SB
215

Add a new section 12:

Section 12. Sections 3 and 8 of this Act are retroactive to July 1, 1982.

Renumber existing Section 12 to Section 13.

(3) "department" means the Department of Health and Social Services. (§ 1 ch 136 SLA 1970; am § 2 ch 210 SLA 1970; am § 55 ch 71 SLA 1972)

Legislative history report. — For report on ch. 71, SLA 1972 (HCSSB 353 am H), see 1972 House Journal, p. 898.

Chapter 45. Alaska Longevity Bonus.

Editor's note. — Section 2, ch. 205, SLA 1972, provides: "AS 01.10.030 does not apply to this Act. If any provision of this Act, or the application of a provision of this Act to any person or circumstance is held invalid, this entire Act shall be considered invalid."

Legislative history report. — For report on ch. 205, SLA 1972 (FCCS HCS CSSB 211), see 1972 House Journal, p. 751.

Sec. 47.45.010. Persons who may qualify for longevity bonus. (a) A person who is 65 years of age or over, who was domiciled in the territory on or before January 3, 1959 and who has maintained a continuous domicile in the territory or state for 25 years may apply to the commissioner of administration for qualification to receive a monthly bonus of $150.

(b) When the commissioner of administration determines that an applicant qualifies under this chapter he shall immediately begin payment of the bonus.

(c) A person who otherwise qualifies to receive a bonus provided for in this chapter may continue to do so only as long as he continuously retains a domicile in the state. (§ 1 ch 205 SLA 1972; am § 1 ch 33 SLA 1976; am § 1 ch 89 SLA 1978)

Effect of amendments. — The 1976 amendment increased the monthly bonus in subsection (a) from $100.00 to $125.00.

The 1978 amendment increased the monthly bonus in subsection (a) from $125.00 to $150.00.

Legislative history report. — For report on ch. 33, SLA 1976 (SB 476 am), see 1976 Senate Journal, p. 160.

Sec. 47.45.020. Continuous eligibility procedures. After qualification, monthly applications for bonuses may be made in person to any office of the Department of Administration. Mailed monthly applications shall also be considered by the Department of Administration. In-person or mailed applications shall be made on forms provided by the Department of Administration and shall conform to the conditions as provided by regulation. The commissioner may make exceptions for those residents who are isolated in rural areas and cannot mail a monthly application; however, they shall mail an application at least once every six months. (§ 1 ch 205 SLA 1972)

Sec. 47.45.030. Absence from the state. A recipient shall notify the commissioner of administration when he expects to be absent from the state if the absence is for a continuous period that exceeds 30 days. After that notification, the recipient shall no longer receive bonuses from the Department of Administration after his last regularly approved monthly application. Upon his return to the state he may again make application for a bonus. Whenever the absence is for a continuous period that exceeds 180 days the recipient shall be disqualified from receiving bonuses for the next 12 calendar months after his return to the state. However, when the commissioner of administration determines a period of absence is beyond the control of the recipient, he may not be disqualified, if he still otherwise qualifies upon his return to the state. Continual absences from the state, even though reported, and failure to notify the commissioner of an expected absence may be grounds for disqualification. (§ 1 ch 205 SLA 1972)

Sec. 47.45.040. Disqualification. Disqualification under this chapter shall rest solely with the commissioner of administration and shall be outlined in the regulations promulgated under AS 47.45.100(1). (§ 1 ch 205 SLA 1972)

Sec. 47.45.050. Department hearing. The Department of Administration may hold a departmental hearing upon the request of an applicant or recipient who has been disqualified. Previous to this hearing the department shall by certified mail notify an applicant or recipient in plain and comprehensive language the exact reason for his disqualification. Form letters using only referral to state statutes or department regulations, or otherwise vague in detail, shall not be considered compliance by the department with this section. (§ 1 ch 205 SLA 1972)

Sec. 47.45.060. Legal remedy. Legal remedy from disqualification may be sought by an applicant or recipient in any court of competent jurisdiction in the state. The burden of proof shall rest solely upon the applicant or recipient and any costs related to a disqualification verdict determined against the applicant or recipient may be recoverable by the attorney general from that person, or from any agency representing that person supported in whole, or in part, with state appropriations. (§ 1 ch 205 SLA 1972)

Sec. 47.45.110. Custody of funds. The commissioner of revenue is the treasurer of the system and has powers and duties for this purpose including but not limited to the following:

(1) to act as official custodian of the cash and securities belonging to the fund;

(2) to receive all items of cash belonging to the fund. (§ 1 ch 205 SLA 1972)

Sec. 47.45.120. Exemption from taxation and process. Bonuses received under this chapter are exempt from all state and political subdivision taxes except sales and use taxes and are not subject to execution, attachment, garnishment or other process. No bonus received under this chapter may be exempt from a federal tax requirement. (§ 1 ch 205 SLA 1972)

Sec. 47.45.130. Death or cessation of residency. The commissioner of administration shall establish procedures to stop a bonus when a recipient under this chapter no longer qualifies. When a recipient dies or discontinues his residency in the state his qualification for a bonus shall stop at the time of his last approved monthly application. (§ 1 ch 205 SLA 1972)

Sec. 47.45.140. Penalty for false statements. A person who wilfully or knowingly makes a false statement, or falsifies or permits to be falsified any record required by this chapter, is guilty of a misdemeanor and, upon conviction, is punishable by a fine of not more than $500, or by imprisonment for not more than six months, or by both, forfeits all rights under this chapter, and shall make adequate restitution for any bonuses illegally received. (§ 1 ch 205 SLA 1972)

Sec. 47.45.150. Definitions. In this chapter

(1) "bonus" means a monthly Alaska longevity bonus payment made to a person or his beneficiary who qualifies under this chapter;

(2) "domicile" means the place with which a person has a settled connection for determination of his civil status or other legal purposes because it is actually or legally his permanent and principal home. (§ 1 ch 205 SLA 1972)

Sec. 47.45.160. Applicability of Administrative Procedure Act. The Administrative Procedure Act (AS 44.62) does not apply to this chapter. (§ 1 ch 205 SLA 1972)

