

Original sponsor: Ray

Offered: 6/5/80

1 IN THE SENATE

BY THE FREE CONFERENCE COMMITTEE

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FREE CONFERENCE CS FOR SENATE BILL NO. 26

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act relating to public employee benefit programs; amending the duties of the Public Employees Retirement Board; relating to earlier service credit under the teachers' retirement system and the public employees' retirement system; establishing minimum retirement benefits; relating to participation in the state program of supplemental employee benefits; relating to the deferred compensation program; repealing the Legislative Board of Retirement Benefits; creating the Alaska National Guard retirement system; relating to the judicial retirement system; increasing the benefits paid under the territorial public employees' retirement system; relating to retirement benefit eligibility for disabled peace officers and firemen; relating to retirement benefits of the administrative director of courts; and providing for an effective date."

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

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

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Sec. 14.25.105. CREDIT FOR SERVICE AS AN EMPLOYEE OF THE TERRITORY OF ALASKA. (a) A teacher who completes 15 years of membership service under this chapter may elect to receive credited service for employment rendered to the Territory of Alaska before January 3, 1959, regardless of the office, department, division or agency of the territory in which he was employed. Credited service allowed under this section may not

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1 exceed five years.

2 (b) A teacher may not be credited with service under this section
3 if credit for service as an employee of the Territory of Alaska was
4 granted for the same period under the public employees' retirement
5 system (AS 39.35).

6 (c) A teacher who elects to receive credited service under this
7 section for service to the Territory of Alaska shall make a retroactive
8 contribution under this system for the period of territorial employment
9 following June 30, 1955.

10 * Sec. 2. AS 14.25.110(g) is amended to read:

11 (g) A member who is eligible for a service retirement salary under
12 this chapter or under the Retirement Act of 1945 is entitled to a benefit
13 of at least \$25 [\$20] per month for each year of credited service,
14 excluding adjustments made under AS 14.25.142 or 14.25.143. If the
15 member elected option two under AS 14.25.063(b)(2) for payment of any
16 indebtedness when he initially applied for a retirement benefit, or if
17 he elected to receive an early retirement benefit under (b) of this
18 section, the resulting benefit reduction continues in effect.

19 * Sec. 3. AS 14.25.143(a) is repealed and re-enacted to read:

20 (a) When the administrator determines that the cost of living has
21 increased and that the financial condition of the retirement fund
22 permits, the administrator shall increase benefit payments to persons
23 receiving benefits under this system.

24 * Sec. 4. AS 14.25.143(b) is repealed and re-enacted to read:

25 (b) The amount of the increase in benefit payments may not exceed
26 the greater of

27 (1) the increase in the cost of living since the date of
28 retirement; or

29 (2) four percent of the retirement benefit compounded for

1 each year of retirement.

2 * Sec. 5. AS 14.25.143(c) is repealed and re-enacted to read:

3 (c) The administrator shall implement this section by regulation.

4 * Sec. 6. AS 14.25.143 is amended by adding new subsections to read:

5 (e) If at the time of first receiving a retirement benefit a
6 member was receiving a disability benefit, the administrator shall
7 include the time during which the member received the disability benefit
8 in determining the number of years of retirement under this section.

9 (f) An increase in benefit payments under this section is effec-
10 tive July 1 of the year for which the increase is granted.

11 * Sec. 7. AS 22.25 is amended by adding a new section to read:

12 Sec. 22.25.012. RETIREMENT BENEFITS OF ADMINISTRATIVE DIRECTOR.

13 (a) An administrative director of the Alaska court system appointed
14 under art. IV, sec. 16 of the state constitution is entitled to retire-
15 ment benefits under this chapter on the terms and conditions applicable
16 to a superior court judge appointed after July 1, 1978, except that an
17 administrative director may receive retirement benefits only if he has
18 served as administrative director for 10 or more years.

19 (b) An administrative director who vacates his office for any
20 reason and who has not at that time accrued 10 years of credited service
21 under this chapter is entitled to a refund of his contributions to the
22 judicial retirement system together with interest.

