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SENATE COMMITTEE REPORT

FURTHER

DATE TURNED INTO OFFICE 5/7/88

4/7/88
Mr. President:

Finance Committee considered HB 353

repurchase of retirement coverage after certain levies

and recommended

[] replace with _____ CS _____) [] same title
[] or adopt _____ CS _____) [] new title

[] attached amendment(s) and

[] do pass

[] do not pass

[] no recommendation

[] individual recommendations

[] further referral to _____

[] letter of intent adopted _____

Committee [] attached or [] adopted fiscal note(s)

[] new [] updated or [] previous
[] zero [] fiscal impact ^{DOA}

MEMBERS SIGNING DO PASS

[Signature]
Paul Grish
W. H. ...
[Signature]

OTHER RECOMMENDATIONS

Paul V. Sharoff No Rec

Rich Helford NO REC
Chairman signature and recommendation

[] Committee Backup attached

1 IN THE HOUSE

BY ULMER

2

HOUSE BILL NO. 353

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to repurchase of retirement coverage

7

after certain levies."

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

9

* Section 1. AS 14.25.063(a) is amended to read:

10

(a) In [FOR PURPOSES OF] this chapter, a member does not have to

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be reemployed under this system in order to make indebtedness pay-

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ments. However, except as provided in (d) of this section, a former

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member must be reemployed under this system in order to make indebted-

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ness payments. Payments apply first to accrued interest and then to

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principal.

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* Sec. 2. AS 14.25.063 is amended by adding a new subsection to read:

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(d) A former member who received a total refund of the member's

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contribution account balance because of a levy under AS 09.38.065 or a

19

federal tax levy may make indebtedness payments under this section.

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* Sec. 3. AS 22.25.041 is amended by adding a new subsection to read:

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(b) A justice or judge whose contributions have been involun-

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tarily refunded because of a levy may repay the amount levied together

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with accrued interest whether or not the justice or judge is on active

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service. Repayments shall be made under (a) of this section.

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* Sec. 4. AS 39.35.350(b) is amended to read:

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(b) An employee may reinstate credited service associated with a

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refund by repaying the total amount of the refund. A former member

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who received a total refund of the former member's contribution ac-

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count balance because of a levy under AS 09.38.065 or a federal tax

1 levy may reinstate credited service in the same manner as an employee.
2 Interest will accrue from the date of the refund until repayment of
3 the refund or retirement, whichever occurs first. Payments will apply
4 first to accrued interest and then to principal.

5 * Sec. 5. Notwithstanding former AS 39.37.130 and 39.37.140, a former
6 member of the Elected Public Officers Retirement System who received an
7 involuntary refund of the individual's account because of a levy may repay
8 the amount levied together with accrued interest. Upon payment of the full
9 amount owing, the former member regains all rights that were terminated
10 because of the refund.

A/B

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An Act relating to repurchase of retirement coverage after certain levies. BRU: Retirement and Benefits
 Sponsor: Ulmer Components: Retirement and Benefits
 Requestor: House State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Attached Position Paper

Prepared By: Robert F. Stalnaker, Acting Director Phone: 465-4470
 Division: Retirement and Benefits Date: 1-20-88
 Approved by Commissioner: John M. Andrews Date: 1/21/88
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

OC

POSITION PAPER
HB 353

This bill would allow members participating in Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), Judicial Retirement System (JRS), or the Elected Public Officers' Retirement System (EPORS) to reinstate their retirement account without becoming reemployed under that system in the event they are forced to refund from that system to pay a tax levy, child support, or to comply with a qualified domestic relations order (QDRO). Currently, when a member refunds from the system, they forfeit their right to future benefits from that system. The current law allows members to reinstate refunded service only after they reemploy with an employer covered under the respective system.

The Administration supports this legislation. Passage would provide relief for those members who are forced from the system contrary to their desires and would provide the member with the ability to reinstate their right to a future benefit.

Robert F. Starnaker
Robert F. Starnaker, Acting Director
Division of Retirement & Benefits

1/20/88
Date

John M. Andrews
Commissioner John M. Andrews
Department of Administration

1/21/88
Date

DOA Position Paper

SENATE COMMITTEE REPORT

FURTHER L&C
FINANCE

2/18/88

DATE TURNED INTO OFFICE 3-21-88

Mr. President:

State Affairs Committee considered HB 353

repurchase of retirement coverage after certain levies

and recommended

replace with _____ CS _____) same title
 or adopt _____ CS _____) new title

attached amendment(s) and

margin

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous

zero fiscal impact 40

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Joe Josephson
W. H. H. H. H.
Rich H. H. H.

