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HOUSE STATE AFFAIRS COMMITTEE

NEXT COMMITTEE: FINANCE

BILL: HB 416

CURRENT VERSION:

SCHEDULED: MARCH 9, 1988

SPONSOR: GOVERNOR

PHONE NO:

CONTACT FILE: \LLSA\HB416.DBF

BILL SUBJECT: ALASKA NATIONAL GUARD AND ALASKA NAVAL MILITIA RETIREMENT BENEFITS

SPONSOR BACKUP: TRANSMITTAL LETTER - ADDITIONAL INFORMATION PROVIDED BY DVMA

AFFECTED AGENCIES:

<u>DEPARTMENT</u>	<u>CONTACT/PHONE</u>	<u>COMMENT</u>
MILITARY AFF.	JEFF MORRISON/4600	
MARK BOYER	TOM BRICE/3466	

FISCAL NOTES

<u>AGENCY</u>	<u>REQUESTED</u>	<u>DATED</u>	<u>FY 88 AMT</u>	<u>FY 89 AMT</u>
MILITARY AFFAIRS		1/29/88	-0-	-0-
RETIREMENT		1/26/88	-0-	-0-

ACTION

<u>DATE</u>	<u>COMMENT</u>
2/10/88	HEARING: HELD IN COMMITTEE FOR FURTHER DEL. BERATION
3/9/88	PASSED FROM HOUSE STATE AFFAIRS



Official Business

Alaska State Legislature

House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

COMMITTEE ON STATE AFFAIRS

February 18, 1988

Mr. Lucio Calina
1600 Air Guard Road
Anchorage, AK 99502

Dear Mr. Calina:

Thank you for your Public Opinion Message (POM) regarding HB 416, relating to Alaska National Guard and Alaska Naval Militia retirement benefits.

The House State Affairs Committee took up HB 416 in public hearing on Wednesday, February 10, and agreed to hold it pending receipt of further information from the Department of Military and Veterans Affairs. Specifically, members of the committee were concerned that allowing members to take retirement in a lump sum could jeopardize their long-term retirement income. The Division of Retirement and Benefits testified that allowing members of this retirement system to select lump sum payments as a retirement option would be treating them differently from members of the Public Employees Retirement System, the Teachers Retirement System, and other mandatory retirement systems, which do not allow a lump sum option.

As Chair of the State Affairs Committee, I asked Jeff Morrison, Director of Administrative and Support Services in the Department of Military and Veterans Affairs, to provide the committee with more information pertaining to the need for this special treatment.

Thank you, again, for sharing your views.

Sincerely,

A handwritten signature in black ink, appearing to read "Fran".

Fran Ulmer, Chair
State Affairs Committee

19. Mr. Clifford Newell
4111 Galactica
Anchorage, AK 99517-1440
letter
22. Mr. Roger Nickles
Star Route 2
103 Malard Court
Clugiak, AK 99567
688-3504
Public Opinion Message (POM)
30. Major Kim S. Nielson
P.O. Box 56725
North Pole, AK 99705
letter
9. Mr. Troy Pierce
3841 Patricia Lane
Anchorage, AK 99504
333-0662
Public Opinion Message (POM)
21. T. Sgt. Anita Porter
President
ANG Enlisted Association
P.O. Box 221511
Anchorage, AK 99522-1511
letter
10. Mr. Mitchell Rucker
8050 Pioneer Drive, #802
Anchorage, AK 99504
333-7703
Public Opinion Message (POM)
31. S. Sgt. Edward C. Sadasky
P.O. Box 55113
North Pole, AK 99705
letter
15. Ms. Lynette Shaw
9221 Woodmar
Anchorage, AK 99515
349-7495
Public Opinion Message (POM)
33. Mr. Robert E. Shepard
2726 Gold Hill Road
Fairbanks, AK 99709
479-5049
Public Opinion Message (POM)
12. Mr. Joe Strain
Box 5-435
Fort Richardson, AK 99505
563-7749
Public Opinion Message (POM)
4. Mr. Larry Townsend
3059 Bettles Bay Loop
Anchorage, AK 99502
344-5908
Public Opinion Message (POM)
5. Lt. Col. George R. Vest
6000 Air Guard Road
176 CAMS
Kulis ANG Base, AK 99502-5989
letter
11. Mr. DeLance Wiegele
6710 Foothill Drive
Anchorage, AK 99504
333-2063
Public Opinion Message (POM)
18. Mr. Tom Wilford
6230 Petrified Tree Circle
Anchorage, AK 99516
279-1411
Public Opinion Message (POM)
23. Ms. Vicki Woods
10635 Crest View
Eagle River, AK 99577
694-2751
Public Opinion Message (POM)

