

LEG. FINANCE - BILLS 1981 - 1982 1679

SB 396 - SB 401 1679

COMMITTEE REPORT
SENATE

FURTHER: Finance

4/7/81

Date: _____

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SB 396

making a special appropriation for the construction and equipping of the headquarters library in Anchorage

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 _____ same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

3 Charles Star - No Rec

2 Tom Kell - No

recommendation until

the budget picture

clears.

[Signature]

CHAIRMAN

Funding Information
General Fund \$18,422,500
Other Funds -0-
\$18,422,500

Introduced: 4/7/81
Referred: Health, Education &
Social Services and Finance

1 IN THE SENATE

BY STURGULEWSKI, BRADLEY, COLLETTA,
DANKWORTH, FISCHER, RODEY AND STIMSON

2 SENATE BILL NO. 396

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for the con-
7 struction and equipping of the headquarters library in
8 Anchorage; and providing for an effective date."

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

10 Section 1. The sum of \$18,422,500 is appropriated from the general fund
11 to the Department of Education, division of state libraries, for payment as
12 a grant to the Municipality of Anchorage, under AS 14.56.065, for the con-
13 struction and equipping of the headquarters library in Anchorage, Alaska.

14 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
15 070(c).

ALASKA STATE LEGISLATURE

TWELFTH Legislature FIRST... Session

SENATE... BILL..... NO. 396...

By STURGULEWSKI, BRADLEY,
COLLETTA, DANKWORTH, FISCHER,
RODEY, STIMSON

"An Act making a special appro-
priation for the construction
and equipping of the head-
quarters library in Anchorage;
and providing for an effective
date."

Introduced in the Senate 4/7/81

HISTORY IN THE SENATE

19	81	Read first time and referred to Committee on
4	7	HESS and Finance
4	25	Reported back with recommendation that <i>3 bills passed, 1 no rec, 1 no rec, 1 no rec, 1 budget positive bills, to Gov.</i>
		Read second time and
		Read third time and
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reconsideration
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reported correctly engrossed
		Signed by President
		Sent to House
SECRETARY OF THE SENATE		

HISTORY IN THE HOUSE

19		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reconsideration
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reported correctly engrossed
		Signed by Speaker
		Returned to Senate
CHIEF CLERK OF THE HOUSE		

HISTORY IN THE SENATE

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
	 by Governor
		Filed with Lt. Governor
		Chapter No.

Funding Information
General Fund \$18,422,500
Other Funds -0-
\$18,422,500

Introduced: 4/7/81
Referred: Health, Education &
Social Services and Finance

1 IN THE SENATE

BY STURGULEWSKI, BRADLEY, COLLETTA,
DANKWORTH, FISCHER, RODEY AND STIMSON

2 SENATE BILL NO. 396

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for the con-
7 struction and equipping of the headquarters library in
8 Anchorage; and providing for an effective date."

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10 Section 1. The sum of \$18,422,500 is appropriated from the general fund
11 to the Department of Education, division of state libraries, for payment as
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15 070(c).

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6/17/81

Put only in
orig. file

copy for other
files when
bill is assigned

(from
Maria)

M E M O R A N D U M

TO: File on CSSB 400 entitled "An Act relating to the public employees, teachers, judicial, and National Guard benefits; and providing for an effective date."

FROM: Laura Fleming
Staffperson, Senate State Affairs

DATE: June 15, 1981

Please note the following change to be made in CSSB 400. This change was "signed off" on by Senate State Affairs Committee members, as it was approved at the committee meeting of 6-9, when the bill was passed out of committee.

The change did not appear in the final version of the bill although it was intended to appear in the version reported out of committee. With any luck, the Senate Finance Committee will be able to clean this up when they take CSSB 400 under consideration.

Page 16, line 21 (Sec. 39.35.305 entitled "Credited Service for Employment with the Division of Marine Transportation") subsection (a): after "trust." add: "The credited service allowed may not exceed an aggregate period of five years. Benefits are not payable on service credited under this section unless the employee makes retroactive contributions to the system for the period of time that service credit is claimed."



SB 400

From The

**SENATE
FINANCE COMMITTEE**

9/25/81

Contents of this bill
were inserted into

SB 358. SB 358

is currently in

Senat. C & RA Committee.



SB 400

From The

**SENATE
FINANCE COMMITTEE**

9/25/81

This bill is almost identical to HB 121, which was reported out of SFC 6/23/81.

Current status of HB 121 is: House is waiting for concurrence from Senate.

COMMITTEE REPORT

SENATE

4/8/81

FURTHER Finance

Date: _____

Mr. President:

The Committee on STATE AFFAIRS has had SB 400
public employees' retirement system

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 SB400 (SA) same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS:

Bradley
McGowan
Fischer

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Colletta SB400 as amended is a
very complex measure and must be reviewed
State Affairs looked at it less than he.

Fischer
CHAIRMAN

OFFERED: 6/11/81
Referred: FINANCE

Original sponsor: Ray

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 400 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the public employees, teachers,
7 judicial, and National Guard benefits; and providing
8 for an effective date."

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

10 * Section 1. AS 14.20.345(d) is amended to read:

11 (d) The governing body of the district may agree to continue the
12 teacher's retirement contributions if the teacher agrees to pay the
13 percentage required under AS 14.25.050 [REQUIRE SEVEN PERCENT] of the
14 salary the teacher [HE] would have received during the [HIS] leave of
15 absence and reimburse the district for the district's required retire-
16 ment contribution. Each year of leave of absence then would count as a
17 year of retirement service.

18 * Sec. 2. AS 14.25.020(a)(1) is repealed and reenacted to read:

19 (1) formulate and recommend to the Alaska Teachers' Retirement
20 Board regulations to govern the operation of the system;

21 * Sec. 3. AS 14.25.022 is amended to read:

22 Sec. 14.25.022. REGULATIONS. Regulations adopted by the Alaska
23 Teachers' Retirement Board [PROMULGATED BY THE ADMINISTRATOR] under
24 AS 14.25.010 - 14.25.220 relate to the internal management of a state
25 agency and their adoption is not subject to the Administrative Proce-
26 dure Act (AS 44.62).

27 * Sec. 4. AS 14.25.025 is amended by adding a new subsection to read:

28 (i) The board may adopt regulations recommended by the adminis-
29 trator to carry out this chapter with modifications it considers proper.

1 * Sec. 5. AS 14.25.050(a) is amended to read:

2 (a) Each [BEGINNING JULY 1, 1979, EACH] teacher shall contribute
3 to the retirement fund an amount equal to nine [SEVEN] percent of his
4 base salary accrued from July 1 to the following June 30. The contri-
5 bution shall be deducted by the employer at the end of each payroll
6 period.

7 * Sec. 6. AS 14.25.060(a) is repealed and reenacted to read:

8 (a) If a member has military service or Alaska Bureau of Indian
9 Affairs (BIA) service, or if a member joined the system before July 1,
10 1978, and has creditable outside service, the member is indebted to the
11 retirement fund as follows:

12 (1) For a member first hired before July 1, 1978, the arrear-
13 age indebtedness for creditable outside service is seven percent of the
14 base salary multiplied by the total number of years of creditable out-
15 side service. Compound interest at the rate prescribed by regulation
16 shall be added to the arrearage indebtedness beginning July 1, 1963, or
17 at the time of first becoming employed as a member, whichever is later,
18 to the date of payment or the date of retirement, whichever occurs first.

19 (2) For a member first hired before July 1, 1982, the arrear-
20 age indebtedness for creditable military and Alaska BIA service is
21 seven percent of the base salary multiplied by the total number of
22 years of military and Alaska BIA service. For a member first hired on
23 or after July 1, 1982, the arrearage indebtedness for military and
24 Alaska BIA service is nine percent of the base salary multiplied by the
25 total number of years of creditable military and Alaska BIA service.
26 Compound interest at the rate prescribed by regulation shall be added
27 to the arrearage indebtedness beginning July 1, 1963, or at the time of
28 first becoming employed as a member, whichever is later, to the date of
29 payment or the date of retirement, whichever occurs first.

1 (3) If a member terminates from the system and is sub-
2 sequently reemployed as a member before July 1, 1962, the arrearage
3 indebtedness to the retirement fund for outside, military, or Alaska
4 BIA service accumulated in the interim is seven percent of the base
5 salary upon reentering membership service, multiplied by the number of
6 years of interim outside, military, and Alaska BIA service. If a
7 member terminates from the system and is subsequently reemployed as a
8 member on or after July 1, 1962, the arrearage indebtedness to the
9 retirement fund for outside, military, or Alaska BIA service accumulated
10 in the interim is nine percent of the base salary upon reentering
11 membership service, multiplied by the number of years of interim out-
12 side, military, and Alaska BIA service. Compound interest at the rate
13 prescribed by regulation shall be added to the arrearage indebtedness
14 beginning July 1, 1962, or the date of reemployment as a member, which-
15 ever is later, to the date of payment or the date of retirement, which-
16 ever occurs first.

17 * Sec. 7. AS 14.25.110(d) is repealed and reenacted to read:

18 (d) The monthly amount of the retirement benefit for a member
19 with less than 10 years credited service is two percent of the member's
20 average base salary divided by 12 times the years of credited service,
21 including credited fractional years. The monthly amount of the retire-
22 ment benefit for a member with at least 10 years but less than 20 years
23 credited service is two and one-quarter percent of the member's average
24 base salary divided by 12 times the years of credited service. The
25 monthly amount of the retirement benefit for a member with at least 20
26 years of credited service is two and one-half percent of the member's
27 average base salary divided by 12 times the years of credited service.
28 An actuarial adjustment must be made for early retirement. An indebted-
29 ness that exists at the time of retirement must be discharged under

1 AS 14.25.062(b).

2 * Sec. 8. AS 14.25.115(a) is amended to read:

3 (a) A teacher in membership service on or after July 1, 1977 who
4 is appointed to retirement on or after July 1, 1978 may elect to apply
5 [HIS] unused sick leave credit in computing the total number of years
6 of creditable service under AS 14.25.110(d) [AS 14.25.120(c)(1) AND
7 (4)]. To obtain service credit for unused sick leave, a teacher must
8 apply to the administrator no later than one year after appointment to
9 retirement. Unused sick leave shall be credited on a day-for-day basis
10 in accordance with the table for service after July 1, 1969 contained
11 in AS 14.25.220(4B) [AS 14.25.220(16)]. No teacher contributions may
12 be required for credited unused sick leave.

