

LEG. FINANCE - BILLS 1979 - 1980

CSHB 243 cont., thru CSHB 254

1 or minor child eligible for a spouse's pension or a survivor's allow-  
2 ance, he may elect to make a supplemental contribution of an additional  
3 one per cent of his base salary within 90 days of his entry into parti-  
4 cipation in the system, or within 90 days of his marriage, or within 90  
5 days of the birth or adoption of a child dependent upon him, or during  
6 any open enrollment period authorized by the Teachers' Retirement System  
7 Board. Once an election is made under this section, supplemental contri-  
8 butions must be made whenever contributions are required under AS 14.25.  
9 050 unless the teacher executes a written waiver with the administrator.  
10 The execution of a waiver relinquishes all rights and benefits pre-  
11 viously accrued under AS 14.25.162 and 14.25.164.

12 \* Sec. 7. AS 14.25.060(a) is amended to read:

13 (a) If a member has military service or Alaska Bureau of Indian  
14 Affairs (BIA) service, or if a member joined the system before July 1,  
15 1978 [1977] and has creditable outside service, [OR IF A MEMBER HAS  
16 MILITARY SERVICE OR ALASKA BUREAU OF INDIAN AFFAIRS (BIA) SERVICE,]  
17 the member is indebted to the retirement fund as follows:

18 (1) At the time of first becoming a member of the system, the  
19 arrearage indebtedness is seven per cent of the base salary multiplied  
20 by the total number of years of creditable outside, military and  
21 Alaska BIA service. Compound interest at the rate prescribed by  
22 regulation shall be added to the arrearage indebtedness beginning July  
23 1, 1963, or at the time of first becoming employed as a member, which-  
24 ever is later, to the date of payment or the date of retirement, which-  
25 ever occurs first.

26 (2) If a member terminates from the system and is subse-  
27 quently reemployed as a member, the arrearage indebtedness to the retire-  
28 ment fund for outside, military, or Alaska BIA service accumulated in  
29 the interim is seven per cent of the base salary upon reentering member-

1 ship service, multiplied by the number of years of interim outside,  
2 military, and Alaska BIA service. Compound interest at the rate pre-  
3 scribed by regulation shall be added to the arrearage indebtedness  
4 beginning July 1, 1963, or the date of reemployment as a member, which-  
5 ever is later, to the date of payment or the date of retirement, which-  
6 ever occurs first.

7 \* Sec. 8. AS 14.25.060(b) is amended to read:

8 (b) If a member joins the system on or after July 1, 1978  
9 and has creditable outside service, the member may claim this ser-  
10 vice. If claimed, the member is indebted to the retirement fund as  
11 follows:

12 (1) The arrearage indebtedness is the full actuarial cost of  
13 providing benefits for the service being claimed. Compound interest at  
14 the rate prescribed by regulation shall be added to the arrearage in-  
15 debtedness beginning the date the actuarial cost is established to the  
16 date of payment or the date of retirement, whichever occurs first.

17 (2) If a member terminates from the system and is subse-  
18 quently reemployed as a member, the arrearage indebtedness for outside  
19 service during the interim is the full actuarial cost of providing  
20 benefits for the interim service being claimed. Compound interest at  
21 the rate prescribed by regulation shall be added to the arrearage in-  
22 debtedness beginning the date the actuarial cost is established to the  
23 date of payment or the date of retirement, whichever occurs first.

24 (3) A member who joins the system on or after July 1, 1978  
25 [AND CLAIMS ALASKA BIA SERVICE IS EXEMPT FROM (1) AND (2) OF THIS SUB-  
26 SECTION WITH RESPECT TO THAT SERVICE. HIS ARREARAGE INDEBTEDNESS FOR  
27 THE ALASKA BIA SERVICE SHALL BE CALCULATED UNDER (a) OF THIS SECTION.  
28 HOWEVER, SUCH A MEMBER] may claim no more than five years Alaska BIA  
29 service. A [THIS PARAGRAPH DOES NOT APPLY TO A] member who has, at the

1 time he claims Alaska BIA service, a vested military or federal retire-  
2 ment benefit, or a [. A] member who acquires a vested military or  
3 federal retirement benefit after claiming Alaska BIA service [UNDER THIS  
4 PARAGRAPH] shall have his arrearage indebtedness for that service recal-  
5 culated under (1) or (2) of this subsection, as appropriate, retroactive  
6 to the date he claimed the service.

7 \* Sec. 9. AS 14.25.061(a) is amended to read:

8 (a) A member who was not subject to the provisions of this chap-  
9 ter, but who becomes subject to them because of a legislative change,  
10 may elect to receive credit for retroactive membership [CREDITABLE]  
11 service by contributing to the retirement fund an amount equal to the  
12 contributions the member [HE] would have made had the member [HE] been  
13 subject to the provisions of this chapter for those years of retroactive  
14 [CREDITABLE] service after June 30, 1955. Retroactive contributions are  
15 not required for retroactive membership [CREDITABLE] service before July  
16 1, 1955. Compound interest at the rate prescribed by regulation shall  
17 be added to the retroactive indebtedness from July 1, 1966 or the time  
18 of first becoming eligible under this chapter, whichever is later, to  
19 the date of payment or the date of retirement, whichever occurs first.

20 \* Sec. 10. AS 14.25.061(b) is amended to read:

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

25 \* Sec. 11. AS 14.25.062 is amended to read:

26 Sec. 14.25.062. REINSTATEMENT INDEBTEDNESS. A [IF A] teacher who  
27 has received a refund of contributions in accordance with AS 14.25.150  
28 is [REEMPLOYED IN MEMBERSHIP SERVICE, HE IS ] indebted to the retirement  
29 fund in the amount of the total refund. Compound interest at the rate

1 prescribed by regulation shall be added to the reinstatement indebted-  
2 ness from the date of the refund to the date of repayment or the date of  
3 retirement, whichever occurs first.

4 \* Sec. 12. AS 14.25 is amended by adding a new section to read:

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

10 (b) If the member has not paid the full amount of indebtedness  
11 owing to the system by the date of application for retirement, he may  
12 elect either:

13 (1) option one -- to have any retirement benefit which be-  
14 comes due the member withheld until the total amount withheld is equal  
15 to the outstanding indebtedness due the system; or

16 (2) option two -- to cancel the outstanding indebtedness to  
17 the system by accepting an actuarially reduced annuity for life.

18 (c) If a member elects option one under (b)(1) of this section,  
19 the member may pay all or any part of the outstanding indebtedness at a  
20 later date. However, option two under (b)(2) of this section, if  
21 elected by a member, is irrevocable.

22 \* Sec. 13. AS 14.25.065(b) is amended to read:

23 (b) The contributions of employers under AS 14.25.070 must [SHALL]  
24 be transmitted [BY A SCHOOL DISTRICT] to the administrator at the close  
25 of each pay period. If the contributions are not submitted within 15  
26 days of the close of each payroll period, interest must be assessed on  
27 the outstanding contributions at one and one-half times the most recent  
28 actuarially determined rate of earnings for the system from the date  
29 that contributions were originally due. In addition, the amount of the

1 contributions and interest may [SHALL] be deducted by the Department of  
2 Education from the state funds due the school district and the amount so  
3 deducted [SHALL BE] transmitted to the administrator for deposit in the  
4 retirement fund. Amounts due from the [THE] University of Alaska and  
5 interest as prescribed in this section may [SHALL FORWARD ITS CONTRIBU-  
6 TION TO THE ADMINISTRATOR WITHIN 15 DAYS OF THE CLOSE OF EACH PAYROLL  
7 PERIOD FOR DEPOSIT IN THE RETIREMENT FUND. IF THE CONTRIBUTIONS ARE NOT  
8 SUBMITTED WITHIN 15 DAYS OF THE CLOSE OF EACH PAYROLL PERIOD, THE AMOUNT  
9 OF THE CONTRIBUTIONS SHALL] be deducted by the commissioner of adminis-  
10 tration from any state funds due the University of Alaska and the amount  
11 deducted [SHALL BE] transmitted to the administrator for deposit in the  
12 retirement fund.

13 \* Sec. 14. AS 14.25.100 is amended to read:

14 Sec. 14.25.100. CREDIT FOR SERVICE IN THE ARMED FORCES. (a) A  
15 member [TEACHER] who served as an active member of the armed forces of  
16 the United States [AFTER DECEMBER 31, 1939] may receive creditable  
17 service under this [RETIREMENT] system up to a maximum of five  
18 years. Each 12 months of military service equals one school year, and  
19 lesser military periods will be determined for credit purposes in a  
20 proportionate ratio to a year. To receive creditable service  
21 under this section, the member [TEACHER] must have received a discharge  
22 other than dishonorable. Credit for service in the armed forces shall  
23 be granted only if the member [TEACHER] makes contributions for the  
24 service in the same manner as required for outside service under  
25 AS 14.25.060. The military service credited under this section shall be  
26 included in the 10-year limitation of outside service as specified in  
27 AS 14.25.060, except if entry into the armed forces is immediately  
28 preceded by Alaska membership service and following discharge is con-  
29 tinued by Alaska membership service within one year thereafter, service

1 may not be counted for purposes of determining the applicability of the  
2 10-year limitation on outside service.

3 (b) Where a member [TEACHER] is unable to resume teaching in a  
4 public school within one year following discharge because of hospitali-  
5 zation, rehabilitation training, a disability derived while in the armed  
6 forces, or other like circumstances, the administrator shall determine  
7 the allowance or disallowance of any service in the armed forces.

8 (c) (repealed)

9 (d) (repealed)

10 (e) A member [TEACHER] may not be credited with the same period of  
11 service in the armed forces under this section if credit for that mili-  
12 tary service was granted under the public employee's retirement system  
13 (AS 39.35). The combined period of military service claimed under this  
14 section and AS 39.35 may not exceed five years.

15 \* Sec. 15. AS 14.25.110 is repealed and re-enacted to read:

16 Sec. 14.25.110. RETIREMENT BENEFITS. (a) A member is eligible  
17 for a normal retirement benefit if he

18 (1) was first hired before July 1, 1975, has attained the age  
19 of 55 years, and has at least 15 years of credited service, the last  
20 five of which have been membership service;

21 (2) has attained the age of 55 years and has at least eight  
22 years of membership service;

23 (3) has attained the age of 55 years, has at least five years  
24 of membership service, and has at least three years of Alaska BIA service;

25 (4) has at least 25 years of credited service, the last five  
26 of which have been membership service;

27 (5) has at least 20 years of membership service; or

28 (6) has at least 20 years of combined membership service and  
29 Alaska BIA service, the last five of which have been membership service.

1 (b) A member is eligible for an early retirement benefit upon  
2 completing any one of the service requirements in (a)(1), (2), or (3) of  
3 this section and attaining the age of 50 years.

4 (c) The burden is on the applicant to prove eligibility for re-  
5 tirement benefits to the full satisfaction of the administrator.

6 (d) The monthly amount of a retirement benefit for a member who  
7 has paid the full amount of any indebtedness is two per cent of the  
8 member's average base salary during any three school years of membership  
9 service times the years of credited service, including credited frac-  
10 tional years, *divided by 12.* An actuarial adjustment must be made for early retire-  
11 ment.