27. Major Gordon D. Boles
P.O. Box 55898
North Pole, AK 99705
letter
25. Mr. George Bowder
200 Slater Drive West
Fairbanks, AK 99701
452-8364
Public Opinion Message (POM)
16. Mr. Bussard
Alaska Air National Guard
13701 Capstan Drive
Anchorage, AK 99516
345-5485
Public Opinion Message (POM)
1. Mr. Lucio Calina
1600 Air Guard Road
Anchorage, AK 99502
249-1221
Public Opinion Message (POM)
17. Mr. James Crouch
11740 Wagnern
Anchorage, AK 99516
345-2868
Public Opinion Message (POM)
7. Mr. David Dibble
3401 Meadowbrook
Anchorage, AK 99504
333-6354
Public Opinion Message (POM)
14. Mr. David Garganta
10220 Thimble Berry
Anchorage, AK 99515
349-1821
Public Opinion Message (POM)
2. Mr. Charles S. Hamilton
3685 Alimos Drive
Anchorage, AK 99502
243-2569
Public Opinion Message (POM)
26. M. Sgt. Donna Re Horne
Alaska Air National Guard
P.O. Box 4678
Eilson AFB, AK 99702
letter
3. Mr. Rick Howell
8245 Stormy Place
Anchorage, AK 99502
349-3033
Public Opinion Message (POM)
6. Mr. Gary Johnston
Alaska Air National Guard
933 West 20th Avenue
Anchorage, AK 99503
377-3303
Public Opinion Message (POM)
8. Mr. Gary Koskela
1800 Nunaka Drive
Anchorage, AK 99504
333-9527
Public Opinion Message (POM)
28. Mr. Ken Latham
3911 Sabrina Court
North Pole, AK 99705
488-7807
Public Opinion Message (POM)
20. Mr. Greg Lee
1350 West 72nd
Anchorage, AK 99518
349-1315
Public Opinion Message (POM)
29. Mr. C.J. Leonelli
P.O. Box 55696
North Pole, AK 99705
letter
13. Mr. James Liberatore
5411 Trena Street
Anchorage, AK 99507
563-6797
Public Opinion Message (POM)
32. Bonny K. Malico
William J. Malico
3919 Ismo Drive
North Pole, AK 99706
letters
Dear Mr. & Ms. Malico
24. Mr. Edward T. McClain
P.O. Box 873656
Wasilla, AK 99687
376-1057
Public Opinion Message (POM)

4. Mr. Allan Barber
Alaska Air National Guard
1151 West 68th Court
Anchorage, AK 99518
263-4981
POM supporting HB 416
8. Ms. Diane Buckley
9901 Conifer
Anchorage, AK 99516
346-2365
POM supporting HB 416
10. Mr. Mark Dekreon
19010 Upper Fish Hatchery
Eagle River, AK 99577
696-0591
POM supporting HB 416
13. Mr. Michael A. Hendricson
Alaska Air National Guard
6000 Airguard Road
Kulis Air National Guard Base
Anchorage, AK 99502
249-1133
POM supporting HB 416
7. Captain Rick Lau
2624 Ingra
Anchorage, AK 99508
POM supporting HB 416
11. Sgt. Marvin Layton
P.O. Box 870593
Wasilla, AK 99687
376-2373
POM supporting HB 416
9. Mr. Dan Nice
19515 Third Street
Eagle River, AK 99577
694-3796
POM supporting HB 416
1. Mr. Keith Oistad
Officer
Alaska Air National Guard
11408 Upper Sunny Circle
Eagle River, AK 99577
694-3459
POM supporting HB 416
2. Mr. Bob Provoncha
P.O. Box 875141
Wasilla, AK 99687
376-8270
POM supporting HB 416
6. Mr. Gene Ramsay
3331 Beamreach
Anchorage, AK 99516
345-6647
POM supporting HB 416
12. Mr. Donald Sanford
20205 Boniface, #27
Anchorage, AK 99504
338-7556
POM supporting HB 416
3. Mr. Jack Skroggs
P.O. Box 221852
Anchorage, AK 99522
249-1211
POM supporting HB 416
5. Mr. Howard Weaver
2901 Lexington Circle
Anchorage, AK 99502
248-4467
POM supporting HB 416

32. Ms. Sharon Abrahamson
3213 Lois
Anchorage, AK 99517
249-1158
POM supporting HB 416
45. Mr. Raymond Battey, Jr.
6700 Dickerson
Anchorage, AK 99504
271-4777
POM supporting HB 416
46. Mr. Jack Bozarth
3940 Woronzof Drive
Anchorage, AK 99517
243-5361
POM supporting HB 416
2. Ms. Jean Button
HHC 1st Scout Battalion
Box 490
Nome, AK 99762
443-5282
POM supporting HB 416
20. Mr. Marshall Calvert
7521 Wade Circle
Anchorage, AK 99518
349-5926
POM supporting HB 416
31. Mr. John Catiller
3933 Brentwood
Anchorage, AK 99502
243-5387
POM supporting HB 416
50. Ms. Shirley Conner
411 West 121st
Anchorage, AK 99515
344-8898
POM supporting HB 416
39. Ms. Katherine Cowgill
Member
Alaska Air National Guard
6020 Blackberry, #8C
Anchorage, AK 99502
248-7664
POM supporting HB 416
54. Mr. Dennis Almond
10331 Chandalar
Anchorage, AK 99577
694-3252
POM supporting HB 416
38. Mr. Ed Benning
7008 Terry Place
Anchorage, AK 99502
243-8553
POM supporting HB 416
1. Mr. Joe Buli
Alaska Air National Guard
8441 Craiger
Anchorage, AK 99507
34.-0648
POM supporting HB 416
11. Mr. Bob Callahan
P.O. Box 56511
North Fole, AK 99705
451-7715
POM supporting HB 416
27. Ms. Gloria Canchola
2221 Muldoon, #505
Anchorage, AK 99504
249-1108
POM supporting HB 416
57. Mr. David Connell
16918 Meadow Creek
Eagle River, AK 99577
694-3903
POM supporting HB 416
10. Chief Sgt. James T. Costello
P.O. Box 56588
North Pole, AK 99705
488-4538
POM supporting HB 416
26. Mr. Percy Davis
9499 Brayton Drive, Space 262
Anchorage, AK 99507
344-7888
POM supporting HB 416

