

Introduced: 1/29/82  
Referred: Labor & Commerce,  
Health, Education & Social  
Services and Finance

1 IN THE HOUSE

BY CATO AND BUCHHOLDT

2 HOUSE BILL NO. 705

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public employees and teachers  
7 benefits; and providing for an effective date."

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

9 \* Section 1. AS 14.20.345(d) is amended to read:

10 (d) The governing body of the district may agree to continue the  
11 teacher's retirement contributions if the teacher agrees to pay the  
12 percentage required under AS 14.25.050 [REQUIRED SEVEN PERCENT] of the  
13 salary the teacher [HE] would have received during the [HIS] leave of  
14 absence and reimburse the district for the district's required retire-  
15 ment contribution. Each year of leave of absence then would count as a  
16 year of retirement service.

17 \* Sec. 2. AS 14.25.143 is repealed and reenacted to read:

18 Sec. 14.25.143. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once  
19 each year the administrator shall increase benefit payments to eligible  
20 disabled members and persons age 55 or older receiving benefits under  
21 this system in the preceding calendar year.

22 (b) The increase in benefit payments applies to total benefit  
23 payments except for the cost-of-living allowance under AS 14.25.142.  
24 The amount of the increase is a percentage of the current benefit equal  
25 to

26 (1) the lesser of 75 percent of the increase in the cost of  
27 living in the preceding calendar year or nine percent, for recipients  
28 who on July 1 are at least 65 years old;

29 (2) the lesser of 50 percent of the increase in the cost of

1 living in the preceding calendar year or six percent, for recipients who  
2 on July 1 are at least 60 but less than 65 years old and for members  
3 receiving disability benefits who are less than 65 years old; and

4 (3) the lesser of 25 percent of the increase in the cost of  
5 living in the preceding calendar year or three percent, for recipients  
6 who on July 1 are at least 55 but less than 60 years old.

7 (c) If a recipient was not receiving benefits during the entire  
8 preceding calendar year, the increase in benefits under this section  
9 shall be adjusted by multiplying it by the fraction whose numerator is  
10 the number of months for which benefits were received in the preceding  
11 calendar year and whose denominator is 12.

12 (d) If at the time of first receiving a retirement benefit a  
13 member was receiving a disability benefit under this system, the admin-  
14 istrator shall, at the time the member is appointed to retirement,  
15 increase the retirement benefit by a percentage equal to the total  
16 cumulative percentage increase which has been applied to the member's  
17 disability benefit under this section.

18 (e) When computing a spouse's pension under AS 14.25.164, adjust-  
19 ments granted to the deceased member under this section shall be in-  
20 cluded.

21 (f) An increase in benefit payments under this section is effec-  
22 tive July 1 of each year and is based on the percentage increase in the  
23 consumer price index for urban wage earners and clerical workers for  
24 Anchorage, Alaska during the previous calendar year as determined by the  
25 United States Department of Labor, Bureau of Labor Statistics.

26 \* Sec. 3. AS 39.35.475 is repealed and reenacted to read:

27 Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once  
28 each year the administrator shall increase benefit payments to eligible  
29 disabled members and persons age 55 or older receiving benefits under

1 this system in the preceding calendar year.

2 (b) The increase in benefit payments applies to total benefit  
3 payments exclusive only of the cost-of-living allowance under AS 39.-  
4 35.480. The amount of the increase is a percentage of the current  
5 benefit equal to

6 (1) the lesser of 75 percent of the increase in the cost of  
7 living in the preceding calendar year or nine percent, for recipients  
8 who on July 1 are at least 65 years old;

9 (2) the lesser of 50 percent of the increase in the cost of  
10 living in the preceding calendar year or six percent, for recipients who  
11 on July 1 are at least 60 but less than 65 years old and for members  
12 receiving disability benefits who are less than 65 years old; and

13 (3) the lesser of 25 percent of the increase in the cost of  
14 living in the preceding calendar year or three percent, for recipients  
15 who on July 1 are at least 55 but less than 60 years old.

16 (c) If a recipient was not receiving benefits during the entire  
17 preceding calendar year, the increase in benefits under this section  
18 shall be adjusted by multiplying it by the fraction whose numerator is  
19 the number of months for which benefits were received in the preceding  
20 calendar year and whose denominator is 12.

21 (d) If at the time of first receiving a retirement benefit a  
22 member was receiving a disability benefit under this system, the admin-  
23 istrator shall, at the time the member is appointed to retirement,  
24 increase the retirement benefit by a percentage equal to the total  
25 cumulative percentage increase which has been applied to the member's  
26 disability benefit under this section.

27 (e) When computing a joint and survivor benefit under AS 39.35.450  
28 or a survivor's benefit under AS 39.35.420 or 39.35.440, adjustments  
29 granted to the deceased member under this section shall be included.

1 (f) An increase in benefit payments under this section is effec-  
2 tive July 1 of each year and is based on the percentage increase in the  
3 consumer price index for urban wage earners and clerical workers for  
4 Anchorage, Alaska during the previous calendar year as determined by the  
5 United States Department of Labor, Bureau of Labor Statistics.

6 \* Sec. 4. AS 39.35.485(a) is amended to read:

7 (a) An employee who is eligible for a benefit calculated in accor-  
8 dance with AS 39.35.370(c) is entitled to a benefit of at least \$25 a  
9 month for each year of credited service, not including adjustments made  
10 under AS 39.35.340 for military service, AS 39.35.350 for reinstatement  
11 of credited service, AS 39.35.360 for credit for earlier service, AS 39.-  
12 35.370(c) for early retirement, AS 39.35.420 for nonoccupational death  
13 benefits [AS 39.35.380, 39.35.410], AS 39.35.450 for the survivor's  
14 option, AS 39.35.460 for the level income option, AS 39.35.475 for the  
15 post-retirement pension adjustment, and AS 39.35.480 for the cost of  
16 living allowance.

17 \* Sec. 5. Sections 2 and 3 of this Act apply to persons receiving  
18 benefits under the retirement systems on July 1, 1982. Benefits shall be  
19 recomputed as of July 1, 1982, under AS 14.25.143 and AS 39.35.475 to include  
20 adjustments under AS 14.25.143 or AS 39.35.475 for each year since the person  
21 first began receiving a benefit. If the recomputed benefit exceeds the  
22 current benefit, the current benefit shall be increased accordingly effective  
23 July 1, 1982. Payment of the increased benefit shall begin no later than  
24 January 1, 1983, but no retroactive benefit payments may be made under this  
25 section for any period before July 1, 1982.

26 \* Sec. 6. This Act takes effect July 1, 1982.  
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