13 * Sec. 9. AS 14.25.125(d) is repealed and reenacted to read:

14 (d) The monthly amount of a conditional service retirement benefit
15 shall be calculated on the years of fully paid membership service only,
16 in accordance with AS 14.25.110(d), except that

17 (1) a member may irrevocably elect to substitute "average
18 monthly compensation" as defined in AS 39.35.680(4) in place of the
19 member's average base salary, divided by 12; and

20 (2) in determining the percentage multiplier for each year
21 of service under AS 14.25.110(d) the years of credited service under
22 AS 39.35 shall also be considered.

23 * Sec. 10. AS 14.25.130(a) is amended to read:

24 (a) An active [A] member who is terminated as a proximate result
25 of a permanent disability [HAS BECOME PERMANENTLY DISABLED], as defined
26 in AS 14.25.220, after July 1, 1966, before age 55 and who has five or
27 more years of membership service may be retired by the administrator as
28 of the first day of the month following the permanent disability. Af-
29 ter a report of medical examination of the member, an application, and

1 other requested information has been submitted, the administrator shall
2 determine if the member is physically or mentally incapacitated for
3 further performance of duty, and if the incapacity is likely to be per-
4 manent and whether the member should receive disability benefits.

5 * Sec. 11. AS 14.25.143 is repealed and reenacted to read:

6 Sec. 14.25.143. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once
7 each year the administrator shall increase benefit payments to eligible
8 disabled members and persons age 55 or older receiving benefits under
9 this system in the preceding calendar year.

10 (b) The increase in benefit payments applies to total benefit
11 payments except for the cost-of-living allowance under AS 14.25.142.
12 The amount of the increase is a percentage of the current benefit equal
13 to

14 (1) the lesser of 75 percent of the increase in the cost of
15 living in the preceding calendar year or nine percent, for recipients
16 who on July 1 are at least 65 years old;

17 (2) the lesser of 50 percent of the increase in the cost of
18 living in the preceding calendar year or six percent, for recipients
19 who on July 1 are at least 60 but less than 65 years old and for members
20 receiving disability benefits who are less than 65 years old; and

21 (3) the lesser of 25 percent of the increase in the cost of
22 living in the preceding calendar year or three percent, for recipients
23 who on July 1 are at least 55 but less than 60 years old.

24 (c) If a recipient was not receiving benefits during the entire
25 preceding calendar year, the increase in benefits under this section
26 shall be adjusted by multiplying it by the fraction whose numerator is
27 the number of months for which benefits were received in the preceding
28 calendar year and whose denominator is 12.

29 (d) If at the time of first receiving a retirement benefit a

1 member was receiving a disability benefit under this system, the admin-
2 istrator shall, at the time the member is appointed to retirement,
3 increase the retirement benefit by a percentage equal to the total
4 cumulative percentage increase which has been applied to the member's
5 disability benefit under this section.

6 (c) When computing a spouse's pension under AS 14.25.164, adjust-
7 ments granted to the deceased member under this section shall be in-
8 cluded.

9 (d) An increase in benefit payments under this section is effec-
10 tive July 1 of each year and is based on the percentage increase in the
11 consumer price index for urban wage earners and clerical workers for
12 Anchorage, Alaska during the previous calendar year as determined by
13 the United States Department of Labor, Bureau of Labor Statistics.

14 * Sec. 12. AS 14.25.168 is repealed and reenacted to read:

15 Sec. 14.25.168. MEDICAL BENEFITS. (a) The following are entitled
16 to major medical insurance coverage:

17 (1) a person receiving a monthly benefit from the system;

18 (2) the spouse of a person receiving a monthly benefit from
19 the system;

20 (3) a natural or adopted child of a person receiving a
21 monthly benefit, if the child is a dependent child as defined in AS 14.-
22 75.220(12).

23 (b) Major medical insurance coverage takes effect on the same
24 date as retirement benefits begin and stops when the retired person or
25 survivor is no longer eligible to receive a monthly benefit. The
26 coverage for persons over age 65 is the same as that available for
27 persons under age 65. The benefits payable to those persons 65 or
28 older supplement those afforded under the federal old age survivor and
29 disability insurance program, if any.

1 * Sec. 13. AS 14.25.220(9) is amended to read:

2 (9) "compensation" means the total remuneration paid under
3 contract to a member for services rendered during a school year, in-
4 cluding cost-of-living differentials, payments for leave that is
5 actually used by the member, the amount by which the member's wages
6 are reduced under AS 39.30.150(e), and the amount deferred under the
7 state deferred compensation plan or the tax shelter annuity plan
8 approved by the Department of Education, but does not include retire-
9 ment benefits, welfare benefits, per diem, expense allowances, workers'
10 compensation payments, or payments for leave not used by the member,
11 whether those leave payments are scheduled payments, lump sum payments,
12 donations, or cash-ins; for purposes of AS 14.25.050, compensation paid
13 includes any payment made after June 30 of a school year for services
14 rendered before the end of the school year;

15 * Sec. 14. AS 14.25.220(10) is amended to read:

16 (10) "credited service" means all membership service as pro-
17 vided in (20) of this section, territorial employment as defined in
18 (41) of this section, plus outside, military, and BIA service not ex-
19 ceeding 15 years, with outside and military service limited to 10 years
20 except under the conditions set out in AS 14.25.100;

21 * Sec. 15. AS 14.25.220 is amended by adding a new paragraph to read:

22 (41) "territorial employment" means non-teaching employment
23 with the Territory of Alaska as provided under AS 14.25.105; territor-
24 ial employment is not membership service.

25 * Sec. 16. AS 22.25.011 is amended to read:

26 Sec. 22.25.011. CONTRIBUTIONS. Each justice and judge appointed
27 after July 1, 1978 shall contribute seven percent of the IRIS base
28 annual salary received by the justice or judge to the judicial retire-
29 ment system. Contributions shall be made for all creditable service

1 under this chapter up to a maximum of 15 years. This contribution is
2 made in the form of a deduction from compensation, and is made notwith-
3 standing that the compensation paid in cash to the justice or judge is
4 reduced thereby below the minimum prescribed by law. Each justice and
5 judge is considered to consent to the deduction [MADE] from [HIS]
6 compensation. Payment of compensation less the deduction constitutes a
7 full and complete discharge and acquittance of all claims and demands
8 for the services rendered by the justice or judge [BY] during the
9 period covered by the payment, except as to the benefits provided for
10 under AS 22.25.010 - 22.25.090. The contributions shall be credited
11 to the judicial retirement fund established in accordance with AS 22.-
12 25.048 [INTO THE GENERAL FUND OF THE STATE].

13 * Sec. 17. AS 22.25 is amended by adding a new section to read:

14 Sec. 22.25.048. ACCOUNTING AND INVESTMENT. (a) The commissioner
15 of administration shall establish a fund for the judicial retirement
16 system and shall maintain accounts and records for the judicial retire-
17 ment system.

18 (b) All income of the judicial retirement fund and all disburse-
19 ments made by the fund must be credited or charged, whichever is appro-
20 priate, to the following accounts:

21 (1) an individual account that contains the mandatory contri-
22 butions collected from a person under AS 22.25.011;

23 (2) an account that is credited with the contributions of
24 the state court system;

25 (3) a retirement reserve account; and

26 (4) an expense account for the judicial retirement system
27 that shall be credited with funds transferred from the account des-
28 cribed in (b)(2) of this section.

29 (c) Investment of surplus amounts in the fund may be made as

1 provided in AS 39.35.110.

2 (d) Within one year following retirement, an amount actuarially
3 determined as necessary to pay fully for the benefits to be received by
4 a person receiving a benefit under this chapter shall be transferred
5 first from the individual account described in (b)(1) of this section
6 and, after the individual contributions have been exhausted, then from
7 the court system account described in (b)(2) of this section, into the
8 retirement reserve account described in (b)(3) of this section.

9 (e) The contributions of the court system to the retirement
10 reserve account shall contain the actuarially determined amount neces-
11 sary to fully fund the pension, death benefits, and other benefits paid
12 under the judicial retirement system to a person receiving a benefit
13 under this chapter.

14 (f) The investment income of the judicial retirement fund shall
15 be allocated in proportion to the balances of assets first to the
16 retired reserve account described in (b)(3) of this section and then to
17 the account described in (b)(2) of this section.

18 (g) The account described in (b)(4) of this section is charged
19 with all disbursements representing the administrative expenses in-
20 curred by the judicial retirement system. Expenditures from this
21 account shall be included in the budget of the governor for each fiscal
22 year.

23 * Sec. 18. AS 22.25.090 is repealed and reenacted to read:

24 Sec. 22.25.090. MEDICAL BENEFITS. (a) The following are entitled
25 to major medical insurance coverage:

- 26 (1) a person receiving a monthly benefit under this chapter;
27 (2) the spouse of a justice, judge, or administrative direc-
28 tor receiving a monthly benefit under this chapter;
29 (3) a natural or adopted child of a justice, judge, or

1 administrative director receiving a monthly benefit under this chapter,
2 if the child is a dependent child under (c) of this section.

3 (b) Major medical insurance coverage takes effect on the same
4 date as retirement benefits begin, and stops when the retired person or
5 survivor is no longer eligible to receive a monthly benefit. The
6 coverage for persons 65 or older is the same as that available for
7 persons under 65. The benefits payable to those persons 65 or older
8 supplement the benefits provided under the federal old age survivor and
9 disability insurance program, if any.

10 (c) In this section "dependent child" means an unmarried child of
11 a justice, judge, or administrative director receiving a monthly benefit
12 under this chapter, including an adopted child, who is dependent on the
13 justice, judge, or administrative director for support and who is
14 either (1) less than 19 years old, or (2) less than 23 years old and
15 registered at and attending on a full-time basis an accredited educa-
16 tional or technical institution recognized by the Department of Educa-
17 tion. The age limits set out in this subsection do not apply to a
18 child who is totally and permanently disabled.

19 * Sec. 19. AS 26.05.227 is amended to read:

20 Sec. 26.05.227. DEFINITIONS. As used in AS 26.05.222 - 26.05.228
21 [AS 26.05.222 - 26.05.226],

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

25 (2) "member" means a commissioned or warrant officer or an
26 enlisted person in the Alaska National Guard or Alaska Naval Militia;

27 (3) "system" means the Alaska National Guard retirement
28 system.