Sec. 47.45.170. Purpose. The sole purpose of this chapter is to offer and provide all law-abiding Alaskans capable of managing their own affairs who have maintained a domicile in the state for at least 25 years and have reached a retirement age of 65, an incentive to continue uninterrupted residency in the state. Under no circumstances shall this chapter be considered a form, type, or manner, of public relief. Bonuses made under this chapter are not predicated on need even though they may appear to provide supplemental income to some qualified persons who would otherwise be forced to become responsibilities of the state. The legislature further finds and states that this legislation recognizes the economic hardships suffered by many elderly Alaskans. Alaskans who through their tenacity and perseverance molded Alaska as we know it through skillful application of their talents. These pioneers are the same Alaskans, who in the prime of their life were in effect treated as second-class citizens by the federal government and who paid much of their hard-earned income to a government in which they did not have the right to participate through the power of the ballot. The legislature also is aware of the fact that many of these pioneers have been forced to live out their retirement years in areas far away from the land they loved and nurtured and thereby also suffering, in many cases, the loss of familial relationship with their own kin, an experience that is sad and frustrating to them as well as depriving new generations of Alaskans of the benefits of their wisdom and experience. This legislation hopefully will provide our pioneers with the economic means to remain in and continue to serve their state and to enjoy the opportunity of aiding the new Alaskan in making this state truly "The Great Land." (§ 1 ch 205 SLA 1972)

Chapter 50. Office of Child Advocacy.

Editor's note. — For legislative findings, see § 1, ch. 189, SLA 1972, in the 1972 Temporary and Special Acts.

Sec. 47.50.010. **Office of Child Advocacy.** There is created in the Office of the Governor the Office of Child Advocacy to act as a coordinating body for services for children from prenatal to age 18. The Office of Child Advocacy is administered by a director appointed by the board of directors with the approval of the governor. Staff may be employed in accordance with appropriate budgets. (§ 2 ch 189 SLA 1972)

Sec. 47.50.020. **Board of directors for the Office of Child Advocacy.** There is created a board of directors for the Office of Child Advocacy. The board consists of the Alaska State Council on the Coordination of Community Child Care plus four members not more than 18 years of age appointed by the governor for a term of two years each, or until the youthful member attains the age of 19 years. (§ 2 ch 189 SLA 1972)

EQUAL RETIREMENT BENEFITS
CS SB 215 (2d Rules)

SECTION 1

Establishes the Longevity Bonus Account as a separate account within the Alaska permanent fund and also takes 12.5 percent of the income of the permanent fund earned during a fiscal year that is available for distribution and transfers it to the Longevity Bonus Account. Section 1 also states that the money shall be reinvested, and the Legislature may annually appropriate money in the Longevity Bonus Account to the Alaska Longevity Bonus Fund to pay monthly longevity bonuses.

SECTION 2

Changes percentage of Permanent Fund Earnings distributed to 37.5 percent (To coincide with Section 1).

SECTION 3

Establishes a 1 year residency and over 65 years of age as the qualifications for the Longevity Bonus.

SECTION 4

Establishes a $250 a month payment plus a 3 percent annual increase, unless the amount available is to small, then the amount available is divided by the number of qualified applicants.

SECTION 5

Deletes the words "He" and "His", adds the words "the recipient".

SECTION 6

Changes the language so that the Alaska Longevity Bonus Fund can receive funds from the Alaska permanent fund.

SECTION 7

Allows the Commissioner of Administration to have access to state records (other than personal income tax returns) if those records relate to the length of residency of a Longevity Bonus applicant. The information received is to be kept confidential.

SECTION 8

Definition of resident.

SECTION 9

Finding and purposes.

SECTION 10

Technical language for funding purposes.

SECTION 11

Repeals definition of bonus and domicile in Alaska statues.

SECTION 12

Effective date.

SB. 215

FISCAL YEAR 84

SOURCE	% OF ELDERLY	TOTAL DIV. DISTRIBUTED	25% OF	AMOUNT NEEDED	SIZE OF BONUS	SAVINGS ACCOUNT
Aetna	2.9	169	42.2	41.01	3,000	1.19
Travelers	2.9	169	42.2	41.01	3,000	1.19
Mercer Low	3.1	169	42.2	43.18	3,000	(.98)
Moderate	3.1	169	42.2	43.18	3,000	(.98)
High	3.1	169	42.2	43.18	3,000	(.98)

FISCAL YEAR 85

SOURCE	% OF ELDERLY	TOTAL DIV. DISTRIBUTED	25% OF	AMOUNT NEEDED	SIZE OF COLA	BONUS FLOOR	SAVINGS ACCOUNT
Aetna	2.9	121.6	30.4	44.49	3090	2110	(14.09)
Travelers	2.9	121.6	30.4	44.49	3090	2110	(14.09)
Mercer Low	3.1	121.6	30.4	46.43	3090	2023	(16.02)
Moderate	3.19	121.6	30.4	47.78	3090	1965	(17.38)
High	3.28	121.6	30.4	49.14	3090	1911	(18.74)

FISCAL YEAR 2000

SOURCE	% OF ELDERLY	TOTAL DIV. DISTRIBUTED	25% OF	AMOUNT NEEDED	SIZE OF COLA	BONUS FLOOR	SAVINGS ACCOUNT
Aetna	3.0	792.34	198.08	121.11	4814		76.97
Travelers	2.9	792.34	198.08	118.35	4814		79.23
Mercer							
Low	3.1	792.34	198.08	124.157	4814		73.92
Moderate	4.55	792.34	198.08	182.229	4814		15.86
High	6.0	792.34	198.08	240.305	4814	3698	(42.22)

SENATE AD HOC RESIDENCY COMMITTEE REPORT ON CSSB 215

1. <u>INTRODUCTION</u>

The Senate Ad Hoc Residency Committee has passed, and has forwarded to the Senate Finance Committee, CSSB 215 (Residency). The bill would amend the existing Alaska longevity bonus ("ALB") program (AS 47.45.010 <u>et. seq.</u>) by creating an equal retirement benefits program funded by 12.5 percent of the state's permanent fund earnings.

Legislation amending the ALB program is necessary to cure severe constitutional problems with the existing law. Under current AS 47.45.010, a person is eligible for a $250/month longevity bonus if the person:

1. is 65 year of age or older;
2. was "domiciled in the territory" on or before January 3, 1959; and
3. has been continuously domiciled in the state for 25 years.

