest and adjustments to the account in accord-
25 ance with AS 14.25.170;

26 (20) "membership service" means

27 (A) full or part-time service as a teacher in a public
28 school within the Territory or State of Alaska, or both, under
29 the supervision and control of the Territorial Board of Education

1 or the Department of Education or the school board of any city,
2 regional educational attendance area, or borough school district;

3 (B) full-time or part-time teaching or full-time
4 administrative position which requires academic standing at the
5 University of Alaska; or

6 (C) any period during which the teacher is receiving
7 a disability benefit or is on an approved sabbatical leave granted
8 in accordance with AS 14.20.310;

9 (21) "military service" means active duty in the armed
10 forces of the United States;

11 (22) "nonpublic school" means a school established by an
12 agency other than a state which is primarily supported by other than
13 public funds, and operation of whose program rests with other than
14 publicly elected or appointed officials, and is state approved or
15 accredited;

16 (23) "non-vested member" means an active or inactive member
17 who does not meet the requirements of a vested member or deferred
18 vested member under this section;

19 (24) "normal retirement" means retirement under AS 14.25.-
20 110(a);

21 (25) "outside service" means service as

22 (A) a certificated full-time elementary or secondary
23 teacher or a certificated person in a full-time position requiring
24 a teaching certificate as a condition of employment in an out-of-
25 state public school within the United States, or in a school
26 outside of the United States supported by U.S. federal funds;

27 (B) a certificated full-time elementary or secondary
28 teacher or a certificated person in a full-time position requiring
29 a teaching certificate as a condition of employment in an approved

1 or accredited nonpublic school within the United States, or in a
2 school outside the United States supported by U.S. federal funds;

3 (C) a person occupying a full-time position requiring
4 academic standing in an out-of-state institution of higher learn-
5 ing accredited by a nationally recognized accrediting agency as
6 listed in the Education Directory -- Colleges and Universities by
7 the National Center for Education Statistics;

8 (D) a full-time teacher in an approved or accredited
9 nonpublic institution of higher learning in Alaska;

10 (26) "part-time teacher" means a teacher occupying a position
11 requiring teaching on a regular basis for at least 50 per cent of the
12 normal work week at a teaching assignment, excluding teaching as an
13 assistant or graduate assistant, or teaching on a substitute, temporary,
14 or per diem basis;

15 (27) "permanent disability" means a physical or mental con-
16 dition which, in the judgment of the administrator, based upon medical
17 reports and other evidence satisfactory to the administrator, presum-
18 ably prevents a member from satisfactorily performing the member's
19 usual duties for the member's employer or the duties of another posi-
20 tion or job which an employer makes available for which the member is
21 qualified by training or education;

22 (28) "prescribed rate of interest" means the rate of
23 interest used for computing employer contributions, for preparing
24 actuarial tables used by the system, for crediting interest to members'
25 contributions, and for charging interest on members' indebtedness
26 accounts;

27 (29) "public school" means a school operated by publicly
28 elected or appointed school officials in which the program and activi-
29 ties are under the control of these officials and which is supported

1 by public funds;

2 (30) "retired teacher or member" means a member who is
3 terminated, who has not received a refund from the system and is
4 receiving a benefit, other than disability, from the system;

5 (31) "retirement" means that period of time from the first
6 day of the month following

7 (A) the date of termination; and

8 (B) application for retirement in which a person is
9 appointed to receive a retirement benefit, other than a disability
10 benefit;

11 (32) "retirement benefit" means the annuity received by a
12 retired member from the system;

13 (33) "retirement fund" means the fund consisting of all
14 matching contributions by local school districts, money made available
15 by appropriations by the state legislature and from all contributions
16 from whatever source, and income and interest derived from the invest-
17 ment of money;

18 (34) "Retirement System of 1945" and "Retirement Fund of
19 1945" or like terms means the system and fund established by sections
20 37-5-21 - 37-5-35, ACLA 1949;

21 (35) "school year" means the 12-month period beginning July
22 1 of each year and ending June 30 of the following year;

