

Introduced: 1/23/85
Referred: Health, Education & Social Services
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 92

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to benefits under the supplemental
7 benefits system; and providing for an effective
8 date."

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

10 * Section 1. AS 39.30.150(a) is amended to read:

11 (a) In place of contributions to the federal social security
12 system that would have been required on behalf of an employee had the
13 participating employer belonged to the social security system, the
14 participating employer shall contribute 12.26 percent of the wages of
15 the employee up to the taxable wage base then in effect in the social
16 security system. All costs of establishing and administering the
17 benefit program established by AS 39.30.160 must [SHALL] be paid from
18 the contributions made by the participating employers under this
19 section. The balance of the contributions made by the participating
20 employers must [SHALL] be paid into special individual employee bene-
21 fit accounts in the Department of Administration to be used to provide
22 supplemental employee benefits provided in AS 39.30.160. In addition,
23 voluntary wage reductions authorized under AS 39.30.150(c) must be
24 paid into the special individual employee benefit accounts under the
25 terms of the State of Alaska Supplemental Annuity Plan.

26 * Sec. 2. AS 39.30.150(c) is amended to read:

27 (c) An employee of a participating employer is considered to
28 have agreed to have the employee's wages reduced by an amount equal to
29 one-half the total contribution that the participating employer is

1 required to make on behalf of the employee under this section. In
2 addition, an employee may voluntarily elect additional wage reductions
3 under the terms of the State of Alaska Supplemental Annuity Plan.

4 * Sec. 3. AS 39.30.155(a) is amended to read:

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

6 (1) hold regular and special meetings it considers neces-
7 sary to carry out its responsibilities relating to the supplemental
8 employee benefit program; all meetings are open to the public and the
9 board shall keep a full record of all its proceedings;

10 (2) adopt, with modifications it considers proper, regu-
11 lations recommended by the administrator for carrying out the supple-
12 mental employee benefit program, including regulations establishing
13 additional benefit options not listed in AS 39.30.160(a)(1) -- (5).
14 and regulations providing employees the opportunity to periodically
15 change distribution of contributions among the supplemental benefit
16 options listed in AS 39.30.160(a);

17 (3) consider matters referred to it by the administrator in
18 connection with changes in policy and revisions of the supplemental
19 employee benefit program;

20 (4) act as an appeals board, hold hearings at the request
21 of an employer, employee, surviving spouse, or a beneficiary on de-
22 cisions made by the administrator that relate to the payment of bene-
23 fits under the supplemental employee benefit program, and submit its
24 findings to the administrator;

25 (5) prescribe policies for the operation of the supple-
26 mental employee benefit program and take other action that it consid-
27 ers necessary to carry out the purposes of that program;

28 (6) advise the Department of Administration concerning the
29 features to be included in the benefit options provided under

1 AS 39.30.160(a).

2 * Sec. 4. AS 39.30.160(a) is amended to read:

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

- 7 (1) supplemental health benefits,
8 (2) supplemental death benefits,
9 (3) supplemental disability benefits,
10 (4) supplemental survivor benefits, [AND]
11 (5) supplemental annuities, and
12 (6) other employee benefits set out in regulations adopted
13 by the Public Employees Retirement Board.

14 * Sec. 5. The plan administrator of the State of Alaska Supplemental
15 Annuity Plan may submit plan amendments to the United States Internal
16 Revenue Service to implement this Act and to convert the State of Alaska
17 Supplemental Annuity Plan to a qualified plan that permits additional
18 tax-deferred voluntary wage reductions and, on receipt of a favorable
19 ruling, shall implement the provisions of secs. 1 and 2 of this Act.

20 * Sec. 6. Sections 1 and 2 of this Act take effect upon receipt of a
21 favorable ruling by the United States Internal Revenue Service on the
22 amendments converting the supplemental annuity plan to a qualified plan
23 that permits additional tax-deferred voluntary wage reductions.

24 * Sec. 7. Sections 3, 4, and 5 of this Act take effect immediately in
25 accordance with AS 01.10.070(c).