23 (c) An administrative director who withdraws from the judicial
24 retirement system under (b) of this section is eligible for membership
25 in the public employees' retirement system (AS 39.35) and shall receive
26 credited service in that system for service rendered as administrative
27 director. To be eligible for membership in the public employees' retire-
28 ment system under this subsection, the administrative director must
29 contribute to the public employees' retirement system

1 (1) the amount he would have contributed if he had been a
2 member during the period of his membership in the judicial retirement
3 system; and

4 (2) any contributions for service as administrative director
5 refunded to him from the public employees' retirement system at the time
6 he became a member of the judicial retirement system.

7 * Sec. 8. AS 22.25 is amended by adding new sections to read:

8 Sec. 22.25.025. ADMINISTRATION. The commissioner of administra-
9 tion is responsible for the administration of the judicial retirement
10 system.

11 Sec. 22.25.027. REGULATIONS. The commissioner of administration
12 may adopt regulations to implement this chapter. Regulations adopted by
13 the commissioner under this chapter relate to the internal management of
14 state agencies and their adoption is not subject to the Administrative
15 Procedure Act (AS 44.62).

16 Sec. 22.25.046. EMPLOYER CONTRIBUTIONS. (a) The state court
17 system shall contribute to the judicial retirement system at the rate
18 established by the commissioner of administration. The contribution
19 rate shall be based on the results of an actuarial valuation of the
20 judicial retirement system. The results of the actuarial valuation
21 shall be based on actuarial methods and assumptions adopted by the
22 commissioner of administration.

23 (b) The contribution rate shall be a percentage which, when applied
24 to the covered compensation of all active members of the judicial retire-
25 ment system, will generate sufficient money to support, along with
26 contributions from members, the benefits of the judicial retirement
27 system.

28 * Sec. 9. AS 26.05.222 is repealed and re-enacted to read:

29 Sec. 26.05.222. CREATION AND ADMINISTRATION OF ALASKA NATIONAL

1 GUARD RETIREMENT SYSTEM. (a) There is established an Alaska National
2 Guard retirement system. The commissioner of administration shall
3 administer the Alaska National Guard retirement system.

4 (b) The commissioner of administration may adopt regulations to
5 implement the Alaska National Guard retirement system. Regulations
6 adopted by the commissioner under this subsection relate to the internal
7 management of state agencies and their adoption is not subject to the
8 Administrative Procedure Act (AS 44.62).

9 * Sec. 10. AS 26.05.223 is amended to read:

10 Sec. 26.05.223. COMMENCEMENT OF PARTICIPATION IN SYSTEM [PLAN]. A
11 [AN ACTIVE] member of the Alaska National Guard or Alaska Naval Militia
12 shall be included in this system [PLAN] upon commencement of [HIS ACTIVE]
13 membership in the Alaska National Guard, or on January 1, 1973, whichever
14 is later, or upon commencement of membership in the Alaska Naval Militia
15 or on July 1, 1980, whichever is later. [INCLUSION IN THE PLAN IS A
16 CONDITION OF ACTIVE MEMBERSHIP IN THE ALASKA NATIONAL GUARD.]

17 * Sec. 11. AS 26.05.224 is amended to read:

18 Sec. 26.05.224. RETIREMENT BENEFITS. (a) An active member of the
19 Alaska National Guard, or a former member who was an active member on
20 or after January 1, 1969, or a member of the Alaska Naval Militia on or
21 after July 1, 1980, is eligible for a retirement pension [PAY]

22 (1) upon voluntary retirement from the Alaska National Guard
23 or Alaska Naval Militia after a total of 20 years or more of satisfac-
24 tory service in the Alaska National Guard, Alaska Naval Militia, or the
25 armed forces of the United States, and the reserves of them, or any com-
26 bination of service in these components if at least five years of the
27 service is in the Alaska National Guard or Alaska Naval Militia; [AND
28 UPON REACHING 55 YEARS OF AGE,] or

29 (2) upon involuntary retirement because of federal standards

1 imposed on the Alaska National Guard or Alaska Naval Militia [MEMBERS],
2 regardless of length of service.