12 (e) The monthly amount of a retirement benefit must be determined  
13 in accordance with (d) of this section as it is in effect on the date of  
14 termination of the retiring member's last segment of employment.

15 (f) The annual amount of retirement benefits for a retiring member  
16 who was a member of the retirement system established by the Retirement  
17 Act of 1945 may not be less than \$975 plus 10 per cent of the total  
18 contribution made by the member to the retirement fund of 1945.

19 (g) A member who is eligible for a service retirement salary under  
20 this chapter or under the Retirement Act of 1945 is entitled to a bene-  
21 fit of at least \$20 per month for each year of credited service, ex-  
22 cluding adjustments made under AS 14.25.142 or 14.25.143. If the member  
23 elected option two under AS 14.25.063(b)(2) for payment of any indebted-  
24 ness when he initially applied for a retirement benefit, or if he  
25 elected to receive an early retirement benefit under (b) of this sec-  
26 tion, the resulting benefit reduction continues in effect.

27 (h) The monthly retirement benefit for a member who was receiving  
28 a retirement benefit on July 1, 1955 is \$50 a month if the member was at  
29 least 55 years of age on July 1, 1955.

1 (i) Benefits payable under this section accrue from the first day  
2 of the month after which all of the following requirements are met: (1)  
3 the member meets the eligibility requirements of this section; (2) the  
4 member terminates employment; and (3) the member applies for retirement.  
5 Benefits are not payable under this section during a school year in  
6 which credit for a full year of service is granted. The benefits are  
7 payable the last day of the month. If payment is delayed, a retroactive  
8 payment must be made for the month in which a benefit is payable under  
9 this section.

10 \* Sec. 16. AS 14.25.125(c) is amended to read:

11 (c) Membership service for which contributions were refunded is  
12 not creditable under this section unless the refunded contributions have  
13 been repaid. For purposes of this section, a member or former member  
14 does not have to be reemployed under this system in order to repay  
15 refunded contributions. Compound interest at the rate prescribed by  
16 regulation must be added to the reinstatement indebtedness from the date  
17 of the refund to the date of repayment.

18 \* Sec. 17. AS 14.25.130 is amended to read:

19 Sec. 14.25.130. DISABILITY BENEFITS [ELIGIBILITY FOR DISABILITY  
20 RETIREMENT]. (a) A member [TEACHER IN MEMBERSHIP SERVICE] who has  
21 become permanently disabled, as defined in AS 14.25.220, after July 1,  
22 1966, before age 55 and who has [HAD] five or more [MEMBERSHIP] years  
23 of membership service may be retired by the administrator as of the  
24 first day of the month following the permanent disability. After [THE  
25 ADMINISTRATOR, AFTER] a report of medical examination of the member, an  
26 application [TEACHER] and other requested information [THE ADMINISTRATOR  
27 MAY REQUEST] has been submitted, the administrator shall determine if  
28 [CERTIFY THAT] the member [TEACHER] is physically or mentally incapaci-  
29 tated for [THE] further performance of duty, and if [THAT] the incapacity

1 is likely to be permanent and whether [THAT] the member [TEACHER] should  
2 receive disability benefits [BE RETIRED].

3 [(b) A TEACHER RETIRED BECAUSE OF DISABILITY UNDER THIS SECTION  
4 WHO SUBSEQUENTLY RECOVERS FROM THE DISABILITY IS NOT ENTITLED TO ANY  
5 DISABILITY RETIREMENT SALARY FROM THE FIRST DAY OF THE MONTH FOLLOWING  
6 RECOVERY.]

7 (c) Once each year during the first five years following appoint-  
8 ment to [RETIREMENT OF A TEACHER FOR] disability under this section, and  
9 once every three-year period thereafter, the administrator may require a  
10 disabled member [TEACHER] who has not attained eligibility for normal  
11 retirement to undergo a medical or mental examination by a competent  
12 physician. The administrator shall suspend any disability benefit  
13 [RETIREMENT ALLOWANCE] for a disabled member [TEACHER] who refuses to  
14 undergo a physical or mental examination when requested [BY THE ADMINIS-  
15 TRATOR] under this section.

16 (d) The amount of the disability benefit is equal to 50 per cent  
17 of the member's base salary immediately before becoming disabled. The  
18 disability benefit is increased by 10 per cent for each dependent child,  
19 up to a maximum of four dependent children.

20 (e) Benefits payable under this section accrue from the first day  
21 of the month after which the following requirements are met: (1) the  
22 member meets the eligibility requirements of this section; and (2) the  
23 member terminates employment. The benefits are payable the last day of  
24 the month. If payment is delayed, a retroactive payment must be made to  
25 cover the period of deferment. The last payment for a dependent child  
26 shall be for the month in which the child ceases to be a dependent child.  
27 The last payment for the disabled member shall be made for the month in  
28 which the disabled member recovers from his disability, dies, or is  
29 eligible for normal retirement.

1 \* Sec. 18. AS 14.25.143(a) is amended to read:

2 (a) When the administrator determines that the cost of living has  
3 increased and that the financial condition of the retirement fund per-  
4 mits, the administrator [HE] may increase all annuitant's [SERVICE  
5 RETIREMENT] and survivor's benefits [SALARIES] to reflect this cost of  
6 living increase.

7 \* Sec. 19. AS 14.25.160 is repealed and re-enacted to read:

8 Sec. 14.25.160. DEATH BENEFITS. (a) Upon receipt of a valid  
9 claim and proof of the death of a member who has not made supplemental  
10 contributions or whose supplemental contributions under AS 14.25.055  
11 were made for less than one year of membership service, a death benefit  
12 will be paid to the beneficiaries the member has designated in a written  
13 designation filed with the administrator. If the member failed to  
14 designate a beneficiary, or if no designated beneficiary survives the  
15 member, the benefits will be paid as follows:

16 (1) to the surviving spouse;

17 (2) if there is no surviving spouse, to the surviving children  
18 in equal amounts;

19 (3) if there is no surviving child, to the surviving parents  
20 in equal amounts; or

21 (4) if there is no surviving parent, to the member's estate.

22 (b) Upon the death of an active member who meets the conditions  
23 specified in (a) of this section, the amount of the death benefit is the  
24 sum of the following less any retirement benefit previously received by  
25 the member:

26 (1) the member's mandatory contribution account;

27 (2) \$100 times the years of membership service;

28 (3) \$1,000; and

29 (4) \$500 if the deceased member is survived by one or more

1 dependent children at the time of death.

2 (c) If the sum of (b)(2) and (3) of this section exceeds \$3,000,  
3 only \$3,000 may be added to amounts under (b)(1) and (4) in calculating  
4 the death benefit under (b) of this section.

5 (d) Upon the death of an inactive member who meets the conditions  
6 specified in (a) of this section, the death benefit is the amount deter-  
7 mined in (b)(1) of this section.

8 (e) Upon the death of a disabled member who is not eligible for  
9 normal retirement and who meets the conditions specified in (a) of this  
10 section, the death benefit is the amount determined in (b) of this  
11 section.

12 (f) Upon the death of a retired member who meets the conditions  
13 specified in (a) of this section, the death benefit is the amount deter-  
14 mined in (b)(1) of this section less all retirement benefits paid to the  
15 deceased member.

16 (g) If supplemental contributions have been made under AS 14.25.-  
17 055, benefits may be payable under AS 14.25.162 or 14.25.164 if the  
18 deceased member meets the eligibility requirements of one of those  
19 sections.

20 (h) Payment made to a beneficiary under this section is in place  
21 of any other benefit under this chapter.

22 \* Sec.20. AS 14.25.162 is repealed and re-enacted to read:

23 Sec. 14.25.162. SURVIVOR'S ALLOWANCE. (a) If an active or dis-  
24 abled member dies and leaves a dependent child, and supplemental contri-  
25 butions have been made under AS 14.25.055 for at least one year of  
26 credited service, a survivor's allowance is payable under (b) of this  
27 section. If a retired member or a deferred vested member dies and  
28 leaves a dependent child, and supplemental contributions have been made  
29 under AS 14.25.055 for at least five years of credited service, a sur-

1 survivor's allowance is payable under (b) of this section. Application for  
2 the survivor's allowance must be made in writing to the administrator.

3 (b) A survivor's allowance is payable under this section as  
4 follows:

5 (1) an allowance of 10 per cent of the member's base salary  
6 immediately before the member's death, retirement, or disability shall  
7 be paid for each dependent child; if there are four or more dependent  
8 children, the total amount paid to those children is 40 per cent of the  
9 member's base salary before his death, retirement, or disability, paid  
10 in equal amounts to each child; the allowance shall be recomputed for  
11 the month in which the number of dependent children is less than four  
12 and the benefits shall be decreased accordingly; if a dependent child  
13 who is at least 19 years old but less than 23 years old is out of school  
14 for more than one semester, payments of the dependent child's benefits  
15 terminate permanently; the adoption of a dependent child does not termi-  
16 nate the survivor's allowance payable under this section;

17 (2) an allowance of 35 per cent of the member's base salary  
18 shall be paid to the member's surviving spouse as long as there is an  
19 eligible dependent child as determined under (b)(1) of this section; if  
20 there is no surviving spouse, an allowance of 10 per cent of the  
21 member's base salary shall be paid to each court-appointed guardian;

22 (3) when no further benefits are payable under this section,  
23 the difference between the amount that would have been paid under AS  
24 14.25.160 and any payments made to the member, spouse, guardian, or  
25 dependent children under this section shall be paid to those benefici-  
26 aries described in AS 14.25.160(a);

27 (4) benefits are not payable under this section if benefits  
28 are being paid under AS 14.25.164.

29 (c) The survivor's allowance accrues from the first day of the

1 month following the death of a member and is payable on the last day of  
2 the month. If payment is delayed, a retroactive payment must be made  
3 for the month in which a benefit is payable under this section. The  
4 last payment is for the month in which a benefit is payable under this  
5 section.

6 \* Sec. 21. AS 14.25.164 is repealed and re-enacted to read:

7 Sec. 14.25.164. SPOUSE'S PENSION. (a) If an active or disabled  
8 member dies, a pension is payable to the member's spouse if the member  
9 made supplemental contributions under AS 14.25.055 for at least one year  
10 of credited service. If a retired member or deferred vested member  
11 dies, a pension is payable to the member's spouse if the member made  
12 supplemental contributions under AS 14.25.055 for at least five years of  
13 credited service. Application for the spouse's pension must be made in  
14 writing to the administrator.

15 (b) A spouse's pension is payable under this section as follows:

16 (1) a spouse's pension is equal to 50 per cent of the retire-  
17 ment benefit that the deceased member was receiving; if the member was  
18 not receiving a retirement benefit, the spouse's pension is equal to 50  
19 per cent of the amount the member would have received, based on the  
20 member's average base salary and credited service to the date of the  
21 member's death and assuming that the member would have been eligible for  
22 a normal retirement benefit as of that date;

23 (2) in the event of the death of a member's spouse who is  
24 receiving a spouse's pension, the difference between the amount that  
25 would have been paid under AS 14.25.160 and any payments made to the  
26 member, spouse, guardian, or dependent children, shall be paid to those  
27 beneficiaries described in AS 14.25.160;

28 (3) benefits are not payable under this section if benefits  
29 are being paid under AS 14.25.162.