29 * Sec. 20. AS 26.05 is amended by adding a new section to read:

1 Sec. 25.05.228. ACCOUNTING AND INVESTMENT. (a) The commissioner
2 of administration shall establish a fund for the system and maintain
3 accounts and records for the system.

4 (b) All income of the fund and all disbursements made by the fund
5 must be credited or charged, whichever is appropriate, to the following
6 accounts:

7 (1) an individual account for each retired member of the
8 system that records the benefits paid under this system to the member
9 or surviving beneficiary;

10 (2) a separate account for the Department of Military Affairs'
11 contribution to fund the system based on the actuarial requirements of
12 the system as established by the commissioner of administration under
13 this chapter;

14 (3) an expense account for the system; this account is
15 charged with all disbursements representing administrative expenses
16 incurred by the system; expenditures from this account are included in
17 the governor's budget for each fiscal year.

18 (c) Investment of surplus amounts in the fund may be made as
19 provided in AS 39.35.110.

20 * Sec. 21. AS 39.30.090 is amended to read:

21 Sec. 39.30.090. PROCUREMENT OF GROUP INSURANCE. The Department
22 of Administration may obtain a policy or policies of group insurance
23 covering state employees, persons entitled to coverage under AS 14.-
24 25.168, AS 22.25.090, AS 39.35.535, or under former AS 39.37.145 or
25 [AUD] employees of other participating governmental units subject to
26 the following conditions:

27 (1) A group insurance policy shall provide one or more of
28 the following benefits: life insurance, accidental death and dismem-
29 berment insurance, weekly indemnity insurance, hospital expense insur-

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1 ance, surgical expense insurance, dental expense insurance, audio-vic-
2 ual insurance, or other medical care insurance.

3 (2) Each eligible employee of the state, the [HIS] spouse
4 and the [HIS] unmarried children chiefly dependent on the eligible
5 employee [HIS] for support and each eligible employee of another parti-
6 cipating governmental unit shall be covered by the group policy, unless
7 exempt under regulations adopted by the commissioner of administration.

8 (3) A governmental unit may participate under a group policy
9 if

10 (A) its governing body adopts a resolution authorizing
11 participation, and payment of required premiums;

12 (B) a certified copy of the resolution is filed with
13 the Department of Administration; and

14 (C) the commissioner of administration approves the
15 participation in writing.

16 (4) (repealed).

17 (5) (repealed).

18 (6) The Department of Administration shall obtain the insur-
19 ance policy from any insurer authorized to transact business in the
20 state under AS 21.09 and AS 21.99.

21 (7) The Department of Administration shall make available
22 bid specifications for desired insurance benefits to all insurance car-
23 riers licensed in the state and qualified to provide the desired bene-
24 fits. The specifications shall be made available on or before July 1,
25 1965, and at least once every succeeding five years. The lowest re-
26 sponsible bid submitted by an insurance carrier with adequate servicing
27 facilities shall govern selection of a carrier under this section.

28 (8) If the aggregate of dividends payable under the group
29 insurance policy exceeds the governmental unit's share of the premium,

1 the excess shall be applied by the governmental unit for the sole bene-
2 fit of the employees.

3 (9) A person receiving benefits under AS 14.25.110, AS 22.25
4 or AS 39.25 who is not 65 years of age may continue the FORFEIT MAJOR
5 MEDICAL AND life insurance coverage that was in effect under this sec-
6 tion at the time of separation from employment with the state or settling
7 claiming governmental unit [FOR HIMSELF AND ANY DEPENDENTS WHO HAVE NOT
8 REACHED THE AGE OF 65 YEARS].

9 (10) A PERSON RECEIVING BENEFITS UNDER AS 14.25.110, AS 22.-
10 25 OR AS 39.25 WHO IS 65 YEARS OF AGE OR OLDER BUT WHO WAS DEPENDENT
11 WHO ARE UNDER 65 MAY OBTAIN MAJOR MEDICAL INSURANCE FOR THOSE DEPEND-
12 ENTS UNDER THIS SECTION.]

13 (11) A PERSON RECEIVING BENEFITS UNDER AS 14.25.110, AS 22.-
14 25 OR AS 39.25 MAY OBTAIN MAJOR MEDICAL AND PRESCRIPTION DRUG TREATMENT
15 UNDER THIS SECTION FOR HIMSELF AND ANY DEPENDENTS WHO COVER COSTS WHICH
16 ARE NOT COVERED BY THE FEDERAL OLD AGE SURVIVORS AND DISABILITY INSURANCE
17 PROGRAM.]

18 (12) A person electing to have insurance under (9) [, (10) or
19 (11)] of this section shall pay the cost of this insurance.

20 (13) NO PERSON MAY ELECT FOR COVERAGE UNDER (9), (10) OR
21 (11) OF THIS SECTION UNLESS HE HAS OR IS PRESUMEDLY ELIGIBLE FOR COVER-
22 AGE UNDER THIS SECTION.]

23 (14) For each permanent part-time employee electing coverage
24 under this section, the state shall contribute one-half the state contribu-
25 tion rate for permanent full-time state employees, and the perman-
26 ent part-time employee shall contribute the other one-half.

27 (15) A person receiving benefits under AS 14.25 or AS 29.25
28 may obtain auditory, visual, and dental insurance [FOR HIMSELF] under
29 this section. The level of coverage for persons over 65 shall be the

GOVERNOR'S COPY

1 same as that available before reaching age 65 except that the benefits
2 payable shall be supplemental to those afforded under the federal old
3 age [,] survivors [,] and disability insurance program, if any. A
4 person electing to have insurance under this paragraph shall pay the
5 cost of the insurance. The commissioner of administration shall adopt
6 regulations implementing this paragraph.

7 * Sec. 22. AS 39.30 is amended by adding a new section to read:

8 Sec. 39.30.095. FUND ESTABLISHED. (a) The commissioner of
9 administration shall establish the group health and life benefits fund
10 to provide group insurance benefits for group life and health insurance
11 policies obtained under AS 29.30.090. The commissioner shall maintain
12 accounts and records for the fund. The fund consists of employer
13 contributions, employee contributions, appropriations from the legisla-
14 ture, and interest earned on investment of the fund as provided in (d)
15 of this section.

16 (b) After obtaining the advice of an actuary, the commissioner of
17 administration shall determine the amount necessary to provide benefits
18 under AS 29.30.090 and shall set the rate of employer contribution and
19 employee contribution, if any. The commissioner of administration
20 shall pay premiums and claims in accordance with the insurance policies
21 in effect under AS 29.30.090 with money in the group health and life
22 benefits fund.

23 (c) The commissioner of administration or the designee of the
24 commissioner is administrator of the fund.

25 (d) If the commissioner of administration determines that there
26 is more money in the fund than the amount needed to pay premiums or
27 benefits for the current fiscal year, the surplus, or so much of it as
28 the commissioner of administration considers advisable, may be invested
29 by the commissioner of revenue in the same manner as retirement funds

1 are invested under AS 39.35.110.

2 (c) In this section, "fund" means the group health and life
3 benefits fund.

4 * Sec. 23. AS 39.35.100(b)(1) is amended to read:

5 (1) An [AN] individual account shall be maintained for each
6 employee to record the amount of the [HIS] mandatory contributions
7 collected under AS 39.35.160(a). As of the last day of each calendar
8 year and each fiscal year beginning with June 30, 1960, this account
9 shall be credited with interest, by applying one half of the prescribed
10 rate of interest to the balance in the account as of that date. Within
11 one year following [UPON] retirement, the amount actuarially determined
12 as necessary to fully fund the benefits to be received shall be trans-
13 ferred first from the employee contribution account and, after the em-
14 ployee contribution account has been exhausted, then from the employer
15 contribution account into the retirement reserve account.

16 * Sec. 24. AS 39.35.100(b)(3) is amended to read:

17 (3) A separate account for each employer shall be maintained.
18 The account shall be credited with contributions of the employer. This
19 account shall be charged with the employer's actuarial charge for pen-
20 sion, death benefits, and other benefits paid under this system to or
21 on behalf of the employee of the employer. After an allowance for in-
22 terest credited to employee contribution accounts and employee savings
23 accounts, the investment income of the pension fund shall be allocated
24 to the retirement reserve account and to each employer asset share
25 account according to the ratio that the average of the assets in the
26 [AN EMPLOYER'S] account as of the beginning and as of the end of the
27 fiscal year bears to the total of the average balance of the retirement
28 reserve account and all employer accounts [EMPLOYERS].

29 * Sec. 25. AS 39.35.160 is amended to read:

1 Sec. 39.35.160. AMOUNT OF EMPLOYER CONTRIBUTIONS. While partici-
2 pating in the system each peace officer and each fireman shall contri-
3 bute seven [FIVE] percent and every other employee shall contribute six
4 [FOUR] and one-quarter percent of their [HIS] compensation to the
5 public employees' retirement system.

6 * Sec. 26. AS 39.35.200(b) is amended to read:

7 (b) If, upon termination of employment, an employee has credited
8 service of less than five years and has less than \$1,000 in the [HIS]
9 employee contribution account, a refund of the employee contribution
10 account and the employee savings account must be made unless the
11 employee indicates in writing that future retirement is intended and
12 contributions should not be refunded. An employee who is reemployed
13 with an employer and whose contributions have not been refunded before
14 reemployment [RE-EMPLOYMENT] is not eligible for a refund.

15 * Sec. 27. AS 39.35 is amended by adding a new section to article 5 to
16 read:

17 Sec. 39.35.305. CREDITED SERVICE FOR EMPLOYMENT WITH THE DIVISION
18 OF MARINE TRANSPORTATION. (a) A vested employee is entitled to
19 credited service for periods of employment before January 1, 1977, with
20 the division of marine transportation for which the employee was
21 credited with service under a marine retirement trust.

22 (b) In order to obtain credited service under this section, an
23 employee shall make an election to do so and shall verify the period of
24 service. When eligibility for credited service has been established,
25 an indebtedness shall be determined as follows: (1) the employee's
26 actual compensation, or the calculated annual compensation for an
27 employee working less than 12 months, during the calendar year 1981 or
28 the year in which an employee first becomes vested under this chapter,
29 whichever is later, multiplied by (2) eight percent, and this product

1 multiplied by (3) the number years of service credited under this
2 section. Interest as prescribed by regulation accrues on this indebted-
3 ness beginning on July 1, 1981, or one year following the date a person
4 first becomes vested, whichever is later. Any outstanding indebtedness
5 that exists at the time a person is appointed to retirement will neces-
6 sitate an actuarial adjustment to the benefits payable based upon
7 service credited under this section.

