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# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



*Sen Tom Kelly*

## MEMORANDUM

TO: Senate State Affairs Committee  
FROM: Senate State Affairs Committee Staff  
RE: HB 498 Military retirement benefits  
DATE: May 3, 1984

CSHB 498 provides a lump sum death benefit for National Guard and Alaska Naval Militia members having five or more years of service.

There is a proposed Senate State Affairs CS that adds language to the bottom of page 1. This language is added to insure that National Guard and Naval Militia members who have 20 years of service would be eligible for their benefits regardless of the reason for their separation from the National Guard or Naval Militia.

Section 1: (page 1, lines 24-26) would allow National Guard and Naval Militia members with less than 20 years of service to be eligible for a retirement pension only if they were involuntarily separated from service and the separation was not the result of the members own misconduct etc...

Section 2: (page 1, lines 27-page 2, lines 1-18) provides for a death benefit for active National Guard and Naval Militia members who have 5 years of service. The formula for determining the benefit has not changed.

### Fiscal information

FY '85 \$79.3 thousand

their adoption is not subject to the Administrative Procedure Act (AS 44.62). (§ 17 ch 159 SLA 1972; am § 9 ch 146 SLA 1980; am § 33 ch 137 SLA 1982)

**Effect of amendments.** — The 1980 amendment rewrote the section. The 1982 amendment inserted "and Alaska Naval Militia" in the first and second sentences of subsection (a) and in the first sentence of subsection (b).

**Sec. 26.05.223. Commencement of participation in system.** A member of the Alaska National Guard or Alaska Naval Militia shall be included in this system upon commencement of membership in the Alaska National Guard, or on January 1, 1973, whichever is later, or upon commencement of membership in the Alaska Naval Militia or on July 1, 1980, whichever is later. (§ 17 ch 159 SLA 1972; am § 10 ch 146 SLA 1980)

**Effect of amendments.** — The 1980 amendment substituted "system" for "plan" at the end of the catchline and preceding "upon commencement" near the middle of the section, substituted "A" for "Active" at the beginning of the section, inserted "or Alaska Naval Militia" following "Alaska National Guard" near the beginning of the section, deleted "his active" preceding "membership" near the middle of the section, and substituted "or upon commencement of membership in the Alaska Naval Militia or on July 1, 1980, whichever is later" for "Inclusion in the plan is a condition of active membership in the Alaska National Guard" at the end of the section.

**Sec. 26.05.224. Retirement benefits.** (a) An active member of the Alaska National Guard, or a former member who was an active member on or after January 1, 1969, or a member of the Alaska Naval Militia on or after July 1, 1980, is eligible for a retirement pension

(1) upon voluntary retirement from the Alaska National Guard or Alaska Naval Militia after a total of 20 years or more of satisfactory service in the Alaska National Guard, Alaska Naval Militia, or the armed forces of the United States, and the reserves of them, or any combination of service in these components if at least five years of the service is in the Alaska National Guard or Alaska Naval Militia; or

(2) upon involuntary retirement because of federal standards imposed on the Alaska National Guard or Alaska Naval Militia, regardless of length of service.

(b) The retirement pension is \$100 a month, payable for the same number of months that the member participated satisfactorily in the Alaska National Guard or Alaska Naval Militia.

(c) An eligible member or former member may elect to receive his retirement pension beginning on the first day of the month in which he becomes eligible for retirement, or the member or former member may elect to defer payment to a later date. Payment of a deferred retirement benefit may not begin until application for the benefit is filed with and approved by the Department of Military Affairs. Deferred retirement payments must be made monthly at the rate of \$100.

(d) A retirement pension shall be payable to the death of the beneficiary if designated at the time. If a member shares equal designation, the pension shall be made and is not effective. If a member's beneficiary survives, the pension shall be paid. (SLA 1980)

**Effect of amendment through (c), as**

**Sec. 26.05.224.** Alaska National Guard for his service of the National Guard, in 1969, in 26.05.224.

**Effect of amendment**

**Sec. 26.05.224.** Military Affairs shall be the administrator of the Alaska Naval Militia pension system. (1) fund (2) admin (b) The Department of Military Affairs shall appropriate the funds. (159 SLA 1980)