1 (c) The spouse's pension accrues from the first day of the month  
2 following the death of a member and is payable on the last day of the  
3 month. If payment is delayed, a retroactive payment must be made for  
4 the month in which a benefit is payable under this section. The last  
5 payment is for the month in which the spouse dies.

6 \* Sec. 22. AS 14.25 is amended by adding a new section to read:

7 Sec. 14.25.175. WAIVER OF ADJUSTMENTS. (a) Upon appeal by an  
8 affected member or beneficiary under (b) of this section, the board may  
9 waive an adjustment or a portion of an adjustment made under AS 14.25.-  
10 173 if

11 (1) the adjustment or portion of the adjustment will, in the  
12 opinion of the board, cause undue hardship to the member or beneficiary;

13 (2) the member is retired or has submitted notification of  
14 impending retirement to his employer to be effective no later than 180  
15 days after the adjustment was made; or the beneficiary was eligible to  
16 receive or was receiving benefits under this chapter before the adjust-  
17 ment;

18 (3) the adjustment will result in a loss of eligibility for  
19 benefits for the member or beneficiary or result in a reduction of  
20 benefits received by the member or beneficiary of \$50 per month or more;

21 (4) the adjustment was not the result of erroneous infor-  
22 mation supplied by the member or beneficiary;

23 (5) before the adjustment was made, the member or beneficiary  
24 received confirmation from the administrator that his records were  
25 correct; and

26 (6) the member or beneficiary had no reasonable grounds to  
27 believe his records were incorrect before the adjustment was made.

28 (b) In order to obtain consideration of a waiver under this sec-  
29 tion, the affected member or beneficiary must appeal to the board in

1 writing within 30 days after receipt of notice that his records have  
2 been adjusted. The board shall rule on an appeal within 120 days after  
3 its receipt. The ruling of the board shall be in writing.

4 (c) The board may, at its discretion, conduct a hearing on an  
5 appeal under this section. In reaching a decision on an appeal, the  
6 board may issue subpoenas, administer oaths, and compel the attendance  
7 and testimony of witnesses, the taking of depositions, the submission of  
8 affidavits, and the production of documents and records.

9 (d) The board may impose conditions on granting a waiver which it  
10 considers equitable. These conditions may include requiring the member  
11 or beneficiary to make additional contributions to the system.

12 (e) The board may reconsider a ruling under this section upon  
13 request of the member or beneficiary or the administrator if the request  
14 is received within 30 days after the initial ruling. Any modification  
15 of the initial ruling must be made within 30 days after receipt of a  
16 request for reconsideration.

17 (f) Rulings and modifications of rulings under this section must  
18 be by a majority of a quorum of the board.

19 (g) Rulings on appeals and requests for reconsideration under this  
20 section may be appealed by an aggrieved member or beneficiary to the  
21 superior court for abuse of discretion.

22 \* Sec. 23. AS 14.25.177 is repealed and re-enacted to read:

23 Sec. 14.25.177. EFFECT OF AMENDMENTS. (a) An amendment to this  
24 chapter is not retroactive unless its retroactivity is expressly stated  
25 in the amendment.

26 (b) The monthly amount of a benefit payable under this chapter  
27 shall be determined in accordance with the provisions of this chapter in  
28 effect on the date of termination of the member's last segment of em-  
29 ployment.

1 \* Sec. 24. AS 14.25.200 is amended to read:

2       Sec. 14.25.200. EXEMPTION FROM TAXATION AND PROCESS. Benefits  
3 [TEACHERS' RETIREMENT SALARIES] and other amounts held in the retirement  
4 fund on behalf of the members [TEACHERS] are exempt from Alaska state  
5 and municipal taxes and are not subject to anticipation, alienation,  
6 sale, transfer, assignment, pledge, encumbrance, charge, garnishment,  
7 execution or levy of any kind, either voluntary or involuntary before  
8 they are received by the person entitled to the amount under the terms  
9 of the system, and any attempt to anticipate, alienate, sell, transfer,  
10 assign, pledge, encumber, charge, or otherwise dispose of any right to  
11 amounts accrued in the retirement fund is [SHALL BE] void.

12 \* Sec. 25. AS 14.25.205 is amended to read:

13       Sec. 14.25.205. TIME LIMIT FOR APPLICATION. If no application for  
14 benefits or for refund has been filed with the administrator by July 1  
15 following the date on which an inactive [THE] member (except a member on  
16 leave of absence without pay) would attain age 75, or if no application  
17 for benefits or for refund has been filed with the administrator within  
18 the 10 years following the most recent date on which the person was an  
19 active member, no benefits or refunds may be paid under this chapter and  
20 the member's records may be destroyed.

21 \* Sec. 26. AS 14.25.220 is repealed and re-enacted to read:

22       Sec. 14.25.220. DEFINITIONS. In this chapter, unless the context  
23 requires otherwise,

24       (1) "active member" means a member who is employed by an  
25 employer, is receiving compensation on a full or part-time basis and is  
26 making contributions to the system, or a member making contributions  
27 under AS 14.20.330 OR 14.20.345;

28       (2) "actuarial adjustment" means equality in value of the  
29 aggregate expected payments under two different forms of pension pay-

1 ments, considering expected mortality and interest earnings on the basis  
2 of tables adopted from time to time by the board;

3 (3) "administrator" means the person appointed by the com-  
4 missioner of administration under AS 14.25.015;

5 (4) "annuitant" means a retired member or a disabled member  
6 who is receiving a benefit under this system;

7 (5) "average base salary" means the result obtained by  
8 dividing the sum of the member's three highest years' base salary by  
9 three, or if a member does not have three years base salary, then by  
10 dividing the sum of all base salaries by the number of years of base  
11 salary; the base salary for a year in which credit is granted for disa-  
12 bility totaling more than one-third of a year may not be used in the  
13 computation of the average base salary; the base salary in a school year  
14 for which the member receives compensation for less than two-thirds of a  
15 year may not be used in the computation of the average base salary; if  
16 compensation is received for more than two-thirds of a year, the full  
17 base salary for that school year shall be used in the computation of the  
18 average base salary;

19 (6) "base salary" means the total remuneration payable under  
20 contract for a full year of membership service, including addenda to the  
21 contract;

22 (7) "beneficiary" means a person designated by a member to  
23 receive benefits that may be due from the system upon the member's  
24 death;

25 (8) "BIA service" means service, including partial years, as  
26 a teacher in a school operated by the Bureau of Indian Affairs in  
27 Alaska;

28 (9) "compensation" means the total remuneration paid under  
29 contract to a member for services rendered during a school year; for

*Total Change*

1 purposes of AS 14.25.050, compensation paid includes any payment made  
2 after June 30 of a school year for services rendered before the end of  
3 the school year;

4 (10) "credited service" means all membership service as  
5 provided in (20) of this section, plus outside, military, and BIA ser-  
6 vice not exceeding 15 years, with outside and military service limited  
7 to 10 years except under the conditions set out in AS 14.25.100;

8 (11) "deferred vested member" means an inactive member who  
9 meets the service requirements of a vested member;

10 (12) "dependent child" means an unmarried child of a member,  
11 including an adopted child, who is dependent upon the member for support  
12 and who is either (A) less than 19 years old, or (B) less than 23 years  
13 old and registered at and attending on a full-time basis an accredited  
14 educational or technical institution recognized by the Department of  
15 Education; the age limits set out in this paragraph do not apply to a  
16 child who is totally and permanently disabled;

17 (13) "disabled member" means a member who is terminated, who  
18 has not received a refund from the system, and who is receiving a disa-  
19 bility benefit from the system;

20 (14) "early retirement" means retirement under AS 14.25.-  
21 110(b);

22 (15) "employer" means a public school district, the Board of  
23 Regents of the University of Alaska, the Department of Education, the  
24 National Education Association of Alaska, or the Regional Resource  
25 Centers;

26 (16) "former member" means a member who is terminated and who  
27 received a total refund of the balance of the mandatory contribution  
28 account, or who has requested in writing a refund of the balance of the  
29 mandatory contribution account;

1 (17) "full-time teacher" means a teacher occupying a position  
2 requiring teaching on a regular basis for the normal work period per day  
3 or week at a teaching assignment, excluding teaching as an assistant or  
4 graduate assistant or teaching on a substitute, temporary, or per diem  
5 basis;

6 (18) "inactive teacher or member" means a member who is  
7 terminated and who has not received a refund from the system or a member  
8 who is on leave of absence and who is not making contributions under AS  
9 14.20.345;

10 (19) "mandatory contribution account" means the account  
11 maintained by the system to record the mandatory contributions of each  
12 member, including interest and adjustments to the account in accordance  
13 with AS 14.25.170;

14 (20) "membership service" means

15 (A) full or part-time service as a teacher in a public  
16 school in the Territory or State of Alaska, or both, under the  
17 supervision and control of the Territorial Board of Education or  
18 the Department of Education or the school board of any city, re-  
19 gional educational attendance area, or borough school district;

20 (B) full-time or part-time teaching at the University of  
21 Alaska or a full-time administrative position at the University of  
22 Alaska which requires academic standing and which has been approved  
23 for inclusion in the system by the administrator; or

24 (C) any period during which the teacher receives a  
25 disability benefit under this system or is on an approved sabbati-  
26 cal leave granted in accordance with AS 14.20.310;

27 (21) "military service" means active duty in the armed forces  
28 of the United States;

29 (22) "nonpublic school" means a school established by an

1 agency other than a state which is primarily supported by other than  
2 public funds, and operation of whose program rests with other than  
3 publicly elected or appointed officials, and is state approved or  
4 accredited;

5 (23) "non-vested member" means an active or inactive member  
6 who does not meet the requirements of a vested member or deferred vested  
7 member;

8 (24) "normal retirement" means retirement under AS 14.25.-  
9 110(a);

10 (25) "outside service" means service

11 (A) as a certificated full-time elementary or secondary  
12 teacher or a certificated person in a full-time position requiring  
13 a teaching certificate as a condition of employment in an out-of-  
14 state public school within the United States, or in a school out-  
15 side the United States supported by funds of the United States;

16 (B) as a certificated full-time elementary or secondary  
17 teacher or a certificated person in a full-time position requiring  
18 a teaching certificate as a condition of employment in an approved  
19 or accredited nonpublic school within the United States, or in a  
20 school outside the United States supported by funds of the United  
21 States;

22 (C) in a full-time position requiring academic standing  
23 in an out-of-state institution of higher learning accredited by a  
24 nationally recognized accrediting agency as listed in the Education  
25 Directory -- Colleges and Universities by the National Center for  
26 Education Statistics;

27 (D) as a full-time teacher in an approved or accredited  
28 nonpublic institution of higher learning in Alaska;

