

Offered: 3/15/79  
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 25

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 39.30 is amended by adding new sections to read:

10 ARTICLE 4. SUPPLEMENTAL EMPLOYEE BENEFITS ON  
11 WITHDRAWAL FROM SOCIAL SECURITY.

12 Sec. 39.30.150. CONTRIBUTIONS. The amounts which both the state  
13 and an employee of the state would have otherwise paid into the federal  
14 Social Security System at the rate then in effect had the state con-  
15 tinued in the federal Social Security System shall be paid into special  
16 employee benefit accounts in the Department of Administration to be used  
17 to provide supplemental employee benefits provided in AS 39.30.160.

18 Sec. 39.30.160. BENEFITS IN PLACE OF SOCIAL SECURITY. (a) The  
19 Department of Administration shall provide to employees for whom benefit  
20 accounts are established under AS 39.30.150 the following benefit  
21 options:

- 22 (1) supplemental health benefits,  
23 (2) supplemental death benefits,  
24 (3) supplemental disability benefits,  
25 (4) supplemental survivor benefits, and  
26 (5) supplemental annuities.

27 (b) An employee making contributions under AS 39.30.150 may select  
28 the types and amounts of supplemental benefits to be purchased from the  
29 special account established for him under AS 39.30.150. The selection

1 shall be from the benefit options listed in (a) of this section.

2 (c) The entire amounts paid by both the state and the employee  
3 under AS 39.30.150 shall be used for supplemental benefits under this  
4 section.

5 (d) The Department of Administration shall adopt regulations to  
6 implement AS 39.30.150 and 39.30.160. The regulations shall provide  
7 employees the opportunity to periodically change the distribution of  
8 contributions among the supplemental benefit options listed in (a) of  
9 this section.

10 \* Sec. 2. If approved by employees of the State of Alaska as set out in  
11 sec. 3 of this Act, the state's notice of intention to withdraw from the  
12 federal Social Security System shall be allowed to become effective  
13 January 1, 1980.

14 \* Sec. 3. The Department of Administration shall conduct an election by  
15 secret ballot by September 25, 1979. The department shall, at least 90 days  
16 before the election, prepare a list of all affected state employees, in-  
17 cluding permanent, seasonal and temporary employees who shall be eligible to  
18 vote, along with mailing addresses, and make the list available to interested  
19 persons or employee representative organizations. The question on the ballot  
20 shall read: "Do you favor withdrawal from the Social Security System?" The  
21 ballot shall contain a description of the benefits and the cost of the  
22 benefits provided for in this Act which would be provided in lieu of further  
23 benefits under the Social Security System. No other information concerning  
24 the election issue may be distributed with or attached to the ballot. A  
25 simple majority of those employees voting shall determine the outcome of this  
26 issue.

27 \* Sec. 4. Section 1 of this Act takes effect on January 1, 1980 if  
28 approved by a majority of the votes cast by affected state employees under  
29 sec. 3 of this Act. Section 3 of this Act takes effect immediately in

1 accordance with AS 01.10.070(c).

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