Following the U.S. Supreme Court's decision in <u>Zobel vs. Williams</u>, 72 L. Ed. 2d. 672 (1982), the residency requirements of the ALB program were challenged in <u>Vest v. Schafer</u>, 1JU-82-1103 Civil (1st Jud. Dst., 1982). On August 9, 1982, the Alaska Legislative Council, together with Mr. Vest and the Attorney General's office, entered into an agreement which stayed all proceedings in the case through adjournment of this legislative session. This session, the Alaska Legislative Council would use its "best efforts" to secure the passage of legislation which would treat all elderly Alaskans with one-year's residency equally in the payment of longevity bonuses.

The settlement was entered into because of the non-severability clause of the original ALB legislation. Under § 2, Ch. 205, SLA 1972, if the residency provisions of the ALB program were invalidated, the result would be the termination of the program. Thus, it is vital that legislation amending the ALB program be enacted this session. If it is not, the Vest case will resume, with the inevitable result that the existing program will be declared unconstitutional, and all payments under the program stopped.

II. PROCEEDINGS BEFORE THE AD HOC RESIDENCY COMMITTEE

On March 8, 1983, the Senate Ad Hoc Residency Committee released a comprehensive report which analyzed some 10 options available to the legislature in amending the ALB program.[1] The committee explored each of the 10 options in light of (1) constitutional problems; (2) the fiscal impacts of the alternative; (3) tax consequences, and the option's impact upon the elderly's eligibility for other governmental services; and (4) the consistency of the option with the basic goals of the ALB program.

It was plain to the committee that there was no painless solution to the problems posed by the Zobel decision

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[1]"The Longevity Bonus Program: Options Under The Vest Settlement," Jon K. Tillinghast.

and the Vest case. Nonetheless, the committee believes that the ALB program, in some form, should continue. It was the intent of the original legislation, introduced in 1972 by Senators Ray and Butrovich, to establish a permanent program to provide supplemental payments to Alaska's elderly. This is apparent from the statement of purposes of the Act, which notes the high cost of retirement in Alaska, and that without the longevity bonus:

> "These pioneers would be forced to live out their retirement years in areas far away from the land they loved and nurtured and thereby also suffering, in many cases, the loss of familial relationships with their own kin, an experience that is sad and frustrating to them as well as depriving new generations of Alaskans the benefit of their wisdom and experience. This legislation will hopefully provide our pioneers with the economic means to remain and to continue to serve their state..." § 1, Ch. 205, SLA 1972.

Of course, the high cost of retirement in Alaska is hardly a temporary problem. Moreover, even under the existing program, the number of recipients would not peak until the years 2010-2020, and the program would continue through about the year 2050.

Moreover, as the committee's March 8, 1983 report noted, between 1/2 and 2/3 of Alaska's elderly have income only marginally above the state poverty level of $546 a month. The ALB program has thus enabled many of Alaska's elderly to remain off public assistance. This factor, as well, argued in favor of retention of a viable program.

Finally, while opening the program to all one-year residents, as is constitutionally required, would be viewed by some as providing unwarranted benefits to "newcomers," the committee's report demonstrated that even those Alaskan elderly who currently do not receive the bonus have lived in the state for several years. Indeed, only 10 percent of Alaska's elderly have resided in the state for 10 years or less.

Guided by a desire to retain a meaningful ALB program, the committee gave particular consideration to several of the 10 options analyzed in its report. Among the options considered and rejected were:

1. expanding the class of ALB recipients to all one-year residents in FY 1984. Thereafter the program would be terminated while providing "grandfather rights" to those eligible in 1984 to continue to receive bonuses for their lives. While the committee's counsel believed that this option was probably constitutional, the Department of Law has expressed serious conserns in this regard. Moreover, the committee believes that it is arbitrary to give a lifetime bonus to someone who has reached the age of 65 or achieved their one-year residency by June 30, 1984, while providing no assistance to those who reach the age of 65 thereafter;

2. expanding the class of eligible recipients to all one-year elderly residents, and funding the program from general revenues. This option was rejected primarily for fiscal reasons. There are currently some 9,425 Alaskans who receive bonuses totalling $28.28 million. When the class is expanded to all one-year residents, an additional 3,803 elderly will be eligible in FY 1984, which would raise the general fund burden to $40.28 million in FY 1984, and $41.98 million in FY 1988. As oil revenues continue to decline, the committee believes that the general fund would be unable to absorb an ever-increasing burden created by an expanded ALB program;

3. gradually phasing out the ALB program, while at the same time raising the income "ceiling" for state old age assistance. This is the Sheffield administration's preferred option, and was rejected by the committee for several reasons. First, it converts the ALB program into a welfare scheme -- an approach universally opposed by Alaska's elderly. Second, once the $250/mo. ALB payment has been translated into additional welfare entitlements, the maximum constitutional residency requirement drops from one year to 30 days. This is because, unlike the ALB, welfare is considered a "basic necessity of life," for which the courts generally tolerate no more than a one month durational residency provision. Finally, since an increased welfare ceiling would provide not only additional monetary benefits, but also substantially expanded eligibility for Medicaid -- which includes

free and unlimited nursing home coverage -- there is a substantial risk of in-migration created by this option; and

4. an annuity program. Under this option, each Alaskan, in lieu of receiving a cash permanent fund dividend, would receive a credit to a retirement account equal to the cash dividend. Over the years, those who continued to reside in the state would accumulate substantial annuity accounts. However, the option would require each Alaskan to forego the entirety of his or her permanent fund dividend. Moreover, for many years, and until individual annuity accounts reached some meaningful proportion, substantial general fund "supplements" would be required if the state were to provide a benefit of any size. For these reasons, this option was rejected by the committee.

III. THE EQUAL RETIREMENT BENEFITS PROGRAM OF CSSB 215

The Equal Retirement Benefits program which would be created by CSSB 215 provides both equality of treatment and permanence, while at the same time retaining some of the fiscal advantages of the annuity approach. Under Section 1 of the bill, 12.5 percent of the income from the permanent fund will be credited to a special account within the permanent fund. This longevity bonus account would be available for appropriation to fund the ALB program. At the same time, and under Section 2 of the bill, the amount of permanent fund earnings distributed as dividends would be reduced from 50 percent to 37.5 percent.