29 (26) "part-time teacher" means a teacher occupying a position

1 requiring teaching on a regular basis for at least 50 per cent of the  
2 normal work week at a teaching assignment, excluding teaching as an  
3 assistant or graduate assistant, or teaching on a substitute, temporary,  
4 or per diem basis;

5 (27) "permanent disability" means a physical or mental con-  
6 dition which, in the judgment of the administrator, based upon medical  
7 reports and other evidence satisfactory to the administrator, presumably  
8 prevents a member from satisfactorily performing the member's usual  
9 duties for the member's employer or the duties of another position or  
10 job which an employer makes available for which the member is qualified  
11 by training or education;

12 (28) "prescribed rate of interest" means the rate of interest  
13 used for computing employer contributions, for preparing actuarial  
14 tables used by the system, for crediting interest to members' contribu-  
15 tions, and for charging interest on members' indebtedness accounts;

16 (29) "public school" means a school operated by publicly  
17 elected or appointed school officials in which the program and activi-  
18 ties are under the control of those officials and which is supported by  
19 public funds;

20 (30) "retired teacher or member" means a member who is termi-  
21 nated, who has not received a refund from the system, and who is re-  
22 ceiving a benefit, other than disability, from the system;

23 (31) "retirement" means that period of time from the first  
24 day of the month following

25 (A) the date of termination; and

26 (B) application for retirement in which a person is  
27 appointed to receive a retirement benefit, other than a disability  
28 benefit;

29 (32) "retirement benefit" means the annuity received by a

1 retired member from the system;

2 (33) "retirement fund" means the fund consisting of all  
3 matching contributions by local school districts, money made available  
4 by appropriations by the state legislature and from all contributions  
5 from whatever source, and income and interest derived from the invest-  
6 ment of money;

7 (34) "Retirement System of 1945" and "Retirement Fund of  
8 1945" or like terms mean the system and fund established in sections  
9 37-5-21 - 37-5-35, ACLA 1949;

10 (35) "school year" means the 12-month period beginning July 1  
11 of each year and ending June 30 of the following year;

12 (36) "supplemental contribution account" means the account  
13 maintained by the system to record the supplemental contributions of  
14 each member, including interest and adjustments to the account in accor-  
15 dance with AS 14.25.170;

16 (37) "system" means the Teachers' Retirement System of  
17 Alaska;

18 (38) "teacher or member" means a person eligible to parti-  
19 cipate in the system and who is covered by the system, including:

20 (A) a certificated full-time or part-time elementary or  
21 secondary teacher, a certificated school nurse, or a certificated  
22 person in a position requiring a teaching certificate as a condi-  
23 tion of employment in a public school of the state;

24 (B) the commissioner of education and all supervisory  
25 positions in the Department of Education;

26 (C) a full-time or part-time teacher of the University  
27 of Alaska or a person occupying a full-time administrative position  
28 at the University of Alaska which requires academic standing; the  
29 approval of the administrator must be obtained before an adminis-

1 trative position qualifies for membership in the system;

2 (39) "vested member" or "vested teacher" means an active  
3 member who has completed either

4 (A) 15 years of service, the last five of which have  
5 been membership service, for a member first hired before July 1,  
6 1975; or

7 (B) eight years of membership service; or

8 (C) five years of membership and three years of BIA  
9 service;

10 (40) "year of service" means membership service during the  
11 dates set for a school year; partial year service credit is given for  
12 membership service before July 1, 1969, during any school year as  
13 follows: (A) less than 20 days, no credit; (B) 20 days or more but less  
14 than 35 days, 0.2 years; (C) 35 days or more but less than 49 days, 0.3  
15 years; (D) 49 days or more but less than 63 days, 0.4 years; (E) 63 days  
16 or more but less than 77 days, 0.5 years; (F) 77 days or more but less  
17 than 91 days, 0.6 years; (G) 91 days or more but less than 105 days, 0.7  
18 years; (H) 105 days or more but less than 119 days, 0.8 years; (I) 119  
19 days or more but less than 133 days, 0.9 years; (J) 133 days or more,  
20 1.0 years; partial year service credit is given for membership service  
21 after July 1, 1969, during any school year as follows: (A) less than  
22 nine days, no credit; (B) nine days or more but less than 27 days, 0.1  
23 years; (C) 27 days or more but less than 45 days, 0.2 years; (D) 45 days  
24 or more but less than 63 days, 0.3 years; (E) 63 days or more but less  
25 than 81 days, 0.4 years; (F) 81 days or more but less than 100 days, 0.5  
26 years; (G) 100 days or more but less than 118 days, 0.6 years; (H) 118  
27 days or more but less than 136 days, 0.7 years; (I) 136 days or more but  
28 less than 154 days, 0.8 years; (J) 154 days or more but less than 172  
29 days, 0.9 years; (K) 172 days or more, 1.0 years; if service is per-

1 formed on a part-time basis, one-half credit shall be given for each day  
2 of service.

3 \* Sec. 27. AS 39.35.010(a) is amended to read:

4 (a) The purpose of this chapter is to encourage qualified per-  
5 sonnel to enter and remain in the service of the state or a political  
6 subdivision or public (or quasi-public) organization of the state by  
7 establishing a system for the payment of retirement, disability, and  
8 death benefits to or on behalf of the employees.

9 \* Sec. 28. AS 39.35.050(a) is amended to read:

10 (a) The commissioner shall appoint an administrator in charge of  
11 [THE DETAILED AFFAIRS OF] the system. [THE COMMISSIONER MAY APPOINT THE  
12 PERSONNEL DIRECTOR OF THE PERSONNEL DIVISION OF THE DEPARTMENT OF ADMIN-  
13 ISTRATION AS THE ADMINISTRATOR.]

14 \* Sec. 29. AS 39.35.060(3) is amended to read:

15 (3) attend meetings of the board and serve as secretary of  
16 the board;

17 \* Sec. 30. AS 39.35.300(a) is amended to read:

18 (a) An active employee is entitled to credited service for periods  
19 of employment with the state after January 1, 1961, regardless of the  
20 office, department, division, or agency of the state in which he was  
21 employed. For purposes of this chapter, the University of Alaska is not  
22 an office, department, division, or agency of the state. Service credit  
23 may not be granted under this chapter for service which is creditable  
24 under the teachers' retirement system, AS 14.25.

25 \* Sec. 31. AS 39.35.340(b) is amended to read:

26 (b) In order to obtain credited service under this section, an  
27 employee shall make an election to do so and shall verify his period of  
28 military service [BEFORE JULY 1, 1977 OR WITHIN ONE YEAR FOLLOWING THE  
29 DATE WHEN THE EMPLOYEE FIRST BECOMES VESTED UNDER THIS CHAPTER, IF

1 LATER]. When eligibility for credited service for military service has  
2 been established, an indebtedness shall be determined as follows: (1)  
3 the employee's actual compensation, or the calculated annual compensa-  
4 tion for those employees working less than 12 months, during the calen-  
5 dar year 1976 or the year in which an employee first becomes vested  
6 under this chapter, whichever is later, multiplied by (2) six per cent,  
7 this product multiplied by (3) the number of years of military service  
8 credited under this section. Interest as prescribed by regulation  
9 accrues on this indebtedness commencing on July 1, 1977 or one year  
10 following the date a person first becomes vested, whichever is later.  
11 Any outstanding indebtedness which exists at the time a person is  
12 appointed to retirement will necessitate an actuarial adjustment to the  
13 benefits payable based upon that military service.

14 \* Sec. 32. AS 39.35.340(c) is amended to read:

15 (c) A retired employee on July 1, 1976 is eligible to receive  
16 increased benefits based upon military service as described in (a) of  
17 this section. To receive credited service for military service, a  
18 retired employee must verify his military service [BEFORE JULY 1, 1977].  
19 When verified, a retired employee is entitled to receive an increased  
20 benefit which shall be actuarially adjusted to reflect his indebtedness  
21 for such credit. The indebtedness shall be calculated in the same  
22 manner as described in (b) of this section except that it shall be based  
23 on the average monthly compensation used in calculating the benefit.  
24 The effective date of this increased benefit is the beginning of the  
25 month following that in which eligibility has been established.

26 \* Sec. 33. AS 39.35.340(e) is amended to read:

27 (e) A deferred vested employee on July 1, 1976 is eligible to  
28 claim credited service under (a) of this section. In order to obtain  
29 credited service under this section, such an employee must make an

1 election to do so and must verify his period of military service [BEFORE  
2 JULY 1, 1978]. When eligibility for military service has been estab-  
3 lished, an indebtedness shall be determined as follows: the employee's  
4 actual compensation, or the calculated annual compensation for those  
5 employees working less than 12 months, during the calendar year the  
6 employee terminated, shall be multiplied by six per cent; this product  
7 shall then be multiplied by the number of years of military service  
8 credit under this section. Interest as prescribed by regulation accrues  
9 on this indebtedness commencing July 1, 1978. Any outstanding indebted-  
10 ness which exists at the time a person is appointed to retirement will  
11 necessitate an actuarial adjustment to the benefits payable based upon  
12 that military service.

13 \* Sec. 34. AS 39.35.340(f) is amended to read:

14 (f) An employee cannot be credited with a period of active mili-  
15 tary service in the armed forces of the United States under this section  
16 if credit for that military service was granted under AS 14.25.

17 \* Sec. 35. AS 39.35.340(g) is amended to read:

18 (g) A surviving spouse receiving or entitled to receive a sur-  
19 viving spouse's pension under AS 39.35.440 or benefits under a joint and  
20 survivor option filed under AS 39.35.450 is eligible to receive in-  
21 creased benefits based upon military service as described in (a) of this  
22 section. To receive credited service for military service, the sur-  
23 viving spouse must verify the employee's military service [WITHIN ONE  
24 YEAR OF THE EFFECTIVE DATE OF THIS ACT]. When verified, the surviving  
25 spouse is entitled to receive an increased benefit which shall be actu-  
26 arially adjusted to reflect his or her indebtedness for that credit.  
27 The indebtedness shall be calculated in the same manner as described in  
28 (b) of this section except that it shall be based on the average monthly  
29 compensation used in calculating the benefit. Benefits payable under

1 this subsection are effective the first day of the month following that  
2 in which eligibility has been established [PAYABLE RETROACTIVELY TO JULY  
3 1, 1977].

4 \* Sec. 36. AS 39.35.340 is amended by adding a new subsection to read:

5 (h) The combined period of military service claimed under this  
6 section and under AS 14.25 may not exceed five years.

7 \* Sec. 37. AS 39.35.385(c) is amended to read:

8 (c) Credited service for which contributions were refunded is not  
9 creditable under this section unless the refunded contributions have  
10 been repaid. For purposes of this section, a member or former member  
11 does not have to be reemployed under this system in order to pay re-  
12 funded contributions. Compound interest at the rate prescribed by  
13 regulation must be added to the reinstatement indebtedness from the date  
14 of the refund to the date of repayment.

