

**HOUSE BILL NO. 246**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**EIGHTEENTH LEGISLATURE - FIRST SESSION**

**BY REPRESENTATIVE ULMER**

**Introduced: 3/22/93**

**Referred: State Affairs, Judiciary, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act allowing a member of the teacher's retirement system or the public  
2 employees' retirement system to assign to a trust the member's right to receive  
3 a monetary benefit from the system."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 \* Section 1. AS 14.25.200(a) is amended to read:

6 (a) Member contributions and other amounts held in the system on behalf of  
7 a member or other person who is or may become eligible for benefits under the system  
8 are exempt from Alaska state and municipal taxes and are not subject to anticipation,  
9 alienation, sale, transfer, assignment, pledge, encumbrance, or charge of any kind,  
10 either voluntary or involuntary, before they are received by the person entitled to the  
11 amount under the terms of the system, and any attempt to anticipate, alienate, sell,  
12 transfer, assign, pledge, encumber, charge, or otherwise dispose of any right to  
13 amounts accrued in the system is void. However, a member's right to receive benefits  
14 may be assigned

1                   (1) under a qualified domestic relations order; or  
2                   (2) to a trust or similar legal device established by the member or  
3 the member's spouse, other than by will, under which the member or the  
4 member's spouse may be the beneficiary of all or part of the payments from the  
5 trust and the distribution of the payments is determined by one or more trustees  
6 who have discretion with respect to the distribution of payments to the member  
7 or the member's spouse.

8 \* Sec. 2. AS 39.35.500 is amended to read:

9                   Sec. 39.35.500. SAFEGUARD OF EMPLOYEE FUNDS HELD BY THE  
10 SYSTEM. Employee contributions and other amounts held in the system are exempt  
11 from Alaska state and local taxes. Amounts held on behalf of, or payable to, any  
12 employee or other person who is or may become eligible for benefits under the system  
13 are not subject to anticipation, alienation, sale, transfer, assignment, pledge,  
14 encumbrance, or charge of any kind, either voluntary or involuntary, before being  
15 received by the person entitled to the amount under the terms of the system. An  
16 attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or  
17 otherwise dispose of a right to amounts held under the system is void. However, an  
18 employee's right to receive benefits may be assigned

19                   (1) under a qualified domestic relations order; or  
20                   (2) to a trust or similar legal device established by the employee or  
21 the employee's spouse, other than by will, under which the employee or the  
22 employee's spouse may be the beneficiary of all or part of the payments from the  
23 trust and the distribution of the payments is determined by one or more trustees  
24 who have discretion with respect to the distribution of payments to the employee  
25 or the employee's spouse.