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Referred: State Affairs,  
Health, Education & Social Services  
and Finance

6-1048A

1 IN THE HOUSE

BY LEMAN

2

HOUSE BILL NO. 260

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to post-retirement pension adjust-  
7 ments in the teachers' retirement system and the  
8 public employees' retirement system; and providing  
9 for an effective date."

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

11 \* Section 1. AS 14.25.143(a) is repealed and reenacted to read:

12 (a) Once each year the administrator shall increase benefit  
13 payments to persons age 60 or older receiving benefits under this  
14 system in the preceding calendar year, and to persons who have re-  
15 ceived benefits under this system for at least five years who are not  
16 otherwise eligible for an increase under this section.

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 AS 14.25.143(b) is repealed and reenacted to read:

18 (b) The increase in benefit payments applies to total benefit  
19 payments except for the cost-of-living allowance under AS 14.25.142.  
20 The amount of the increase is a percentage of the current benefit  
21 equal to

22 (1) the lesser of 75 percent of the increase in the cost of  
23 living in the preceding calendar year, nine percent, or the percentage  
24 return on the investment of the retirement fund for the previous  
25 fiscal year, for recipients who on July 1 are at least 65 years old;  
26 and

27 (2) the lesser of 50 percent of the increase in the cost of  
28 living in the preceding calendar year, six percent, or the percentage  
29 return on the investment of the retirement fund for the previous

1 fiscal year, for recipients who on July 1 are at least 60 but less  
2 than 65 years old or for recipients who on July 1 are less than 60  
3 years old but who have received benefits from the system for at least  
4 five years.

5 \* Sec. 3. AS 14.25.143(f) is repealed and reenacted to read:

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

11 \* Sec. 4. AS 14.25.143 is amended by adding a new subsection to read:

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

17 \* Sec. 5. AS 39.35.475(b) is amended to read:

18 (b) The increase in benefit payments applies to total benefit  
19 payments except for the cost-of-living allowance under AS 39.35.480.  
20 The amount of the increase is a percentage of the current benefit  
21 equal to

22 (1) the lesser of 75 percent of the increase in the cost of  
23 living in the preceding calendar year, [OR] nine percent, or the  
24 percentage return on the investment of the retirement fund for the  
25 previous fiscal year, for recipients who on July 1 are at least 65  
26 years old and for members receiving disability benefits; and

27 (2) the lesser of 50 percent of the increase in the cost of  
28 living in the preceding calendar year, [OR] six percent, or the per-  
29 centage return on the investment of the retirement fund for the

1        previous fiscal year, for recipients who on July 1 are at least 60 but  
2        less than 65 years old or for recipients who are less than 60 years  
3        old on July 1 but who have received benefits from the system for at  
4        least five years.

5        \* Sec. 6. This Act takes effect immediately under AS 01.10.070(c).