23 (36) "supplemental contribution account" means the account
24 maintained by the system to record the supplemental contributions of
25 each member, including interest and adjustments to the account in
26 accordance with AS 14.25.170;

27 (37) "system" means the Teachers' Retirement System of
28 Alaska;

29 (38) "teacher or member" means a person eligible to parti-

1 cipate in the system and who is covered by the system, including:

2 (A) any certificated full-time or part-time elementary
3 or secondary teacher, a certificated school nurse, or a certifi-
4 cated person in a position requiring a teaching certificate as a
5 condition of employment in a public school of the State of Alaska;

6 (B) the commissioner of education, all supervisory
7 positions in the Department of Education;

8 (C) any full-time or part-time teacher of the Univer-
9 sity of Alaska or any person occupying a full-time administrative
10 position at the University of Alaska which requires academic
11 standing; all administrative positions placed under the system
12 must be approved by the administrator;

13 (39) "vested member or teacher" means an active member who
14 has completed either:

15 (A) 15 years of service, the last five of which have
16 been membership service, for a member first hired before July 1,
17 1975; or

18 (B) eight years of membership service; or

19 (C) five years of membership and three years of BIA
20 service;

21 (40) "year of service" means membership service during the
22 dates set for a school year; partial year service credit is given for
23 membership service before July 1, 1969, during any school year as
24 follows: (A) less than 20 days, no credit; (B) 20 days or more but
25 less than 35 days, 0.2 years; (C) 35 days or more but less than 49
26 days, 0.3 years; (D) 49 days or more but less than 63 days, 0.4 years;
27 (E) 63 days or more but less than 77 days, 0.5 years; (F) 77 days or
28 more but less than 91 days, 0.6 years; (G) 91 days or more but less
29 than 105 days, 0.7 years; (H) 105 days or more but less than 119 days,

1 0.8 years; (I) 119 days or more but less than 133 days, 0.9 years; (J)
2 133 days or more, 1.0 years; partial year service credit shall be
3 given for membership service after July 1, 1969, during any school
4 year as follows: (A) less than nine days, no credit; (B) nine days or
5 more but less than 27 days, 0.1 years; (C) 27 days or more but less
6 than 45 days, 0.2 years; (D) 45 days or more but less than 63 days,
7 0.3 years; (E) 63 days or more but less than 81 days, 0.4 years; (F)
8 81 days or more but less than 100 days, 0.5 years; (G) 100 days or
9 more but less than 118 days, 0.6 years; (H) 118 days or more but less
10 than 136 days, 0.7 years; (I) 136 days or more but less than 154 days,
11 0.8 years; (J) 154 days or more but less than 172 days, 0.9 years; (K)
12 172 days or more, 1.0 years; if service is performed on a part-time
13 basis, one-half credit shall be given for each day of service.

14 * Sec. 27. AS 39.35.010(a) is amended to read:

15 (a) The purpose of this chapter is to encourage qualified per-
16 sonnel to enter and remain in the service of the state or a political
17 subdivision or public or quasi-public organization of the state by
18 establishing a system for the payment of retirement, disability, and
19 death benefits to or on behalf of the employees.

20 * Sec. 28. AS 39.35.050(a) is amended to read:

21 (a) The commissioner shall appoint an administrator in charge of
22 [THE DETAILED AFFAIRS OF] the system. [THE COMMISSIONER MAY APPOINT
23 THE PERSONNEL DIRECTOR OF THE PERSONNEL DIVISION OF THE DEPARTMENT OF
24 ADMINISTRATION AS THE ADMINISTRATOR.]

25 * Sec. 29. AS 39.35.060(3) is amended to read:

26 (3) attend meetings of the board and serve as secretary of
27 the board;

28 * Sec. 30. AS 39.35.125(b) is amended to read:

29 (b) After an elected official has been [ELECTED TO BE] included

1 in the system he and his employer are liable for contributions whenever
2 he is a qualified elected official of an employer.

