

Introduced: 3/10/79
Referred: State Affairs

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE BILL NO. 373

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 withdrawal from the federal Social
7 Security System; and providing for an effective date."

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

9 * Section 1. AS 39.35.160(b) is amended to read:

10 (b) In addition each employee shall pay the appropriate social
11 security contribution or the contribution required under AS 39.30.150
12 in place of the social security contribution.

13 * Sec. 2. AS 39.30 is amended by adding new sections to read:

14 ARTICLE 4. SUPPLEMENTAL EMPLOYEE BENEFITS ON
15 WITHDRAWAL FROM SOCIAL SECURITY.

16 Sec. 39.30.150. CONTRIBUTIONS. In place of contributions to the
17 federal Social Security System which would have been required had the
18 state remained in the system, the state and an employee of the state
19 shall each contribute 6.13 per cent of the wages of the employee up to
20 the taxable wage base then in effect in the social security system. All
21 costs of establishing and administering the benefit program established
22 by AS 39.30.160 shall be paid from the contributions made by the state
23 under this section. The contributions made by the employee under this
24 section and the balance of the contributions made by the state shall be
25 paid into special individual employee benefit accounts in the Department
26 of Administration to be used to provide supplemental employee benefits
27 provided in AS 39.30.160.

28 Sec. 39.30.160. BENEFITS IN PLACE OF SOCIAL SECURITY. (a) The
29 Department of Administration shall provide to employees for whom benefit

1 accounts are established under AS 39.30.150 the following benefit op-
2 tions:

- 3 (1) supplemental health benefits,
- 4 (2) supplemental death benefits,
- 5 (3) supplemental disability benefits,
- 6 (4) supplemental survivor benefits, and
- 7 (5) supplemental annuities.

8 (b) An employee making contributions under AS 39.30.150 may select
9 the types and amounts of supplemental benefits to be purchased from the
10 special account established for him under AS 39.30.150. The selection
11 shall be from the benefit options listed in (a) of this section.

12 (c) The entire amounts paid by both the state and the employee
13 into the special individual benefit accounts under AS 39.30.150 shall be
14 used for supplemental benefits under this section.

15 (d) The Department of Administration shall adopt regulations to
16 implement AS 39.30.150 and 39.30.160. The regulations shall provide
17 employees the opportunity to periodically change the distribution of
18 contributions among the supplemental benefit options listed in (a) of
19 this section.

20 * Sec. 3. If approved by employees of the State of Alaska as set out in
21 sec. 4 of this Act, the state's notice of intention to withdraw from the
22 federal Social Security System shall be allowed to become effective
23 January 1, 1980.

24 * Sec. 4. The Department of Administration shall conduct an election by
25 secret ballot by September 25, 1979. The department shall, at least 90 days
26 before the election, prepare a list of all affected state employees, in-
27 cluding permanent, seasonal and temporary employees, who shall be eligible to
28 vote, along with mailing addresses, and make the list available to interested
29 persons or employee representative organizations. The question on the ballot

1 shall read: "Do you favor withdrawal from the Social Security System?" The
2 ballot shall contain a description of the benefits provided for in this Act
3 which would be provided in place of further benefits under the Social
4 Security System. No other information concerning the election issue may be
5 distributed with or attached to the ballot. A simple majority of those
6 employees voting shall determine the outcome of this issue.

7 * Sec. 5. Sections 1 and 2 of this Act take effect on January 1, 1980 if
8 approved by a majority of the votes cast by affected state employees under
9 sec. 4 of this Act. Sections 3 and 4 of this Act take effect immediately in
10 accordance with AS 01.10.070(c).

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