

COMMITTEE REPORT

4/6/76

HOUSE

Mr. Speaker:

Date 5-7-76

The Committee on FINANCE has had HB 698

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

(x) recommends it BE REPLACED WITH CS FOR HB 698 AND THAT
CS FOR HB 698 DO PASS

() "and" recommends it BE REFERRED TO THE _____
COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

[Handwritten Signature] _____
[Handwritten Signature] _____
[Handwritten Signature] _____
[Handwritten Signature] _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Handwritten Signature] _____ Chairman

Introduced: 2/6/76
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 698

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to National Guard and Naval Militia
7 retirement and death benefits; and providing for an
8 effective date."

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

10 * Section 1. AS 26.05.222 is amended to read:

11 Sec. 26.05.222. CREATION AND ADMINISTRATION OF ALASKA NATIONAL
12 GUARD AND NAVAL MILITIA RETIREMENT PLAN. There is established in the
13 public employees retirement system of Alaska a separate Alaska National
14 Guard and Naval Militia retirement plan and account, which shall be
15 administered as a part of and in like manner as the public employees
16 retirement system.

17 * Sec. 2. AS 26.05.223 is amended to read:

18 Sec. 26.05.223. COMMENCEMENT OF PARTICIPATION IN PLAN. An
19 active member of the Alaska National Guard or Alaska Naval Militia
20 shall be included in this plan upon commencement of his active member-
21 ship in the Alaska National Guard, or on January 1, 1973, whichever is
22 later, or upon commencement of his active membership in the Alaska
23 Naval Militia or on July 1, 1976, whichever is later. Inclusion in
24 the plan is a condition of active membership in the Alaska National
25 Guard or Alaska Naval Militia.

26 * Sec. 3. AS 26.05.224(a) is amended to read:

27 (a) An active or former member of the Alaska National Guard
28 or Alaska Naval Militia is eligible for a retirement pension [PAY]
29 (1) upon voluntary retirement after 20 years or more of

1 active service in the Alaska National Guard or Alaska Naval Militia
2 [AND UPON REACHING 55 YEARS OF AGE], or

3 (2) upon involuntary retirement because of federal standards
4 imposed on National Guard members, regardless of length of service.

5 * Sec. 4. 26.05.224(b) is amended to read:

6 (b) Retirement pay is \$50 a month, payable over [TO BE CONTINUED
7 FOR] the same number of months that the person was a member of the
8 Alaska National Guard or Alaska Naval Militia. Payment of the re-
9 retirement pension shall begin the first month after the person's 55th
10 birthday or separation from the Alaska National Guard or Alaska Naval
11 Militia, whichever is later. A member or former member may elect to
12 have payment of retirement pension benefits deferred until any month
13 after his 55th birthday or separation from the Alaska National Guard
14 or Alaska Naval Militia, whichever is later. Payment of a deferred
15 benefit may not commence until application for the benefit is filed
16 with and approved by the Department of Military Affairs.

17 * Sec. 5. AS 26.05.227 is amended to read:

18 Sec. 26.05.227. DEFINITION. As used in secs. 222--226 of this
19 chapter, "member" means an active commissioned or warrant officer or
20 enlisted man or woman in the Alaska National Guard or Alaska Naval
21 Militia.

22 * Sec. 6. AS 26.05.224(c) is repealed.

23 * Sec. 7. This Act takes effect July 1, 1976.
24
25
26
27
28
29

Original sponsor: Rules Committee by
request of the Governor

Offered: 4/6/76
Referred: Finance

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 698

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to National Guard and Naval Militia
7 retirement and death benefits; and providing for an
8 effective date."

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

10 * Section 1. AS 26.05.222 is amended to read:

11 Sec. 26.05.222. CREATION AND ADMINISTRATION OF ALASKA NATIONAL
12 GUARD AND NAVAL MILITIA RETIREMENT PLAN. There is established in the
13 public employees retirement system of Alaska a separate Alaska National
14 Guard and Naval Militia retirement plan and account, which shall be
15 administered as a part of and in like manner as the public employees
16 retirement system.