3 * Sec. 31. AS 39.35.125(c) is amended to read:

4 (c) After an elected official has been included in the system,
5 prior service as an [AN] elected official with an employer may be
6 included retroactively in the system if he makes retroactive contribu-
7 tions equal to what he would have made if he had elected to be included
8 when he became eligible under (a) of this section.

9 * Sec. 32. AS 39.35.300(a) is amended to read:

10 (a) An active employee is entitled to credited service for
11 periods of employment with the state after January 1, 1961, regardless
12 of the office, department, division, or agency of the state in which
13 he was employed. For purposes of this chapter, the University of
14 Alaska is not an office, department, division, or agency of the state.
15 No service credit may be granted under this chapter for service which
16 is creditable under the Teachers' Retirement System, AS 14.25.

17 * Sec. 33. AS 39.35.340(b) is amended to read:

18 (b) In order to obtain credited service under this section, an
19 employee shall make an election to do so and shall verify his period
20 of military service [BEFORE JULY 1, 1977 OR WITHIN ONE YEAR FOLLOWING
21 THE DATE WHEN THE EMPLOYEE FIRST BECOMES VESTED UNDER THIS CHAPTER, IF
22 LATER]. When eligibility for credited service for military service
23 has been established, an indebtedness shall be determined as follows:
24 (1) the employee's actual compensation, or the calculated annual
25 compensation for those employees working less than 12 months, during
26 the calendar year 1976 or the year in which an employee first becomes
27 vested under this chapter, whichever is later, multiplied by (2) six
28 per cent, this product multiplied by (3) the number of years of mili-
29 tary service credited under this section. Interest as prescribed by

1 regulation accrues on this indebtedness commencing on July 1, 1977 or
2 one year following the date a person first becomes vested, whichever
3 is later. Any outstanding indebtedness which exists at the time a
4 person is appointed to retirement will necessitate an actuarial adjust-
5 ment to the benefits payable based upon that military service.

6 * Sec. 34. AS 39.35.340(c) is amended to read:

7 (c) A retired employee on July 1, 1976 is eligible to receive
8 increased benefits based upon military service as described in (a) of
9 this section. To receive credited service for military service, a
10 retired employee must verify his military service [BEFORE JULY 1,
11 1977]. When verified, a retired employee is entitled to receive an
12 increased benefit which shall be actuarially adjusted to reflect his
13 indebtedness for such credit. The indebtedness shall be calculated in
14 the same manner as described in (b) of this section except that it
15 shall be based on the average monthly compensation used in calculating
16 the benefit. The effective date of this increased benefit is the
17 beginning of the month following that in which eligibility has been
18 established.

19 * Sec. 35. AS 39.35.340(e) is amended to read:

20 (e) A deferred vested employee on July 1, 1976 is eligible to
21 claim credited service under (a) of this section. In order to obtain
22 credited service under this section, such an employee must make an
23 election to do so and must verify his period of military service
24 [BEFORE JULY 1, 1978]. When eligibility for military service has been
25 established, an indebtedness shall be determined as follows: the
26 employee's actual compensation, or the calculated annual compensation
27 for those employees working less than 12 months, during the calendar
28 year the employee terminated, shall be multiplied by six per cent;
29 this product shall then be multiplied by the number of years of mili-

1 tary service credit under this section. Interest as prescribed by
2 regulation accrues on this indebtedness commencing July 1, 1978. Any
3 outstanding indebtedness which exists at the time a person is appointed
4 to retirement will necessitate an actuarial adjustment to the benefits
5 payable based upon that military service.

6 * Sec. 36. AS 39.35.340(f) is amended to read:

7 (f) An employee cannot be credited with a period of active mili-
8 tary service in the armed forces of the United States under this section
9 if credit for that military service was granted under AS 14.25.