**Effect of amendment The 1982**

**Sec. 26.05.224.** (1) "beneficiary" writing fi

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§ 26.05.225

MILITARY AFFAIRS AND VETERANS

§ 26.05.227

(d) A retirement benefit payable to a member at the time of the death of the member shall be paid in a lump sum to the designated beneficiary of the member. The member may change or revoke the designation of a beneficiary without notice to the beneficiary at any time. If a member designates more than one beneficiary, each shall share equally unless the member specifies a different allocation. The designation of a beneficiary and a change or revocation of a beneficiary shall be made on a form provided by the Department of Military Affairs and is not effective until filed with the Department of Military Affairs. If a member fails to designate a beneficiary or if no designated beneficiary survives the member, the death benefit under this subsection shall be paid to his estate. (§ 17 ch 159 SLA 1972; am §§ 11, 12 ch 146 SLA 1980)

Effect of amendments. -- The 1980 amendment rewrote subsections (a) through (c), and added subsection (d).

**Sec. 26.05.225. Earlier service.** A person who was a member of the Alaska National Guard on or after January 1, 1969, is entitled to credit for his service to the state and former territory of Alaska as a member of the National Guard and Territorial Guard before and after January 1, 1969, in determining eligibility for retirement benefits under AS 26.05.224. (§ 17 ch 159 SLA 1972; am § 13 ch 146 SLA 1980)

Effect of amendments. -- The 1980 amendment rewrote the section.

**Sec. 26.05.226. Contributions.** (a) The Department of Military Affairs shall contribute to the Alaska National Guard and Alaska Naval Militia retirement system the amounts determined by the commissioner of administration as necessary to

- (1) fund the system based on the actuarial requirements of the system as established by the commissioner of administration; and
- (2) administer the system.

(b) The amount required for contributions from the Department of Military Affairs under (a) of this section shall be included in the annual appropriations made to the Department of Military Affairs. (§ 17 ch 159 SLA 1972; am § 14 ch 146 SLA 1980; am § 34 ch 137 SLA 1982)

Effect of amendments. -- The 1980 amendment rewrote the section. The 1982 amendment inserted "and Alaska Naval Militia" in the introductory paragraph of subsection (a).

**Sec. 26.05.227. Definitions.** As used in AS 26.05.222 - 26.05.228, (1) "beneficiary" means a person designated by the member in a writing filed with the system by the member while alive to receive

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

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REQUEST

FISCAL DETAIL

Bill/Resolution No.: CSHB 498(SA) Agency Affected: Dept. of Military Affairs  
 Title: An act relating to Military Benefits Program Category Affected: NGRS

Sponsor: Fuller and Martin  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
Operating						
100 Personal Svcs						
100 Rtmnt & Bnfts		79.3	79.3	79.3	79.3	79.3
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	79.3	79.3	79.3	79.3	79.3

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

General Fund	-0-	79.3	79.3	79.3	79.3	79.3
Federal Funds						
Other						
Total						

POSITIONS:

Full-Time						
Part-Time						
Temporary						

SOURCE OF FUNDS TO OFFSET IMPACT OF BILL:

Analysis: The passage of this bill will provide for a lump-sum death benefit in the Alaska National Guard and Alaska Naval Militia for those members having five or more years of service. The passage of this bill will increase the cost of the National Guard Retirement System by \$79,309.00 each year over the next 25 years. The present value of the unfunded liability is \$441,396.00.

Prepared By: J. K. Humphreys Phone: 465-4460  
 Division: Retirement & Benefits Date: \_\_\_\_\_  
 Approved by Commissioner: Lisa Rudd Date: 2/9/84  
 Agency: Administration

Fiscal Note/Admin 2/9/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_  
(Page 1 of 2)

REQUEST Bill/Resolution No.: HB 498 FISCAL DETAIL Agency Affected: Dept. of Military Affairs  
Title: An act relating to Military Benefits Program Category Affected: NGRS  
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Requestor: \_\_\_\_\_  
Date of Request: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 Personal Svcs						
100 Rtmnt & Bnfts		79.3	79.3	79.3	79.3	79.3
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	79.3	79.3	79.3	79.3	79.3

CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

General Fund	-0-	79.3	79.3	79.3	79.3	79.3
Federal Funds						
Other						
Total						

POSITIONS:

Full-Time						
Part-Time						
Temporary						

SOURCE OF FUNDS TO OFFSET IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: J.K. Humphreys Phone: 465-4460  
Division: Retirement & Benefits Date: 1-16-84

Approved by Commissioner: Lisa Rudd Date: 1/16/84  
Agency: Administration

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Fiscal Note / Admin 1/16/84

(Page 2 of 2)

House Bill 498  
Fiscal Note Analysis  
Prepared by the Division of Retirement & Benefits  
Department of Administration

January 16, 1984

IV Analysis: The passage of this bill will provide for a lump-sum death benefit in the Alaska National Guard and Alaska Naval Militia for those members having five or more years of service. The passage of this bill will increase the cost of the National Guard Retirement System by \$79,309.00 each year over the next 25 years. The present value of the unfunded liability is \$441,396.00.

Position Paper

HB 498

The passage of this bill would provide for a lump-sum death benefit in the Alaska National Guard and Alaska Naval Militia Retirement System (NGRS) for those members having five or more years of service. The Department of Administration, like the Department of Military Affairs, supports this bill. This bill would help to alleviate an inequity in the system without a substantial fiscal impact.

*J. K. Humphreys*

J.K. Humphreys, Director, Division of Retirement & Benefits

*1/23/84*

Date

*Lisa Rudd*

Lisa Rudd, Commissioner, Department of Administration

*1/24/84*

Date

*Position Paper / Admin 1/24/84*

INTRODUCTION OF BILLS (House)

HB 496, (cont'd)

Does not provide for an effective date (becomes law 90 days following Governor's signature).

Introduced January 9 and referred to Health, Education & Social Services, Judiciary.

School Boards  
(labor negotiations)

HOUSE BILL NO. 497, by Rep. Flood. Amends current law relating to labor negotiations by school boards with certificated employees (AS 14.20.550) to read: "Each city, borough and regional school board, shall negotiate with its certificated employees in good faith on matters pertaining to their employment and the fulfillment of their professional duties, including class size, teacher load, and pupil-teacher ratios." (underlined language added by Flood's bill). Does not provide for an effective date (becomes effective 90 days following Governor's signature).

Introduced January 9 and referred to Labor & Commerce, Finance.

Military Retirement  
(benefits)

HOUSE BILL NO. 498, by Reps. Fuller and Martin. Amends section of the Military Code of Alaska relating to retirement benefits. Provides an active member of the Alaska National Guard, or a former member who was active on or after 1/1/69, or a member of the Alaska Naval Militia on or after July 1, 1980 is eligible for a retirement pension ". . . (2) upon involuntary separation [retirement] because of federal standards imposed on the Alaska National Guard or Alaska Naval Militia, regardless of length of service, unless the separation occurs as a result of the member's own misconduct, misrepresentation, or unwillingness to satisfy established standards for continued participation." (underlined language added, bracketed language deleted).

Also adds a new section relating to retirement benefits stating: "(e) Upon the death of an active member of the Alaska National Guard or Alaska Naval Militia, that member's designated beneficiary is entitled to a lump sum payment in accordance with (b) and (d) of this section if the member has served at least five years in the Alaska National Guard or Alaska Naval Militia or in a combination of these two components, but has served fewer than 20 years in the armed forces of the United States."

Provides Act takes effect July 1, 1984.

Introduced January 9 and referred to State Affairs, Finance.

Nat. Guard Retirement Benefits  
(amounts)

HOUSE BILL NO. 499, by Reps. Fuller and Martin. Would raise the retirement pension for Alaska National Guard and Naval Militia members to \$200 a month, payable for the same number of months that the member participated satisfactorily. Adds language stating that the pension for a member who was an officer in the U.S. armed forces with a grade of O7 or above as of July 1, 1983, or who had 20 years or more of active duty service with the armed forces of the U.S. before June 2, 1983, is \$100 a month, payable for the same number of months that the member participated satisfactorily in the Guard or Militia. Provides Act takes effect July 1, 1984.

- 100 every month of guard

involuntary operation  
should get benefits.

persons own fault.

physical fitness

10 year.

Benefits : - Dick Roundtree / Military Affairs

20 years - Satisfactory  
~~etc~~ ✓

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