17 * Sec. 2. AS 26.05.223 is amended to read:

18 Sec. 26.05.223. COMMENCEMENT OF PARTICIPATION IN PLAN. An active
19 member of the Alaska National Guard or Alaska Naval Militia shall be
20 included in this plan upon commencement of his active membership in the
21 Alaska National Guard, or upon commencement of his active membership in
22 the Alaska Naval Militia [OR ON JANUARY 1, 1973, WHICHEVER IS LATER,]
23 Inclusion in the plan is a condition of active membership in the Alaska
24 National Guard or Alaska Naval Militia.

25 * Sec. 3. AS 26.05.224(a) is amended to read:

26 (a) An active member of the Alaska National Guard on or after
27 January 1, 1973. or an active member of the Alaska Naval Militia on or
28 after July 1, 1976, is eligible for a retirement pension [PAY]

29 (1) upon voluntary retirement after a total of 20 years or

1 more of active service in the Alaska National Guard, Alaska Naval
2 Militia, or the Armed Forces of the United States, or any combination of
3 these [AND UPON REACHING 55 YEARS OF AGE], or

4 (2) upon involuntary retirement because of federal standards
5 imposed on National Guard or Naval Militia members, regardless of length
6 of service.

7 * Sec. 4. AS 26.05.224(b) is amended to read:

8 (b) Retirement pay is \$50 a month, payable over [TO BE CONTINUED
9 FOR] the same number of months that the person was a member of the
10 Alaska National Guard or Alaska Naval Militia. Payment of the retire-
11 ment pension shall begin the first month after the person's 55th birth-
12 day or separation from the Alaska National Guard or Alaska Naval Mili-
13 tia, whichever is later. A member or former member may elect to have
14 payment of retirement pension benefits deferred until any month after
15 his 55th birthday or separation from the Alaska National Guard or Alaska
16 Naval Militia, whichever is later. Payment of a deferred benefit may
17 not commence until application for the benefit is filed with and ap-
18 proved by the Department of Military Affairs.

19 * Sec. 5. AS 26.05.227 is amended to read:

20 Sec. 26.05.227. DEFINITION. As used in secs. 222 - 226 of this
21 chapter, "member" means an active commissioned or warrant officer or
22 enlisted man or woman in the Alaska National Guard or Alaska Naval
23 Militia.

24 * Sec. 6. AS 26.05.224(c) is repealed.

25 * Sec. 7. This Act takes effect July 1, 1976.
26
27
28
29

1 districts to which the pamphlet has been directed, together with a
2 narrative description of the district boundaries;

3 (2) for each ballot proposition,

4 (A) a neutral summary of the proposition prepared by the
5 Legislative Affairs Agency;

6 (B) a statement by persons or organizations supporting
7 the proposition; and

8 (C) a statement by persons or organizations opposing the
9 proposition; and

10 (3) for each bond question a statement [OF THE SCOPE OF EACH
11 PROJECT] required by AS 24.30.037 to be included in the authorization
12 bill. The statement shall indicate that any part of the authorization
13 may be changed by subsequent action amending the scope, description,
14 location, or dollar amount of the capital improvement projects.

15 * Sec. 3. AS 24.20.201(a)(5) is amended to read:

16 (5) review all proposed changes to agency authorized operat-
17 ing and capital improvement budgets;

18 * Sec. 4. AS 24.30.037 is amended to read:

19 Sec. 24.30.037. GENERAL OBLIGATION BOND BILLS. A bill authorizing
20 the issuance of general obligation bonds creating a state debt for
21 capital improvements shall contain a statement of the type of project
22 and, where appropriate, the location and dollar amount of each project
23 [SCOPE OF EACH PROJECT INCLUDED IN THE PROPOSED BOND ISSUE. THE STATE-
24 MENT SHALL INCLUDE A BRIEF DESCRIPTION OF EACH CAPITAL IMPROVEMENT
25 PROJECT, ITS LOCATION, AND, IN DOLLARS, THAT PORTION OF THE TOTAL BOND
26 ISSUE TO BE ALLOCATED TO THE PROJECT].

27 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
28 070(c).