8 * Sec. 28. AS 39.25.340(b) is amended to read:

9 (b) In order to obtain credited service under this section, an
10 employee shall make an election to do so and shall verify the [MIS]
11 period of military service. When eligibility for credited service for
12 military service has been established, an indebtedness shall be deter-
13 mined as follows: (1) the employee's actual compensation, or the
14 calculated annual compensation for those employees working less than 12
15 months, during the calendar year 1976 or the year in which an employee
16 first becomes vested under this chapter, whichever is later, multiplied
17 by (2) [SIX PERCENT, THIS PRODUCT MULTIPLIED BY (3)] the number of
18 years of military service credited under this section, and this pro-
19 duct multiplied by (3) six percent for members who are first eligible
20 to claim this military service before July 1, 1982, or eight percent
21 for members who are first eligible to claim this military service on
22 or after July 1, 1982. Interest as prescribed by regulation accrues on
23 this indebtedness beginning [COMMENCING] on July 1, 1977, or one year
24 following the date a person first becomes vested, whichever is later.
25 Any outstanding indebtedness that [WHICH] exists at the time a person
26 is appointed to retirement will necessitate an actuarial adjustment to
27 the benefits payable based upon that military service.

28 * Sec. 29. AS 39.25.340(g) is amended to read:

29 (g) A surviving spouse receiving or entitled to receive benefits

1 [A SURVIVING SPOUSE'S PENSION] under AS 39.35.420(b), 39.35.430 or
2 39.35.440 or benefits under a joint and survivor option filed under
3 AS 39.35.450 is eligible to receive increased benefits based upon
4 military service as described in (a) of this section. To receive
5 credited service for military service, the surviving spouse must verify
6 the employee's military service. When verified, the surviving spouse
7 is entitled to receive an increased benefit which shall be actuarially
8 adjusted to reflect his or her indebtedness for that credit. The
9 indebtedness shall be calculated in the same manner as described in (b)
10 of this section except that it shall be based on the average monthly
11 compensation used in calculating the benefit. Benefits payable under
12 this subsection are effective the first day of the month following that
13 in which eligibility has been established.

14 * Sec. 30. AS 39.35.360(b) is amended to read:

15 (b) An employee who is entitled to credited service for employ-
16 ment before January 1, 1961, under (a) of this section is not required
17 to make retroactive contributions under this chapter.

18 * Sec. 31. AS 39.35.370(c) is repealed and reenacted to read:

19 (c) The monthly amount of the retirement benefit for a peace
20 officer or fireman with less than 10 years of credited service is two
21 percent of the average monthly compensation times the years of credited
22 service. The monthly amount of the retirement benefit for a peace
23 officer or fireman with 10 years or more of credited service is two and
24 one-half percent of the average monthly compensation times the years of
25 credited service. The monthly amount of the retirement benefit for all
26 other employees with less than 10 years of credited service is two
27 percent of the average monthly compensation times the years of credited
28 service. The monthly amount of the retirement benefit for all other
29 employees with 10 years or more of credited service but less than 20

1 years of credited service is two and one-quarter percent of the average
2 monthly compensation times the years of credited service. The monthly
3 amount of the retirement benefit for all other employees with 20 years
4 or more of credited service is two and one-half percent of the average
5 monthly compensation times the years of credited service. An actuarial
6 adjustment must be made for an early retirement benefit.

7 * Sec. 32. AS 39.35.370 is amended by adding a new subsection to read:

8 (g) A member may not receive retirement benefits under this
9 section based on a period of employment for which the member received
10 credited service under AS 39.35.305 if the member is receiving retire-
11 ment benefits from a marine retirement trust based on the same period
12 of employment.

13 * Sec. 33. AS 39.35.335(d) is repealed and reenacted to read:

14 (d) The monthly amount of a conditional service retirement benefit
15 shall be calculated in accordance with AS 39.35.370(c), except that

16 (1) the member may irrevocably elect to substitute one-
17 twelfth of the "average base salary" as defined in AS 14.25.220(5) in
18 place of average monthly compensation; and

19 (2) in determining the percentage multiplier for each year
20 of service under AS 39.35.370(c) the years of credited service under
21 AS 14.25 shall also be considered.

22 * Sec. 34. AS 39.35.385(c) is amended to read:

23 (c) Credited service for which contributions were refunded is not
24 creditable under this section unless the refunded contributions have
25 been repaid. For purposes of (a) and (b) of this section, a member or
26 former member does not have to be reemployed under this system in order
27 to pay refunded contributions. Compound interest at the rate pre-
28 scribed by regulation must be added to the reinstatement indebtedness
29 from the date of the refund to the date of repayment.

1 * Sec. 35. AS 39.35.420(b) is amended to read:

2 (b) If the death of a vested member or deferred vested member oc-
3 curs from nonoccupational causes, the surviving spouse may at his or
4 her discretion receive either the amounts set out in (c) [BENEFITS
5 DESCRIBED IN (a)] of this section or a 50 percent joint and survivor
6 option based upon credited service to the date of the employee's death
7 or termination. Benefits accrue from the first day of the month fol-
8 lowing the employee's death and are payable the last day of the month.

9 * Sec. 36. AS 39.35.420 is amended by adding a new subsection to read:

10 (c) If no spouse survives the death of a vested or deferred
11 vested member, the designated beneficiary shall be paid: (1) the
12 balance of the deceased member's contribution account; (2) the balance
13 of the deceased member's savings account; (3) the deceased member's
14 final monthly benefit payment; and (4) a lump-sum death benefit. The
15 amount of the lump-sum death benefit is \$100 times the years of credited
16 service of the deceased member plus \$1,000.

17 * Sec. 37. AS 39.35.430 is amended by adding a new subsection to read:

18 (f) If the death of an employee occurs from occupational causes
19 but no surviving spouse or dependent children exist at the time of the
20 death, the employee's designated beneficiary is entitled to receive
21 those benefits available to a beneficiary under AS 39.35.420(a) or (c).

22 * Sec. 38. AS 39.35.440(b) is amended to read:

23 (b) Upon the death of a disabled employee who is receiving or is
24 entitled to receive an occupational disability benefit, a surviving
25 spouse's pension equal to 40 percent of the employee's [HIS AVERAGE]
26 monthly compensation at the termination of employment because of occu-
27 pational disability shall be paid to the [HIS] surviving spouse. If
28 there is no surviving spouse, the survivor's pension shall be paid in
29 equal parts to the dependent children of the employee. On the date the

1 normal retirement of the employee would have occurred if the employee
2 [HE] had lived, monthly payments shall equal the monthly amount of the
3 normal retirement benefit to which the employee, had the employee [HE]
4 lived and continued [HIS] employment until the employee's [HIS] normal
5 retirement date, would have been entitled with an average monthly
6 compensation as existed at [HIS] death and the credited service to
7 which the employee [HE] would have been entitled. If the death of
8 an employee occurs from occupational causes but no surviving spouse or
9 dependent children exist at the time of the death, the employee's
10 designated beneficiary shall be paid those benefits available to a
11 beneficiary under AS 39.35.420(a) or (c).

12 * Sec. 39. AS 39.35.475 is repealed and reenacted to read:

13 Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once
14 each year the administrator shall increase benefit payments to eligible
15 disabled members and persons age 55 or older receiving benefits under
16 this system in the preceding calendar year.

17 (b) The increase in benefit payments applies to total benefit
18 payments exclusive only of the cost-of-living allowance under AS 39.-
19 35.480. The amount of the increase is a percentage of the current
20 benefit equal to

21 (1) the lesser of 75 percent of the increase in the cost of
22 living in the preceding calendar year or nine percent, for recipients
23 who on July 1 are at least 65 years old;

24 (2) the lesser of 50 percent of the increase in the cost of
25 living in the preceding calendar year or six percent, for recipients
26 who on July 1 are at least 60 but less than 65 years old and for members
27 receiving disability benefits who are less than 65 years old; and

28 (3) the lesser of 25 percent of the increase in the cost of
29 living in the preceding calendar year or three percent, for recipients

1 who on July 1 are at least 55 but less than 60 years old.

2 (c) If a recipient was not receiving benefits during the entire
3 preceding calendar year, the increase in benefits under this section
4 shall be adjusted by multiplying it by the fraction whose numerator is
5 the number of months for which benefits were received in the preceding
6 calendar year and whose denominator is 12.

7 (d) If at the time of first receiving a retirement benefit a
8 member was receiving a disability benefit under this system, the admin-
9 istrator shall, at the time the member is appointed to retirement,
10 increase the retirement benefit by a percentage equal to the total
11 cumulative percentage increase which has been applied to the member's
12 disability benefit under this section.

13 (e) When computing a joint and survivor benefit under AS 39.35.-
14 450 or a survivor's benefit under AS 39.35.420 or 39.35.440, adjust-
15 ments granted to the deceased member under this section shall be in-
16 cluded.

17 (f) An increase in benefit payments under this section is effec-
18 tive July 1 of each year and is based on the percentage increase in the
19 consumer price index for urban wage earners and clerical workers for
20 Anchorage, Alaska during the previous calendar year as determined by
21 the United States Department of Labor, Bureau of Labor Statistics.

22 * Sec. 40. AS 39.35.460 is amended to read:

23 Sec. 39.35.460. LEVEL INCOME OPTION. If the payment of a [AN
24 EARLY] retirement pension begins before age 65 [THE EARLIEST AGE AS OF
25 WHICH THE EMPLOYEE BECOMES ELIGIBLE FOR A PRIMARY SOCIAL SECURITY PENE-
26 FIT], the amount of pension payable before and after that age may be
27 adjusted so that an increased amount will be paid before the time that
28 full social security benefits become available and a reduced amount af-
29 ter that time, so that the employee may [WILL] receive a more level

1 [RETIREMENT] income for life. The aggregate value of all adjusted
2 payments may [, HOWEVER, SHALL] not exceed the actuarial equivalent of
3 the value of the pension otherwise payable to the employee.