J. L. Young No Rec

Joe Josephson
Chairman signature and recommendation

Committee Backup attached

Senate SA Report

SENATE COMMITTEE REPORT

FURTHER

FINANCE

3/22/88

DATE TURNED INTO OFFICE

Mr. President:

LABOR AND COMMERCE

Committee considered

HB 353

repurchase of retirement coverage after certain levies

and recommended

[] replace with _____ CS _____) [] same title
[] or adopt _____ CS _____) [] new title

attached amendment(s) and

do pass

[] do not pass

[] no recommendation

[] individual recommendations

[] further referral to _____

[] letter of intent adopted _____

Committee attached or [] adopted fiscal note(s)

[] new [] updated or previous

zero [] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

McKean
Rich Kelly
Hakrenkamp

Tim Kelly - Do Pass
Chairman signature and recommendation

[] Committee Backup attached

Senate L & C Report

Alaska State Legislature

Committees:

Chair-State Affairs
V. Chair-Judiciary
Telecommunications
Special Ethics
Legislative Council
Finance Subcommittee
for the University of Alaska
Joint Committee
on Economic Recovery



P.O. Box V
Juneau, Alaska 99811
(907) 465-4947

REPRESENTATIVE FRAN ULMER

M E M O R A N D U M

February 26, 1988

TO: Senator Mitch Abood, Chair
Senate State Affairs Committee

FROM: Representative *Fran Ulmer*

SUBJECT: House Bill 353

I am requesting that you hold a hearing on House Bill 353, "An Act relating to repurchase of retirement of retirement coverage after certain levies". HB 353 was adopted by the House by a vote of 39-0. It has a zero fiscal note and no opposition.

House Bill 353 affects former members of the Teachers' Retirement System (TRS), the Judicial Retirement System (JRS), the Public Employees' Retirement System (PERS), and Elected Public Officers Retirement System (EPORS). The basic purpose of the bill is to preserve an individual's right to his retirement benefits. HB 353 would allow those former members to make repayments with interest to the retirement fund without having to be re-employed or in active service under the applicable retirement system. This would only be permitted if the entire retirement account balance was levied by a court or agency to pay a claim. Such claims include child support obligations and federal tax levies.

Presently, if a former member's retirement account is levied in total, the account is closed and the former member may not repay the amount refunded unless he/she becomes an active member again. House Bill 353 would allow a former member to repay his/her retirement funds without being re-employed under the system.

In these difficult economic times, there could be many Alaskans who may lose their future retirement benefits and House Bill 353 would provide the opportunity to repurchase those benefits at some time in the future.

Thank you very much for your prompt consideration of this bill.

District 43 - Juneau

Backup From Sponsor

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

January 20, 1988

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


Dear Representative Ulmer:

Re: House Bill 353

In accordance with AS 24.08.036, I am providing the analysis below on House Bill 353. 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 Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), Judicial Retirement System (JRS), and the Elected Public Officers' Retirement System (EPORS) funds.

This legislation would allow a member to repay the amount refunded and reinstate their retirement standing without becoming reemployed in a position covered by that retirement system if they have been forced to refund from their retirement system to satisfy payment(s) for child support, comply with the provisions of a qualified domestic relations order (QDRO) or to comply with a federal tax levy. There will be no fiscal impact of this legislation on the state government or any impact on the retirement funds involved. This legislation will not increase the employer contributions rates.

Sincerely,


R. F. Stalnaker
Acting Director

RFS/DS/bb/9

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 22, 1988

SUBJECT: Sectional analysis of HB 353
(Repurchase of retirement coverage)

TO: Representative Fran Ulmer

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional analysis of the above described bill.

As a preliminary matter, I must advise you that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Secs. 1 and 2 permit a former member of the Teachers' Retirement System (TRS) who received a total refund of the contributions the member made to TRS because of a federal tax levy or a levy under AS 09.38.065 to pay back the amount levied against to TRS. The repayment has the effect of reinstating the former member's rights to retirement benefits. Under AS 09.38, contributions to the Teachers' Retirement System and the Public Employees' Retirement System are exempt from a creditor's efforts to levy against them. Under AS 09.38.065, that general exemption from creditors does not apply to certain kinds of debt, including child support, a limited amount of wages, and state or local taxes.