For FY 1984, the full 12.5 percent of permanent fund earnings will be necessary to fund the ALB program. This year, some $41 million will be required to provide a $250/mo. bonus to all one-year elderly residents. Conversely, the 12.5 percent credit to the longevity bonus account this year will equal $42.2 million. The $1.2 million surplus will remain credited to the ALB account, as will future earnings on that surplus. Section 1; Section 37.13.147(b). Of course, the money itself will remain in the permanent fund. The ALB account is, after all, only an "account." The committee believes that it was unwise to create a separate ALB "fund" -- both because of the redundant costs of administration, and the loss of leverage inherent in any smaller fund.

As the years go by, less than 12.5 percent of permanent fund earnings will be required to fund the ALB program. As a result, the ALB account will continue to build a substantial "savings account" which, in time, is intended to make the ALB account partially if not wholly self-sustaining.

In projecting the growth of the ALB "savings account," the committee relied upon elderly population projections and assumptions developed by the Alaska Department of Labor, the U.S. Social Security Administration, Aetna Insurance Company and Travelers Insurance Company.

Using these assumptions, the financial projections for the ALB savings account were encouraging. Between now and the year 2000, the percentage of permanent fund earnings required to fund the ALB program will gradually decline, to the point where only 7.5 percent of earnings will be required by the year 2000. As attachment #1 to this report indicates, in that year, $198 million may be appropriated to the account, while only $118-$121 million will be necessary to fund the program -- resulting in a savings account deposit in that year alone of between $76-79 million. The aggregate "savings account" balance in the year 2000 should be approximately $704 million. By the year 2005, the ALB savings account may reach $1.7 billion. Since only $168 million would be required to fund the program that year, the ALB program may become entirely self-sustaining in that year.

Of course, the assumptions used to calculate these figures may be too liberal, or too conservative. The point is that under any reasonable assumptions, the ALB account will build a substantial savings account. This savings account is important for two reasons. As current oil revenues continue to decline, the time may come when a substantial portion of permanent fund earnings are needed for general government expenses. Second, commencing in the year 2010, the elderly population in Alaska should begin to experience significant growth, due to the aging of those born during the post-World War II baby boom. The savings account provides a hedge against both problems.

Under Section 4 of the bill, and commencing in FY 1985, the amount of the longevity bonus will increased by three percent annually. Thus, the amount of the bonus increases from $3,000 per year in 1984 to $4,814 in the year 2000.

Section 4, however, also places a ceiling on the bonus. If the legislature, in any year, appropriates 12.5 percent of permanent fund earnings, and that amount is insufficient to pay the full amount of the bonus for that year, it is the committee's intent that the amount of the bonus should be reduced to avoid the need for a general fund supplement. Since, in essence, the ALB program will be preserved by the permanent fund, the committee believes that it is fair for Alaska's elderly to look only to a given percentage of the permanent fund to provide the bonus. Accordingly, in any year of shortfall, Section 4 provides that the bonus may be no greater than a per capita distribution among all eligible applicants of 12.5 percent of fund earnings.

There is at least one year in which this "ceiling" will materially reduce the size of the bonus. Through FY 84, permanent fund earnings have been based in part on undistributed earnings from prior years in which the state's former dividend plan was held up in court. In FY 1985, the permanent fund will finally stand on its own -- resulting in a reduction of permanent fund dividend distributions from $169 million in FY 84 to $121 million in FY 85. The consequences of this reduction on FY 85 bonuses are depicted in attachment #2. If there was no "ceiling," the legislature would be required to appropriate a general fund supplement of $14.09 million to award each eligible applicant their annual bonus of $3,090 ($3,000 plus a 3% COLA). By virtue of the ceiling, each elderly Alaskan will receive an annual per capita distribution of some $2,110.

The qualifications for the bonus are set forth in Section 3 of the bill. In essence, the residency requirement is reduced to one year. However, the bill also improves upon the existing definition of "residency." Under Section 7 of the bill, a person satisfies the residency requirement only if he maintains his principal place of abode in the state for one year, and does not claim residency benefits in any other state.

Under existing 47.45.030, an eligible applicant is entitled to be absent from the state for up to six months during any year without jeopardizing his eligibility. Under Section 5 of the bill, § 030 is amended to make clear that this automatic six-month absence period only applies after initial qualification.

Finally, Section 10 of the bill would make the liberalized residency requirements of Sections 3 & 7 retroactive to July 1, 1982. This provision of the legislation is necessary under the Vest settlement, and will require a one-time appropriation of approximately $12 million from the general fund to pay retroactive bonuses to all elderly Alaskans who had resided in the state for one year as of July 1, 1982.

FISCAL YEAR 2000

SRCE.	% OF ELDERLY	TOTAL DIV. DIST.	25%	AMOUNT NEEDED	SIZE OF COLA	BONUS CEIL.	SVGS. ACCT.
Aetna	3.0	792.34	198.08	121.11	4814	NA	76.97
Trvlr	2.9	792.34	198.08	118.35	4814	NA	79.23

FISCAL YEAR 85

SRCE.	% OF ELDERLY	TOTAL DIV. DIST.	25%	AMOUNT NEEDED	SIZE OF COLA	BONUS CEIL.	SVGS. ACCT.
Aetna	2.9	121.6	30.4	44.49	3090	2110	(14.09)
Trvlr	2.9	121.6	30.4	44.49	3090	2110	(14.09)

FISCAL NOTE | Revision Date: May 20, 1983

I. REQUEST
Bill/Resolution No.: CSSB 215 (2d Rules)
Title: Longevity Bonus/Permanent Fund
Sponsor: Ray
Requestor:

II. FISCAL DETAIL
Agency Affected: Administration
Program Category Affected: Social Services
BRU, Program of Subprogram(s) Affected: Longevity Bonus Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		85.1	53.5	53.5	53.5	53.5
200 TRAVEL						
300 CONTRACTUAL		87.0	88.0	89.0	90.0	91.0
400 COMMODITIES		2.0	1.5	1.6	1.7	1.8
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC		28,629.5	(19,112.4)	(16,380.7)	(13,640.4)	(12,955.0
TOTAL OPERATING		28,803.6	(18,969.4)	(16,236.6)	(13,495.2)	(12,808.7)
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND		(11,071.4)	(34,345.0)	(37,547.9)	(40,750.8)	(43,953.7
FEDERAL FUNDS						
OTHER (Specify Source)						
Permanent Fund		39,875.0	15,375.6	21,311.3	27,255.6	31,145.0