SB

5423

FACT SHEET

CSHB 698

AN ACT RELATING TO NATIONAL GUARD AND NAVAL MILITIA
RETIREMENT BENEFITS AND PROVIDING FOR AN EFFECTIVE DATE

PROPOSAL IS DESIGNED TO:

1. Correct serious shortcomings in eligibility standards now in existing law.
2. Provide inclusion of the Alaska Naval Militia in the program which was inadvertently omitted in passage of original law in 1973. Currently the Alaska Naval Militia has no impact on the Department of Military Affairs Program.
3. Current law allows credit for past Alaska Guard service only if the member was an active member of the Alaska Guard on 1 Jan 73. When a person joins after that date, his past service (no matter how lengthy) is not creditable for retirement plan purposes. The proposal corrects this discrepancy by allowing credit for all past service in the Alaska National Guard/Naval Militia.
4. Current law, as interpreted by the Attorney General, provides that the member must have completed 20 years total service with the Alaska National Guard only. This does not give any consideration to the past service of the individual in other components. This proposal corrects this inequity by allowing a member to be eligible for retirement credit upon completion of 20 years TOTAL service in the regular and reserve components combined. But payment by the State of Alaska remains only for the service in the Alaska National Guard/Naval Militia and upon reaching age 55 as established in current law.
5. Current law, as interpreted by the Attorney General, provides that the member MUST be in an active status at age 55 in order to be eligible for receipt of benefits, unless discharged earlier for failure to meet federal eligibility standards. This proposal provides that the member may be separate from the service after 20 satisfactory years of total service at any age with payment of benefits to begin at age 55 (or later if deferred) and then only for the same number of months that the member was active in the Alaska National Guard/Naval Militia.
6. It is anticipated that this proposal will require an extra \$46,400 in FY 77 to support. Current program request is for \$40,000 in FY 77.

FISCAL NOTE

TITLE: Proposed revision of the existing Alaska National Guard R&R Incentive Programs--Retirement Program, AS 26.05.222-227.

REQUESTED BY: Department of Military Affairs

BUDGET REQUEST UNIT: Item 700 - Grants, Claims (Retirement)

	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
Total Cost	\$85,400	\$103,200	\$115,500	\$126,600
Current Program	\$40,000	42,000	44,100	46,300
Net Cost	\$46,400	61,200	71,400	80,300

METHOD OF COMPUTATION:

RETIREMENT

<u># YRS SERVICE</u>	<u>ARMY</u>	<u>AIR</u>	<u>NAVY</u>	<u>TOTAL PERSONS</u>	<u>COST PER YEAR @600/PERSON/YR</u>	<u>CUMULATIVE TOTAL COST/YR IF ALL RETIRE (MAX COST)</u>	<u>ESTIMATED CUMULATIVE ANNUAL COSTS IF 50% RETIRE WHEN ELIGIBLE</u>
FY 77 - 20	217	26	6	249	\$149,400	\$149,400	\$ 74,700
FY 78 - 19	26	10	3	39	23,400	172,800	86,400
FY 79 - 18	48	6	2	56	33,600	206,400	103,200
FY 80 - 17	32	5	4	41	24,600	231,000	115,500
FY 81 - 16	32	4	1	37	22,200	253,200	126,600
FY 82 - 15	89	11	1	101	60,600	313,800	156,900
FY 83 - 14	68	8	1	77	46,200	360,000	180,000
FY 84 - 13	56	10	1	67	40,200	400,200	200,100

1473698

February 6, 1976

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99311

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill to include members of the Alaska Naval Militia in the National Guard retirement program and to remove an ambiguity in the present law regarding the age at which a person becomes eligible for payments under this program.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. HB698

Title: Retirement and Death Benefits

Requested by: House State Affairs

Date: 26 March 1976

Return Date Requested: 26 March 1976

Agency: Military Affairs

Program: Alaska National Guard

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		46,400	61,200	71,400	80,300	
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		46,400	61,200	71,400	80,300	
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/-0-	/	/	/
MAN MONTHS (P./T.)	/	/	/-0-	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See Attachment

IV. ATTACHMENTS

V. DATE: 26 March 1976

PREPARED BY: _____

Kathy Martinson
Kathy Martinson

Admin. Officer

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)