

BY SEN. DUNCAN

1 IN THE SENATE

2

SENATE BILL NO. 474

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to estimated benefit payments and
7 penalties for delay in timely payments in the teach-
8 ers' retirement system and the public employees'
9 retirement system."

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

11 * Section 1. AS 14.25.110(c) is amended to read:

12 (c) Except as provided in (j) and (k) of this section, the [THE]
13 burden is on the applicant to prove eligibility for retirement bene-
14 fits to the full satisfaction of the administrator.

15 * Sec. 2. AS 14.25.110(i) is amended to read:

16 (i) Benefits payable under this section accrue from the first
17 day of the month after which all of the following requirements are
18 met: (1) the member meets the eligibility requirements of this sec-
19 tion; (2) the member terminates employment; and (3) the member applies
20 for retirement. Benefits are not payable under this section during a
21 school year in which credit for a full year of service is granted.
22 The benefits are payable the last day of the month. If payment is
23 delayed, a retired member may be entitled to an estimated payment
24 under (j) of this section and a penalty under (k) of this section, and
25 a retroactive payment must be made for the month in which a benefit is
26 payable under this section. The last payment shall be for the month
27 in which the member dies or is no longer eligible for a benefit under
28 this section.

29 * Sec. 3. AS 14.25.110 is amended by adding new subsections to read:

1 (j) If a retirement benefit payment is expected to be more than
2 30 days late and if the retired member did not cause or significantly
3 contribute to the delay, the retired member is entitled to an esti-
4 mated benefit. The amount of the estimated benefit is 75 percent of
5 the amount that the administrator estimates the retired member will
6 receive as a benefit.

7 (k) If a retirement benefit payment is more than 30 days late
8 and if the delay is caused by the failure of an employer to supply or
9 verify employment information about the member in a timely manner, the
10 administrator shall assess a penalty against the employer. The pen-
11 alty shall be paid to the retired member. The penalty in the amount
12 of \$100 per day shall be assessed each day after the 30th day that the
13 payment is delayed until the date on which the retirement benefit
14 payment is postmarked or otherwise delivered to the retired member.
15 An employer or a retired member who is aggrieved by a decision of the
16 administrator under this subsection may appeal the decision to the
17 board.

18 * Sec. 4. AS 39.35.370(e) is amended to read:

19 (e) Benefits payable under this section accrue from the first
20 day of the month after which all of the following requirements are
21 met: (1) the member meets the eligibility requirements of this sec-
22 tion; (2) the member terminates employment; and (3) the member applies
23 for retirement. The benefits are payable the last day of the month.
24 If payment is delayed, a retiree may be entitled to an estimated
25 payment under (g) of this section and a penalty under (h) of this
26 section, and a retroactive payment shall be made to cover the period
27 of deferment. The last payment shall be made for the month in which a
28 benefit is payable under this section.

29 * Sec. 5. AS 39.35.570 is amended by adding new subsections to read:

1 (g) If a retirement benefit payment is expected to be more than
2 30 days late and if the retired member did not cause or significantly
3 contribute to the delay, the retired member is entitled to an esti-
4 mated benefit. The amount of the estimated benefit is 75 percent of
5 the amount that the administrator estimates the retired member will
6 receive as a benefit.

7 (h) If a retirement benefit payment is more than 30 days late
8 and if the delay is caused by the failure of an employer to supply or
9 verify employment information about the member in a timely manner, the
10 administrator shall assess a penalty against the employer. The pen-
11 alty shall be paid to the retired member. The penalty in the amount
12 of \$100 per day shall be assessed each day after the 30th day that the
13 payment is delayed until the date on which the retirement benefit
14 payment is postmarked or otherwise delivered to the retired member.
15 An employer or a retired member who is aggrieved by a decision of the
16 administrator under this subsection may appeal the decision to the
17 board.