POSITIONS:

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL-TIME		2.0	2.0	2.0	2.0	2.0
PART-TIME		3.0	-0-	-0-	-0-	-0-
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Alaska Permanent Fund Income

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: ~~George T. Michael~~ G. Michael
Phone: 465-4401
Division: Pioneers' Benefits
Date: 5/20/83

Approved by Commissioner: Lisa Rudd
Date: [illegible]
Department: ADMINISTRATION

Distribution:
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Copy to Requestor (if different from Sponsor) 3/8/83

0520-01-1/BDGSF1

IV. ANALYSIS:

C.S.S.B. 215 (2d Rules)

This is a revision of fiscal notes submitted on May 4 and 5, 1983. The current version of C.S.S.B. 215 (2d Rules) has allowed for the appropriation of $17,500,000 from the dividend fund for payment of longevity bonuses in FY84.

ASSUMPTIONS

a) Residence requirements for eligibility for the Longevity Bonus Program would change from 25 years to one year, and the requirement for domicile in Alaska on or before January 3, 1959, would be eliminated.

b) An estimated 6,072 additional persons would become eligible under the new regulations. Based on the number of people over age 65 who qualified for permanent fund dividends in 1982, we estimate payment of the longevity bonus to 16,500 people in FY84.

c) Retroactive benefits to July 1982 will be payable to the additional 6,072 persons plus 250 present recipients over age 65 who qualified for the Bonus in FY83 by completing 25 years of continuous Alaska domicile. Total cost of these retro payments is expected to be $18,966,000.

d) An increase in the Longevity Bonus staff will be needed to process the initial flood of applications, and continuing increased staff will be necessary to process the greater workload of the expanded program.

e) Annual growth of the program will be approximately 89 per month after the initial surge of applications. This figure is based on the number of applications received in addition to new inquiries in the past year. The current growth rate is 65 applicants per month.

f) The Act takes effect on July 1, 1983.

g) Operating expenses (exclusive of the amount of the monthly Bonus payment) and retroactive benefits will be funded from the General Fund.

Monthly Longevity Bonus payments are estimated to be:

FY84 - $201
FY85 - $ 73
FY86 - $ 95
FY87 - $115
FY88 - $125

Additional funds needed for FY84 are computed as follows:

	Annual Cost
Personal Services	$85,140

Clerk V, PFT (two positions) $53,460
Clerk II, PPT (three positions, 6 mo.) $31,680

7/0520-01-2/BDGSF1

IV. ANALYSIS: (continued)

Contractual Services	87,000
Added postage, bonus warrants, printing of new regulations and application forms, data processing charges, increased telephone tolls.	
Commodities	2,000
Office supplies and file cabinets for application and recipient files.	
Grants	
Additional funds needed for Bonus payments to estimated 6,072 additional persons who will be eligible due to one-year residence requirement.	9,663,500
Retroactive payments for those who would have been eligible on July 1, 1982 (est. 6,322 x 12 x $250)	18,966,000
Additional FY84 funds required	$28,803,640

For years beyond FY84, two additional PFT staff positions need to be retained, along with appropriate contractual and commodities costs, plus grants based on an estimated increase of 89 recipients per month.

The amount of grants funds available for payments from the dividend fund in FY84 will be $39,875,000, plus retroactive payments of $18,966,000.

This fiscal note assumes that all grants, except retroactive payments, which would normally have been funded from the State General Fund, will now be funded from the dividend fund for a net reduction of $11,071,400 in expense to the General Fund in FY84. Our assumption is that the Vest lawsuit requires retroactive payments. Department of Administration is using known Department of Revenue figures that show qualified people over 65 years of age who have applied for permanent fund dividends.

STATE OF ALASKA
FISCAL NOTE

Revision Date: May 20, 1983

I. REQUEST
Bill/Resolution No.: CSSB 215 (2d Rules)
Title: Longevity Bonus/Permanent Fund
Sponsor: Ray
Requestor:

II. FISCAL DETAIL
Agency Affected: Administration
Program Category Affected: Social Services
BRU, Program of Subprogram(s) Affected:
L ngevity Bonus Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		85.1	53.5	53.5	53.5	53.5
200 TRAVEL						
300 CONTRACTUAL		87.0	88.0	89.0	90.0	91.0
400 COMMODITIES		2.0	1.5	1.6	1.7	1.8
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC		28,629.5	(19,112.4)	(16,380.7)	(13,640.4)	(12,955.0
TOTAL OPERATING		28,803.6	(18,969.4)	(16,236.6)	(13,495.2)	(12,808.7)
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND		(11,071.4)	(34,345.0)	(37,547.9)	(40,750.8)	(43,953.7
FEDERAL FUNDS						
OTHER (Specify Source)						
Permanent Fund		39,875.0	15,375.6	21,311.3	27,255.6	31,145.0

POSITIONS:

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL-TIME		2.0	2.0	2.0	2.0	2.0
PART-TIME		3.0	-0-	-0-	-0-	-0-
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Alaska Permanent Fund Income

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: ~~George T. Michael~~ Michael
Phone: 465-4401
Division: Pioneers' Benefits
Date: 5/20/83

Approved by Commissioner: Lisa Rudd
Date: 5/20/83
Department: ADMINISTRATION

Distribution:
Original to Legislative Finance
Copy to Office of Management and Budget (for Legislature introduced bills)
Copy to Department (for Governor introduced bills)
Copy to Sponsor
Copy to Requestor (if different from Sponsor) 3/8/83

C520-01-1/BDGSF1

IV. ANALYSIS:

C.S.S.B. 215 (2d Rules)

This is a revision of fiscal notes submitted on May 4 and 5, 1983. The current version of C.S.S.B. 215 (2d Rules) has allowed for the appropriation of $17,500,000 from the dividend fund for payment of longevity bonuses in FY84.

