

SENATE BILL NO. 307

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 5/19/91

Referred: State Affairs

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to payment of the costs of establishing and administering the
2 supplemental employee benefits programs; and providing for an effective date."

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

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

5 (a) In place of contributions to the federal social security system that would have been
6 required on behalf of an employee had the participating employer belonged to the social security
7 system, the participating employer shall contribute an amount equal to 6.13 percent of the wages
8 of the employee up to the taxable wage base then in effect in the social security system. This
9 contribution must be paid into an individual employee annuity account in the Department of
10 Administration under the terms of the State of Alaska Supplemental Annuity Plan. The
11 department shall pay 6.13 percent of the wages of the employee up to the taxable wage base then
12 in effect in the social security system into the individual employee annuity account established
13 under this subsection. This wage reduction must be treated as an employer contribution under
14 26 U.S.C. 414(h)(2). All costs of establishing and administering the programs established under

1 this subsection and (b) of this section [AS 39.30.150 - 39.30.180] must be paid from the
2 contributions made to the individual employee annuity accounts under this subsection
3 [SECTION].

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

5 (c) An employee may voluntarily elect additional wage reductions to be paid into special
6 individual employee benefit accounts in the Department of Administration. Money in these
7 accounts must be used to purchase benefits selected by the employee under the supplemental
8 benefits plan established by the administrator. All costs of establishing and administering the
9 program established under this subsection must be paid from the wage reductions paid into
10 the special individual employee benefit accounts under this subsection.

11 * Sec. 3. This Act takes effect July 1, 1991.