15 \* Sec. 38. AS 39.35.410(h) is amended to read:

16 (h) A disabled [RETIRED] employee's occupational disability pen-  
17 sion shall terminate when the disabled employee first attains eligi-  
18 bility for normal retirement. At that time, his retirement benefit will  
19 be calculated under the provisions of AS 39.35.370(c).

20 \* Sec. 39. AS 39.35.430(c) is repealed and re-enacted to read:

21 (c) The first payment of the surviving spouse's pension or of a  
22 dependent child's pension shall be made for the month following the  
23 month in which the employee dies and payment shall cease to be made  
24 beginning with the month in which there is no surviving spouse or no  
25 dependent child.

26 \* Sec. 40. AS 39.35 is amended by adding a new section to read:

27 Sec. 39.35.495. TIME LIMIT FOR APPLICATION. If no application for  
28 benefits or for refund has been filed with the administrator by July 1  
29 following the date on which an inactive member (except an employee on

1 leave-without-pay status or on layoff status) would attain age 75, or if  
2 no application for benefits or for refund has been filed with the ad-  
3 ministrator within the 50 years following the most recent date on which  
4 the employee was an active member, no benefits or refunds may be paid  
5 under this chapter and the member's records may be destroyed.

6 \* Sec. 41. AS 39.35.522 is amended to read:

7 Sec. 39.35.522. WAIVER OF ADJUSTMENTS. (a) Upon appeal by an  
8 affected member or beneficiary under (b) of this section, the board may  
9 waive an adjustment or any portion of an adjustment made under AS 39.35.  
10 520 if

11 (1) the adjustment or portion of the adjustment will, in the  
12 opinion of the board, cause undue hardship to the member or beneficiary;

13 (2) the member is retired or has submitted notification of  
14 impending retirement to his employer to be effective no later than 180  
15 days after the adjustment was made, or the beneficiary was eligible to  
16 receive or was receiving benefits under this chapter before the adjust-  
17 ment;

18 (3) the adjustment will result in a loss of eligibility for  
19 benefits [RETIREMENT] for the member or beneficiary or result in a  
20 reduction of benefits being [ALREADY] received by the member or bene-  
21 ficiary of \$50 per month or more;

22 (4) the adjustment was not the result of erroneous informa-  
23 tion supplied by the member or beneficiary;

24 (5) before the adjustment was made, the member or beneficiary  
25 received confirmation from the administrator that his records were  
26 correct; and

27 (6) the member or beneficiary had no reasonable grounds to  
28 believe his records were incorrect before the adjustment was made.

29 (b) In order to obtain consideration of a waiver under this sec-

1 tion, the affected member or beneficiary must appeal to the board in  
2 writing within 30 days after receipt of notice that his records have  
3 been adjusted. The board shall rule on his appeal in writing within 120  
4 days after its receipt.

5 (c) The board may, at its discretion, conduct a hearing on an  
6 appeal under this section. In reaching a decision on an appeal, the  
7 board may issue subpoenas, administer oaths, compel the attendance and  
8 testimony of witnesses, compel the taking of depositions and the sub-  
9 mission of affidavits, and compel the production of documents and  
10 records.

11 (d) The board may impose conditions on the granting of a waiver  
12 which it considers equitable. These conditions may include requiring  
13 the member or beneficiary to make additional contributions to the  
14 system.

15 (e) The board may reconsider a ruling under this section upon  
16 request of the member or beneficiary or the administrator if the request  
17 is received within 30 days after the initial ruling. Any modification  
18 of the initial ruling must be made within 30 days after receipt of a  
19 request for reconsideration.

20 (f) Rulings and modifications of rulings under this section shall  
21 be by a majority of a quorum of the board.

22 (g) Rulings on appeals and requests for reconsideration under this  
23 section may be appealed by an aggrieved member or beneficiary to the  
24 superior court for abuse of discretion.

25 \* Sec. 42. AS 39.35.547 is repealed and re-enacted to read:

26 Sec. 39.35.547. EFFECT OF AMENDMENTS. (a) An amendment of this  
27 chapter is not retroactive unless its retroactivity is expressly stated  
28 in the amendment.

29 (b) The monthly amount of a benefit payable under this chapter

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shall be determined in accordance with the provisions of this chapter in effect on the date of termination of the member's last segment of employment.

\* Sec. 43. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.615. AMENDMENT OF AGREEMENT. (a) If a political subdivision or public organization amends its participation agreement so as to terminate coverage of a department, group, or other classification of employees, each employee whose coverage is so terminated, regardless of his employment status at the date of termination, shall be considered fully vested in his actuarially adjusted accrued retirement benefits as of the date of termination, unless his contributions have been refunded.

(b) Each employee whose coverage is terminated must, within 60 days after the date of termination, inform the administrator, in writing, whether he wishes to obtain a refund or a vested benefit.

(c) Each employee who elects to obtain a refund shall receive a refund of the balance of (1) his employee contribution account and (2) his employee savings account. The vesting in accrued benefits for each employee who elects to obtain a refund is voided upon his receipt of the refund, and the corresponding credited service may not be reinstated under this chapter. A partial refund may not be allowed under this section.

(d) For each employee who elects to obtain a vested benefit, the amount actuarially determined as necessary to fully fund the benefits to be received shall be transferred first from the employee contribution account and, after the employee contribution account has been exhausted, then from the employer contribution account into the retirement reserve account.

(e) After all of the employees whose coverage is terminated have either received refunds or have been vested in their accrued benefits,

1 the remaining funds in the employer contribution account attributable to  
2 those employees shall be refunded to the employer.

3 (f) Termination of coverage of a department, group, or other  
4 classification of employees does not bar future coverage of that depart-  
5 ment, group, or classification. If coverage of a department, group, or  
6 classification is terminated under (a) of this section and the employer  
7 later amends its participation agreement to provide renewed coverage of  
8 that department, group, or classification, an affected employee may be  
9 credited only with future service.

10 \* Sec. 44. AS 39.35.620(e) is amended to read:

11 (e) Each employee who elects to obtain a refund shall receive a  
12 refund of the balance, determined as of the date of his employer's  
13 termination of participation, of (1) his employee contribution account  
14 and (2) his employee savings account. The vesting in accrued benefits  
15 for each employee who elects to receive a refund is voided upon his  
16 receipt of his refund and corresponding credited service may not be  
17 reinstated under this chapter. No partial refund may be allowed under  
18 this section.

19 \* Sec. 45. AS 39.35.650 is amended to read:

20 Sec. 39.35.650. REFUNDS TO EMPLOYERS. In no event may an employer  
21 receive an amount from the pension fund, except as provided under  
22 AS 39.35.615(e) and 39.35.620(g) [THAT, UPON TERMINATION OF PARTICIPA-  
23 TION, THE EMPLOYER SHALL RECEIVE THE AMOUNT WHICH REMAINS AFTER THE  
24 SATISFACTION OF ALL LIABILITIES OF THE SYSTEM TO THE EMPLOYEES OF THE  
25 EMPLOYER AND ARISING OUT OF VARIATIONS BETWEEN ACTUAL REQUIREMENTS AND  
26 EXPECTED ACTUARIAL REQUIREMENTS].

27 \* Sec. 46. AS 39.35.680(4) is amended to read:

28 (4) "average monthly compensation" means the result obtained  
29 by dividing the compensation earned by an employee during a considered

1 period by the number of months, including fractional months, for which  
2 compensation was earned; the considered period consists of the three  
3 consecutive calendar years during the period of credited service which  
4 yields the highest average, or if the employee does not have three  
5 consecutive calendar years, his period of credited service; an employee  
6 must have at least 115 [120] days of credited service in the last calen-  
7 dar year in order to be used as part of the three consecutive calendar  
8 years;

9 \* Sec. 47. (a) This section applies to a unified municipality which is  
10 an employer under AS 39.35 and which, in reliance on erroneous representa-  
11 tions by a former administrator, provided by ordinance, before the effective  
12 date of this Act, that a particular classification of credited service earned  
13 in the Public Employees' Retirement System of Alaska for service with that  
14 municipality or its predecessors be transferred to a public employees'  
15 retirement system operated by the municipality.

16 (b) A unified municipality to which this section applies may provide,  
17 in a resolution adopted under AS 39.35.550, that a department, group, or  
18 other classification of its employees under the Public Employees' Retirement  
19 System of Alaska be transferred to a public employees' retirement system  
20 operated by the municipality and may provide by ordinance that a particular  
21 classification of credited service earned in the Public Employees' Retirement  
22 System of Alaska for service with that municipality or its predecessors also  
23 be transferred to the municipal retirement system, except that credited  
24 service may not be transferred unless the affected employee has consented to  
25 that transfer in writing.

26 (c) Each employee who is transferred to a municipal retirement system  
27 must, before September 1, 19<sup>90</sup>, inform the administrator in writing whether  
28 he wishes to transfer his credited service as provided in the municipal  
29 ordinance, obtain a refund, or obtain a vested benefit in the Public

1 Employees' Retirement System of Alaska. The administrator shall transmit to  
2 the municipal retirement system the balance of the employee contribution and  
3 savings accounts associated with the transferred service, determined as of  
4 the date the balance is transmitted, of each employee who elects to transfer  
5 his credited service as provided in the municipal ordinance. Transferred  
6 credited service may not be reinstated under AS 39.35. If an employee elects  
7 to obtain a vested benefit, or if he fails to inform the administrator of his  
8 election, he shall be considered fully vested in his actuarially adjusted  
9 accrued retirement benefits under the Public Employees' Retirement System of  
10 Alaska as of the date of his transfer to the municipal retirement system.

11 (d) Each employee who elects to obtain a refund shall receive a refund  
12 of the balance of his employee contribution and employee savings accounts in  
13 the Public Employees' Retirement System of Alaska. The amount actuarially  
14 determined as necessary to fully fund the benefits to be received should the  
15 employee return to the Public Employees' Retirement System of Alaska and  
16 reinstate his credited service shall be retained in the employer contribution  
17 account of the unified municipality. A partial refund may not be allowed  
18 under this section.

19 (e) For each employee who elects to obtain a vested benefit, the amount  
20 actuarially determined as necessary to fully fund the benefits to be received  
21 shall be transferred first from the employee contribution account and, after  
22 the employee contribution account has been exhausted, then from the employer  
23 contribution account into the retirement reserve account.

24 (f) The administrator shall transmit to the municipal retirement system  
25 the balance of the unified municipality's employer contribution account  
26 associated with the transferred service of those employees transferred to the  
27 municipal retirement system, determined as of the date the balance is trans-  
28 mitted, less any amount which has been transferred to the retirement reserve  
29 account under (e) of this section or which has been retained under (d) of

1 this section.

2 (g) As used in this section,

3 (1) "administrator" means the administrator of the Public  
4 Employees' Retirement System of Alaska;

5 (2) "employee contribution account", "employee savings account"  
6 "employer contribution account", and "retirement reserve account" refer to  
7 accounts within the Public Employees' Retirement System of Alaska;

8 (3) "predecessors" means the political subdivisions which are  
9 dissolved in the formation of a unified municipality.

10 \* Sec. 48. AS 14.25.120, 14.25.135, 14.25.137, 14.25.138, 14.25.140;  
11 AS 39.35.020(6) and 39.35.050(b) are repealed.