ASSUMPTIONS

a) Residence requirements for eligibility for the Longevity Bonus Program would change from 25 years to one year, and the requirement for domicile in Alaska on or before January 3, 1959, would be eliminated.

b) An estimated 6,072 additional persons would become eligible under the new regulations. Based on the number of people over age 65 who qualified for permanent fund dividends in 1982, we estimate payment of the longevity bonus to 16,500 people in FY84.

c) Retroactive benefits to July 1982 will be payable to the additional 6,072 persons plus 250 present recipients over age 65 who qualified for the Bonus in FY83 by completing 25 years of continuous Alaska domicile. Total cost of these retro payments is expected to be $18,966,000.

d) An increase in the Longevity Bonus staff will be needed to process the initial flood of applications, and continuing increased staff will be necessary to process the greater workload of the expanded program.

e) Annual growth of the program will be approximately 89 per month after the initial surge of applications. This figure is based on the number of applications received in addition to new inquiries in the past year. The current growth rate is 65 applicants per month.

f) The Act takes effect on July 1, 1983.

g) Operating expenses (exclusive of the amount of the monthly Bonus payment) and retroactive benefits will be funded from the General Fund.

Monthly Longevity Bonus payments are estimated to be:

FY84 - $201
FY85 - $ 73
FY86 - $ 95
FY87 - $115
FY88 - $125

Additional funds needed for FY84 are computed as follows:

	Annual Cost
Personal Services	$85,140

Clerk V, PFT (two positions) $53,460
Clerk II, PPT (three positions, 6 mo.) $31,680

IV. ANALYSIS: (continued)

Contractual Services	87,000
Added postage, bonus warrants, printing of new regulations and application forms, data processing charges, increased telephone tolls.	
Commodities	2,000
Office supplies and file cabinets for application and recipient files.	
Grants	
Additional funds needed for Bonus payments to estimated 6,072 additional persons who will be eligible due to one-year residence requirement.	9,663,500
Retroactive payments for those who would have been eligible on July 1, 1982 (est. 6,322 x 12 x $250)	18,966,000
Additional FY84 funds required	$28,803,640

For years beyond FY84, two additional PFT staff positions need to be retained, along with appropriate contractual and commodities costs, plus grants based on an estimated increase of 89 recipients per month.

The amount of grants funds available for payments from the dividend fund in FY84 will be $39,875,000, plus retroactive payments of $18,966,000.

This fiscal note assumes that all grants, except retroactive payments, which would normally have been funded from the State General Fund, will now be funded from the dividend fund for a net reduction of $11,071,400 in expense to the General Fund in FY84. Our assumption is that the Vest lawsuit requires retroactive payments. Department of Administration is using known Department of Revenue figures that show qualified people over 65 years of age who have applied for permanent fund dividends.

RECEIVED
MAY 25 1983

Pioneers have received 160 AK Homesteads — etc.

We would like to address the issue of "longevity ~~Bo~~ Bonus" payments, which is now before the "House"
We feel "New comers" or those who qualify with one year residency requirement are as worthy as the Alaskan Pioneers - and it is discrimination to deny us the Bonus.
Check our background and we have gone through the depression & hardships
We have the same day by day living expenses and Medical bills etc as the "Pioneers" Alaskans.
The initial intent of the program to reward Pioneer Alaskans for reaching old age (Hayes quote!) We qualify for old age.
It is causing stress & worry.
Think about it - some are so old & ill they will receive only a few checks - "The young may die, but the old must die"
Please think & consider the facts - you needed us last fall
Now we need you
Please vote - yes -
please (over) —

over

Florence Savage, Kenai 87

Grace T. Frazier " 80

C. A. McCullough - 81

Edna M. Clift 69

Evelyn W. Bertram 69

Eugene Kaspoira

Norman T. Boling

~~[illegible]~~ 74

Margaret Stinson 68

Henry J. Kuhn 70

Patricia A. Kuhn

Cora Mellis 81

Rose Labrace 80

Jessie C. Ainsworth 87

Patricia Wheeler 72

Dorothy Gauthier 68

Eleanor Field 67

Alta Kolleman

Valma Arell 75

Corretta Matthews

Albert J. Kerly

Helen P. Knight

Gladys Gaylor

Avice Jensen

Luane Jenny 68

Norma Martinsen 65

Casey Joe 70

Adman H Kooly 83

Philip Liza 70

Madeline Liza 67

These signatures from the above Seniors at Kenai - live at the 2 " Complex apts - & from some at the Kenai Community Center.

SB
215

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

REQUEST
Bill/Resolution No. CS for SB 215 (Finance)
Title An Act amending the Alaska Longevity Bonus Program
Requested by ______ Date 5/3

FISCAL DETAIL
Agency Affected Department of Administration
Program Category Affected ______
BRU, Program, or Subprogram(s) Affected Alaska Longevity Bonus Program

EXPENDITURES (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88
PERSONAL SERVICES	26.7	26.7	26.7	26.7	26.7
TRAVEL					
CONTRACTUAL	26.0	26.5	27.0	27.5	28.0
COMMODITIES	1.0	1.0	1.0	1.0	1.0
EQUIPMENT					
LAND & STRUCTURES					
GRANTS CLAIMS, ETC.	42250.0	30400.0	42130.0	58830.0	61430.0
TOTAL	42303.7	30454.2	42184.7	58885.2	61485.7

FUNDING (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND	53.7	54.2	54.7	55.2	55.7
FEDERAL FUNDS					
OTHER (Specify Fund Source)					
Permanent Fund Earnings	42250.0	30400.0	42130.0	58830.0	61430.0

POSITIONS

	FY 84	FY 85	FY 86	FY 87	FY 88
FULL TIME	1.0	1.0	1.0	1.0	1.0
PART TIME					
TEMPORARY					

DATE 5/3/83 PREPARED BY John Sackett
AGENCY John Sackett, Co-Chairman
PHONE Senate Finance Committee

NOTE REGARDING THE FOLLOWING FRAME(S) ON MICROFILM:
COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES.
TITLE PAGE ONLY HAS BEEN FILMED.

