

Introduced: 1/23/84  
Referred: Health, Education and  
Social Services and  
Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2

SENATE BILL NO. 368

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to attachment of pension benefits  
7 for debts owed to the state."

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

9 \* Section 1. AS 09.38.015(b) is amended to read:

10 (b) Except as provided in AS 14.25.200 and AS 39.35.505, the  
11 [THE] right to benefits held by the state on behalf of an individual  
12 which may become payable by reason of disability, unemployment, or  
13 illness, amounts held in the teachers' or public employees' retirement  
14 system, and child support collections made by the child support en-  
15 forcement agency are exempt.

16 \* Sec. 2. AS 09.38 is amended by adding a new section to read:

17 Sec. 09.38.031. EXEMPTION OF PENSION BENEFITS FOR DEBTS OWED TO  
18 THE STATE. With respect to pension benefits under AS 14.25.200(b) and  
19 AS 39.35.505, the individual debtor is entitled to an exemption of 50  
20 percent of the monthly pension until full payment of the debt has been  
21 made.

22 \* Sec. 3. AS 14.25.200 is amended to read:

23 Sec. 14.25.200. EXEMPTION FROM TAXATION AND PROCESS. (a)  
24 Benefits and other amounts held in the retirement fund on behalf of  
25 the members are exempt from Alaska state and municipal taxes and,  
26 except with respect to indebtedness to the State of Alaska, are not  
27 subject to anticipation, alienation, sale, transfer, assignment,  
28 pledge, encumbrance, or charge of any kind, either voluntary or invol-  
29 untary, before they are received by the person entitled to the amount

1 under the terms of the system. Except to satisfy an indebtedness to  
2 the State of Alaska an [, AND ANY] attempt to anticipate, alienate,  
3 sell, transfer, assign, pledge, encumber, charge, or otherwise dispose  
4 of any right to amounts accrued in the retirement fund is void.

5 (b) Except with respect to indebtedness to the State of Alaska,  
6 teachers' [TEACHERS'] retirement salaries and other amounts held in  
7 the retirement fund on behalf of the members are exempt from  
8 garnishment, execution, or levy as provided in AS 09.38 (exemptions).

9 \* Sec. 4. AS 39.35.500 is amended to read:

10 Sec. 39.35.500. SAFEGUARD OF EMPLOYEE FUNDS HELD BY THE SYSTEM.  
11 Employee contributions and other amounts held in the pension fund are  
12 exempt from Alaska state and local taxes. Except with respect to  
13 indebtedness to the State of Alaska, amounts [AMOUNTS] held on behalf  
14 of, or payable to, any employee or other person who is or may become  
15 eligible for benefits under the system are not subject to anticipa-  
16 tion, alienation, sale, transfer, assignment, pledge, encumbrance, or  
17 charge of any kind, either voluntary or involuntary, before being  
18 received by the person entitled to the amount under the terms of the  
19 system. Except to satisfy an indebtedness to the State of Alaska, an  
20 [AN] attempt to anticipate, alienate, sell, transfer, assign, pledge,  
21 encumber, charge, or otherwise dispose of a right to amounts held  
22 under the system is void.

23 \* Sec. 5. AS 39.35.505 is amended to read:

24 Sec. 39.35.505. EXEMPTION OF EMPLOYEE FUNDS AND BENEFITS.  
25 Except with respect to indebtedness to the State of Alaska, employee  
26 [EMPLOYEE] contributions and other amounts held in the pension fund  
27 and retirement benefits payable under this chapter are exempt from  
28 levy to enforce the collection of a debt as provided in AS 09.38  
29 (exemptions).