Sec. 3 permits a judge or justice whose contributions to the Judicial Retirement System (JRS) have been involuntarily refunded because of a levy of any kind to repay the amount levied together with interest to JRS to reinstate membership

Representative Fran Ulmer
Page 2
January 22, 1988

in the system. Contributions to JRS are not protected from levy under AS 09.38.

Sec. 4 permits a former member of the Public Employees' Retirement System (PERS) who received a total refund of contributions because of a levy under AS 09.38.065 or of a federal tax levy to repay the amount of the refund to the system and reinstate membership. Contributions to PERS are protected from levy for other kinds of debt.

Sec. 5 permits members of the Elected Public Officers Retirement System who have received an involuntary refund of the individual account because of a levy of any kind to repay the amount refunded and regain all rights terminated because of the refund.

If I may be of further assistance, please advise.

TBC:gc
WKG1:044

one year following the date an employee first becomes vested, whichever is later. Any outstanding indebtedness existing at the time an employee retires will require an actuarial adjustment to the benefits payable based on the temporary service.

(c) A deferred vested employee on July 1, 1980, is eligible to claim credited service under (a) of this section. To obtain credited service under this section, a deferred vested employee must elect to do so and must verify the period of temporary service before July 1, 1981. When eligibility for temporary service credit has been established, an indebtedness shall be determined as provided in (a) of this section. Interest as prescribed by regulation accrues on that indebtedness beginning July 1, 1981. Any outstanding indebtedness existing at the time a deferred vested employee retires will require an actuarial adjustment to the benefits payable based on the temporary service.

(d) The credited service granted under this section may not be used to satisfy the credited service requirements for normal or early retirement. (§ 29 ch 146 SLA 1980)

Revisor's notes. — Enacted as AS 39.35.156. Renumbered in 1980.

Sec. 39.35.350. Reinstatement of credited service. (a) An employee who receives a refund of contributions in accordance with AS 39.35.200 forfeits corresponding credited service under this chapter.

(b) An employee may reinstate credited service associated with a refund by repaying the total amount of the refund. Interest will accrue from the date of the refund until repayment of the refund or retirement, whichever occurs first. Payments will apply first to accrued interest and then to principal.

(c) Any outstanding indebtedness that exists at the time an employee is appointed to retirement will necessitate an actuarial adjustment to the benefits payable based on service reinstated under this section. (§ 16 ch 143 SLA 1960; am § 3 ch 235 SLA 1968; am § 2 ch 81 SLA 1976; am § 30 ch 128 SLA 1977; am § 84 ch 59 SLA 1982; am § 47 ch 137 SLA 1982)

Sec. 39.35.360. Earlier service. (a) An employee employed before January 1, 1980, who completes three years of credited service with the state after January 1, 1961, for which the employee makes contributions required by this chapter is entitled to credited service for service rendered (1) before January 1, 1961, as an employee of the state and former Territory of Alaska; (2) before January 1, 1961, as an employee of the United States government in Alaska, excluding service in the armed forces of the United States; or (3) after January 1, 1961, as a peace officer, correctional officer, or fireman of a participating political subdivision of the state if the employee is vested and is an

Editor's notes. — This section was redrafted by the revisor of statutes to remove personal pronouns in conformity with AS 01.05.031(c) and § 4, Chapter 58, SLA 1982.

Legislative history reports. — For report on ch. 83, SLA 1967 (HB 141), see 1967 House Journal, pp. 339-340.

Sec. 22.25.040. Refund of contributions.
 Repealed by § 16 ch 83 SLA 1967.

Editor's note. — The repealed section derived from § 1, ch. 102, SLA 1963.
Legislative history reports. — For

report on ch. 83, SLA 1967 (HB 141), see 1967 House Journal, pp. 339-340.

Sec. 22.25.041. Refund of contributions. A justice or judge who vacates office for any reason and who has not then accrued five years of creditable service under this chapter is entitled to receive a refund of the total amount of contributions, together with interest credited on the amount. If a justice or judge who has received a refund of contributions returns to active service, the justice or judge shall repay within one year the refunded contributions with interest at the prevailing rate to receive credit for the earlier period of service under AS 22.25.010(f). (§ 7 ch 80 SLA 1978)

Editor's notes. — This section was redrafted by the revisor of statutes to remove personal pronouns in conformity

with AS 01.05.031(c) and § 4, Chapter 58, SLA 1982.

Sec. 22.25.045. Appropriations.
 Repealed by § 42 ch 146 SLA 1980.

Editor's notes. — The repealed section derived from § 13, ch. 83, SLA 1967.