THE LONGEVITY BONUS PROGRAM:
OPTIONS UNDER THE VEST SETTLEMENT

JON K. TILLINGHAST

Birch, Horton, Bittner, Pestinger & Anderson

March 8, 1983

SB 215

SENATE AD HOC RESIDENCY COMMITTEE
REPORT ON CSSB 215

1. INTRODUCTION

The Senate Ad Hoc Residency Committee has passed, and has forwarded to the Senate Finance Committee, CSSB 215 (Residency). The bill would amend the existing Alaska longevity bonus ("ALB") program (AS 47.45.010 et. seq.) by creating an equal retirement benefits program funded by 12.5 percent of the state's permanent fund earnings.

Legislation amending the ALB program is necessary to cure severe constitutional problems with the existing law. Under current AS 47.45.010, a person is eligible for a $250/month longevity bonus if the person:

1. is 65 year of age or older;
2. was "domiciled in the territory" on or before January 3, 1959; and
3. has been continuously domiciled in the state for 25 years.

Following the U.S. Supreme Court's decision in Zobel vs. Williams, 72 L. Ed. 2d. 672 (1982), the residency requirements of the ALB program were challenged in Vest v. Schafer, 1JU-82-1103 Civil (1st Jud. Dst., 1982). On August 9, 1982, the Alaska Legislative Council, together with Mr. Vest and the Attorney General's office, entered into an agreement which stayed all proceedings in the case through adjournment of this legislative session. This session, the Alaska Legislative Council would use its "best efforts" to secure the passage of legislation which would treat all elderly Alaskans with one-year's residency equally in the payment of longevity bonuses.

The settlement was entered into because of the non-severability clause of the original ALB legislation. Under § 2, Ch. 205, SLA 1972, if the residency provisions of the ALB program were invalidated, the result would be the termination of the program. Thus, it is vital that legislation amending the ALB program be enacted this session. If it is not, the Vest case will resume, with the inevitable result that the existing program will be declared unconstitutional, and all payments under the program stopped.

II. PROCEEDINGS BEFORE THE AD HOC RESIDENCY COMMITTEE

On March 8, 1983, the Senate Ad Hoc Residency Committee released a comprehensive report which analyzed some 10 options available to the legislature in amending the ALB program.[1] The committee explored each of the 10 options in light of (1) constitutional problems; (2) the fiscal impacts of the alternative; (3) tax consequences, and the option's impact upon the elderly's eligibility for other governmental services; and (4) the consistency of the option with the basic goals of the ALB program.

It was plain to the committee that there was no painless solution to the problems posed by the Zobel decision

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[1]"The Longevity Bonus Program: Options Under The Vest Settlement," Jon K. Tillinghast.

and the Vest case. Nonetheless, the committee believes that the ALB program, in some form, should continue. It was the intent of the original legislation, introduced in 1972 by Senators Ray and Butrovich, to establish a permanent program to provide supplemental payments to Alaska's elderly. This is apparent from the statement of purposes of the Act, which notes the high cost of retirement in Alaska, and that without the longevity bonus:

> "These pioneers would be forced to live out their retirement years in areas far away from the land they loved and nurtured and thereby also suffering, in many cases, the loss of familial relationships with their own kin, an experience that is sad and frustrating to them as well as depriving new generations of Alaskans the benefit of their wisdom and experience. This legislation will hopefully provide our pioneers with the economic means to remain and to continue to serve their state..." § 1, Ch. 205, SLA 1972.

Of course, the high cost of retirement in Alaska is hardly a temporary problem. Moreover, even under the existing program, the number of recipients would not peak until the years 2010-2020, and the program would continue through about the year 2050.

Moreover, as the committee's March 8, 1983 report noted, between 1/2 and 2/3 of Alaska's elderly have income only marginally above the state poverty level of $546 a month. The ALB program has thus enabled many of Alaska's elderly to remain off public assistance. This factor, as well, argued in favor of retention of a viable program.

Finally, while opening the program to all one-year residents, as is constitutionally required, would be viewed by some as providing unwarranted benefits to "newcomers," the committee's report demonstrated that even those Alaskan elderly who currently do not receive the bonus have lived in the state for several years. Indeed, only 10 percent of Alaska's elderly have resided in the state for 10 years or less.

Guided by a desire to retain a meaningful ALB program, the committee gave particular consideration to several of the 10 options analyzed in its report. Among the options considered and rejected were:

1. expanding the class of ALB recipients to all one-year residents in FY 1984. Thereafter the program would be terminated while providing "grandfather rights" to those eligible in 1984 to continue to receive bonuses for their lives. While the committee's counsel believed that this option was probably constitutional, the Department of Law has expressed serious consens in this regard. Moreover, the committee believes that it is arbitrary to give a lifetime bonus to someone who has reached the age of 65 or achieved their one-year residency by June 30, 1984, while providing no assistance to those who reach the age of 65 thereafter;

2. expanding the class of eligible recipients to all one-year elderly residents, and funding the program from general revenues. This option was rejected primarily for fiscal reasons. There are currently some 9,425 Alaskans who receive bonuses totalling $28.28 million. When the class is expanded to all one-year residents, an additional 3,803 elderly will be eligible in FY 1984, which would raise the general fund burden to $40.28 million in FY 1984, and $41.98 million in FY 1988. As oil revenues continue to decline, the committee believes that the general fund would be unable to absorb an ever-increasing burden created by an expanded ALB program;

3. gradually phasing out the ALB program, while at the same time raising the income "ceiling" for state old age assistance. This is the Sheffield administration's preferred option, and was rejected by the committee for several reasons. First, it converts the ALB program into a welfare scheme -- an approach universally opposed by Alaska's elderly. Second, once the $250/mo. ALB payment has been translated into additional welfare entitlements, the maximum constitutional residency requirement drops from one year to 30 days. This is because, unlike the ALB, welfare is considered a "basic necessity of life," for which the courts generally tolerate no more than a one month durational residency provision. Finally, since an increased welfare ceiling would provide not only additional monetary benefits, but also substantially expanded eligibility for Medicaid -- which includes

free and unlimited nursing home coverage -- there is a substantial risk of in-migration created by this option; and

4. an annuity program. Under this option, each Alaskan, in lieu of receiving a cash permanent fund dividend, would receive a credit to a retirement account equal to the cash dividend. Over the years, those who continued to reside in the state would accumulate substantial annuity accounts. However, the option would require each Alaskan to forego the entirety of his or her permanent fund dividend. Moreover, for many years, and until individual annuity accounts reached some meaningful proportion, subs tial general fund "supplements" would be required if the state were to provide a benefit of any size. For these reasons, this option was rejected by the committee.

