

HPB

416

SENATE COMMITTEE REPORT

FURTHER

FINANCE

3/29/88

DATE TURNED INTO OFFICE 4-11-88

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

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

Rich [Signature]
[Signature]
Joe Josephson

[Signature]
Chairman signature and recommendation

Committee Backup attached

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

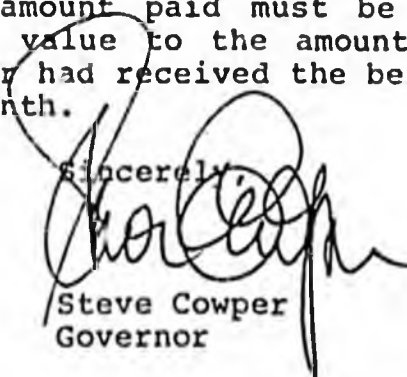
Dear Representative Grussendorf:

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

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
Sponsor: Rules
Requestor: Governor

Agency Affected: Administration
BRU: Retirement & Benefits
Components: Retirement and Benefits

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
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REVENUE	0	0	0	0	0	0
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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

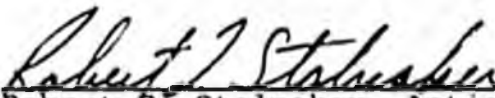
This bill would add two (2) additional benefit payment options for the members retiring under the Alaska Guard and Naval Militia Retirement System (NGNMRS). Currently, a retiring member has only one payment option for their retirement benefit. The member receives \$100 per month for the same number of 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:

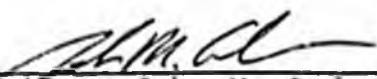
- 1) a lump sum pension which is the actuarially equivalent of the total pension due the member;
- 2) a monthly benefit actuarially calculated so that the entire pension is paid to the member by his or her 72nd birthday; or
- 3) \$100 per month for the same number of months served by the member (the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

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						
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REVENUE						
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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 *Morrison* 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)