Sec. 22.25.046. Employer contributions. (a) The state court system shall contribute to the judicial retirement system at the rate established by the commissioner of administration. The contribution rate shall be based on the results of an actuarial valuation of the judicial retirement system. The results of the actuarial valuation shall be based on actuarial methods and assumptions adopted by the commissioner of administration.

(b) The contribution rate shall be a percentage which, when applied to the covered compensation of all active members of the judicial retirement system, will generate sufficient money to support, along with contributions from members, the benefits of the judicial retirement system. (§ 8 ch 146 SLA 1980)

Sec. 22.25.048. Accounting and investment. (a) The commissioner of administration shall establish, as a special account in the general fund, a fund for the judicial retirement system and shall maintain accounts and records for the judicial retirement system.

ship service" such as will excuse the payment of arrearages for service prior to June 30, 1955, for participation in the teachers' retirement plan. 1960 Op. Att'y Gen. No. 11.

Bureau of Indian Affairs teaching service should be treated as "outside service" for the purposes of computing "arrearages" and "creditable service" under pro-

visions of the Teachers' Retirement Act. 1960 Op. Att'y Gen. No. 11.

Regulations promulgated by the territorial or State Board of Education governing salaries are not germane to calculations of arrearage forgiveness or creditable service under the Teachers' Retirement System. 1960 Op. Att'y Gen. No. 11.

Sec. 14.25.061. Retroactive indebtedness. (a) A member who was not subject to the provisions of this chapter, but who becomes subject to them because of a legislative change, may elect to receive credit for retroactive membership service by contributing to the retirement fund an amount equal to the contributions the member would have made had the member been subject to the provisions of this chapter for those years of retroactive service after June 30, 1955. Retroactive contributions are not required for retroactive membership service before July 1, 1955. Compound interest at the rate prescribed by regulation shall be added to the retroactive indebtedness from July 1, 1966, or the time of first becoming eligible under this chapter, whichever is later, to the date of payment or the date of retirement, whichever occurs first.

(b) If retroactive indebtedness contributions have been made for retroactive service before July 1, 1955, the member is entitled to a refund of those retroactive membership indebtedness contributions.

(c) A refund of retroactive indebtedness contributions for retroactive service before July 1, 1955 is not subject to the repayment provision of AS 14.25.062. (§ 4 ch 128 SLA 1977; am §§ 8, 9 ch 13 SLA 1980)

Sec. 14.25.062. Reinstatement indebtedness. A teacher who has received a refund of contributions in accordance with AS 14.25.150 is indebted to the retirement fund in the amount of the total refund. Compound interest at the rate prescribed by regulation shall be added to the reinstatement indebtedness from the date of the refund to the date of repayment or the date of retirement, whichever occurs first. (§ 4 ch 128 SLA 1977; am § 10 ch 13 SLA 1980)

Sec. 14.25.063. Payment of indebtedness. (a) For purposes of this chapter, a member does not have to be reemployed under this system in order to make indebtedness payments. However, a former member must be reemployed under this system in order to make indebtedness payments. Payments apply first to accrued interest and then to principal.

(b) Any outstanding indebtedness that exists at the time a member is appointed to retirement will necessitate an actuarial adjustment to the benefits payable based on the member's corresponding service.

(c) If, as a result of service credit claimed for which there is a corresponding indebtedness existing at retirement, the member's retirement benefit is actuarially reduced and the resulting benefit is less than it would have been if the service credit had not been claimed, the retirement benefit shall be equal to the amount it would have been had the service credit never been claimed. (§ 11 ch 13 SLA 1980; am §§ 6, 7 ch 137 SLA 1982)

Sec. 14.25.065. Transmittal of contributions. (a) All contributions deducted in accordance with AS 14.25.050 and 14.25.055 shall be transmitted to the retirement fund no later than 15 days following the close of the payroll period, with the final contributions due for any school year transmitted no later than July 15.