4. Mr. Dave Douglas
P.O. Box 83296
Fairbanks, AK 99708
474-8183
POM supporting HB 416
30. Mr. David Engen
Box 56863
North Pole, AK 99705
488-6860
POM supporting HB 416
40. Lt. Col. Philip Evans
1212 Farmer's Loop
Fairbanks, AK 99709
479-5407
POM supporting HE 416
28. Dep. Cmdr. Robert Gastrock
Air National Guard
13151 Nora
Anchorage, AK 99515
249-1105
POM supporting HB 416
33. Mr. James Grimes
16001 Golden View Drive
Anchorage, AK 99516
345-2326
POM supporting HB 416
44. Ms. Linda Henery
801 Woodmar Place
Anchorage, AK 99515
344-0480
POM supporting HB 416
41. Mr. Oliver Hill
7430 Clairborne Circle
Anchorage, AK 99502
248-6119
POM supporting HB 416
49. Ms. Ada Hill
Air National Guard
3371 Chaparial
Anchorage, AK 99502
249-1136
POM supporting HB 416
22. Mr. Jack King
4030 Hampton Drive
Anchorage, AK 99504
333-2235
POM supporting HB 416
19. Mr. Paul Kvernplassen
Alaska National Guard
P.O. Box 231302
Anchorage, AK 99523
349-9838
POM supporting HB 416
36. Mr. Terry Lagrone
Box 91723
Anchorage, AK 99509
276-6719
POM supporting HB 416
29. Mr. Mark Larroque
5105 Sprucecreek Circle
Anchorage, AK 99516
346-1978
POM supporting HB 416
37. Mr. Ty Lee
Alaska Air National Guard
1810 Orchard Place
Anchorage, AK 99502
344-8128
POM supporting HB 416
42. Mr. Kevin McMichael
7250 Biglerville Circle
Anchorage, AK 99507
344-7869
POM supporting HB 416
43. Mr. Gary Medsker
Member
Alaska Air National Guard
1801 State Street
Anchorage, AK 99504
333-4639
POM supporting HB 416
16. Mr. David Mitson
HC 80, Box 5062
Chugiak, AK 99567
688-4165
POM supporting HB 416

14. Mr. Chris Moore
3917 Roundtop Circle
Anchorage, AK 99504
333-9671
POM supporting HB 416
7. Mr. James T. Nanto
P.O. Box 58469
Fairbanks, AK 99711
488-3123
POM supporting HB 416
5. Captain Donald Newton
5th Battalion, 279 Infantry
Alaska National Guard
7608 Regal Mountain Drive
Anchorage, AK 99504
264-2462
POM supporting HB 416
21. Mr. Don Oswald
Alaska National Guard
P.O. Box 56077
North Pole, AK 99705
488-2293
POM supporting HB 416
34. Ms. Cathy Perkins
4601 Reka Drive, #C-8
Anchorage, AK 99508
337-9471
POM supporting HB 416
53. Ms. Anita Porter
6000 Air Guard Road
Anchorage, AK 99502
249-1298
POM supporting HB 416
56. Mr. Paul Sandhofer
P.O. Box 91333
Anchorage, AK 99509
344-3259
POM supporting HB 416
9. Mr. Donald L. Smith
3338 White Spruce
North Pole, AK 99705
488-1850
POM supporting HB 416
18. Mr. Tom Mulcahy
Box 190912
Anchorage, AK 99519
243-7980
POM supporting HB 416
6. Mr. Joseph Nash
17644 Kahiltna
Eagle River, AK 99577
694-4281
POM supporting HB 416
24. Mr. Tom Norris
1405 Helen
Anchorage, AK 99515
345-7945
POM supporting HB 416
47. Mr. Michael Paulsen
3312 Glenn Don
Anchorage, AK 99504
337-4269
POM supporting HB 416
55. Mstr. Sgt. Andrew L. Pierce
Alaska Air National Guard
638 East 75th Avenue
Anchorage, AK 99518
249-1162
POM supporting HB 416
25. Mr. James Robinson
6000 Air Guard Road
Anchorage, AK 99502
249-1225
POM supporting HB 416
17. Mr. Richard Shar
921 Woodmar
Anchorage, AK 99515
349-7495
POM supporting HB 416
8. Mr. Walter Souder
P.O. Box 55297
North Pole, AK 99705
488-4361
POM opposing HB 416

