

COMMITTEE REPORT

SENATE

5/19/76

\_\_\_\_\_ Date

Mr. President:

The Committee on Finance has had CSHB 698  
~~XXXXX~~ National Guard & Naval Militia retirement & death benefits  
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)
- recommends it be replaced with CS for \_\_\_\_\_ and that  
CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ Chairman

COMMITTEE REPORT

5/13/76

SENATE

\*Finance\*

May 13, 1976 Date

Mr. President:

The Committee on State Affairs has had CS HB 698 National Guard & Naval Militia retirement & death benefits 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)
recommends it be replaced with CS for and that CS for do pass
(and) recommends it be referred to the committee
reports it back without recommendation
AND attaches a report of its intent
(other)

MEMBERS SIGNING THE MAJORITY REPORT:

Handwritten signatures of committee members on a set of lines.

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Three lines for members not concurring, each starting with 'recommends:'

Handwritten signature of John Hickey, Chairman

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

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.

3<sup>rd</sup> of three

143698

February 6, 1976

The Honorable Mike Bradner  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

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)

FISCAL NOTE

N.B

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 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
\$74,700	\$86,400	\$103,200	\$115,500	\$126,600

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 76 - 20	217	26	16	249	\$149,400	\$149,400	\$ 74,700
FY 77 - 19	26	10	3	39	23,400	172,800	81,400
FY 78 - 18	48	6	2	56	33,600	206,400	103,200
FY 79 - 17	32	5	4	41	24,600	231,000	115,500
FY 80 - 16	32	4	1	37	22,200	253,200	126,600
FY 81 - 15	89	11	1	101	60,600	313,800	156,900
FY 82 - 14	68	8	1	77	46,200	360,000	180,000
FY 83 - 13	56	10	1	67	40,200	400,200	200,100

Currently receiving benefits.

	DOB	AGE	DATE OF <del>RE</del> RETIRE	<u>NO. MONTHS</u>	LAST PAY
CHANEY	9/9/54	19	10/1/73	11	8/31/74
PANRUK	6/10/49	24	7/1/73	4	10/31/73
PLEASANT	12/30/52	20	7/1/73	5	11/30/73
MERO	8/12/48	25	11/1/74	5	5/31/74
AGNES	5/31/52	22	10/1/74	30	3/31/77
AHVAKANA	11/1/19	53	2/1/73	279	4/30/96
ANDREW, R	10/20/53	21	10/1/75	33	6/30/78
ANDREW, T	12/19/33	41	10/1/75	192	5/31/92
ATHAS	8/16/31	22	7/1/74	146	8/31/86
ATKINSON	9/29/53	20	6/1/74	28	9/30/76
RYOJIAK	2/13/38	37	4/1/75	181	4/30/90

+ 54 others

All because of physical  
disqualifications or failure  
to meet federal  
standards.

It would be a real record keeping  
problem to keep all these until age  
55.

Original sponsor: Rules Committee by  
request of the Governor

Offered: 4/6/76  
Referred: Finance

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BY THE STATE AFFAIRS COMMITTEE

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COMMITTEE COPY -1-

CSHB 698

engrossed

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ALASKA STATE LEGISLATURE

NINTH Legislature SECOND Session

HOUSE BILL NO. 698  
By RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to National Guard and Naval Militia retirement and death benefits; and providing for an effective date."

National Guard/retir.&death bene.

Introduced in the House ... 2/6 ..., 19..76

HISTORY IN THE HOUSE

19 76	Feb 6	Read first time and referred to Committee on State Affairs and Finance
	Apr 6	Reported back with recommendation that <i>State Affairs refer w/CS &amp; pass. To Finance</i>
	May 10	<i>Finance refer w/SA &amp; CS</i> Reported back to Rules
	May 12	Read second time and <i>CS adopted 1-0-0</i>
	May 12	Read third time and
	May 12	PASS <sup>2-3</sup> Yeas 3, Nays 5, Absent —, Excused 2 Effective Date Yeas, Nays <i>Pass</i> , Absent, Excused
	May 12	Reconsideration PASS Yeas, Nays, Absent, Excused
	May 12	Reported correctly engrossed
	May 12	Signed by Speaker
	May 12	Sent to Senate
		<i>Arlene Cashen</i> CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 76	May 13	Read first time and referred to Committee on SA <i>Fin</i>
	5 19	Reported back with recommendation that <i>S.H. do pass To Finance</i>
		Read second time and
		Read third time and
		PASS Yeas, Nays, Absent, Excused Effective Date Yeas, Nays, Absent, Excused
		Reconsideration PASS Yeas, Nays, Absent, Excused
		Reported correctly engrossed
		Signed by President
		Returned to House
		SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Received from Senate
	Reported correctly enrolled
	Sent to Governor
	..... By Governor
	Filed with Lt. Governor
	Chapter No. ....