4 * Sec. 41. AS 39.35 is amended by adding a new section to read:

5 Sec. 39.35.527. ELECTION TO TERMINATE COVERAGE AS A PEACE OFFICER
6 OR FIREMAN. (a) An employee occupying a position as a peace officer
7 or fireman may irrevocably elect to relinquish peace officer or fireman
8 status with the system and receive credited service other than as a
9 peace officer or fireman in an amount equal to the credited service as
10 a peace officer or fireman.

11 (b) An employee who elects to relinquish peace officer or fireman
12 status with the system must be currently employed as a peace officer or
13 fireman and must file a written request with the administrator

14 (1) by January 1, 1982 if the employee wants the election to
15 be effective January 16, 1982; or

16 (2) within six months of employment or reemployment in a
17 position in the peace officer or fireman category if the election is to
18 be effective on the date of employment or reemployment.

19 (c) An employee who relinquishes peace officer or fireman service
20 under this section shall receive a refund equal to the amount by which
21 the employee's accumulated contributions exceed the contributions which
22 would otherwise have been required for the same period of service.

23 * Sec. 42. AS 39.35.485(a) is amended to read:

24 (a) An employee who is eligible for a benefit calculated in
25 accordance with AS 39.35.370(c) is entitled to a benefit of at least
26 \$25 a month for each year of credited service, not including adjust-
27 ments made under AS 39.35.340 for military service, AS 39.35.350 for
28 reinstatement of credited service, AS 39.35.360 for credit for earlier
29 service, AS 39.35.370(c) for early retirement, AS 39.35.420 for non-

1 occupational death benefits (AS 39.35.380, 39.35.4101, AS 39.35.450
2 for the survivor's option, AS 39.35.460 for the level income option,
3 AS 39.35.475 for the post-retirement pension adjustment, and AS 39.35.-
4 480 for the cost of living.

5 * Sec. 43. AS 39.35.535 is repealed and reenacted to read:

6 Sec. 39.35.535. MEDICAL BENEFITS. (a) The following are entitled
7 to major medical insurance coverage:

8 (1) a person receiving a monthly benefit from the system;

9 (2) the spouse of a person receiving a monthly benefit from
10 the system;

11 (3) a natural or adopted child of a person receiving a
12 monthly benefit from the system, if the child is a dependent child
13 under AS 39.35.680(11).

14 (b) Major medical insurance coverage takes effect on the same
15 date as retirement benefits begin, and stops when the retired employee
16 or survivor is no longer eligible to receive a monthly benefit. The
17 coverage for persons 65 or older is the same coverage available for a
18 person under 65. The benefits payable to those persons 65 or older
19 supplement those afforded under the federal old age survivor and dis-
20 ability insurance program, if any.

21 * Sec. 44. AS 39.35.560 is amended to read:

22 Sec. 39.35.560. REQUEST BY PUBLIC ORGANIZATION TO PARTICIPATE AND
23 ADOPTION OF RESOLUTION. A public organization (CREATED WHOLLY OR PART-
24 LY BY, OR DERIVING ITS POWERS FROM, THE LEGISLATURE OF THE STATE) may
25 request to become an employer in this system. The request shall be
26 made after adoption of a resolution by the governing body of the public
27 organization. A certified copy of the resolution shall be filed with
28 the administrator. If the administrator approves the request for par-
29 ticipation, the public organization is an employer of the system.

1 * Sec. 45. AS 39.35.620(?) is amended to read:

2 (8) "compensation" means the total remuneration earned by an
3 employee for personal services rendered, including cost-of-living dif-
4 ferentials, payments for leave that is actually used by the employee,
5 the amount by which the employee's wages are reduced under AS 39.30.-
6 150(c), and any amount deferred under the state deferred compensation
7 plan, but does not include retirement benefits, welfare benefits, per
8 dien, expense allowances, workers' compensation payments or payments
9 for [MEDICAL LEAVE OR ANNUAL] leave not used by the employee whether
10 these leave payments are scheduled payments, lump-sum payments, dona-
11 tions or cash-ins;

12 * Sec. 46. AS 39.35.680(13) is amended to read:

13 (13) "early retirement" means retirement for a member who is
14 not eligible for normal retirement and who is at least 50 years old and
15 is eligible to receive benefits under AS 39.35.370(b) or under AS 39.-
16 35.385(b) or (f) [HAS A MINIMUM OF FIVE YEARS CREDITED SERVICE];

17 * Sec. 47. AS 39.35.630(25) is amended to read:

18 (25) "normal retirement" means retirement for a member who is
19 at least 55 years old and is eligible to receive benefits under AS 39.-
20 35.370(a) or under AS 39.35.385(a) or (f) [HAS A MINIMUM OF FIVE YEARS
21 CREDITED SERVICE, OR WHO IS ANY AGE AND HAS 30 YEARS OR MORE OF CRED-
22 ITED SERVICE, OR A PEACE OFFICER OR FIREMAN WHO IS ANY AGE AND HAS 20
23 YEARS OR MORE OF CREDITED SERVICE];

24 * Sec. 48. AS 39.35.680(27) is amended to read:

25 (27) "peace officer" or "fireman" means an employee occupying
26 a position as a peace officer, chief of police, correctional officer,
27 correctional superintendent, [QUALIFIED EMPLOYEE OF THE DEPARTMENT OF
28 FISH AND GAME,] fireman, or fire chief;

29 * Sec. 49. AS 39.35.680 is amended by adding a new paragraph to read:

1 (39) "public organization" means an organization or entity

2 (A) created by the constitution or laws of the state for
3 the purpose of administering state programs;

4 (B) whose officers and employees are paid by a method
5 other than by the state payroll prepared by the Department of
6 Administration; and

7 (C) whose employees are not required by law to partici-
8 pate in the system.

9 * Sec. 50. AS 39.35.680(37) is repealed.

10 * Sec. 51. A person holding a position as a "qualified employee of the
11 Department of Fish and Game" on June 30, 1981, shall continue to be treated
12 as a peace officer under AS 39.35 until that person

13 (1) terminates employment with the Department of Fish and Game
14 before eligibility for or appointment to retirement or disability; or

15 (2) elects to irrevocably relinquish peace officer status under
16 AS 39.35.527.

17 * Sec. 52. Sections 11 and 39 of this Act apply to persons receiving
18 benefits under the retirement systems on July 1, 1982. Benefits shall be
19 recomputed as of July 1, 1982, under AS 14.25.143 and AS 39.35.475 to include
20 adjustments under AS 14.25.143 or AS 39.35.475 for each year since the
21 person first began receiving a benefit. If the recomputed benefit exceeds
22 the current benefit, the current benefit shall be increased accordingly
23 effective July 1, 1982. Payment of the increased benefit shall begin no
24 later than January 1, 1983, but no retroactive benefit payments may be made
25 under this section for any period before July 1, 1982.

26 * Sec. 53. Sections 5 - 7, 11, 25, 28, 31, 39, and 52 of this Act take
27 effect July 1, 1982.

28 * Sec. 54. Sections 1 - 4, 8 - 10, 12 - 24, 26, 27, 29, 30, 32 - 38, and
29 40 - 51 of this Act take effect July 1, 1981.

Introduced: 4/8/81
Referred: State Affairs and
Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 400

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the public employees' retirement
7 system."

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

9 * Section 1. AS 39.35 is amended by adding a new section to read:

10 Sec. 39.35.305. CREDITED SERVICE FOR EMPLOYMENT WITH THE DIVISION
11 OF MARINE TRANSPORTATION. (a) Except as provided in (b) of this
12 section a person is entitled, at the time he becomes an active employee,
13 to credited service in the public employees' retirement system for
14 periods of employment with the division of marine transportation for
15 which he has been credited with service under a marine retirement trust

16 (b) If a person receives a refund of contributions he has made to
17 a marine retirement trust for employment with the division of marine
18 transportation, he is not entitled to credited service in the public
19 employees' retirement system for the period of employment for which the
20 refund is made unless the amount of the refund is paid to the public
21 employees' retirement system.

22 * Sec. 2. AS 39.35.370 is amended by adding a new subsection to read:

23 (g) A member may not receive retirement benefits under this
24 section based on a period of employment for which the member received
25 credited service under AS 39.35.305 if he is receiving retirement
26 benefits from a marine retirement trust based on the same period of
27 employment.
28

ALASKA STATE LEGISLATURE

TWELFTH Legislature FIRST... Session

SENATE BILL..... NO. 400...

By RAY

"An Act relating to the public employees' retirement system."

Introduced in the Senate 4/8/ 81, 19....

HISTORY IN THE SENATE

19 81
4 8 Read first time and referred to Committee on State Affairs and Finance

6 11 Reported back with *J.A. replace w/cs, new title, 3 do pass. should be removed to Jan.* recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19 Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS for Senate Bill No. 400 (State Affairs)
 Title An Act Relating to PERS, TRS, JRS, and National Guard Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Labor Services
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01 (PERS)
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		23.6				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		180.7	54,230.6	59,653.4	65,618.5	72,180.1
TOTAL	0	204.3	54,230.6	59,653.4	65,618.5	72,180.1

FUNDING (Thousands of Dollars)

GENERAL FUND		148.0	44,414.9	48,856.1	53,741.6	59,115.5
FEDERAL FUNDS		8.3	2,494.6	2,744.1	3,018.5	3,320.3
VETERAN'S FUND		.4	108.4	119.3	131.2	144.4
FISH & GAME FUND		1.1	325.4	357.9	393.7	433.1
HIGHWAY FUND		2.3	705.0	775.5	853.0	938.3
AIRPORT FUND		5.2	1,572.7	1,729.9	1,902.9	2,093.2
CAPITAL FUND		15.4	4,609.6	5,070.6	5,577.6	6,135.3
PERS		23.6				
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate FY 82 covered State PERS payroll to be \$296,614,000.
2. Increase in State contribution rate would be .06% of State PERS payroll in FY 82.
3. Increase in State contribution rate would be 16.62% of State PERS payroll in FY 83.
4. Estimate long term inflation rate of 7.5%.
5. The cost to political subdivisions is estimated to be \$152,800 in FY 82.
6. The cost to political subdivisions is estimated to be \$46.5 million in FY 83.

