

HB

416-S

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO.416

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 Alaska National Guard and Alaska
7 Naval Militia retirement benefits; and providing for
8 an effective date."

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

10 * Section 1. AS 26.05.224(b) is amended to read:

11 (b) The retirement pension is \$100 a month, payable for the same
12 number of months that the member participated satisfactorily in the
13 Alaska National Guard or Alaska Naval Militia. The member may instead
14 elect to receive the retirement pension (1) in a lump sum that is
15 actuarially determined to be equal to the value, at the time of re-
16 irement, of the entire pension due, or (2) in a monthly amount that
17 will result in payment by the member's 72nd birthday of an amount that
18 is determined to be the actuarial equivalent of the entire pension due
19 at the time of retirement.

20 * Sec. 2. AS 26.05.224(c) is amended to read:

21 (c) An eligible member or former member may elect to receive the
22 retirement pension beginning on the first day of the month in which
23 the member or former member becomes eligible for retirement, or the
24 member or former member may elect to defer payment to a later date.
25 Payment of a deferred retirement benefit may not begin until applica-
26 tion for the benefit is filed with and approved by the Department of
27 Military and Veterans' Affairs. Deferred retirement payments must be
28 made monthly at the rate of \$100, unless the member elects another
29 form of payment under (b) of this section.

1 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: HB 416
PUBLISH DATE: HOUSE 1/29/88

FISCAL NOTE

REQUEST:

Revision Date: January 19, 1988
Title: An Act relating to Alaska National Guard Retirement Benefits
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Military & Veterans Affairs
BRU: Alaska National Guard Benefits
Components: Retirement Benefits

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

This bill adds two payout options to the existing Alaska National Guard and Naval Militia retirement system. No fiscal impact will occur.

Prepared by: Jeff Morrison *Morrison* Phone: 465-4600
Division: Administrative & Support Services, DMVA Date: 1/19/88

Approved by Commissioner: MG John W. Schaeffer *Schaeffer* Date: 1/19/88
Agency: Department of Military & Veterans Affairs

Distribution (by preparer):

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

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: HB 416
PUBLISH DATE: HOUSE 1/29/88

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: AK Nat'l Guard Naval Militia
Retirement Benefits

Agency Affected: Administration
BRU: Retirement & Benefits

Sponsor: Rules

Components: Retirement and Benefits

Requestor: Governor

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)

See attached

Prepared by: Robert F. Stalnaker, Acting Director Phone: 465-4470
Division: Retirement and Benefits Date: 1-18-88

Approved by Commissioner: John M. Andrews Date: 1/26/88
Agency: Department of Administration

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

POSITION PAPER
National Guard Bill

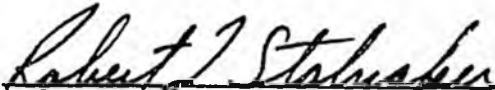
This bill would add two (2) additional benefit payment options for the members retiring under the Alaska Guard and Naval Militia Retirement System (NGNMRS). Currently, a retiring member has only one payment option for their retirement benefit. The member receives \$100 per month for the same number of months that the member participated satisfactorily in the Guard, 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 pension 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 her 72nd birthday; or
- 3) \$100 per month for the same number of months served by the member (the current plan.)

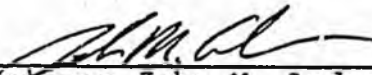
It may be more advantageous for an older retiring member to elect a lump sum or an actuarially calculated monthly benefit to ensure that the entire benefit is received during the member's life time.

The department supports this bill.



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

1/26/88
Date



Commissioner John M. Andrews
Department of Administration

1/26/88
Date

SENATE COMMITTEE REPORT

FURTHER

FINANCE
4-11-88

3/29/88

DATE TURNED INTO OFFICE

Mr. President:

STATE AFFAIRS

Committee considered HB 416

Alaska National Guard and Alaska Naval Militia retirement benefits; efd

and recommended

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

[] attached amendment(s) and

Morgan
[X] do pass

[] do not pass

[] no recommendation

[] individual recommendations

[] further referral to _____

[] letter of intent adopted _____

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

[] new [] updated or [X] previous *NO*

[X] zero [] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Rich [Signature]
[Signature]
Joe Josephson

[Signature]
Chairman signature and recommendation

[] Committee Backup attached

Senate S.A. Report

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 29, 1988

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

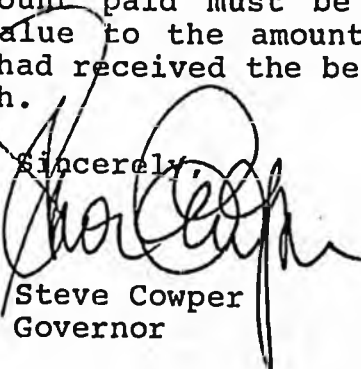
Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to Alaska National Guard and Alaska Naval Militia (NGNM) retirement benefits. The bill adds two forms of payment of NGNM retirement benefits that may be elected by members.

Under current law, an eligible member of the Alaska National Guard or Alaska Naval Militia is entitled to receive \$100 per month, payable for the same number of months that the member satisfactorily participated in the Guard or Militia. If the member dies before receiving the benefit for the entire number of months, the remaining amount due is paid to the member's beneficiary in a lump sum. The Department of Military and Veterans' Affairs reports that many Guard and Militia retirees do not live long enough to draw all of the benefits due them, and that current members desire an option to draw the entire amount of their benefits during their lifetimes.

The two new options for payment of NGNM retirement benefits added by this bill allow a member to elect to receive the benefit in a lump sum or in a monthly amount that results in payment of the entire benefit by the member's 72nd birthday. Under either option, the amount paid must be actuarially determined to be equal in value to the amount that would have been paid if the member had received the benefit at the regular rate of \$100 per month.

Sincerely,



Steve Cowper
Governor

Governor's Letter