10 * Sec. 37. AS 39.35.340(g) is amended to read:

11 (g) A surviving spouse receiving or entitled to receive a sur-
12 viving spouse's pension under AS 39.35.440 [SEC. 440 OF THIS CHAPTER]
13 or benefits under a joint and survivor option filed under AS 39.35.450
14 [SEC. 450 OF THIS CHAPTER] is eligible to receive increased benefits
15 based upon military service as described in (a) of this section. To
16 receive credited service for military service, the surviving spouse
17 must verify the employee's military service [WITHIN ONE YEAR OF THE
18 EFFECTIVE DATE OF THIS ACT]. When verified, the surviving spouse is
19 entitled to receive an increased benefit which shall be actuarially
20 adjusted to reflect his or her indebtedness for that credit. The
21 indebtedness shall be calculated in the same manner as described in
22 (b) of this section except that it shall be based on the average
23 monthly compensation used in calculating the benefit. Benefits payable
24 under this subsection are effective the first day of the month follow-
25 ing that in which eligibility has been established [PAYABLE RETRO-
26 ACTIVELY TO JULY 1, 1977].

27 * Sec. 38. AS 39.35.340 is amended by adding a new subsection to read:

28 (h) The combined period of military service claimed under this
29 section and AS 14.25 may not exceed five years.

1 * Sec. 39. AS 39.35.385(c) is amended to read:

2 (c) Credited service for which contributions were refunded is
3 not creditable under this section unless the refunded contributions
4 have been repaid. For purposes of this section, a member or former
5 member does not have to be re-employed under this system in order to
6 pay refunded contributions. Compound interest at the rate prescribed
7 by regulation must be added to the reinstatement indebtedness from the
8 date of the refund to the date of repayment.

9 * Sec. 40. AS 39.35.410(h) is amended to read:

10 (h) A disabled [RETIRED] employee's occupational disability
11 pension shall terminate when the disabled employee first attains eligi-
12 bility for normal retirement. At that time, his retirement benefit
13 will be calculated under the provisions of AS 39.35.370(c) [SEC.
14 370(c)].

15 * Sec. 41. AS 39.35.430(c) is repealed and re-enacted to read:

16 (c) The first payment of the surviving spouse's pension or of a
17 dependent child's pension must be made for the month following the
18 month in which the employee dies and payment must cease to be made
19 beginning with the month in which there is no surviving spouse or
20 dependent child.

21 * Sec. 42. AS 39.35 is amended by adding a new section to read:

22 Sec. 39.35.495. TIME LIMIT FOR APPLICATION. If no application
23 for benefits or for refund has been filed with the administrator by
24 July 1 following the date on which an inactive member (except an
25 employee on leave-without-pay status or layoff status) would attain
26 age 75, or if no application for benefits or for refund has been filed
27 with the administrator within the 50 years following the most recent
28 date on which the employee was an active member, no benefits or refunds
29 may be paid under this chapter and the member's records may be destroyed

1 * Sec. 43. AS 39.35.522(a) is amended to read:

2 Sec. 39.35.522. WAIVER OF ADJUSTMENTS. (a) Upon appeal by an
3 affected member or beneficiary under (b) of this section, the board
4 may waive an adjustment or any portion of an adjustment made under
5 AS 39.35.520 [SEC. 520 OF THIS CHAPTER] if

6 (1) the adjustment or portion of the adjustment will, in
7 the opinion of the board, cause undue hardship to the member or bene-
8 ficiary;

9 (2) the member is retired or has submitted notification of
10 impending retirement to his employer to be effective no later than 180
11 days after the adjustment was made, or the beneficiary was eligible to
12 receive or was receiving benefits under this chapter prior to the
13 adjustment;

14 (3) the adjustment will result in a loss of eligibility for
15 benefits [RETIREMENT] for the member or beneficiary or result in a
16 reduction of benefits being [ALREADY] received by the member or bene-
17 ficiary of \$50 per month or more;

18 (4) the adjustment was not the result of erroneous informa-
19 tion supplied by the member or beneficiary;

20 (5) before the adjustment was made, the member or benefi-
21 ciary received confirmation from the administrator that his records
22 were correct; and

23 (6) the member or beneficiary had no reasonable grounds to
24 believe his records were incorrect before the adjustment was made.