3 (b) The retirement pension [RETIREMENT PAY] is \$100 [\$50] a month,
4 payable [TO BE CONTINUED] for the same number of months that the member
5 participated satisfactorily in [PERSON WAS A MEMBER OF] the Alaska
6 National Guard or Alaska Naval Militia.

7 (c) An eligible member or former member [WHO RETIRES] may elect to
8 receive his retirement pension [PAY] beginning on the first day of the
9 month in which he becomes eligible for [COINCIDING WITH OR AFTER] retire-
10 ment, or the member or former member [HE] may elect to defer payment to a
11 later date [RECEIVE HIS RETIREMENT PAY AT A DEFERRED DATE BEGINNING ON
12 THE FIRST DAY OF THE MONTH COINCIDING WITH OR AFTER THE DATE HE ELECTS
13 FOR THE RETIREMENT PAY TO BEGIN]. Payment of a deferred retirement
14 benefit may not begin until application for the benefit is filed with and
15 approved by the Department of Military Affairs. Deferred retirement pay-
16 ments must be made monthly at the rate of \$100.

17 * Sec. 12. AS 26.05.224 is amended by adding a new subsection to read:

18 (d) A retirement benefit payable to a member at the time of the
19 death of the member shall be paid in a lump sum to the designated bene-
20 ficiary of the member. The member may change or revoke the designation
21 of a beneficiary without notice to the beneficiary at any time. If a
22 member designates more than one beneficiary, each shall share equally
23 unless the member specifies a different allocation. The designation of
24 a beneficiary and a change or revocation of a beneficiary shall be made
25 on a form provided by the Department of Military Affairs and is not
26 effective until filed with the Department of Military Affairs. If a
27 member fails to designate a beneficiary or if no designated beneficiary
28 survives the member, the death benefit under this subsection shall be
29 paid to his estate.

1 * Sec. 13. AS 26.05.225 is repealed and re-enacted to read:

2 Sec. 26.05.225. EARLIER SERVICE. A person who was a member of the
3 Alaska National Guard on or after January 1, 1969, is entitled to credit
4 for his service to the state and former territory of Alaska as a member
5 of the National Guard and Territorial Guard before and after January 1,
6 1969, in determining eligibility for retirement benefits under AS 26.05.-
7 224.

8 * Sec. 14. AS 26.05.226 is repealed and re-enacted to read:

9 Sec. 26.05.226. CONTRIBUTIONS. (a) The Department of Military
10 Affairs shall contribute to the Alaska National Guard retirement system
11 the amounts determined by the commissioner of administration as neces-
12 sary to

13 (1) fund the system based on the actuarial requirements of
14 the system as established by the commissioner of administration; and

15 (2) administer the system.

16 (b) The amount required for contributions from the Department of
17 Military Affairs under (a) of this section shall be included in the
18 annual appropriations made to the Department of Military Affairs.

19 * Sec. 15. AS 26.05.227 is repealed and re-enacted to read:

20 Sec. 26.05.227. DEFINITIONS. As used in AS 26.05.222 - 26.05.226,

21 (1) "beneficiary" means a person designated by a member to
22 receive benefits that may be due from the system upon the death of a
23 member;

24 (2) "member" means a commissioned or warrant officer or an
25 enlisted person in the Alaska National Guard or Alaska Naval Militia;

26 (3) "system" means the Alaska National Guard retirement
27 system.

28 * Sec. 16. AS 39.30.150(a) is amended to read:

29 (a) In place of contributions to the federal social security

1 system which would have been required on behalf of an employee had the
2 participating employer belonged to the social security [STATE REMAINED
3 IN THE] system, the participating employer [STATE] shall contribute
4 12.26 percent of the wages of the employee up to the taxable wage base
5 then in effect in the social security system. All costs of establishing
6 and administering the benefit program established by AS 39.30.160 shall
7 be paid from the contributions made by the participating employers
8 [STATE] under this section. The balance of the contributions made by
9 the participating employers [STATE] shall be paid into special indivi-
10 dual employee benefit accounts in the Department of Administration to be
11 used to provide supplemental employee benefits provided in AS 39.30.160.