12 \* Sec. 49. This Act takes effect July 1, 1980, except that

13 (1) the definitions of "military service" and "outside service"  
14 contained in AS 14.25.220(21) and (25), and the definitions of "membership  
15 service" and "teacher or member" contained in AS 14.25.220(20) and (38) to  
16 the extent that they apply to part-time teachers at the University of Alaska,  
17 as repealed and re-enacted in sec. 26 of this Act, take effect immediately in  
18 accordance with AS 01.10.070(c) and are retroactive to July 1, 1955;

19 (2) the definition of "average monthly compensation" contained in  
20 AS 39.35.680(4), as amended in sec. 46 of this Act, takes effect immediately  
21 in accordance with AS 01.10.070(c) and is retroactive to July 1, 1977;

22 (3) sections 4 and 22 of this Act take effect immediately in  
23 accordance with AS 01.10.070(c) and are retroactive to July 1, 1978;

24 (4) section 47 of this Act takes effect immediately in accordance  
25 with AS 01.10.070(c), is retroactive to September 15, 1975, and terminates on  
26 December 31, 1980

# STATE OF ALASKA

JAY S. HAMMOND, Governor

## DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

POUCH CR  
JUNEAU, ALASKA 99811

January 29, 1980

The Honorable Glenn Hackney  
Senator  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Senator Hackney:

I have enclosed for your review a sectional analysis of HB 243, our "housekeeping" bill. As I have previously mentioned, our main intent with this legislation is to reorganize and clarify the statutes governing the Teachers' Retirement System, using common terminology throughout the chapter. Beyond the changes which are purely "cleanup", however, there are some significant amendments to both the Teachers' Retirement System and the Public Employees' Retirement System.

In recent years we have noticed an increase in the number of lawsuits being brought against the division, caused largely by ambiguous language in the statutes. Though our regulations have prevented some litigation and complaint, it would be preferable if we could provide our membership with a readable text that would avoid confusion at the onset of participation. Even the minor changes in our statutes have been drafted with this theme of communication in mind.

Upon review of our legislation, please be advised that I will be available to discuss HB 243 with you as much as you feel necessary. Your support of this legislation is greatly appreciated and gratefully received.

Sincerely,



Paul B. Arnoldt  
Director

PBA/n1  
Enclosure  
R13/01

Sec. 1. AS 14.25.012. Purpose and Effective Date - This section gives the purpose and effective date of the Teachers' Retirement System (TRS). It is patterned after AS 39.35.010 of the Public Employees' Retirement System (PERS).

AS 14.25.015. Administrator - This section, patterned after AS 39.35.050, gives the Commissioner of Administration the authority to appoint the administrator of TRS.

Sec. 2. AS 14.25.030. Duties of the Administrator - This section is primarily cleanup, changing terms to agree with definition section terminology. An additional duty of secretary to the board is given to the administrator. In practice, this duty is currently being performed by the administrator.

Sec. 3. AS 14.25.035(e). Teachers' Retirement Board - There is no substantive change; terminology is updated.

Sec. 4. AS 14.25.035 (h) - This section grants the board the authority to waive an adjustment required under AS 14.25.173 in accordance with AS 14.25.175, passed in Chap. 81, SLA 1979.

*No waiver  
now.*

Sec 5. AS 14.25.043 Reemployment of Retired Members - This section covers members who retire and then become reemployed under TRS. The substance of this section is currently covered under AS 14.25.120(a)(8), which we are proposing to repeal. The primary change is the mandatory rather than optional deduction of TRS contributions from the salary of an employee who has returned to active membership.

Sec. 6. AS 14.25.055, Supplemental Contributions by Teachers - This section is amended to require supplemental contributions for death benefits under AS 14.25.162 and AS 14.25.164, whenever mandatory contributions are required. The amendment was included specifically to cover persons who are on leave and making contributions to the system for service credit. Similar requirements already exist in TRS regulation 79-4.

Sec. 7. AS 14.25.060(a) - This section clarifies the fact that military, BIA and outside service for members joining before 1978 may be claimed using the "old" method of indebtedness calculation, i.e.  $7\% \times \text{entrance salary} \times \text{years claimed}$ .

Sec 8. AS 14.25.060(b) - This is a cleanup of a poorly worded paragraph. The intent remains the same. Indebtedness for BIA service is calculated as stated above (Sec. 7) with a 5 year maximum. Being vested under a military or federal retirement still requires an indebtedness calculation for BIA service which reflects the full actuarial cost of providing benefits.

Sec. 9. AS 14.25.061(a) - This section, which caused comment in the last session, is merely cleanup. There is no change to the intent of this statute: a person may purchase service credit, including membership service, retroactively. However, no contributions are required on membership service if it was rendered before July 1, 1955.

Sec. 10. AS 14.25.061(b) - Same as above (Sec. 9).

Sec. 11. AS 14.25.062, Reinstatement Indebtedness - The requirement to become reemployed before reinstatement of previously withdrawn contributions is eliminated. This is further qualified by Sec. 12.

Sec. 12. AS 14.25.063, Payment of Indebtedness - The language of this section is currently contained in AS 14.25.120 which we are repealing (Sec. 48). This section provides that a teacher may pay on an indebtedness as long as a balance remains in his TRS account. It delineates the procedure for crediting principal and interest to a member's account in accordance with current administrative policy.

Sec. 13. AS 14.25.065 (b), Transmittal of Contributions - This amendment, patterned after the PERS law, AS 39.35.610, will require an interest assessment on contributions from employers that are not in this office within 15 days after the close of a pay period. Presently, the system's only means of penalizing tardiness is to request that the Department of Education, in extreme cases, withhold foundation funds from the school district for payment of contributions. The current procedure is not necessarily a punitive measure and therefore not an effective deterrent to the employer.

*Penalty  
is in PERS.*

Sec. 14. AS 14.25.100, Credit for Service in the Armed Forces.

a) This subsection contains mainly "cleanup" of terminology. However, it also permits members the opportunity of claiming that military service before WW II by eliminating a December 31, 1939, date. We are only aware of one individual that has pre-December 31, 1939, military service.

e) This amendment clarifies the intent of the legislation passed in 1976 under the PERS by placing a 5 year maximum on the total military service claimed under the Teachers' Retirement System and Public Employees' Retirement System by any one person.

Sec. 15. AS 14.25.110 - This repeal and reenactment combines AS 14.25.110 and 120 into a concise, readable form and is consistent with a similar provision in PERS, AS 39.35.370. Additionally, the words "actuarial adjustment" for the computation of the early benefit have been incorporated rather than setting out a specific formula in the law. This permits our actuary to modify the formula consistent with the actual cost of providing benefits.

Sec. 22. AS 14.25.175, Waiver of Adjustments - This section parallels a similar section in the PERS, AS 39.35.522.

Sec. 23. AS 14.25.177, Effect of Amendments - This amendment, designed to protect the system against an unfunded liability, adds a requirement that a statute specifically state if it is to be applied retroactively.

Sec. 24. AS 14.25.200, Exemption From Taxation and Process - Only terminology changes appear in this section with the exception of the insertion of the word "Alaska" before state and municipal taxes. We have no authority to claim exemption of Alaska benefits from other state tax law.

Sec. 25. AS 14.25.205, Time limit for Application - The intent of this amendment is to provide for purging the system of old data.

Sec. 26. AS 14.25.220, Definitions - Since this section is mainly "cleanup", I have included only those definitions which contain significant changes. The definitions have been rewritten and reorganized, alphabetically, to utilize a common terminology. The chapter has been amended accordingly. Significant changes are as follows:

5) "average base salary" - This definition now specifically states that a member cannot use a year of salary for retirement calculation purposes if the member was on disability for more than a third of the year. This parallels divisional practice for the last 25 years.

9) "compensation" - This definition allows us to differentiate between the amount actually paid to a teacher and the amount expected to be paid to a teacher. It is referenced in "average base salary" and prevents teachers from retiring using "promised" salaries for retirement purposes.

12) "dependent child" - Patterned after the PERS definition, it includes the adopted child as a minor child, a provision originally included with age restrictions under the death benefit sections (AS 14.25.162 and 164).

19) "mandatory Contribution Account" - This is a new definition using PERS terminology. The account is already in existence.

20) "membership service" - This definition adds a clear description of University of Alaska service that will be credited to TRS. Similar guidelines are in our proposed regulations, which have been approved by the TRS Board. Additionally, it includes part-time teaching at the University of Alaska.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

Sec. 16. AS 14.25.125 (c) - This section permits a former member to reinstate contributions under TRS, if he is vested in the PERS regardless of his account balance. This is in keeping with the intent of the original legislation on Conditional Service Benefits, Chapter 174, SLA 1978.

Sec. 17. AS 14.25.130, Disability Benefits - This section takes two wordy sections, 130 and 140, and combines them into one clear passage describing how disability benefit eligibility is met and how benefits are paid. There is no change in the meaning of the text.

Sec. 18. AS 14.25.143(a) - There is no substantive change; terminology is updated.

Sec. 19. AS 14.25.160, Death Benefits - This section, rewritten for clarity, also makes a change to enable the survivor of a teacher who has died anytime after his appointment to disability, but prior to his normal retirement date, to take a lump sum benefit in addition to the return of contributions. Previously, the lump sum was payable within one year after the appointment date to disability, only.

Sec. 20. AS 14.25.162, Survivor's Allowance - This section has been repealed and reenacted primarily for clarity. The amendment also enables the surviving spouse and dependent children of a teacher on deferred status to claim death benefits in the event of a teacher's death. AS 14.25.164 already provides for the deferred member. This amendment to AS 14.25.162 further requires 5 years of contributions under the supplemental option before payment can be made to the survivors of a retired or deferred member.

The term "of credited service" after the word "year" has been inserted in reference to the time required for payment of contributions, implying that a teacher need not contribute for a calendar year, but rather only that portion of a school year in which he or she is making contributions. Instead of 10% being split among all of the guardians, each court-appointed guardian will receive 10%.

(b)(3) - The method of payment in the event that there is no longer an eligible recipient is simplified. Current statutes vary the benefit payment according to years of service performed by the deceased member.

Sec. 21. AS 14.25.164, Spouse's Pension - This statute has also been repealed and reenacted for organizational purposes. As in AS 14.25.162, the guardian payment is increased according to the number of guardians. The primary change, and perhaps the most significant one, is the elimination of the age requirement for the receipt of the pension by the spouse. Currently, the spouse must wait until age 55 to draw death benefits if there are no minor children.

Sec. 22. AS 14.25.175, Waiver of Adjustments - This section parallels a similar section in the PERS, AS 39.35.522.

Sec. 23. AS 14.25.177, Effect of Amendments - This amendment, designed to protect the system against an unfunded liability, adds a requirement that a statute specifically state if it is to be applied retroactively.

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9) "compensation" - This definition allows us to differentiate between the amount actually paid to a teacher and the amount expected to be paid to a teacher. It is referenced in "average base salary" and prevents teachers from retiring using "promised" salaries for retirement purposes.

