

Introduced: 2/18/82
Referred: State Affairs
and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 813

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 post-retirement pension adjustments,
7 and retirement benefits for peace officers, marine
8 transportation employees and Department of Fish and
9 Game employees; and providing for an effective date."

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

11 * Section 1. AS 14.25.143 is repealed and reenacted to read:

12 Sec. 14.25.143. POST-RETIREMENT PENSION ADJUSTMENT. (a) When the
13 administrator determines that the cost of living has increased and that
14 the financial condition of the retirement fund permits, he may increase
15 benefit payments to eligible disabled members and persons age 55 or old-
16 er who received benefits in the preceding calendar year and are also re-
17 ceiving benefits under this system at the time the increase is granted.

18 (b) The increase in benefit payments applies to total benefit pay-
19 ments except for the cost-of-living allowance under AS 14.25.142. The
20 amount of the increase is a percentage of the current benefit and may
21 not exceed

22 (1) the lesser of 75 percent of the increase in the cost of
23 living in the preceding calendar year or nine percent of the current
24 benefit for recipients who are at least 65 years old on July 1;

25 (2) the lesser of 50 percent of the increase in the cost of
26 living in the preceding calendar year or six percent of the current
27 benefit for recipients who are at least 60 but less than 65 years old on
28 July 1 and for members receiving disability benefits who are less than
29 65 years old on July 1; or

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

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

10 (d) If, at the time of first receiving a retirement benefit, a
11 member was receiving a disability benefit under this system, the admini-
12 strator shall, at the time the member is appointed to retirement, in-
13 crease the retirement benefit by a percentage equal to the total cumula-
14 tive percentage increase which has been applied to the member's disabili-
15 ty benefit under this section.

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

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

25 * Sec. 2. AS 39.35 is amended by adding a new section to read:

26 Sec. 39.35.305. CREDITED SERVICE FOR EMPLOYMENT WITH THE DIVISION
27 OF MARINE TRANSPORTATION. (a) A vested employee who is a member of the
28 system on July 1, 1981 is entitled to service credit for periods of em-
29 ployment before January 1, 1977 with the division of marine highways of

1 the Department of Transportation and Public Facilities for which the em-
2 ployee received service credit under the Northwest Marine Retirement
3 Trust. The service credit allowed under this section may not exceed an
4 aggregate of nine years. Benefits are not payable on service credit un-
5 der this section unless the employee makes retroactive contributions to
6 the system for the period of time for which service credit is claimed.

7 (b) In order to obtain service credit under this section, an em-
8 ployee shall make an election to do so and shall verify the period of
9 service. When eligibility for service credit has been established, an
10 indebtedness shall be determined as follows: (1) the employee's actual
11 compensation, or the calculated annual compensation for an employee
12 working less than 12 months, during the calendar year 1981 or the year
13 in which an employee first becomes vested under this chapter, whichever
14 is later, multiplied by (2) six percent, and this product multiplied by
15 (3) the number years of service credited under this section. Interest
16 as prescribed by regulation accrues on this indebtedness beginning on
17 July 1, 1981, or one year following the date a person first becomes
18 vested, whichever is later. Any outstanding indebtedness that exists at
19 the time a person is appointed to retirement will necessitate an actuar-
20 ial adjustment to the benefits payable based upon service credited under
21 this section.

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

23 (g) A member may not receive retirement benefits under this sec-
24 tion based on a period of employment for which the member received ser-
25 vice credit under AS 39.35.305 if the member is receiving retirement
26 benefits from a marine retirement trust based on the same period of em-
27 ployment.

28 * Sec. 4. AS 39.35.475 is repealed and reenacted to read:

29 Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) When the

1 administrator determines that the cost of living has increased and that
2 the financial condition of the retirement fund permits, he may increase
3 benefit payments to eligible disabled members and persons age 55 or old-
4 er who received benefits in the preceding calendar year and are also re-
5 ceiving benefits under this system at the time the increase is granted.

6 (b) The increase in benefit payments applies to total benefit pay-
7 ments except for the cost-of-living allowance under AS 39.35.480. The
8 amount of the increase is a percentage of the current benefit and may
9 not exceed

10 (1) the lesser of 75 percent of the increase in the cost of
11 living in the preceding calendar year or nine percent of the current
12 benefit for recipients who are at least 65 years old on July 1;

13 (2) the lesser of 50 percent of the increase in the cost of
14 living in the preceding calendar year or six percent of the current
15 benefit for recipients who are at least 60 but less than 65 years old on
16 July 1 and for members receiving disability benefits who are less than
17 65 years old on July 1; or

18 (3) the lesser of 25 percent of the increase in the cost of
19 living in the preceding calendar year or three percent of the current
20 benefit for recipients who are at least 55 but less than 60 years old on
21 July 1.

22 (c) If a recipient was not receiving benefits during the entire
23 preceding calendar year, the increase in benefits under this section
24 must be adjusted by multiplying it by the fraction whose numerator is
25 the number of months for which benefits were received in the preceding
26 calendar year and whose denominator is 12.

27 (d) If, at the time of first receiving a retirement benefit, a
28 member was receiving a disability benefit under this system, the admini-
29 strator shall, at the time the member is appointed to retirement, in-

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crease the retirement benefit by a percentage equal to the total cumulative percentage increase which has been applied to the member's disability benefit under this section.

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

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

* Sec. 5. AS 39.35.680(27) is amended to read:

(27) "peace officer" or "fireman" means an employee occupying a position as a peace officer, chief of police, correctional officer, correctional superintendent, [QUALIFIED EMPLOYEE OF THE DEPARTMENT OF FISH AND GAME,] fireman, or fire chief;

* Sec. 6. A person who has held a position on or before June 30, 1982, as a "qualified employee of the Department of Fish and Game", shall be treated as a peace officer under AS 39.35 whenever employed by the Department of Fish and Game on or after July 1, 1982.

* Sec. 7. AS 39.35.680(32) is repealed.

* Sec. 8. This Act takes effect July 1, 1982.