13. Lt. Patricia Stillman
SR Box 6525-2H
Wasilla, AK 99687
376-2373
POM supporting HB 416
12. Mr. Mike Taylor
P.O. Box 55429
North Pole, AK 99705
488-1252
POM supporting HB 416
52. Ms. Diane Van Dike
16630 Mercy
Eagle River, AK 99577
694-3481
POM supporting HB 416
48. Ms. Cynthia Wick
Box 110887
Anchorage, AK 99511
349-5223
POM supporting HB 416
51. Ms. Arlene Yeager
7021 Viburnum Drive
Anchorage, AK 99507
344-6997
POM supporting HB 416
35. Mr. Miles Symonds
4839 Bryn Mawr, #3
Anchorage, AK 99508
338-5696
POM supporting HB 416
3. Mr. John Towers
Alaska Air National Guard
9701 Chisik Circle
Eagle River, AK 99577
694-2257
POM supporting HB 416
23. Captain Bill Waterworth
Alaska Air National Guard
4580 DeLong Drive
Anchorage, AK 99502
249-1200
POM supporting HB 416
15. Mr. Ban Williams
6918 Fairweather Drive
Anchorage, AK 99518
522-5277
POM supporting HB 416

4. Mr. Kurtiss J. Dangler
2140 Sunrise Street
Anchorage, AK 99508
letter
5. Mr. Stan Hajenga
National Guard
Box 240161
Anchorage, AK 99524
Public Opinion Message (POM)
1. Mr. Franklin E. Hunsucker, Jr.
1526 M Street
Anchorage, AK 99501
letter
7. Mr. Mark J. McGrath
P.O. Box 4526
Eielson AFB, AK 99702
letter
6. Mr. T. Runyan
P.O. Box 4506
Eielson AFB, AK 99702
letter
3. Ms. Patricia A. Spillman
Vice President
ANG Officer Association
200 West 34th Avenue, #727
Anchorage, AK 99503
letter
2. Mr. Kenneth M. Taylor, Jr.
6624 Blackberry Street
Anchorage, AK 99502
letter

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

LEGISLATIVE REFERENCE LIBRARY

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JUNEAU, ALASKA 99811
907-465-3800

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House State Affairs:

Feb. 10 - 1988

March 9 - 1988



Alaska State Legislature

House

Official Business

COMMITTEE ON STATE AFFAIRS

P.O. BOX V
State Capitol
Juneau, Alaska 99811

April 13, 1988

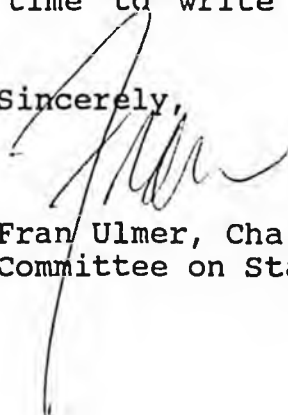
Paul Frantz
Department of the Army
Alaska Army National Guard
Army Aviation Operating Facility #4
8993 Yandukin Drive
Juneau, AK 99801-8086

Dear Paul:

Thank you for your letter in support of House Bill 416. While this bill was held in the House State Affairs Committee pending receipt of more information from the Department of Military and Veterans Affairs, it passed out in early March and is now in the Senate Finance Committee.

Thank you for taking the time to write and express your opinion.

Sincerely,


Fran Ulmer, Chair
Committee on State Affairs

DEPARTMENT OF THE ARMY
ALASKA ARMY NATIONAL GUARD
ARMY AVIATION OPERATING FACILITY #4
3990 VANDERBILT DRIVE
DUNBAR, ALASKA 99801-8088

25 MARCH 1988

Honorable Frank L. ...
House State Affairs Committee
Room 102 Capitol
Juneau, Alaska 99801

Dear Representative L. ...

I have been informed that ... under consideration and
would like to ... of this bill. I am a
pilot and am currently serving with the Alaska Army National Guard ...
I would like to encourage your support of this bill. I am also very
proud of the ... within the ...

Sincerely,

Paul B. Frantz
100-20473

HOUSE COMMITTEE REPORT

(7)

Date referred: 1/29/88

FURTHER REFERRALS: Finance

DATE: 3-9-88

The State Affairs Committee has considered HB 416

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

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note
- zero with analysis same as previous zero fiscal note published 1/29/88

SIGNING DO PASS:

W.A. Brubaker

Serry Martin

Cia Davidson

Mr. Ullmer

Scott Williams

W.A. Brubaker (overlaid)

SIGNING OTHER RECOMMENDATIONS:

Lynn H. No Kee

W.A. Brubaker
Chairman's signature

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

OFFICE OF THE ADJUTANT GENERAL

FRONTIER BUILDING
SUITE 620
1601 C STREET
ANCHORAGE ALASKA 99501 5989
PHONE (907) 243 0656
AUTOVON 626 1444

Administrative & Support
Services Division
P.O. Box L
Juneau, AK 99811

March 1, 1988

Representative Fran Ulmer
Chairman, House State Affairs Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Ulmer,

On February 10, your committee heard HB416 for the first time, concerning changes desired in the National Guard Retirement System (NGRS). Because of questions the committee had concerning this bill, you asked that I provide you with additional information. This letter will provide the requested information.