IV. DATE 6/11/81 PREPARED BY Paul E. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Senator Ray
 Office of the Governor (Keith Specking)

J. R. Humphreys, for

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Senate Bill No. 400 (State Affairs)
 Title An Act Relating to PERS, TRS, JRS and National Guard Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits
 Program Category Affected Labor Services and Elementary & Secondary Education
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02 (TRS) 02-11-8-02-01-00 (TRS MATCH)
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		23.6				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING		143.9	32,351.8	35,587.0	39,145.7	43,060.3
100 BENEFITS		26.0	5,855.6	6,441.2	7,085.3	7,793.8
TOTAL	0	193.5	38,207.4	42,028.2	46,231.0	50,854.1

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS		23.6				

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

- To fund this bill, the TRS contribution rate must be increased by .11% of payroll in FY 82 and by 22.47% in FY 83 (the TRS contribution rate is split 50/50 between the State matching contribution and the District contribution).
- Estimate FY 82 TRS covered payroll at \$261,775,000.
- Estimate long-term inflation rate of 7.5%.

IV. DATE 06-11-81 PREPARED BY Paul E. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Senator Ray
 Office of the Governor (Keith Specking)

J. K. Humphreys, for

ATTACHMENT

Bill/Resolution No. CS SB400(SA)ASSUMPTIONS:

1. Estimated FY82 Payroll (Total System)	=	\$261,775,000
2. State Contribution Rate to Fund Bill	=	.055%
3. State TRS Matching Rate to Fund Bill	=	.055%
4. School District Rate to Fund Bill	=	.055%

COST ANALYSIS:

<u>Employer</u>	<u>Payroll</u>		<u>Rate</u>	<u>Cost</u>	<u>Appropriation</u>
1. Department of Education	\$ 4,712,000	X	.055%	\$ 2.6	To Their Budget
2. University of Alaska	\$ 42,617,000	X	.055%	\$ 23.4	To Their Budget
				<u>\$ 26.0</u>	
3. State TRS Matching	\$261,775,000	X	.055%	\$ 143.9	To TRS Match
4. State TRS Regular Budget:					
Personal Services				\$ -0-	To Personal
Travel				\$ -0-	To Travel
Contractual				\$ 23.6	To Contractual
Commodities				\$ -0-	To Commodities
Equipment				<u>\$ -0-</u>	To Equipment
				<u>\$193.5</u>	
5. All School Districts	\$214,446,000	X	.055%	<u>\$117.9</u>	
				<u>\$311.4</u>	

REMARKS:

SBS32/E8

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 400

Title An Act relating to the Public Employees' Retirement System

Requested by Senator Fischer

Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		6.2	6.2	6.2	6.2	6.2
. TOTAL	-0-	6.2	6.2	6.2	6.2	6.2

FUNDING (Thousands of Dollars)

GENERAL FUND		5.0	5.0	5.0	5.0	5.0
FEDERAL FUNDS		.3	.3	.3	.3	.3
VETERAN'S FUND		.1	.1	.1	.1	.1
FISH & GAME FUND		.1	.1	.1	.1	.1
HIGHWAY FUND		.1	.1	.1	.1	.1
AIRPORT FUND		.1	.1	.1	.1	.1
CAPITAL FUND		.5	.5	.5	.5	.5
PERS						
TRS						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. The costs are predicated on the assumption that only one person would qualify under the bill.
2. The State will bear the full cost of increased benefits as a result of the service credit.
3. Approximately 7 years service would be credited in PERS for that person.

IV. DATE 4-14-81

PREPARED BY Paul R. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray
Office of the Governor (Keith Specking)

John A. Logue
90

Original sponsor: Ray

Offered: 6/11/81
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR SENATE BILL NO. 400 (State Affairs)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the public employees, teachers,
7 judicial, and National Guard benefits; and providing
8 for an effective date."

9

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

10

* Section 1. AS 14.20.345(d) is amended to read:

11

(d) The governing body of the district may agree to continue the
12 teacher's retirement contributions if the teacher agrees to pay the
13 percentage required under AS 14.25.050 [REQUIRED SEVEN PERCENT] of the
14 salary the teacher [HE] would have received during the [HIS] leave of
15 absence and reimburse the district for the district's required retire-
16 ment contribution. Each year of leave of absence then would count as a
17 year of retirement service.

18

* Sec. 2. AS 14.25.020(a)(1) is repealed and reenacted to read:

19

(1) formulate and recommend to the Alaska Teachers' Retirement
20 Board regulations to govern the operation of the system;

21

* Sec. 3. AS 14.25.022 is amended to read:

22

Sec. 14.25.022. REGULATIONS. Regulations adopted by the Alaska
23 Teachers' Retirement Board [PROMULGATED BY THE ADMINISTRATOR] under
24 AS 14.25.010 - 14.25.220 relate to the internal management of a state
25 agency and their adoption is not subject to the Administrative Proce-
26 dure Act (AS 44.62).

27

* Sec. 4. AS 14.25.035 is amended by adding a new subsection to read:

28

(i) The board may adopt regulations recommended by the adminis-
29 trator to carry out this chapter with modifications it considers proper.

1 * Sec. 5. AS 14.25.050(a) is amended to read:

2 (a) Each [BEGINNING JULY 1, 1970, EACH] teacher shall contribute
3 to the retirement fund an amount equal to nine [SEVEN] percent of his
4 base salary accrued from July 1 to the following June 30. The contri-
5 bution shall be deducted by the employer at the end of each payroll
6 period.

7 * Sec. 6. AS 14.25.060(a) is repealed and reenacted to read:

8 (a) If a member has military service or Alaska Bureau of Indian
9 Affairs (BIA) service, or if a member joined the system before July 1,
10 1978, and has creditable outside service, the member is indebted to the
11 retirement fund as follows:

12 (1) For a member first hired before July 1, 1978, the arrear-
13 age indebtedness for creditable outside service is seven percent of the
14 base salary multiplied by the total number of years of creditable out-
15 side service. Compound interest at the rate prescribed by regulation
16 shall be added to the arrearage indebtedness beginning July 1, 1963, or
17 at the time of first becoming employed as a member, whichever is later,
18 to the date of payment or the date of retirement, whichever occurs first.

19 (2) For a member first hired before July 1, 1982, the arrear-
20 age indebtedness for creditable military and Alaska BIA service is
21 seven percent of the base salary multiplied by the total number of
22 years of military and Alaska BIA service. For a member first hired on
23 or after July 1, 1982, the arrearage indebtedness for military and
24 Alaska BIA service is nine percent of the base salary multiplied by the
25 total number of years of creditable military and Alaska BIA service.
26 Compound interest at the rate prescribed by regulation shall be added
27 to the arrearage indebtedness beginning July 1, 1963, or at the time of
28 first becoming employed as a member, whichever is later, to the date of
29 payment or the date of retirement, whichever occurs first.

1 (3) If a member terminates from the system and is sub-
2 sequently reemployed as a member before July 1, 1982, the arrearage
3 indebtedness to the retirement fund for outside, military, or Alaska
4 BIA service accumulated in the interim is seven percent of the base
5 salary upon reentering membership service, multiplied by the number of
6 years of interim outside military, and Alaska BIA service. If a
7 member terminates from the system and is subsequently reemployed as a
8 member on or after July 1, 1982, the arrearage indebtedness to the
9 retirement fund for outside, military, or Alaska BIA service accumulated
10 in the interim is nine percent of the base salary upon reentering
11 membership service, multiplied by the number of years of interim out-
12 side, military, and Alaska BIA service. Compound interest at the rate
13 prescribed by regulation shall be added to the arrearage indebtedness
14 beginning July 1, 1963, or the date of reemployment as a member, which-
15 ever is later, to the date of payment or the date of retirement, which-
16 ever occurs first.

17 * Sec. 7. AS 14.25.110(d) is repealed and reenacted to read:

18 (d) The monthly amount of the retirement benefit for a member
19 with less than 10 years credited service is two percent of the member's
20 average base salary divided by 12 times the years of credited service,
21 including credited fractional years. The monthly amount of the retire-
22 ment benefit for a member with at least 10 years but less than 20 years
23 credited service is two and one-quarter percent of the member's average
24 base salary divided by 12 times the years of credited service. The
25 monthly amount of the retirement benefit for a member with at least 20
26 years of credited service is two and one-half percent of the member's
27 average base salary divided by 12 times the years of credited service.
28 An actuarial adjustment must be made for early retirement. An indebted-
29 ness that exists at the time of retirement must be discharged under

1 AS 14.25.063(b).

2 * Sec. 8. AS 14.25.115(a) is amended to read:

3 (a) A teacher in membership service on or after July 1, 1977 who
4 is appointed to retirement on or after July 1, 1978 may elect to apply
5 [HIS] unused sick leave credit in computing the total number of years
6 of creditable service under AS 14.25.110(d) [AS 14.25.120(c)(1) AND
7 (4)]. To obtain service credit for unused sick leave, a teacher must
8 apply to the administrator no later than one year after appointment to
9 retirement. Unused sick leave shall be credited on a day-for-day basis
10 in accordance with the table for service after July 1, 1969 contained
11 in AS 14.25.220(40) [AS 14.25.220(16)]. No teacher contributions may
12 be required for credited unused sick leave.

13 * Sec. 9. AS 14.25.125(d) is repealed and reenacted to read:

14 (d) The monthly amount of a conditional service retirement benefit
15 shall be calculated on the years of fully paid membership service only,
16 in accordance with AS 14.25.110(d), except that

17 (1) a member may irrevocably elect to substitute "average
18 monthly compensation" as defined in AS 39.35.680(4) in place of the
19 member's average base salary, divided by 12; and

20 (2) in determining the percentage multiplier for each year
21 of service under AS 14.25.110(d) the years of credited service under
22 AS 39.35 shall also be considered.

23 * Sec. 10. AS 14.25.130(a) is amended to read:

24 (a) An active [A] member who is terminated as a proximate result
25 of a permanent disability [HAS BECOME PERMANENTLY DISABLED], as defined
26 in AS 14.25.220, after July 1, 1966, before age 55 and who has five or
27 more years of membership service may be retired by the administrator as
28 of the first day of the month following the permanent disability. Af-
29 ter a report of medical examination of the member, an application, and

1 other requested information has been submitted, the administrator shall
2 determine if the member is physically or mentally incapacitated for
3 further performance of duty, and if the incapacity is likely to be per-
4 manent and whether the member should receive disability benefits.

5 * Sec. 11. AS 14.25.143 is repealed and reenacted to read:

6 Sec. 14.25.143. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once
7 each year the administrator shall increase benefit payments to eligible
8 disabled members and persons age 55 or older receiving benefits under
9 this system in the preceding calendar year.