12 * Sec. 17. AS 39.30.150 is amended by adding a new subsection to read:

13 (c) An employee of a participating employer is considered to have
14 agreed to have his wages reduced by an amount equal to one-half the
15 total contribution which the participating employer is required to make
16 on behalf of the employee under this section.

17 * Sec. 18. AS 39.30 is amended by adding a new section to read:

18 Sec. 39.30.155. DUTIES OF THE PUBLIC EMPLOYEES RETIREMENT BOARD.

19 (a) The Public Employees Retirement Board (AS 39.35.030) shall

20 (1) hold regular and special meetings it considers necessary
21 to carry out its responsibilities relating to the supplemental employee
22 benefit program; all meetings are open to the public and the board shall
23 keep a full record of all its proceedings;

24 (2) adopt, with modifications it considers proper, regula-
25 tions recommended by the administrator for carrying out the supplemental
26 employee benefit program, and regulations providing employees the oppor-
27 tunity to periodically change distribution of contributions among the
28 supplemental benefit options listed in AS 39.30.160(a);

29 (3) consider matters referred to it by the administrator in

1 connection with changes in policy and revisions of the supplemental
2 employee benefit program;

3 (4) act as an appeals board, hold hearings at the request of
4 an employer, employee, surviving spouse, or a beneficiary on decisions
5 made by the administrator that relate to the payment of benefits under
6 the supplemental employee benefit program, and submit its findings to
7 the administrator;

8 (5) prescribe policies for the operation of the supplemental
9 employee benefit program and take other action which it considers neces-
10 sary to carry out the purposes of that program;

11 (6) advise the Department of Administration concerning the
12 features to be included in the benefit options provided under AS 39.30.-
13 160(a).

14 (b) In this section "administrator" means the administrator of the
15 public employees' retirement system appointed under AS 39.35.050.

16 * Sec. 19. AS 39.30.160(a) is amended to read:

17 (a) The Department of Administration shall, in accordance with
18 policies prescribed by regulations of the Public Employees Retirement
19 Board, provide to employees for whom benefit accounts are established
20 under AS 39.30.150 the following benefit options:

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

26 * Sec. 20. AS 39.30.160(b) is amended to read:

27 (b) An employee on whose behalf a participating employer [THE
28 STATE] is making contributions under AS 39.30.150 may select the types
29 and amounts of supplemental benefits to be purchased from the special

1 account established for him under AS 39.30.150. The selection shall be
2 from the benefit options listed in (a) of this section.

3 * Sec. 21. AS 39.30.160(c) is amended to read:

4 (c) The entire amounts paid by participating employers [THE STATE],
5 after the deduction for administrative costs under AS 39.30.150, into
6 the special individual benefit accounts under AS 39.30.150 shall be used
7 for supplemental benefits under this section.

8 * Sec. 22. AS 39.30.160(e) is amended to read:

9 (e) Regulations adopted by the Public Employees Retirement Board
10 [DEPARTMENT OF ADMINISTRATION] implementing AS 39.30.150 and this sec-
11 tion are not subject to the Administrative Procedure Act (AS 44.62).

12 * Sec. 23. AS 39.30 is amended by adding new sections to read:

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

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

18 (2) the employer

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

21 (B) withdraws from membership in the federal social
22 security system.

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

1 (c) The commissioner shall approve the request if he finds that
2 the employer has never participated in the federal social security
3 system or has withdrawn from participation in the federal social secur-
4 ity system.

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

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

9 (1) "commissioner" means the commissioner of the Department
10 of Administration;

11 (2) "participating employer" means

12 (A) the State of Alaska; and

13 (B) an employer who

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

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

17 (iii) whose participation in the supplemental em-
18 ployee benefits program has been approved by the commissioner.

19 * Sec. 24. AS 39.35.040 is amended by adding new paragraphs to read:

20 (9) to exercise the duties set out in AS 39.30.155 with
21 respect to the supplemental employee benefit program (AS 39.30.150 -
22 39.30.160);

23 (10) to exercise the duties set out in AS 39.45.025 with
24 respect to the deferred compensation program for state employees.