After reflecting on the testimony offered in support of this bill, it became apparent that neither I nor Bob Stalnaker of the Division of Retirement and Benefits effectively communicated the basic purpose of the NGRS, and the reasons why it is different from other retirement systems administered by the state. When this is understood by the committee, we believe that there will be support for the changes proposed by this bill.

The main purpose of the NGRS is to supplement the existing federal retirement system. No National Guard member can receive the NGRS benefits until and unless they are also eligible to receive the federal retirement benefit. In A.S. 26.05.224(a), the eligibility of members to receive the NGRS benefit is defined. With the exception of forced early retirement due to fiscal constraints, a member must have served a total of 20 years in the armed forces of the United States, at least five years of which must have been with the National Guard or Naval Militia. These are the same standards which qualify a member to receive the federal retirement benefit.

The amount of the federal retirement benefit varies depending on the rank at retirement, the number of years served, and the number of retirement points earned. Retirement points are earned for basic service in the guard, for annual training and any active duty served, and for special schools or training completed. An enclosure to this letter is a table from the National Guard Almanac which shows the amount of the monthly federal retirement benefit paid to recipients based on the variables just mentioned.

These federal benefits are payable once the eligible member reaches 60 years old, and are paid for the remainder of the member's lifetime. The minimum amount that a member can realistically expect to receive from the federal retirement system is about \$200 per month. Most retired guardsmen and women in fact receive more than that amount. This federal system is administered entirely by the Department of Defense and the National Guard Bureau.

The state-administered NGRS system is not a retirement system per se, but is in fact a supplemental benefits system to augment the federal national guard retirement system. Its purpose is to provide additional incentive to National Guard and Naval Militia members to remain active, and to supplement their federal retirement system. Because of this, it is more appropriate to compare the NGRS to the existing state employee Supplemental Benefits System (SBS) rather than to the Public Employee Retirement System (PERS) or to the Teachers Retirement System (TRS). There are two significant similarities between the SBS and the NGRS system:

1. Both the NGRS and the SBS supplement an existing retirement system. The SBS supplements the PERS and TRS systems for employees of the State of Alaska and other employers who have chosen to belong to the SBS. The NGRS supplements the federal National Guard Retirement System.
2. Both the NGRS and the SBS provide annuities based on a fixed dollar amount which is customized for each individual. The SBS annuity is based on the contributions made by each individual member over the period of time they participated in SBS. The NGRS annuity is based on the number of months that each individual member participated satisfactorily in the Alaska National Guard or Alaska Naval Militia.

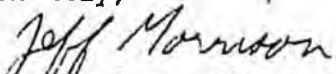
There is one significant difference between the NGRS and the SBS, however. The SBS currently allows eight different options for payout of the annuity amount, including a lump sum payout. Enclosed with this letter is a copy of the pages from the SBS information booklet which describe the annuity payout options. The NGRS currently allows only one option. The proposed legislation would add two options to the NGRS, to provide a total of three options. This is still significantly less than the options available to participants in the SBS, but would at least provide a choice to men and women of the National Guard and Naval Militia which they do not have now.

We agree with the committee's concern that National Guard members should not have benefits in their retirement system that are not also available to members of the PERS and TRS retirement system. The basic federal retirement system available to members of the National Guard and Naval Militia is essentially comparable in intent and purpose to PERS and TRS. A lump sum option is not available in the federal National Guard retirement system, and the benefits are payable for life.

We also believe, however, that members of the National Guard and Naval Militia should have the same variety of options available to state employees in the payout of their supplemental benefits. The SBS system currently allows lump sum payout of the annuity benefit, along with seven other options. The NGRS system, if HB416 is enacted, would allow a lump sum payout and two other options. We request that the State Affairs Committee concur in the desire to provide equity with state employees in the forms of payout options available to their annuity benefits system which supplements their regular retirement system, and pass out HB416 with a "Do Pass" recommendation.

I am available to meet with you or the committee at your convenience to discuss this issue further. Thank you for your consideration.

Sincerely,



Jeff Morrison, Director
Administrative and Support Services

cc: House State Affairs Committee Members
MG John W. Schaeffer, The Adjutant General
Bob Stalnaker, Acting Director, Division of Retirement and Benefits, DOA