10 (b) The increase in benefit payments applies to total benefit
11 payments except for the cost-of-living allowance under AS 14.25.142.
12 The amount of the increase is a percentage of the current benefit equal
13 to

14 (1) the lesser of 75 percent of the increase in the cost of
15 living in the preceding calendar year or nine percent, for recipients
16 who on July 1 are at least 65 years old;

17 (2) the lesser of 50 percent of the increase in the cost of
18 living in the preceding calendar year or six percent, for recipients
19 who on July 1 are at least 60 but less than 65 years old and for members
20 receiving disability benefits who are less than 65 years old; and

21 (3) the lesser of 25 percent of the increase in the cost of
22 living in the preceding calendar year or three percent, for recipients
23 who on July 1 are at least 55 but less than 60 years old.

24 (c) If a recipient was not receiving benefits during the entire
25 preceding calendar year, the increase in benefits under this section
26 shall be adjusted by multiplying it by the fraction whose numerator is
27 the number of months for which benefits were received in the preceding
28 calendar year and whose denominator is 12.

29 (d) If at the time of first receiving a retirement benefit a

1 member was receiving a disability benefit under this system, the admin-
2 istrator shall, at the time the member is appointed to retirement,
3 increase the retirement benefit by a percentage equal to the total
4 cumulative percentage increase which has been applied to the member's
5 disability benefit under this section.

6 (e) When computing a spouse's pension under AS 14.25.164, adjust-
7 ments granted to the deceased member under this section shall be in-
8 cluded.

9 (f) An increase in benefit payments under this section is effec-
10 tive July 1 of each year and is based on the percentage increase in the
11 consumer price index for urban wage earners and clerical workers for
12 Anchorage, Alaska during the previous calendar year as determined by
13 the United States Department of Labor, Bureau of Labor Statistics.

14 * Sec. 12. AS 14.25.168 is repealed and reenacted to read:

15 Sec. 14.25.168. MEDICAL BENEFITS. (a) The following are entitled
16 to major medical insurance coverage:

17 (1) a person receiving a monthly benefit from the system;

18 (2) the spouse of a person receiving a monthly benefit from
19 the system;

20 (3) a natural or adopted child of a person receiving a
21 monthly benefit, if the child is a dependent child as defined in AS 14.-
22 25.220(12).

23 (b) Major medical insurance coverage takes effect on the same
24 date as retirement benefits begin and stops when the recired person or
25 survivor is no longer eligible to receive a monthly benefit. The
26 coverage for persons over age 65 is the same as that available for
27 persons under age 65. The benefits payable to those persons 65 or
28 older supplement those afforded under the federal old age survivor and
29 disability insurance program, if any.

1 * Sec. 13. AS 14.25.220(9) is amended to read:

2 (9) "compensation" means the total remuneration paid under
3 contract to a member for services rendered during a school year, in-
4 cluding cost-of-living differentials, payments for leave that is
5 actually used by the member, the amount by which the member's wages
6 are reduced under AS 39.30.150(c), and the amount deferred under the
7 state deferred compensation plan or the tax shelter annuity plan
8 approved by the Department of Education, but does not include retire-
9 ment benefits, welfare benefits, per diem, expense allowances, workers'
10 compensation payments, or payments for leave not used by the member,
11 whether those leave payments are scheduled payments, lump sum payments,
12 donations, or cash-ins; for purposes of AS 14.25.050, compensation paid
13 includes any payment made after June 30 of a school year for services
14 rendered before the end of the school year;

15 * Sec. 14. AS 14.25.220(10) is amended to read:

16 (10) "credited service" means all membership service as pro-
17 vided in (20) of this section, territorial employment as defined in
18 (41) of this section, plus outside, military, and BIA service not ex-
19 ceeding 15 years, with outside and military service limited to 10 years
20 except under the conditions set out in AS 14.25.100;

21 * Sec. 15. AS 14.25.220 is amended by adding a new paragraph to read:

22 (41) "territorial employment" means non-teaching employment
23 with the Territory of Alaska as provided under AS 14.25.105; territor-
24 ial employment is not membership service.

25 * Sec. 16. AS 22.25.011 is amended to read:

26 Sec. 22.25.011. CONTRIBUTIONS. Each justice and judge appointed
27 after July 1, 1978 shall contribute seven percent of the [HIS] base
28 annual salary received by the justice or judge to the judicial retire-
29 ment system. Contributions shall be made for all creditable service

1 under this chapter up to a maximum of 15 years. This contribution is
2 made in the form of a deduction from compensation, and is made notwith-
3 standing that the compensation paid in cash to the justice or judge is
4 reduced thereby below the minimum prescribed by law. Each justice and
5 judge is considered to consent to the deduction [MADE] from [HIS]
6 compensation. Payment of compensation less the deduction constitutes a
7 full and complete discharge and acquittance of all claims and demands
8 for the services rendered by the justice or judge [HIM] during the
9 period covered by the payment, except as to the benefits provided for
10 under AS 22.25.010 - 22.25.090. The contributions shall be credited
11 to the judicial retirement fund established in accordance with AS 22.-
12 25.048 [INTO THE GENERAL FUND OF THE STATE].

13 * Sec. 17. AS 22.25 is amended by adding a new section to read:

14 Sec. 22.25.048. ACCOUNTING AND INVESTMENT. (a) The commissioner
15 of administration shall establish a fund for the judicial retirement
16 system and shall maintain accounts and records for the judicial retire-
17 ment system.

18 (b) All income of the judicial retirement fund and all disburse-
19 ments made by the fund must be credited or charged, whichever is appro-
20 priate, to the following accounts:

21 (1) an individual account that contains the mandatory contri-
22 butions collected from a person under AS 22.25.011;

23 (2) an account that is credited with the contributions of
24 the state court system;

25 (3) a retirement reserve account; and

26 (4) an expense account for the judicial retirement system
27 that shall be credited with funds transferred from the account des-
28 cribed in (b)(2) of this section.

29 (c) Investment of surplus amounts in the fund may be made as

1 provided in AS 39.35.110.

2 (d) Within one year following retirement, an amount actuarially
3 determined as necessary to pay fully for the benefits to be received by
4 a person receiving a benefit under this chapter shall be transferred
5 first from the individual account described in (b)(1) of this section
6 and, after the individual contributions have been exhausted, then from
7 the court system account described in (b)(2) of this section, into the
8 retirement reserve account described in (b)(3) of this section.

9 (e) The contributions of the court system to the retirement
10 reserve account shall contain the actuarially determined amount neces-
11 sary to fully fund the pension, death benefits, and other benefits paid
12 under the judicial retirement system to a person receiving a benefit
13 under this chapter.

14 (f) The investment income of the judicial retirement fund shall
15 be allocated in proportion to the balances of assets first to the
16 retired reserve account described in (b)(3) of this section and then to
17 the account described in (b)(2) of this section.

18 (g) The account described in (b)(4) of this section is charged
19 with all disbursements representing the administrative expenses in-
20 curred by the judicial retirement system. Expenditures from this
21 account shall be included in the budget of the governor for each fiscal
22 year.

23 * Sec. 18. AS 22.25.090 is repealed and reenacted to read:

24 Sec. 22.25.090. MEDICAL BENEFITS. (a) The following are entitled
25 to major medical insurance coverage:

- 26 (1) a person receiving a monthly benefit under this chapter;
27 (2) the spouse of a justice, judge, or administrative direc-
28 tor receiving a monthly benefit under this chapter;
29 (3) a natural or adopted child of a justice, judge, or

1 administrative director receiving a monthly benefit under this chapter,
2 if the child is a dependent child under (c) of this section.

3 (b) Major medical insurance coverage takes effect on the same
4 date as retirement benefits begin, and stops when the retired person or
5 survivor is no longer eligible to receive a monthly benefit. The
6 coverage for persons 65 or older is the same as that available for
7 persons under 65. The benefits payable to those persons 65 or older
8 supplement the benefits provided under the federal old age survivor and
9 disability insurance program, if any.

10 (c) In this section "dependent child" means an unmarried child of
11 a justice, judge, or administrative director receiving a monthly benefit
12 under this chapter, including an adopted child, who is dependent on the
13 justice, judge, or administrative director for support and who is
14 either (1) less than 19 years old, or (2) less than 23 years old and
15 registered at and attending on a full-time basis an accredited educa-
16 tional or technical institution recognized by the Department of Educa-
17 tion. The age limits set out in this subsection do not apply to a
18 child who is totally and permanently disabled.

19 * Sec. 19. AS 26.05.227 is amended to read:

20 Sec. 26.05.227. DEFINITIONS. As used in AS 26.05.222 - 26.05.228
21 [AS 26.05.222 - 26.05.226],

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

25 (2) "member" means a commissioned or warrant officer or an
26 enlisted person in the Alaska National Guard or Alaska Naval Militia;

27 (3) "system" means the Alaska National Guard retirement
28 system.

29 * Sec. 20. AS 26.05 is amended by adding a new section to read:

1 Sec. 26.05.228. ACCOUNTING AND INVESTMENT. (a) The commissioner
2 of administration shall establish a fund for the system and maintain
3 accounts and records for the system.

4 (b) All income of the fund and all disbursements made by the fund
5 must be credited or charged, whichever is appropriate, to the following
6 accounts:

7 (1) an individual account for each retired member of the
8 system that records the benefits paid under this system to the member
9 or surviving beneficiary;

10 (2) a separate account for the Department of Military Affairs'
11 contribution to fund the system based on the actuarial requirements of
12 the system as established by the commissioner of administration under
13 this chapter;

14 (3) an expense account for the system; this account is
15 charged with all disbursements representing administrative expenses
16 incurred by the system; expenditures from this account are included in
17 the governor's budget for each fiscal year.

18 (c) Investment of surplus amounts in the fund may be made as
19 provided in AS 39.35.110.

20 * Sec. 21. AS 39.30.090 is amended to read:

21 Sec. 39.30.090. PROCUREMENT OF GROUP INSURANCE. The Department
22 of Administration may obtain a policy or policies of group insurance
23 covering state employees, persons entitled to coverage under AS 14.-
24 25.168, AS 22.25.090, AS 39.35.535, or under former AS 39.37.145 or
25 [AND] employees of other participating governmental units subject to
26 the following conditions:

27 (1) A group insurance policy shall provide one or more of
28 the following benefits: life insurance, accidental death and dismem-
29 berment insurance, weekly indemnity insurance, hospital expense insur-

1 ance, surgical expense insurance, dental expense insurance, audio-vis-
2 ual insurance, or other medical care insurance.