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20) "membership service" - This definition adds a clear description of University of Alaska service that will be credited to TRS. Similar guidelines are in our proposed regulations, which have been approved by the TRS Board. Additionally, it includes part-time teaching at the University of Alaska.

21) "military Service" - The definition deletes restrictions on the time when service was performed.

25) "outside service" - This definition makes use of the same language which was enacted in Chap 174, SLA 1978.

Sec. 27. AS 39.35.010(a), Purpose and Effective Date - This is clean-up language to include political subdivisions and public and quasi-public organizations in the statement of purpose.

Sec. 28. AS 39.35.050(a), Administrator - This section eliminates obsolete language permitting the appointment of the Personnel Director as administrator. The language dates back to the early 1970's when retirement was under the Division of Personnel.

Sec. 29. AS 39.35.060(3), Powers and Duties of the Administrator. Similar to the TRS statute AS 14.25.030, the administrator is formally given the additional duty as secretary to the board; a duty which he currently performs.

Sec. 30. AS 39.35.300(a), Employment With the State - This section specifically states that the University of Alaska is not an agency of the state for retirement purposes. The University joined the PERS on February 1, 1969, as a political subdivision with its own past service liability - employer rate. The state joined the PERS on January 1, 1961. This clarification is currently covered in PERS regulation 78-2.

Sec. 31. AS 39.35.340 (b), Military Service - This amendment eliminates the deadline on the claim of military service by a vested member. Administrative problems and dissatisfaction by members who missed their deadline for various reasons suggest this change.

Sec. 32. AS 39.35.340(c). This amendment accomplishes the same purpose as Sec. 31 for retired members.

Sec. 33. AS 39.35.340(e). This amendment makes the same provision as Sec. 31 for deferred vested members. This section is especially necessary since it is difficult to reach many deferred members.

Sec. 34. AS 39.35.340(f). This is to clarify the fact that credit cannot be granted for the same period of military service in both the PERS and the TRS.

Sec. 35. AS 39.35.340(g). In keeping with the intent of Sec 31, the deadline for claiming military service of a deceased member by a surviving spouse is eliminated. In addition the increased benefit becomes effective on the first of the month following the date eli-

gibility is established; i.e., claim and verification are filed. This protects the system against payment of a massive amount of retroactive benefits at one time.

Sec. 36. AS 39.35.340 - This new subsection, similar to the amendment to AS 14.25.100(e), allows a member of PERS to claim military service under both PERS and TRS as long as the total amount claimed doesn't exceed 5 years.

Sec. 37. AS 39.35.385 (c), Conditional Service Retirement Benefits - Keeping with the intent of Chap. 174, SLA 1978, a vested employee in the PERS will be able to reinstate TRS contributions that were previously refunded for the purpose of drawing Conditional Service benefits. This section parallels AS 14.25.125(c).

Sec. 38. AS 39.35.410(h), Occupational Disability Pensions - This amendment corrects a mistake in the statute that refers to a retiree rather than a person on disability.

Sec. 39. AS 39.35.430 (c), Occupational Death Benefit - This subsection removes the word "eligible" since remarriage no longer precludes payment of a death benefit under this chapter.

Sec. 40. AS 39.35.495, Time Limit for Application - Similar to the TRS statute, AS 14.25.205, this new section allows us to purge the system of old accounts and records after a generous period of time has lapsed from the date of termination.

Sec. 41. AS 39.35.522, Waiver of Adjustments - This amendment, similar to Sec. 22, extends the right of an appeal for a waiver of adjustments to the beneficiary of a member. Both the member and beneficiary are given the right to appeal for a waiver on a portion of an adjustment, rather than an entire adjustment.

Sec. 42. AS 39.35.547, Effect of Amendments - Similar to the TRS statute, AS 14.25.177., this amendment requires that a statute specifically state whether or not it is retroactive. Again, this is a safeguard for the system.

Sec. 43. AS 39.35.615, Amendment of Agreement -

(a) This entire section was added to cover an employer who wishes to cease PERS coverage for only part of the membership of that employer.

(b) This subsection gives each employee whose coverage is terminated 60 days to decide whether or not he/she wants to be vested or desires a refund.

(c) This states that once the service is refunded, it may not be reinstated and that no partial refunds may be made.

(d) A reserve will be established which is composed of employee and employer contributions for each member who elects to vest.

(e) The employer will receive the balance of employer contributions after the reserve has been established.

(f) If the terminated group returns to PERS, only future service may be credited. This protects the PERS from an unfunded liability.

Sec. 44. AS 39.35.620(e), Termination of Participation - With similar intent to AS 39.35.615(b), a refunded member of a terminated employee may not reinstate service.

Sec. 45. Self-explanatory.

Sec. 46. AS 39.35.680, Definitions -

(4) "average monthly compensation" The amendment to this section is taking into consideration that the 120th day of the year may fall on Sunday. The state payroll and personnel departments refuse to terminate an employee on the weekend, hence the necessity for this adjustment on behalf of the employees.

Sec 47 - This section was created due to a misunderstanding between the Municipality of Anchorage and the Division of Retirement and Benefits in regards to the transfer of assets from the PERS to the Municipality Police and Fireman Retirement System (PFRP). The Municipality would like to transfer the service of its firemen from the PERS to the PFRP, along with the respective employee and employer contributions effective October 31, 1977. This amendment will permit them to do this. AS 39.35.500 currently prohibits the transfer of employer contributions.

The significant differences between this section and sec. 43 which covers termination of a group of employees are as follows:

1. There is another entity to which employer/employee contributions and service will be transferred.

2. Refunded employees can reinstate contributions to the PERS and receive the corresponding service credit, as long as they are not transferring employees. The municipality will retain necessary employer contributions in the event that the employee wishes to reinstate contributions.

This section is more lenient than Sec. 43, due to a prior commitment made by the Division to the Municipality.

SB. 243 - Teachers & public employees.

1. Final note - deadline / service } no deadline for
2. Spouse's <sup>TRS</sup> pension: remove 55 age limit /  
take it at time of death.  
(insurance benefit). - no children.
3. Spouse children / Spouse with minor children /  
If no children would be payable.  
- dependant until 18 - create & void
4. Upon death of member get a bonus.  
Removes 75% limitation on bonus +  
75% of \$100 x yrs. of service.

Public employees No deadline for  
~~SB~~ deadline for military credit - Removes  
deadline.  
See (31).

Quasi-public organizations Sec. 27,

Change effective date -

Sec. 4  
Sec. 27  
p.



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O Smith  
Signature of Camera Operator

3/20/90  
Date

# COMMITTEE REPORT HOUSE

FURTHER:

March 12, 1979

Date: 5/13/80

Mr. Speaker:

The Committee on FINANCE has had HB 254

"An Act relating to Alaska National Guard retirement; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 254  same title  
 new title
- and recommends that it do pass
- AND attaches a "Letter of Intent"  ~~New~~ Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Freeman

W. W.

McKinney

Smith

W. W.

J. J.

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Freeman  
Vice CHAIRMAN

Original sponsor: Fuller

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 254

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to Alaska National Guard retirement;  
7 and providing for an effective date."

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

9 \* Section 1. AS 26.05.224(a) is amended to read:

10 (a) An active member of the Alaska National Guard, or a former  
11 member who was an active member on or after January 1, 1973, is eligible  
12 for retirement pay upon voluntary retirement after 20 years or more of  
13 service [AND UPON REACHING 55 YEARS OF AGE], or upon involuntary retire-  
14 ment because of federal standards imposed on National Guard members,  
15 regardless of length of service.

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

17 (c) An eligible member or former member who retires may elect to  
18 receive his retirement pay beginning on the first day of the month coin-  
19 ciding with or after the date of retirement or upon reaching 55 years  
20 of age, whichever is later, or he may elect to receive his retirement  
21 pay at a deferred date beginning on the first day of the month coin-  
22 ciding with or after the date he elects for the retirement pay to begin.

23 \* Sec. 3. This Act takes effect July 1, 1980.

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29

~~THE LEGISLATURE OF THE STATE OF ALASKA~~  
~~ELEVENTH LEGISLATURE~~

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill 254  
 Title An Act Relating to Alaska National Guard Retirement; E.D.  
 Requested by \_\_\_\_\_ Date 14 March 1979

II. FISCAL DETAIL  
 Agency Affected Military Affairs  
 Program Category Affected Military Preparedness  
 Budget Request Unit(s) Affected National Guard Pension/Military Preparedness

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
100 BENEFITS			76.8	76.8	76.8	76.8
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND			76.8	76.8	76.8	76.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- 139 persons receiving pension in FY79 @ 83,400.
- Estimate an additional 128 persons would become eligible to receive pensions as a result of this bill, @ \$76,800.
- Following initial increase in eligibility, estimate that the number of additional eligibles on an annual basis will not be substantially increased.
- Appropriation is to be made to the Department of Military Affairs.

IV. DATE 14 March 1979 PREPARED BY Richard J. Pennington, Admin. Officer  
 AGENCY Military Affairs  
 Original: Legislative Finance PHONE 465-4601  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

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IV. DATE 14 March 1979 PREPARED BY Richard L. Deane, Assoc. Admin. Officer  
AGENCY Military Affairs  
PHONE 465-4601  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

Introduced: 2/20/79  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY FULLER

2 HOUSE BILL NO. 254

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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21 pay at a deferred date beginning on the first day of the month coin-  
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THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

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500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
100 BENEFITS		76.8	76.8	76.8	76.8	76.8
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		76.8	76.8	76.8	76.8	76.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- 139 persons receiving pension in FY79 @ 83,400.
- Estimate an additional 128 persons would become eligible to receive pensions as a result of this bill, @ \$76,800.
- Following initial increase in eligibility, estimate that the number of additional eligibles on an annual basis will not be substantially increased.
- Appropriation is to be made to the Department of Military Affairs.

IV. DATE 14 March 1979 PREPARED BY Richard L. Pennington, Admin. Officer  
 AGENCY Military Affairs  
 PHONE 465-1661  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Original sponsor: Fuller

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 254

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to Alaska National Guard retirement;  
7 and providing for an effective date."

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

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10 (a) An active member of the Alaska National Guard, or a former  
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12 for retirement pay upon voluntary retirement after 20 years or more of  
13 service [AND UPON REACHING 55 YEARS OF AGE], or upon involuntary retire-  
14 ment because of federal standards imposed on National Guard members,  
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17 (c) An eligible member or former member who retires may elect to  
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20 of age, whichever is later, or he may elect to receive his retirement  
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23 \* Sec. 3. This Act takes effect July 1, 1980.

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# RECORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James A. Smith  
Signature of Camera Operator

3/20/90  
Date

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill 254  
 Title An Act Relating to Alaska National Guard Retirement; E.D.  
 Requested by \_\_\_\_\_ Date 14 March 1979

II. FISCAL DETAIL --  
 Agency Affected Military Affairs  
 Program Category Affected Military Preparedness  
 Budget Request Unit(s) Affected National Guard Pension/Military Preparedness

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
100 BENEFITS			76.8	76.8	76.8	76.8
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND			76.8	76.8	76.8	76.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- 139 persons receiving pension in FY79 @ 83,400.
- Estimate an additional 128 persons would become eligible to receive pensions as a result of this bill, @ \$76,800.
- Following initial increase in eligibility, estimate that the number of additional eligibles on an annual basis will not be substantially increased.
- Appropriation is to be made to the Department of Military Affairs.