25 * Sec. 25. AS 39.35.050 is amended to read:

26 Sec. 39.35.050. ADMINISTRATOR. The commissioner shall appoint an
27 administrator in charge of the public employees' retirement system and
28 the supplemental employee benefit program (AS 39.30.150 - 39.30.160).

29 * Sec. 26. AS 39.35.060 is amended by adding a new paragraph to read:

1 (7) formulate and recommend to the board regulations to
2 govern the operation of the supplemental employee benefit program
3 (AS 39.30.150 - 39.30.160).

4 * Sec. 27. AS 39.35.120(b) is amended to read:

5 (b) Inclusion in the system is a condition of employment for an
6 employee except as otherwise provided for an elected official.

7 * Sec. 28. AS 39.35.125 is repealed and re-enacted to read:

8 Sec. 39.35.125. PARTICIPATION OF ELECTED OFFICIALS. (a) An
9 elected official is included in the system unless he files a written
10 waiver of coverage with the administrator. A waiver under this subsec-
11 tion waives coverage of future employment as an elected official, regard-
12 less of any change of employer. An elected official may file a waiver
13 under this subsection at any time after his election to office, including
14 the period before he takes the oath of his office. An elected official
15 may revoke a waiver under this subsection by filing a written revocation
16 with the administrator. A revocation under this subsection operates
17 prospectively only, and the elected official may not receive credited
18 service for service as an elected official while the waiver was in
19 effect. There is no limit on the number of times an elected official
20 may file a waiver or revocation under this subsection.

21 (b) Service as an elected official before January 1, 1981, with an
22 employer may be included retroactively as credited service with the
23 system if the elected official or former elected official makes retro-
24 active contributions equal to what he would have made if he had been
25 included in the system when he took the oath of his office as an elected
26 official. The rate used to calculate the retroactive contributions may
27 not be less than the rate in effect on January 1, 1961. An elected
28 official or former elected official must claim prior service and make
29 retroactive contributions before February 1, 1982. An elected official

1 or former elected official may not receive credited service under this
2 subsection for any period in which he was receiving a retirement benefit
3 from the system. An elected official or former elected official receiv-
4 ing a retirement benefit from the system on January 1, 1981, is not
5 eligible to claim credited service under this subsection unless he is
6 reemployed as an active member and claims the credited service before
7 February 1, 1982. Service as an elected official with an employer
8 constitutes employment as an active member so long as no waiver of
9 coverage under (a) of this section is in effect.

10 (c) An elected official included in the system and his employer
11 are liable for contributions whenever he is an elected official unless a
12 waiver of coverage under (a) of this section is in effect.

13 * Sec. 29. AS 39.35 is amended by adding a new section to read:

14 Sec. 39.35.156. TEMPORARY SERVICE CREDIT. (a) A vested employee
15 is entitled to credited service for periods in which he regularly ren-
16 dered full-time personal service to an employer but was not qualified to
17 participate in the system because of the exclusion of temporary workers
18 as described in AS 39.35.680(21)(C)(iii). Benefits are not payable on
19 this credited service unless the employee makes retroactive contribu-
20 tions to the system for the period of time that credited service is
21 claimed. The retroactive contribution is the full actuarial cost of
22 providing benefits for the credited service claimed.

23 (b) To obtain credited service under this section, an employee
24 must elect to do so and must verify his period of temporary service
25 before July 1, 1981, or within one year following the date when the
26 employee first becomes vested under this chapter, if later. When eligi-
27 bility for temporary service credit has been established, an indebted-
28 ness shall be determined as provided in (a) of this section. Interest as
29 prescribed by regulation accrues on that indebtedness beginning July 1,

1 1981, or one year following the date an employee first becomes vested,
2 whichever is later. Any outstanding indebtedness existing at the time
3 an employee retires will require an actuarial adjustment to the benefits
4 payable based on the temporary service.