TABLE A
MONTHLY AMOUNT OF GUARD RETIREMENT PAY—
OVER 20 YEARS SERVICE FOR BASE PAY
1 JANUARY 1987

Highest Grade Held	Value of Each Point	Retirement Points					
		100	2000	2500	3000	3500	4000
COMMISSIONED OFFICERS							
O-8	40146	\$40.15	\$802	\$1003	\$1204	\$1405	\$1605
O-7 M	.36304	36.30	726	907	1089	1270	1452
O-6	.27798	27.80	555	694	833	972	1111
O-5	.25148	25.15	502	628	754	880	1005
O-4 M	.21763	21.76	435	544	652	761	870
O-3 M	.18821	18.82	376	470	564	658	752
O-2 M	.13967	13.97	279	349	419	488	558
O-1 M	.11017	11.02	220	275	330	385	440
COMMISSIONED OFFICERS WITH MORE THAN 4 YEARS ACTIVE SERVICE AS AN ENLISTED MEMBER							
O-3E M	.19102	19.10	382	477	573	668	764
O-2E M	.16169	16.17	323	404	485	565	646
O-1E M	.13679	13.68	273	341	410	478	547
WARRANT OFFICERS							
W-4	.18069	18.07	361	451	542	632	722
W-3	.15892	15.89	317	397	476	556	635
W-2	.14263	14.26	285	356	427	499	570
W-1	.13233	13.23	264	330	396	463	529
ENLISTED MEMBERS							
E-9	.15283	15.28	305	382	458	534	611
E-8	.13396	13.40	267	334	401	468	535
E-7	.11821	11.82	236	295	354	413	472
E-6 M	.10354	10.35	207	258	310	362	414
E-5 M	.08786	8.79	175	219	263	307	351

M = Maximum point value—the same for "over 20", "over 22", or "over 26" years service for pay. However, total retirement points may be increased by additional years of service. See Tables B and C following for applicable "over 22" and "over 26" years service.

*These values are subject to change with any change in base pay, and periodic increases after retirement due to CPI adjustments.

TABLE B
MONTHLY AMOUNT OF GUARD RETIREMENT PAY—
OVER 22 YEARS SERVICE FOR BASE PAY
1 JANUARY 1987

Highest Grade Held	Value of Each Point	Retirement Points					
		100	2000	2500	3000	3500	4000
COMMISSIONED OFFICERS							
O-8 M	.41756	\$41.76	\$835	\$1043	\$1252	\$1481	\$1870
O-6	.29410	29.41	588	735	882	1029	1178
O-5 M	.26025	26.02	520	650	780	910	1041
WARRANT OFFICERS							
W-4	.18673	18.67	373	466	560	635	748
W-3	.16468	16.47	329	411	494	576	658
W-2 M	.14838	14.84	296	370	445	519	593
ENLISTED MEMBERS							
E-9	.16088	16.09	321	402	482	563	643
E-8	.14183	14.18	283	354	425	496	567
E-7	.12615	12.61	252	315	378	441	504

M = Maximum point value—the same for "over 20", "over 22", or "over 26" years service for pay. However, total retirement points may be increased by additional years of service. See Tables B and C following for applicable "over 22" and "over 26" years service.

*These values are subject to change with any change in base pay, and periodic increases after retirement due to CPI adjustments.

TABLE C
MONTHLY AMOUNT OF GUARD RETIREMENT PAY—
OVER 26 YEARS SERVICE FOR BASE PAY
1 JANUARY 1987

Highest Grade Held	Value of Each Point	Retirement Points					
		100	2000	2500	3000	3500	4000
COMMISSIONED OFFICERS							
O-6 M	.31898	\$31.90	\$637	\$797	\$956	\$1116	\$1275
WARRANT OFFICERS							
W-4 M	.20127	20.13	402	503	603	704	805
W-3 M	.17046	17.05	340	426	511	596	681
ENLISTED MEMBERS							
E-9 M	.17652	17.65	353	441	529	617	708
E-8 M	.15765	15.76	315	394	472	551	630
E-7 M	.14183	14.18	283	354	425	496	567

M = Maximum point value—the same for "over 20", "over 22", or "over 26" years service for pay. However, total retirement points may be increased by additional years of service. See Tables B and C following for applicable "over 22" and "over 26" years service.

*These values are subject to change with any change in base pay, and periodic increases after retirement due to CPI adjustments.

ANNUITY BENEFITS

YOUR ACCOUNT

The Supplemental Annuity Plan will set up an account in your name. Any money you have left after payment of administrative fees and insurance premiums will be deposited in your account.

YOUR RIGHT TO BENEFITS

You have a vested right to deposits made to your annuity account. Regardless of your period of employment, you or your beneficiary will receive the full value of your account under the terms of the Supplemental Annuity Plan.

INTEREST EARNED

Contributions to your Supplemental Annuity account are deposited with the Annuity Carrier. In 1986 annuity accounts will be credited with interest at a rate decreasing from 11.87% to 11.54% during the course of the year.

Each year the Annuity Carrier will declare a new interest rate. That rate may increase or decrease. It will be determined by the actual investment performance and expenses of the plan. During the open enrollment period each year, you will be informed of the next year's estimated net interest rate.

The following table illustrates the recent interest rates credited to annuity accounts:

Year	Net Annual Interest Rate
1980	10.40%
1981	10.75%
1982	12.35%
1983	12.55%
1984	12.00% - 12.04%
1985	11.80% - 11.97%
1986	11.87% - 11.54%

FORMS OF PAYMENT

The Supplemental Annuity Plan contains provisions under which you may elect a form of payment (please refer to Article V of the Plan Document beginning on page 76). Your choice of payment should be indicated on an "Annuity Benefit Election Form" (02-210). Once payments begin, you may not change the form of payment. Below is an explanation of forms of payment currently available.

