

Introduced: 5/1/79
Referred: State Affairs

1 IN THE HOUSE

BY MILLER

2 HOUSE BILL NO. 493

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 supplemental retirement income
7 under the teachers' retirement system; and providing
8 for an effective date."

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

10 * Section 1. AS 14.25 is amended by adding a new section to read:

11 Sec. 14.25.146. OPTIONAL SUPPLEMENTAL RETIREMENT INCOME PLAN. (a)

12 An active member of this system may elect to participate in the supple-
13 mental retirement income plan described in this section if

14 (1) he directs his employer in writing to deduct from his
15 salary and contribute to the retirement fund, in addition to contribu-
16 tions required under AS 14.25.050, an amount equal to one per cent of
17 his base salary accrued from July 1 to the following June 30; and

18 (2) notice is given the administrator in writing.

19 (b) An employer shall contribute to the retirement fund, in addi-
20 tion to contributions required under AS 14.25.070, an amount equal to
21 one-half the contributions made by its participating employees under (a)
22 of this section.

23 (c) The state legislature may appropriate to the retirement fund
24 annually for deposit in it monthly, in addition to contributions author-
25 ized under AS 14.25.080, an amount equal to the total of the contribu-
26 tions required to be made by all employers under (b) of this section.

27 (d) The administrator shall establish an account for each parti-
28 cipating member under this section and credit this account with all
29 amounts contributed to the retirement fund under (a) - (c) of this

1 section which are associated with the member's participation, together
2 with interest as prescribed by regulation.

3 (e) A participating member may elect to terminate his contribu-
4 tions under (a) of this section at any time before retirement by filing
5 a written notice of termination of contributions with the administrator.
6 At any time before retirement, so long as a termination of contributions
7 is in effect, the member may elect to receive a refund of contributions
8 made under (a) of this section, plus accrued interest which is associ-
9 ated with those contributions. A participating member who terminates
10 employment also may elect, at any time before retirement, to receive a
11 refund of contributions made under (a) of this section, plus accrued
12 interest which is associated with those contributions. When a member
13 elects to receive a refund under this subsection, the balance which
14 remains in his account after payment of the refund reverts to the re-
15 tirement fund. An active member who filed a notice of termination of
16 contributions may again elect to participate under (a) of this section,
17 but he may not make such an election in the same school year in which he
18 filed a notice of termination of contributions.

19 (f) Within 90 days after retirement, a participating member shall
20 irrevocably elect a plan for receipt of amounts in his account. Interest
21 as prescribed by regulation continues to accrue on the balance in his
22 account until the account is exhausted. The administrator shall adopt
23 regulations prescribing a variety of plans for a member to receive
24 amounts in his account. These regulations may not permit exhaustion of
25 a member's account within less than 36 months after a plan is elected.
26 If a member fails to elect a plan under this subsection within 90 days
27 after retirement, he shall receive the amounts in his account in 36
28 equal monthly payments.

29 (g) If a participating member dies, either before or after retire-

1 ment, one-half of the balance of his account reverts to the retirement
2 fund, and one-half shall be paid to his beneficiary as nominated by
3 written designation filed with the administrator. If the member failed
4 to designate a beneficiary, or if no designated beneficiary survives the
5 member, the payment shall be made (1) to his surviving spouse or, if
6 there is none surviving, (2) to his surviving children in equal parts
7 or, if there are none surviving, (3) to his surviving parents in equal
8 parts or, if neither survives, (4) to his estate.

9 (h) The contributions made to a member's account under (b) and (c)
10 of this section and the interest which accrues on a member's account are
11 not subject to taxation by the state until received by the member.

12 (i) As used in this section, "account" refers to the account
13 established for a participating member under (d) of this section.

14 * Sec. 2. This Act takes effect July 1, 1980.

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