5 (c) A deferred vested employee on July 1, 1980, is eligible to
6 claim credited service under (a) of this section. To obtain credited
7 service under this section, a deferred vested employee must elect to do
8 so and must verify his period of temporary service before July 1, 1981.
9 When eligibility for temporary service credit has been established, an
10 indebtedness shall be determined as provided in (a) of this section.
11 Interest as prescribed by regulation accrues on that indebtedness begin-
12 ning July 1, 1981. Any outstanding indebtedness existing at the time a
13 person retires will require an actuarial adjustment to the benefits
14 payable based upon the temporary service.

15 (d) The credited service granted under this section may not be
16 used to satisfy the credited service requirements for normal or early
17 retirement.

18 * Sec. 30. AS 39.35 is amended by adding a new section to read:

19 Sec. 39.35.158. ADMINISTRATIVE DIRECTOR OF COURTS. An administra-
20 tive director of the Alaska court system who withdraws from the judicial
21 retirement system (AS 22.25.012) is eligible for membership in the
22 system and shall receive credited service in the system for service
23 rendered as administrative director. To be eligible for membership in
24 the system under this subsection, the administrative director must
25 contribute to the system

26 (1) the amount he would have contributed if he had been a
27 member during the period of his membership in the judicial retirement
28 system; and

29 (2) any contributions for services as administrative director

1 refunded to him by the system at the time he became a member of the
2 judicial retirement system.

3 * Sec. 31. AS 39.35.360(a) is repealed and re-enacted to read:

4 (a) An employee employed before January 1, 1980, who completes
5 three years of credited service with the state after January 1, 1961,
6 for which the employee makes contributions required by this chapter is
7 entitled to credited service for service rendered (1) before January 1,
8 1961, as an employee of the State and former Territory of Alaska; (2)
9 before January 1, 1961, as an employee of the United States government
10 in Alaska, excluding service in the armed forces of the United States;
11 or (3) after January 1, 1961, as a peace officer or correctional officer
12 of a participating political subdivision of the state if the employee is
13 vested and is an active peace officer in the system as of July 1, 1980.
14 The retirement benefits payable to an employee under this section shall
15 be reduced by the amount of the retirement pension benefits paid to him
16 by the United States government for the same period of service.

17 * Sec. 32. AS 39.35.360 is amended by adding a new subsection to read:

18 (h) An employee of the state is eligible to receive credited
19 service as provided under AS 39.35.300(b) for service rendered as a
20 permanent part-time employee before January 1, 1976. To receive retro-
21 active credited service under this subsection, the employee must claim
22 the service before July 1, 1981. When the employee claims retroactive
23 credited service, an indebtedness of the employee to the system shall be
24 established. The amount of this indebtedness is equal to the contribu-
25 tions the employee would have made if he had been eligible for membership
26 in the system. The rate used to calculate the contributions may not be
27 less than the rate in effect on January 1, 1961. Interest as prescribed
28 by regulation accrues on the indebtedness beginning July 1, 1981. Any
29 outstanding indebtedness which exists at the time the employee retires

1 will require an actuarial adjustment to the benefits which are based on
2 retroactive credited service under this subsection.

3 * Sec. 33. AS 39.35.370 is amended by adding a new subsection to read:

4 (f) A member who is vested in the system as a peace officer or
5 fireman at the time he incurs a permanent disability of at least 33-1/3
6 percent under workers' compensation and who (1) undergoes retraining
7 because of the disability; and (2) is subsequently employed with the
8 state or other employer in a position other than peace officer or fire-
9 man, is eligible for a normal retirement benefit as a peace officer or
10 fireman under (a) and (c) of this section when he has completed 20 years
11 of credited service.

12 * Sec. 34. AS 39.35.475 is repealed and re-enacted to read:

13 Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) When the
14 administrator determines that the cost of living has increased and the
15 financial condition of the retirement fund permits, he shall increase
16 benefit payments to persons receiving benefits under this system.

17 (b) The amount of the increase in benefit payments may not exceed
18 the greater of

19 (1) the increase in the cost of living since the date of
20 retirement; or

21 (2) four percent of the retirement benefit compounded for
22 each year of retirement.