Form of Payment	Payments Are Made For
Lump Sum	Total account value, one payment
Five Year Certain	Five years only
Ten Year Certain	Ten years only
Fifteen Year Certain	Fifteen years only
Single Life Annuity	Your lifetime only
Life with Ten Years Certain	Your lifetime, with ten years guaranteed
Life with Fifteen Years Certain	Your lifetime, with fifteen years guaranteed
Joint & Survivor Annuity (50% or 100%)	Your or your beneficiary's lifetime, whichever is longer

- **Lump Sum**
With this form you receive one payment in complete settlement of your account. It will include all contributions to your annuity account plus interest earned until the date of payment.
- **Five Year Certain**
With this form, monthly payments will be made for exactly 5 years — no more, no less. If you die before receiving payments for 5 full years, your beneficiary will receive payments until the 5 years are over.
- **Ten Year Certain**
With this form, monthly payments will be made for exactly 10 years — no more, no less. If you die before receiving payments for 10 full years, your beneficiary will receive payments until the 10 years are over.
- **Fifteen Year Certain**
With this form, monthly payments will be made for exactly 15 years — no more, no less. If you die before receiving payments for 15 full years, your beneficiary will receive payments until the 15 years are over.

- **Single Life Annuity**
With this form you receive monthly payments for as long as you live. No payments are made after your death.
- **Life with 10 Years Certain**
With this form, you receive monthly payments as long as you live. If you die before receiving payments for 10 full years, your beneficiary will receive payments until the 10 years are over.
- **Life with 15 Years Certain**
With this form, you receive monthly payments as long as you live. If you die before receiving payments for 15 full years, your beneficiary will receive payments until the 15 years are over.
- **Joint and Survivor Annuity**
With this form you receive monthly payments as long as you live. If you have elected a 50% Joint and Survivor Annuity, your survivor receives lifetime payments equal to 1/2 of the amount you were receiving. If you have elected a 100% Joint and Survivor Annuity, your survivor receives lifetime payments for the same amount you were receiving. Since the joint and survivor annuity involves payment for the longer of two lives, your monthly benefit will necessarily be less than under the other forms of payment. See page 71 regarding a restriction on this form of payment.

The Federal Retirement Equity Act of 1984 requires that a married participant select a Joint & Survivor payment unless the participant and his or her spouse waive this requirement. Please see the Plan Document for specific requirements. Questions regarding this requirement should be directed to the SBS staff or to your accountant or attorney for possible tax implications.

If you have selected one of the life annuities or a joint and survivor annuity, proof of your birthdate will be required. Proof of your spouse's birthdate will also be required if you select a joint and survivor annuity. Acceptable evidence of birthdate includes a birth certificate, baptismal record, military discharge or passport. In unusual circumstances, other evidence may be accepted.

SAMPLE BENEFITS

Let's look at an example which estimates how much would be paid under the various forms available. These amounts are based on the 1986 annuity purchase rates, which are subject to change each year. In this case, the retiree and beneficiary are both 55 years old, with an annuity account balance of \$30,000.

Form of Payments	Retiree gets monthly	Beneficiary gets monthly
Five Year Certain	\$605.72 for 5 years	<ul style="list-style-type: none"> • If 60 payments were made, the beneficiary gets \$0. • If less than 60 payments were made, the beneficiary gets the balance of the payments.
Ten Year Certain	\$367.09 for 10 years	<ul style="list-style-type: none"> • If 120 payments were made, the beneficiary gets \$0. • If less than 120 payments were made, the beneficiary gets the balance of the payments.
Fifteen Year Certain	\$292.29 for 15 years	<ul style="list-style-type: none"> • If 180 payments were made, the beneficiary gets \$0. • If less than 180 payments were made, the beneficiary gets the balance of the payments.
Single Life Annuity	\$257.51 for life	<ul style="list-style-type: none"> • \$0.00 • If 120 payments were made, the beneficiary gets \$0. • If less than 120 payments were made, the beneficiary gets the balance of the payments. • If 180 payments were made, the beneficiary gets \$0. • If less than 180 payments were made, the beneficiary gets the balance of the payments.
Life with Ten Years Certain	\$251.03 for life	
Life with Fifteen Years Certain	\$245.12 for life	<ul style="list-style-type: none"> • If 180 payments were made, the beneficiary gets \$0. • If less than 180 payments were made, the beneficiary gets the balance of the payments.
50% Joint & Survivor	\$242.89 for life.	• \$121.44 for life.
100% Joint & Survivor	\$230.11 for life	• \$230.11 for life

ANNUITY



Official Business

Alaska State Legislature

House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

COMMITTEE ON STATE AFFAIRS

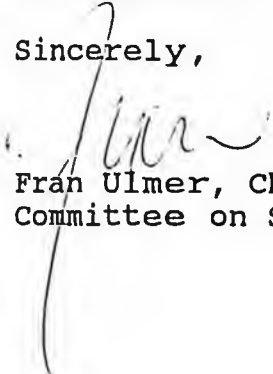
February 26, 1988

Major General John W. Schaeffer
The Adjutant General
Department of Military and Veterans Affairs
Frontier Building
3601 C Street
Suite 620
Anchorage, AK 99503-5989

Dear Major General Schaeffer:

Thank you for your letter of February 16, 1988. Because of the additional information you have provided, I have tentatively rescheduled House Bill 416 for Wednesday, March 9, for the State Affairs Committee. A copy of your letter will be provided to each committee member for their consideration.

