

Original sponsors: Miller and Duncan

Offered: 2/14/80
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 605

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to participation in the state program
7 of supplemental employee benefits; and providing for an
8 effective date."

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

10 * Section 1. AS 39.30 is amended by adding new sections to read:

11 Sec. 39.30.170. PARTICIPATION IN PROGRAM. (a) An employer may
12 become a participating employer in the employee benefits program under
13 AS 39.30.150 - 39.30.180, if

14 (1) the employer participates as an employer in the public
15 employees' retirement system (AS 39.35); and

16 (2) the employer

17 (A) is eligible for membership in but has never elected
18 to become a member of the federal social security system; or

19 (B) withdraws from membership in the federal social
20 security system.

21 (b) In order to become a participating employer, the employer
22 shall file a request with the commissioner. The request may be made
23 only after adoption of a resolution by the legislative body of a municipi-
24 pality, if the employer is a municipality, or by the board of directors,
25 if the employer is a public organization, and after approval of the
26 resolution by the official required by law to approve the resolution. A
27 certified copy of the resolution shall be filed with the commissioner.

28 (c) The commissioner shall approve the request if he finds that
29 the employer has never participated in the federal social security

1 system or has withdrawn from participation in the federal social
2 security system.

3 (d) The employer may begin participation as a participating
4 employer covered by AS 39.30.150 - 39.30.180 on the date designated by
5 the commissioner.

6 Sec. 39.30.180. DEFINITIONS. In AS 39.30.150 - 39.30.180,

7 (1) "commissioner" means the commissioner of the Department
8 of Administration;

9 (2) "participating employer" means

10 (A) the State of Alaska; and

11 (B) an employer who

12 (i) is an employer as defined in AS 39.35.680(17);

13 (ii) has never participated in or has withdrawn from
14 participation in the federal social security system; and

15 (iii) whose participation in the supplemental
16 employee benefits program has been approved by the commissioner.

17 * Sec. 2. AS 39.30.150(a) is amended to read:

18 (a) In place of contributions to the federal social security
19 system which would have been required on behalf of an employee had the
20 participating employer belonged to the social security [STATE REMAINED
21 IN THE] system, the participating employer [STATE] shall contribute
22 12.26 percent of the wages of the employee up to the taxable wage base
23 then in effect in the social security system. All costs of establishing
24 and administering the benefit program established by AS 39.30.160 shall
25 be paid from the contributions made by the participating employers
26 [STATE] under this section. The balance of the contributions made by
27 the participating employers [STATE] shall be paid into special individual
28 employee benefit accounts in the Department of Administration to be used
29 to provide supplemental employee benefits provided in AS 39.30.160.

- 1 * Sec. 3. AS 39.30.150 is amended by adding a new subsection to read:
2 (c) An employee of a participating employer is considered to have
3 agreed to have his wages reduced by an amount equal to one-half the
4 total contribution which the participating employer is required to make
5 on behalf of the employee under this section.
- 6 * Sec. 4. AS 39.30.160(b) is amended to read:
7 (b) An employee on whose behalf a participating employer [THE
8 STATE] is making contributions under AS 39.30.150 may select the types
9 and amounts of supplemental benefits to be purchased from the special
10 account established for him under AS 39.30.150. The selection shall be
11 from the benefit options listed in (a) of this section.
- 12 * Sec. 5. AS 39.30.160(c) is amended to read:
13 (c) The entire amounts paid by participating employers [THE
14 STATE], after the deduction for administrative costs under AS 39.30.150,
15 into the special individual benefit accounts under AS 39.30.150 shall be
16 used for supplemental benefits under this section.
- 17 * Sec. 6. AS 39.35.160(b) is repealed.
- 18 * Sec. 7. This Act is retroactive to January 1, 1980.
- 19 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).

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