25 (b) In order to obtain consideration of a waiver under this sec-
26 tion, the affected member or beneficiary must appeal to the board in
27 writing within 30 days after receipt of notice that his records have
28 been adjusted. The board shall rule on his appeal in writing within
29 120 days after its receipt.

1 (c) The board may, at its discretion, conduct a hearing on an
2 appeal under this section. In reaching a decision on an appeal, the
3 board may issue subpoenas, administer oaths, compel the attendance and
4 testimony of witnesses, compel the taking of depositions and the
5 submission of affidavits, and compel the production of documents and
6 records.

7 (d) The board may impose conditions on the granting of a waiver
8 which it considers equitable. These conditions may include requiring
9 the member or beneficiary to make additional contributions to the
10 system.

11 (e) The board may reconsider a ruling under this section upon
12 request of the member or beneficiary or the administrator if the
13 request is received within 30 days after the initial ruling. Any
14 modification of the initial ruling must be made within 30 days after
15 receipt of a request for reconsideration.

16 (f) Rulings and modifications of rulings under this section
17 shall be by a majority of a quorum of the board.

18 (g) Rulings on appeals and requests for reconsideration under
19 this section may be appealed by an aggrieved member or beneficiary to
20 the superior court for abuse of discretion.

21 * Sec. 44. AS 39.35.547 is repealed and re-enacted to read:

22 Sec. 39.35.547. EFFECT OF AMENDMENTS. (a) An amendment of this
23 chapter is not retroactive unless its retroactivity is expressly
24 stated within the amendment.

25 (b) The monthly amount of any benefit payable under this chapter
26 must be determined in accordance with the provisions of this chapter
27 in effect on the date of termination of the member's last segment of
28 employment.

29 * Sec. 45. AS 39.35.620(e) is amended to read:

1 (e) Each employee who elects to obtain a refund shall receive
2 a refund of the balance, determined as of the date of his employer's
3 termination of participation, of (1) his employee contribution account
4 and (2) his employee savings account. The vesting in accrued benefits
5 for each employee who elects to receive a refund is voided upon his
6 receipt of his refund and corresponding credited service may not be
7 reinstated under this chapter. No partial refund may be allowed under
8 this section.

9 * Sec. 46. AS 39.35.680(4) is amended to read:

10 (4) "average monthly compensation" means the result obtained
11 by dividing the compensation earned by an employee during a considered
12 period by the number of months, including fractional months, for which
13 compensation was earned; the considered period consists of the three
14 consecutive calendar years during the period of credited service which
15 yields the highest average, or if the employee does not have three
16 consecutive calendar years, his period of credited service; an employee
17 must have at least 115 [120] days of credited service in the last
18 calendar year in order to be used as part of the three consecutive
19 calendar years;

20 * Sec. 47. AS 14.25.120, 14.25.135, 14.25.137, 14.25.138, 14.25.140,
21 39.35.020(6), and 39.35.050(b) are repealed.

22 * Sec. 48. This Act takes effect July 1, 1979, except that

23 (1) the definitions of "military service" and "outside
24 service" contained in AS 14.25.220(21) and (25), and the definitions of
25 "membership service" and "teacher or member" contained in AS 14.25.220(20)
26 and (38) to the extent that they apply to part-time teachers at the Univer-
27 sity of Alaska, as repealed and re-enacted in sec. 26 of this Act, take
28 effect immediately in accordance with AS 01.10.070(c) and are retroactive
29 to July 1, 1955;

1 (2) the definition of "average monthly compensation" con-
2 tained in AS 39.35.680(4), as amended in sec. 46 of this Act, takes effect
3 immediately in accordance with AS 01.10.070(c) and is retroactive to July
4 1, 1977; and

5 (3) sections 4 and 22 of this Act take effect immediately in
6 accordance with AS 01.10.070(c) and are retroactive to July 1, 1978.

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