23 (c) If at the time of first receiving a retirement benefit a
24 member was receiving a disability benefit under this system, the adminis-
25 trator shall include the time during which the member received the
26 disability benefit in determining the number of years of retirement
27 under this section.

28 (d) An increase in benefit payments under this section is effec-
29 tive July 1 of the year for which the increase is granted.

1 (e) The administrator shall implement this section by regulation.

2 * Sec. 35. AS 39.35.485(a) is amended to read:

3 (a) An employee who is eligible for a benefit calculated in accor-
4 dance with AS 39.35.370(c) is entitled to a benefit of at least \$25
5 [\$17.50] a month for each year of credited service, not including ad-
6 justments made under AS 39.35.380, 39.35.410, 39.35.450, 39.35.475 and
7 39.35.480.

8 * Sec. 36. AS 39.35.680(14) is amended to read:

9 (14) "elected official" means a person [MEMBER] whose com-
10 pensation results from personal services rendered to an employer as an
11 elected representative [AND WHO ELECTS COVERAGE UNDER AS 39.35.125];

12 * Sec. 37. AS 39.35.680(21)(C) is amended by adding a new subparagraph to
13 read:

14 (vii) the administrative director of courts appointed
15 under art. IV, sec. 16 of the state constitution unless he
16 becomes a member under AS 39.35.158;

17 * Sec. 38. AS 39.45 is amended by adding a new section to read:

18 Sec. 39.45.025. DUTIES OF THE PUBLIC EMPLOYEES RETIREMENT BOARD.

19 (a) The Public Employees Retirement Board (AS 39.35.030) shall

20 (1) hold regular and special meetings it considers necessary
21 to carry out its responsibilities relating to the deferred compensation
22 program for state employees; all meetings are open to the public and the
23 board shall keep a full record of all its proceedings;

24 (2) adopt, with modifications it considers proper, regula-
25 tions recommended by the administrator for carrying out the deferred
26 compensation program for state employees;

27 (3) consider matters referred to it by the administrator in
28 connection with changes in policy and revisions of the deferred compen-
29 sation programs for state employees;

1 (4) act as an appeals board, hold hearings at the request of
2 an employer, employee, surviving spouse, or a beneficiary on decisions
3 made by the administrator that relate to the deferred compensation
4 program for state employees, and submit its findings to the adminis-
5 trator;

6 (5) prescribe the policies for the proper operation of the
7 deferred compensation program for state employees and take other action
8 which it considers necessary to carry out the intent and purpose of the
9 program.

10 (b) In this section "administrator" means the administrator of the
11 deferred compensation program for state employees.

12 * Sec. 39. AS 39.35.160(b) is repealed.

13 * Sec. 40. AS 24.20.500 - 24.20.570 and AS 39.30.160(d) are repealed.

14 * Sec. 41. AS 39.35.360(c) is repealed.

15 * Sec. 42. AS 22.25.045 is repealed.

16 * Sec. 43. The benefits payable under sec. 1, ch. 102, SLA 1951, as
17 increased by ch. 85, SLA 1970 and ch. 134, SLA 1975, are further increased by
18 \$100 a month for each recipient.

19 * Sec. 44. The following persons may receive any increase in benefits
20 resulting from this Act for which they are otherwise eligible:

21 (1) a deferred vested member under AS 14.25 or AS 39.35;

22 (2) a person receiving benefits under AS 14.25 or AS 39.35 on the
23 effective date of this Act;

24 (3) a person receiving benefits under sec. 1, ch. 102, SLA 1951
25 (as to the increase in sec. 43 of this Act only).

26 * Sec. 45. A member of the Alaska National Guard retirement system who is
27 receiving a retirement benefit under AS 26.05.222 - 26.05.227 on the effec-
28 tive date of this Act shall have that retirement benefit increased to \$100
29 per month beginning July 1, 1980.

1 * Sec. 46. AS 39.35.125(a), as re-enacted in sec. 28 of this Act, applies
2 to an elected official holding office on or after January 1, 1981, even
3 though he may have assumed office before that date.