(b) The contributions of employers under AS 14.25.070 must be transmitted to the administrator at the close of each pay period. If the contributions are not submitted within 15 days of the close of each payroll period, interest must be assessed on the outstanding contributions at one and one-half times the most recent actuarially determined rate of earnings for the system from the date that contributions were originally due. In addition, the amount of the contributions and interest may be deducted by the Department of Education from the state funds due the school district and the amount so deducted transmitted to the administrator for deposit in the retirement fund. Amounts due from the University of Alaska and interest as prescribed in this section may be deducted by the commissioner of administration from any state funds due the University of Alaska and the amount deducted transmitted to the administrator for deposit in the retirement fund. (§ 3 ch 84 SLA 1969; am § 4 ch 66 SLA 1973; am § 12 ch 13 SLA 1980)

Sec. 14.25.070. Contributions by employer. An employer shall contribute to the retirement fund an amount equal to the percentage, as certified by the administrator, of the sum total of the base salaries of all teachers that is required in addition to teacher contributions to provide the benefits of this chapter times the sum total of the base salaries paid to teachers by the employer. (§ 8 ch 145 SLA 1955; am § 5 ch 151 SLA 1966; am § 5 ch 138 SLA 1970; am § 5 ch 66 SLA 1973; am § 22 ch 91 SLA 1987)

Effect of amendments. — The 1987 amendment deleted "one-half" preceding "the percentage."

(1) enforceable against exempt property under AS 09.38.065(a)(1);
or

(2) enforceable under an order of a court of bankruptcy under 11 U.S.C. 1301 — 1330 (Bankruptcy Reform Act of 1978).

(d) If the individual debtor is a nonresident, the limitations on garnishment imposed under 15 U.S.C. 1673 apply.

(e) The following property, unless exempt without limitation under AS 09.38.015, upon receipt by and while it is in the possession of the individual, shall be treated as earnings, income, cash, or other liquid assets under this section:

(1) benefits paid by reason of disability, illness, or unemployment;

(2) money or property received for alimony or separate maintenance;

(3) proceeds of insurance, a judgment, or a settlement, or other rights accruing as a result of bodily injury of the individual or of the wrongful death or bodily injury of another individual of whom the individual was or is a dependent;

(4) proceeds or benefits paid or payable on the death of an insured, if the individual was the spouse or a dependent of the insured; and

(5) amounts paid under a stock bonus, pension, profit-sharing, annuity, or similar plan or contract, providing benefits by reason of age, illness, disability, or length of service. (§ 2 ch 62 SLA 1982; am § 36 ch 6 SLA 1984)

Effect of amendments. — The 1984 amendment changed the federal statutory reference in paragraph (2) of subsection (c).

Sec. 09.38.050. Increased exemption amount.

Cross references. — For current exemption amounts, see 8 Alaska Administrative Code 95.030.

Sec. 09.38.065. Claims enforceable against exempt property.

NOTES TO DECISIONS

Execution on limited entry permit. — Expressions of legislative intent in combination with the clear provisions of the 1982 Exemptions Act are persuasive evidence that the legislature meant what it said in permitting a parent with post

due child support claims to execute against an otherwise exempt limited entry permit. *Anderson v. Anderson*, Sup. Ct. Op. No. 3172 (File No. S-1320), P.2d (1987).

Sec. 09.38.115. Adjustment of dollar amounts. (a) The dollar amounts in this chapter change, as provided in this section, according to and to the extent of changes in the Consumer Price Index for all Urban Consumers for the Anchorage Metropolitan Area compiled by the Bureau of Labor Statistics, United States Department of Labor

tracing selected by the individual claiming the exemption. (§ 2 ch 62 SLA 1982)

Sec. 09.38.065. Claims enforceable against exempt property.

(a) Notwithstanding other provisions of this chapter,

(1) a creditor may make a levy against exempt property of any kind to enforce a claim for

(A) child support;

(B) unpaid earnings of up to one month's compensation or the full-time equivalent of one month's compensation for personal services of an employee; or

(C) state or local taxes; and

(2) a creditor may make a levy against exempt property to enforce a claim for

(A) the purchase price of the property or a loan made for the express purpose of enabling an individual to purchase the property and used for that purpose;

(B) labor or materials furnished to make, repair, improve, preserve, store, or transport the property; and

(C) a special assessment imposed to defray costs of a public improvement benefiting the property.

(b) Except as provided in AS 09.38.070 limiting the enforcement of certain security interests, this chapter does not affect any statutory lien or security interest in exempt property.

(c) A creditor having a claim enforceable under (a) of this section against exempt property, before, at the time of, or a reasonable time after making a levy on property of an individual, shall serve on the individual a notice of the levy and of the basis for the creditor's right to make a levy on exempt property. (§ 2 ch 62 SLA 1982)

Sec. 09.38.070. Limitation on enforcement of certain security interests in exempt goods. (a) This section applies to a security interest, except a purchase-money security interest, or a security interest in a motor vehicle, in an item of goods (1) possessed by an individual, (2) being used by that individual or a dependent, and (3) exempt under AS 09.38.020(a) — (d).