Sincerely,


Fran Ulmer, Chair
Committee on State Affairs

STATE OF ALASKA

STEVE COWPER, GOVERNOR

**DEPARTMENT OF MILITARY
AND VETERANS AFFAIRS**

FRONTIER BUILDING
SUITE 220
1601 C STREET
ANCHORAGE ALASKA 99503-5000
PHONE (907) 243-6474
AUTOVON 626-1444

OFFICE OF THE ADJUTANT GENERAL

16 February 1988

Representative Fran Ulmer
Alaska State Legislature
House of Representatives
Post Office Box V
Juneau, Alaska 99811

Re: House Bill 416; An Act Relating to the National Guard and Alaska
Naval Militia Retirement System

Dear Representative Ulmer:

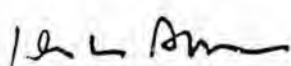
The above referenced bill is the product of a grass roots sentiment from members of the Alaska National Guard and Naval Militia. It has long been a matter of concern that members of the National Guard and Naval Militia can serve faithfully for an extended period of time and not live to receive the full benefit under the Retirement System. It is for this reason that the members of the National Guard have strongly recommended that additional payout options be added to the statute.

I endorse this bill because I believe that a member of the National Guard who has qualified for a federal retirement and concurrently qualified for the limited state retirement annuity should have some discretion in the way in which the state benefit is received. I strongly endorse the proposition that those who have earned the benefit should be able to realize its value during their lifetime.

As presently constituted, the Retirement System provides only for \$100.00 a month, payable for the number of months in which a person was an active participant in the National Guard. This program is not inflation proofed nor does it have the usual earmarks of a true retirement system. Although called a retirement system, practically speaking, this program is really a retention incentive.

Because the value of the benefit is so limited and because the system promotes retention and because all the purposes of a retention incentive would be accomplished with the expanded options proposed in HB 416, I encourage you to favorably endorse the bill and recommend its adoption by the House of Representatives.

Sincerely,


MG John W. Schaeffer
The Adjutant General
Department of Military
and Veterans Affairs

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

PLEASE REPLY TO:

P.O. BOX CR
JUNEAU, ALASKA 99811-0203
PHONE: (907)465-4460

2600 DENALI ST. SUITE 401
ANCHORAGE, ALASKA 99503-2740
PHONE: (907) 277-7504

Public Employees Retirement System
Teachers Retirement System
Judicial Retirement System
Elected Public Officers Retirement System
National Guard Retirement System
Territorial Retirement System
Retirees Voluntary Dental-Vision Audio Plan
Supplemental Benefits System
Group Health Life Insurance Benefits
Deferred Compensation Plan
Public Employers Social Security Contributions

STEVE COWPER, GOVERNOR

February 10, 1988

The Honorable Fran Ulmer
Chairman, House State Affairs
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Ulmer:

Re: House Bill 416

In accordance with AS 24.08.036, I am providing the analysis below on House Bill 416. The analysis includes the long-term and short-term impact to the state if the bill is adopted and the impact the bill will have on the actuarial soundness of the National Guard and Naval Militia Retirement System (NGNMRS) funds.

This bill would add two (2) additional benefit payment options for the members retiring under the Alaska Guard and Naval Militia Retirement System (NGNMRS). Currently, a retiring member receives \$100 per month for the same number of months of satisfactory service in the National Guard, the Air Guard, or the Naval Militia. If the retiree dies before receiving the entire benefit, the balance is paid in a lump sum to a surviving spouse or other beneficiary named by the retiree if there is no surviving spouse.

This amendment would provide a choice of one of three different payment plans to allow more flexibility for the retiring member:

- 1) a lump sum which is the actuarially equivalent of the total pension due the member;
- 2) a monthly benefit actuarially calculated so that the entire pension is paid to the member by his or 72nd birthday; or
- 3) \$100 per month for the same number of months served by the member (the current payment plan).

It may be more advantageous for an older retiring member to elect a lump sum or an actuarially calculated monthly benefit to ensure that the entire benefit is received during the member's life time. There would be no long range fiscal impact of this legislation on state government nor any impact

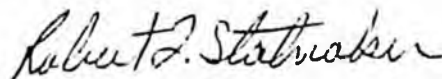
Representative Fran Ulmer

-2-

February 10, 1988

on the fund. There may be a "cash flow" problem if a sizeable number of the retirees elect to receive a lump sum benefit rather than monthly amounts.

Sincerely,



Robert F. Stalnaker
Acting Director

RFS/DS/bb/7