III. THE EQUAL RETIREMENT BENEFITS PROGRAM OF CSSB 215

The Equal Retirement Benefits program which would be created by CSSB 21. provides both equality of treatment and permanence, while at the same time retaining some of the fiscal advantages of the annuity approach. Under Section 1 of the bill, 12.5 percent of the income from the permanent fund will be credited to a special account within the permanent fund. This longevity bonus account would be available for appropriation to fund the ALB program. At the same time, and under Section 2 of the bill, the amount of permanent fund earnings distributed as dividends would be reduced from 50 percent to 37.5 percent.

For FY 1984, the full 12.5 percent of permanent fund earnings will be necessary to fund the ALB program. This year, some $41 million will be required to provide a $250/mo. bonus to all one-year elderly residents. Conversely, the 12.5 percent credit to the longevity bonus account this year will equal $42.2 million. The $1.2 million surplus will remain credited to the ALB account, as will future earnings on that surplus. Section 1; Section 37.13.147(b). Of course, the money itself will remain in the permanent fund. The ALB account is, after all, only an "account." The committee believes that it was unwise to create a separate ALB "fund" -- both because of the redundant costs of administration, and the loss of leverage inherent in any smaller fund.

As the years go by, less than 12.5 percent of permanent fund earnings will be required to fund the ALB program. As a result, the ALB account will continue to build a substantial "savings account" which, in time, is intended to make the ALB account partially if not wholly self-sustaining.

In projecting the growth of the ALB "savings account," the committee relied upon elderly population projections and assumptions developed by the Alaska Department of Labor, the U.S. Social Security Administration, Aetna Insurance Company and Travelers Insurance Company.

Using these assumptions, the financial projections for the ALB savings account were encouraging. Between now and the year 2000, the percentage of permanent fund earnings required to fund the ALB program will gradually decline, to the point where only 7.5 percent of earnings will be required by the year 2000. As attachment #1 to this report indicates, in that year, $198 million may be appropriated to the account, while only $118-$121 million will be necessary to fund the program -- resulting in a savings account deposit in that year alone of between $76-79 million. The aggregate "savings account" balance in the year 2000 should be approximately $704 million. By the year 2005, the ALB savings account may reach $1.7 billion. Since only $168 million would be required to fund the program that year, the ALB program may become entirely self-sustaining in that year.

Of course, the assumptions used to calculate these figures may be too liberal, or too conservative. The point is that under any reasonable assumptions, the ALB account will build a substantial savings account. This savings account is important for two reasons. As current oil revenues continue to decline, the time may come when a substantial portion of permanent fund earnings are needed for general government expenses. Second, commencing in the year 2010, the elderly population in Alaska should begin to experience significant growth, due to the aging of those born during the post-World War II baby boom. The savings account provides a hedge against both problems.

Under Section 4 of the bill, and commencing in FY 1985, the amount of the longevity bonus will increased by three percent annually. Thus, the amount of the bonus increases from $3,000 per year in 1984 to $4,814 in the year 2000.

Section 4, however, also places a ceiling on the bonus. If the legislature, in any year, appropriates 12.5 percent of permanent fund earnings, and that amount is insufficient to pay the full amount of the bonus for that year, it is the committee's intent that the amount of the bonus should be reduced to avoid the need for a general fund supplement. Since, in essence, the ALB program will be preserved by the permanent fund, the committee believes that it is fair for Alaska's elderly to look only to a given percentage of the permanent fund to provide the bonus. Accordingly, in any year of shortfall, Section 4 provides that the bonus may be no greater than a per capita distribution among all eligible applicants of 12.5 percent of fund earnings.

There is at least one year in which this "ceiling" will materially reduce the size of the bonus. Through FY 84, permanent fund earnings have been based in part on undistributed earnings from prior years in which the state's former dividend plan was held up in court. In FY 1985, the permanent fund will finally stand on its own -- resulting in a reduction of permanent fund dividend distributions from $169 million in FY 84 to $121 million in FY 85. The consequences of this reduction on FY 85 bonuses are depicted in attachment #2. If there was no "ceiling," the legislature would be required to appropriate a general fund supplement of $14.09 million to award each eligible applicant their annual bonus of $3,090 ($3,000 plus a 3% COLA). By virtue of the ceiling, each elderly Alaskan will receive an annual per capita distribution of some $2,110.

The qualifications for the bonus are set forth in Section 3 of the bill. In essence, the residency requirement is reduced to one year. However, the bill also improves upon the existing definition of "residency." Under Section 7 of the bill, a person satisfies the residency requirement only if he maintains his principal place of abode in the state for one year, and does not claim residency benefits in any other state.

Under existing 47.45.030, an eligible applicant is entitled to be absent from the state for up to six months during any year without jeopardizing his eligibility. Under Section 5 of the bill, § 030 is amended to make clear that this automatic six-month absence period only applies after initial qualification.

Finally, Section 10 of the bill would make the liberalized residency requirements of Sections 3 & 7 retroactive to July 1, 1982. This provision of the legislation is necessary under the Vest settlement, and will require a one-time appropriation of approximately $12 million from the general fund to pay retroactive bonuses to all elderly Alaskans who had resided in the state for one year as of July 1, 1982.

FISCAL YEAR 2000

SRCE.	% OF ELDERLY	TOTAL DIV. DIST.	25%	AMOUNT NEEDED	SIZE OF COLA	BONUS CEIL.	SVGS. ACCT.
Aetna	3.0	792.34	198.08	121.11	4814	NA	76.97
Trvlr	2.9	792.34	198.08	118.35	4814	NA	79.23

FISCAL YEAR 85

SRCE.	% OF ELDERLY	TOTAL DIV. DIST.	25%	AMOUNT NEEDED	SIZE OF COLA	BONUS CEIL.	SVGS. ACCT.
Aetna	2.9	121.6	30.4	44.49	3090	2110	(14.09)
Trvlr	2.9	121.6	30.4	44.49	3090	2110	(14.09)