(b) Unless the individual, after receiving written notice of the individual's rights under this section, voluntarily surrenders to the secured creditor possession of an item of goods to which this section applies, the creditor may not take possession of the item or otherwise enforce the security interest according to its terms without an order or process of court.

(c) The court may order or authorize process respecting any item of goods to which this section applies only after a hearing, upon notice to the individual of the hearing and of the individual's rights at it. The notice shall be as directed by the court. The order or authorization may prescribe appropriate conditions as to payments upon the debt secured

PUBLIC OFFICERS AND EMPLOYEES

transferred to the elected public officers retirement account.

"(d) Upon commencement of participation in this retirement system, any balance in an elected public officer's individual account under AS 39.35 is transferred to his individual account under this section. (§ 8 ch 205 SLA 1975)

"Sec. 39.37.130. Refunds. Upon termination of creditable service, application may be made for a refund of the balance in the individual's account. Upon withdrawal of the balance, all rights to benefits terminate. (§ 8 ch 205 SLA 1975)

"Sec. 39.37.140. Prior service credit. In the event an elected public officer who has withdrawn the balance of his individual account returns to elected public office, he shall receive credit for his prior period or periods of service only if he repays within one year of the date of return all refunded contributions with interest at the prevailing prescribed rate. (§ 8 ch 205 SLA 1975)

"Sec. 39.37.145. Medical benefits. Each person who is entitled to receive a monthly benefit from the retirement system under this chapter shall be provided with major medical insurance coverage. Coverage shall become effective on the same date as retirement benefits commence and cease when the retired employee or survivor is no longer eligible to receive a monthly benefit. The level of

coverage for persons over age 65 shall be the same as that available before reaching age 65 except that the benefits payable shall be supplemental to those afforded under the federal Old Age Survivor and Disability Insurance Program, if any. (§ 3 ch 245 SLA 1976)

"Sec. 39.37.150. Definitions. In this chapter

"(1) 'elected public officer' means the governor, lieutenant governor, or a member of the legislature;

"(2) 'creditable service' means service as an elected public officer and other service to the state, territory, or political subdivision under which benefits presently accrue under AS 39.35;

"(3) 'membership service' means service as an elected public officer. (§ 8 ch 205 SLA 1975)"

Section 51, ch. 117, SLA 1986, provides: "Notwithstanding former AS 39.37.060('s), the surviving spouse of an elected public officer who has retirement rights under the Elected Public Officers Retirement System is eligible for survivors' benefits under former AS 39.37.060 if the surviving spouse was married to the elected public officer for at least one year immediately preceding the death of the elected public officer. The benefits continue until the remarriage or death of the surviving spouse."

NOTES TO DECISIONS

"Employee retirement system". — The Elected Public Officers Retirement System is an "employee retirement system" within the meaning of Alaska Const., art. XII, § 7, which provides that membership in state employee retirement systems shall constitute a contractual relationship. State ex rel. Hammond v. Allen, Sup. Ct. Op. No. 2278 (File No. 5056), 625 P.2d 844 (1981).

There is no valid basis upon which to distinguish the rights of elected officials in the Elected Public Officers Retirement System from their rights in the public employees' retirement system in the context of Alaska Const., art. XII, § 7. State ex rel. Hammond v. Allen, Sup. Ct. Op. No. 2278 (File No. 5056), 625 P.2d 844 (1981).

Contractual relationship. — The Elected Public Officers Retirement System constitutes a contractual relationship between participants in that program and the state of Alaska, which must be honored by the state. Therefore, all elected

officials who were participating in the Elected Public Officers Retirement System at the time its repeal became effective (October 14, 1976) will be entitled to the benefits provided by that system upon retirement. State ex rel. Hammond v. Allen, Sup. Ct. Op. No. 2278 (File No. 5056), 625 P.2d 844 (1981).

Effective period of ch. 205, SLA 1975. — Walters v. Cease, Sup. Ct. Op. No. 182 (File No. 447), 388 P.2d 263 (1964), which held that the effectiveness of an act passed by the legislature is not suspended during the period between its effective date and its rejection by referendum, clearly establishes that the legislation enacting this chapter, ch. 205, SLA 1975, whatever its import, was in full force from January 1, 1976, its effective date, until October 14, 1976, the date of repeal by referendum. State ex rel. Hammond v. Allen, Sup. Ct. Op. No. 2278 (File No. 5056), 625 P.2d 844 (1981).

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