IV. DATE 14 March 1979 PREPARED BY Richard J. Brunner, Admin. Officer  
 AGENCY Military Affairs  
 PHONE 465-4601  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

**CATEGORY:** PUBLIC PROTECTION  
**PROGRAM:** LIFE AND PROPERTY PROTECTION

**AGENCY:** MILITARY AFFAIRS  
**BRU (s):** ALASKA NATIONAL GUARD

The Alaska National Guard is responsible for organizing, training and maintaining a military force, primarily on a reserve status, capable of performing a variety of state and federal missions. These missions include emergency rescue, disaster relief and call to active duty in time of National emergency.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

23:56

1/03/80

CATEGORY: PUBLIC PROTECTION  
 AGENCY: DEPARTMENT OF MILITARY AFFAIRS

PROGRAM: ALASKA NATIONAL GUARD

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
OFFICE OF ADJUTANT GENERAL	1035.3	1073.1	1053.6	958.0			1011.6
STATE ARMORIES	938.3	976.2	971.9	880.4			1029.4
FEDERAL ARMORIES	784.2	797.3	767.1	918.9			977.4
ARMY TRAINING SUPPORT	486.0	528.1	481.1	54.0			592.4
AIR TRAINING SUPPORT	798.6	827.8	801.8	71.5			781.2
RECRUITMT RETENTION ORG MILITI	366.9	331.8	311.3	453.1			460.0
AK MILITARY ACADEMY	7.4	7.8	7.6	7.6			6.9
** TOTAL	4416.7	4542.1	4394.4	4503.5			4858.9
** CHANGE VERSUS 80 AUTH							7.8%
OBJECT DESCRIPTION							
PERS. SERV.	2389.6	2512.8	2479.8	2543.8			2789.0
TRAVEL	119.0	116.4	88.8	106.1			115.7
CONTRACTUAL	1340.1	1361.5	1293.2	1304.1			1402.5
COMMODITIES	318.7	327.5	322.0	366.6			377.8
EQUIPMENT	49.8	44.5	29.0	18.1			32.1
LANDS/BLDGS	150.5	150.5	174.2	149.8			132.6
GRANTS, CLMS	30.0	9.9	7.4	15.0			9.2
MISC.	19.0	19.0					
FUNDING SOURCE							
FED. RECEIPT	1731.5	1731.5	1708.8	1826.5			1931.4
G. F. MATCH	271.2	291.7	268.2	301.9			334.2
GENERAL FUND	2414.0	2519.4	2417.4	2375.1			2569.8
PGM RECEIPTS							23.5
** GENERAL FUND CHANGE VS. 80 AUTH							8.4%
POSITIONS							
FULL-TIME	74.0	75.0	75.0	78.0			79.0
PART-TIME	1.0	1.0	1.0				2.0
TEMPORARY	3.0	3.0	3.0	3.0			3.0
STAFF MONTHS	930.0	942.0	942.0	968.0			1005.9



6407  
Brodley

Original sponsor: Fuller

Offered: 5/15/80  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 254

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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23 \* Sec. 3. This Act takes effect July 1, 1980.

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COMMITTEE COPY

-1-

CSHB 254 engrossed

7 Note 5/15/80

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

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TO ASSURE LEGIBILITY**



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James O Smith  
Signature of Camera Operator

3/20/90  
Date

# COMMITTEE REPORT HOUSE

FURTHER:

March 12, 1979

Date: 5/13/80

Mr. Speaker:

The Committee on FINANCE has had HB 254

"An Act relating to Alaska National Guard retirement; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 254  same title  
 new title
- and recommends that it do pass
- AND attaches a "Letter of Intent"  ~~New~~ Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

Freeman

W

Smith

JJ

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Freeman  
Vice CHAIRMAN

Original sponsor: Fuller

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 254

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

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~~THE LEGISLATURE OF THE STATE OF ALASKA~~  
~~ELEVENTH LEGISLATURE~~

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill 254  
 Title An Act Relating to Alaska National Guard Retirement; E.D.  
 Requested by \_\_\_\_\_ Date 14 March 1979

II. FISCAL DETAIL  
 Agency Affected Military Affairs  
 Program Category Affected Military Preparedness  
 Budget Request Unit(s) Affected National Guard Pension/Military Preparedness

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
100 BENEFITS			76.8	76.8	76.8	76.8
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND			76.8	76.8	76.8	76.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- 139 persons receiving pension in FY79 @ 83,400.
- Estimate an additional 128 persons would become eligible to receive pensions as a result of this bill, @ \$76,800.
- Following initial increase in eligibility, estimate that the number of additional eligibles on an annual basis will not be substantially increased.
- Appropriation is to be made to the Department of Military Affairs.

IV. DATE 14 March 1979 PREPARED BY Richard I. Brunner, Admin. Officer

AGENCY Military Affairs  
 PHONE 465-4601

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 254  
 Title An Act Relating to Alaska National Guard Retirement; E.D.  
 Requested by \_\_\_\_\_ Date 14 March 1979

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Agency Affected Military Affairs  
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 Budget Request Unit(s) Affected National Guard Pension/Military Preparedness

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
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FULL TIME						
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IV. DATE 14 March 1979 PREPARED BY Richard L. Brunter, Admin. Officer  
 AGENCY Military Affairs  
 PHONE 465-4601  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Introduced; 2/20/79  
Referred; State Affairs and  
Finance

1 IN THE HOUSE

BY FULLER

2 HOUSE BILL NO. 254

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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23 \* Sec. 3. This Act takes effect July 1, ~~1979.~~ 1980,  
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THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill 254  
 Title An Act Relating to Alaska National Guard Retirement; E.D.  
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FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

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- Appropriation is to be made to the Department of Military Affairs.

IV. DATE 14 March 1979 PREPARED BY Richard L. Brewster, Admin. Off.  
 AGENCY Military Affairs  
 PHONE 465-4601  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Original sponsor: Fuller

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 254

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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James O. Smith  
Signature of Camera Operator

3/20/90  
Date

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

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 PHONE 465-4601  
 Original: Legislative Finance  
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**CATEGORY:** PUBLIC PROTECTION  
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STATE OF ALASKA -- BUDGET UNIT SUMMARY

23:56

1/03/80

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 AGENCY: DEPARTMENT OF MILITARY AFFAIRS

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STAFF MONTHS	930.0	942.0	942.0	968.0			1005.9



6407  
Brodley

Original sponsor: Fuller

Offered: 5/15/80  
Referred: Rules

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7 Note 5/15/80

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

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 Bill/Resolution No. House Bill 254  
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 Requested by \_\_\_\_\_ Date 14 March 1979

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 Agency Affected Military Affairs  
 Program Category Affected Military Preparedness  
 Budget Request Unit(s) Affected National Guard Pension/Military Preparedness

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
100 BENEFITS			76.8	76.8	76.8	76.8
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND			76.8	76.8	76.8	76.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- 139 persons receiving pension in FY79 @ 83,400.
- Estimate an additional 128 persons would become eligible to receive pensions as a result of this bill, @ \$76,800.
- Following initial increase in eligibility, estimate that the number of additional eligibles on an annual basis will not be substantially increased.
- Appropriation is to be made to the Department of Military Affairs.

IV. DATE 14 March 1979 PREPARED BY Richard L. Grantee, Admin. Officer  
 AGENCY Military Affairs  
 Original: Legislative Finance PHONE 465-4601  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

ALASKA STATE LEGISLATURE

SEVENTH Legislature SECOND FIRST Session

HOUSE ..... BILL ..... NO. 254...

By .. FULLER .....

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

Alaska National Guard retirement

Introduced in the House 2-20 ....., 19... 79

HISTORY IN THE HOUSE

19 79	Feb. 20	Read first time and referred to Committee on State Affairs and Finance																				
	Mar 12	Reported back with recommendation that State Affairs drop to Finance																				
	1980 May 15	Finance up to CS, drop to Rules																				
	May 19	Read second time and CS adopted + vote																				
	May 19	Read third time and																				
	May 19	<table border="0"> <tr> <td>PASSED</td> <td>Effective Date</td> </tr> <tr> <td>Yeas 34</td> <td>Yeas</td> </tr> <tr> <td>Nays 0</td> <td>Nays <i>same</i></td> </tr> <tr> <td>Absent <i>6 not voting</i></td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table> <p>Reconsideration</p> <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table> <p>Reported correctly engrossed Signed by Speaker Sent to Senate</p>	PASSED	Effective Date	Yeas 34	Yeas	Nays 0	Nays <i>same</i>	Absent <i>6 not voting</i>	Absent	Excused	Excused	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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Yeas	Yeas																					
Nays	Nays																					
Absent	Absent																					
Excused	Excused																					

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 80	520	Read first time and referred to Committee on Finance																				
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		Read second time and																				
		Read third time and																				
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Excused	Excused																					

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor ..... by Governor
	Filed with Lt. Governor
	Chapter No. ....

March 29, 1979

Legislative Board of Retirement Benefits analysis and recommendations on:

House Bill No. 254:

No detailed fiscal analysis is currently available, however, it will be provided in a later report.

The board unanimously recommends that HB 254 do pass; one member was absent and there is one vacancy on the board.

SUMMARY OF HOUSE BILL 254

Retirement system affected: Alaska National Guard

Qualifies a person with 20 or more years of service in the Alaska National Guard who was an active member on or after January 1, 1973, for a retirement benefit upon reaching 55 years of age. Currently, a person must have 20 years of service and be an active member at the time he reaches age 55; a person who voluntarily retires at age 50 with 20 years service may not receive a benefit.

Introduced; 2/20/79  
Referred; State Affairs and  
Finance

1 IN THE HOUSE

BY FULLER

2 HOUSE BILL NO. 254

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to Alaska National Guard retirement;  
7 and providing for an effective date."

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

9 \* Section 1. AS 26.05.224(a) is amended to read:

10 (a) An active member of the Alaska National Guard, or a former  
11 member who was an active member on or after January 1, 1973, is eligible  
12 for retirement pay upon voluntary retirement after 20 years or more of  
13 service [AND UPON REACHING 55 YEARS OF AGE], or upon involuntary retire-  
14 ment because of federal standards imposed on National Guard members,  
15 regardless of length of service.

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

17 (c) An eligible member or former member who retires may elect to  
18 receive his retirement pay beginning on the first day of the month coin-  
19 ciding with or after the date of retirement or upon reaching 55 years  
20 of age, whichever is later, or he may elect to receive his retirement  
21 pay at a deferred date beginning on the first day of the month coin-  
22 ciding with or after the date he elects for the retirement pay to begin.

23 \* Sec. 3. This Act takes effect July 1, 1979.

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Original sponsor: Fuller

Offered: 5/15/80  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 254

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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