4 * Sec. 47. (a) Notwithstanding AS 22.25.010(f), a person who had credited
5 service under the public employees' retirement system (AS 39.35) as a district
6 judge, as a magistrate, or as a deputy magistrate for service before July 1,
7 1967; and who has credited service of less than five years under the judicial
8 retirement system (AS 22.25) as a district judge, as a magistrate, or as a
9 deputy magistrate before the effective date of this Act, may have his credited
10 service under the public employees' retirement system and his credited service
11 under the judicial retirement system reinstated as credited service with the
12 public employees' retirement system by

13 (1) making a written election to receive his retirement coverage
14 and benefits under the public employees' retirement system (AS 39.35) rather
15 than under the judicial retirement system (AS 22.25) before July 1, 1981; and

16 (2) paying to the public employees' retirement system (AS 39.35)
17 the amount of all contributions covering service before July 1, 1967, which
18 were previously refunded to him by that system.

19 (3) paying to the public employees' retirement system (AS 39.35)
20 an amount equal to the amount he would have contributed for service rendered
21 on and after July 1, 1967, as a judge, magistrate or deputy magistrate, if
22 the service had been covered under the public employees' retirement system.

23 (b) A written election made under (a)(1) of this section is irrevoc-
24 able.

25 * Sec. 48. The retirement benefit payable to a member of the teachers'
26 retirement system who is receiving a normal retirement benefit under AS 14.-
27 25.110 on the effective date of this Act, and who at the time of his retire-
28 ment was receiving a disability benefit under the teachers' retirement system,
29 shall be increased by a percentage equal to the percentage of all post-retire-

1 ment pension adjustments payable under AS 14.25.143 during the period that
2 the member was receiving a disability benefit.

3 * Sec. 49. The retirement benefit payable to a member of the public
4 employees' retirement system who is receiving a normal retirement benefit
5 under AS 39.35.370 on the effective date of this Act, and who at the time of
6 his retirement was receiving a disability pension under the public employees'
7 retirement system, shall be increased by a percentage equal to the percentage
8 of all post-retirement pension adjustments payable under AS 39.35.475 during
9 the period that the member was receiving a disability benefit.

10 * Sec. 50. A person who is serving as administrative director of the
11 Alaska court system on the effective date of AS 22.25.012 as enacted in sec.
12 7 of this Act may receive prior service credit under AS 22.25 for service
13 rendered as administrative director of the Alaska court system before the
14 effective date of AS 22.25.012 if he withdraws from the public employees'
15 retirement system (AS 39.35), receives a refund of his contributions made
16 under AS 39.35, elects to receive service credit under AS 22.25 for prior
17 service as administrative director and makes retroactive contributions for
18 prior service as administrative director including service before July 1,
19 1978. Retroactive contributions made under this section are calculated at
20 seven percent of the base annual salary of a superior court judge in effect
21 during the period for which contributions are made.

22 * Sec. 51. An employee who is a retired member of the public employees'
23 retirement system on July 1, 1980, is entitled to receive increased benefits
24 based on military service granted under AS 39.35.340(b) as amended by ch. 13,
25 SLA 1980.

26 * Sec. 52. Sections 16, 17, 20, 21, 23, and 39 of this Act are retro-
27 active to January 1, 1980.

28 * Sec. 53. Section 43 of this Act is retroactive to January 1, 1978.

29 * Sec. 54. Sections 1, 3 - 6, 18, 19, 22, 24 - 26, 29, 31 - 34, 38, 40,

1 43, 44(2) and (3), 45, 47 - 49, and 51 of this Act take effect July 1, 1980.

2 * Sec. 55. Sections 2, 27, 28, 35, 36, 41, 44(1), and 46 of this Act take
3 effect January 1, 1981.

4 * Sec. 56. Sections 8 - 15 and 42 of this Act take effect July 1, 1981.

5 * Sec. 57. Sections 7, 30, 37, 50, and 52 - 57 of this Act take effect
6 immediately in accordance with AS 01.10.070(c).

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