3 (2) Each eligible employee of the state, the [HIS] spouse
4 and the [HIS] unmarried children chiefly dependent on the eligible
5 employee [HIM] for support and each eligible employee of another parti-
6 cipating governmental unit shall be covered by the group policy, unless
7 exempt under regulations adopted by the commissioner of administration.

8 (3) A governmental unit may participate under a group policy
9 if

10 (A) its governing body adopts a resolution authorizing
11 participation, and payment of required premiums;

12 (B) a certified copy of the resolution is filed with
13 the Department of Administration; and

14 (C) the commissioner of administration approves the
15 participation in writing.

16 (4) (repealed).

17 (5) (repealed).

18 (6) The Department of Administration shall obtain the insur-
19 ance policy from any insurer authorized to transact business in the
20 state under AS 21.09 and AS 21.90.

21 (7) The Department of Administration shall make available
22 bid specifications for desired insurance benefits to all insurance car-
23 riers licensed in the state and qualified to provide the desired bene-
24 fits. The specifications shall be made available on or before July 1,
25 1965, and at least once every succeeding five years. The lowest re-
26 sponsible bid submitted by an insurance carrier with adequate servicing
27 facilities shall govern selection of a carrier under this section.

28 (8) If the aggregate of dividends payable under the group
29 insurance policy exceeds the governmental unit's share of the premium,

1 the excess shall be applied by the governmental unit for the sole bene-
2 fit of the employees.

3 (9) A person receiving benefits under AS 14.25.110, AS 22.25
4 or AS 39.35 who is not 65 years of age may continue the [OBTAIN MAJOR
5 MEDICAL AND] life insurance coverage that was in effect under this sec-
6 tion at the time of separation from employment with the state or parti-
7 cipating governmental unit [FOR HIMSELF AND ANY DEPENDENTS WHO HAVE NOT
8 REACHED THE AGE OF 65 YEARS].

9 (10) [A PERSON RECEIVING BENEFITS UNDER AS 14.25.110, AS 22.-
10 25 OR AS 39.35 WHO IS 65 YEARS OF AGE OR OLDER BUT WHO HAS DEPENDENTS
11 WHO ARE UNDER 65 MAY OBTAIN MAJOR MEDICAL INSURANCE FOR THESE DEPEND-
12 DENTS UNDER THIS SECTION.]

13 (11) [A PERSON RECEIVING BENEFITS UNDER AS 14.25.110, AS 22.-
14 25 OR AS 39.35 MAY OBTAIN MAJOR MEDICAL AND PRESCRIPTION DRUG INSURANCE
15 UNDER THIS SECTION FOR HIMSELF AND ANY DEPENDENTS TO COVER COSTS WHICH
16 ARE NOT COVERED BY THE FEDERAL OLD AGE SURVIVOR'S AND DISABILITY INSUR-
17 ANCE PROGRAM.]

18 (12) A person electing to have insurance under (9) [, (10) OR
19 (11)] of this section shall pay the cost of this insurance.

20 (13) [NO PERSON MAY ELECT FOR COVERAGE UNDER (9), (10) OR
21 (11) OF THIS SECTION UNLESS HE WAS OR IS PRESENTLY ELIGIBLE FOR COVER-
22 AGE UNDER THIS SECTION.]

23 (14) For each permanent part-time employee electing coverage
24 under this section, the state shall contribute one-half the state con-
25 tribution rate for permanent full-time state employees, and the perman-
26 ent part-time employee shall contribute the other one-half.

27 (15) A person receiving benefits under AS 14.25 or AS 39.35
28 may obtain auditory, visual, and dental insurance [FOR HIMSELF] under
29 this section. The level of coverage for persons over 65 shall be the

1 same as that available before reaching age 65 except that the benefits
2 payable shall be supplemental to those afforded under the federal old
3 age [,] survivors [,] and disability insurance program, if any. A
4 person electing to have insurance under this paragraph shall pay the
5 cost of the insurance. The commissioner of administration shall adopt
6 regulations implementing this paragraph.

7 * Sec. 22. AS 39.30 is amended by adding a new section to read:

8 Sec. 39.30.095. FUND ESTABLISHED. (a) The commissioner of
9 administration shall establish the group health and life benefits fund
10 to provide group insurance benefits for group life and health insurance
11 policies obtained under AS 39.30.090. The commissioner shall maintain
12 accounts and records for the fund. The fund consists of employer
13 contributions, employee contributions, appropriations from the legisla-
14 ture, and interest earned on investment of the fund as provided in (d)
15 of this section.

16 (b) After obtaining the advice of an actuary, the commissioner of
17 administration shall determine the amount necessary to provide benefits
18 under AS 39.30.090 and shall set the rate of employer contribution and
19 employee contribution, if any. The commissioner of administration
20 shall pay premiums and claims in accordance with the insurance policies
21 in effect under AS 39.30.090 with money in the group health and life
22 benefits fund.

23 (c) The commissioner of administration or the designee of the
24 commissioner is administrator of the fund.

25 (d) If the commissioner of administration determines that there
26 is more money in the fund than the amount needed to pay premiums or
27 benefits for the current fiscal year, the surplus, or so much of it as
28 the commissioner of administration considers advisable, may be invested
29 by the commissioner of revenue in the same manner as retirement funds

1 are invested under AS 39.35.110.

2 (e) In this section, "fund" means the group health and life
3 benefits fund.

4 * Sec. 23. AS 39.35.100(b)(1) is amended to read:

5 (1) An [AN] individual account shall be maintained for each
6 employee to record the amount of the [HIS] mandatory contributions
7 collected under AS 39.35.160(a). As of the last day of each calendar
8 year and each fiscal year beginning with June 30, 1969, this account
9 shall be credited with interest, by applying one half of the prescribed
10 rate of interest to the balance in the account as of that date. Within
11 one year following [UPON] retirement, the amount actuarially determined
12 as necessary to fully fund the benefits to be received shall be trans-
13 ferred first from the employee contribution account and, after the em-
14 ployee contribution account has been exhausted, then from the employer
15 contribution account into the retirement reserve account.

16 * Sec. 24. AS 39.35.100(b)(3) is amended to read:

17 (3) A separate account for each employer shall be maintained.
18 The account shall be credited with contributions of the employer. This
19 account shall be charged with the employer's actuarial charge for pen-
20 sion, death benefits, and other benefits paid under this system to or
21 on behalf of the employee of the employer. After an allowance for in-
22 terest credited to employee contribution accounts and employee savings
23 accounts, the investment income of the pension fund shall be allocated
24 to the retirement reserve account and to each employer asset share
25 account according to the ratio that the average of the assets in the
26 [AN EMPLOYER'S] account as of the beginning and as of the end of the
27 fiscal year bears to the total of the average balance of the retirement
28 reserve account and all employer accounts [EMPLOYERS].

29 * Sec. 25. AS 39.35.160 is amended to read:

1 Sec. 39.35.160. AMOUNT OF EMPLOYEE CONTRIBUTIONS. While partici-
2 pating in the system each peace officer and each fireman shall contri-
3 bute seven [FIVE] percent and every other employee shall contribute six
4 [FOUR] and one-quarter percent of their [HIS] compensation to the
5 public employees' retirement system.

6 * Sec. 26. AS 39.35.200(b) is amended to read:

7 (b) If, upon termination of employment, an employee has credited
8 service of less than five years and has less than \$1,000 in the [HIS]
9 employee contribution account, a refund of the employee contribution
10 account and the employee savings account must be made unless the
11 employee indicates in writing that future retirement is intended and
12 contributions should not be refunded. An employee who is reemployed
13 with an employer and whose contributions have not been refunded before
14 reemployment [RE-EMPLOYMENT] is not eligible for a refund.

15 * Sec. 27. AS 39.35 is amended by adding a new section to article 5 to
16 read:

17 Sec. 39.35.305. CREDITED SERVICE FOR EMPLOYMENT WITH THE DIVISION
18 OF MARINE TRANSPORTATION. (a) A vested employee is entitled to
19 credited service for periods of employment before January 1, 1977, with
20 the division of marine transportation for which the employee was
21 credited with service under a marine retirement trust.

22 (b) In order to obtain credited service under this section, an
23 employee shall make an election to do so and shall verify the period of
24 service. When eligibility for credited service has been established,
25 an indebtedness shall be determined as follows: (1) the employee's
26 actual compensation, or the calculated annual compensation for an
27 employee working less than 12 months, during the calendar year 1981 or
28 the year in which an employee first becomes vested under this chapter,
29 whichever is later, multiplied by (2) eight percent, and this product

1 multiplied by (3) the number years of service credited under this
2 section. Interest as prescribed by regulation accrues on this indebted-
3 ness beginning on July 1, 1981, or one year following the date a person
4 first becomes vested, whichever is later. Any outstanding indebtedness
5 that exists at the time a person is appointed to retirement will neces-
6 sitate an actuarial adjustment to the benefits payable based upon
7 service credited under this section.

8 * Sec. 28. AS 39.35.340(b) is amended to read:

9 (b) In order to obtain credited service under this section, an
10 employee shall make an election to do so and shall verify the [HIS]
11 period of military service. When eligibility for credited service for
12 military service has been established, an indebtedness shall be deter-
13 mined as follows: (1) the employee's actual compensation, or the
14 calculated annual compensation for those employees working less than 12
15 months, during the calendar year 1976 or the year in which an employee
16 first becomes vested under this chapter, whichever is later, multiplied
17 by (2) [SIX PERCENT, THIS PRODUCT MULTIPLIED BY (3)] the number of
18 years of military service credited under this section, and this pro-
19 duct multiplied by (3) six percent for members who are first eligible
20 to claim this military service before July 1, 1982, or eight percent
21 for members who are first eligible to claim this military service on
22 or after July 1, 1982. Interest as prescribed by regulation accrues on
23 this indebtedness beginning [COMMENCING] on July 1, 1977, or one year
24 following the date a person first becomes vested, whichever is later.
25 Any outstanding indebtedness that [WHICH] exists at the time a person
26 is appointed to retirement will necessitate an actuarial adjustment to
27 the benefits payable based upon that military service.

28 * Sec. 29. AS 39.35.340(g) is amended to read:

29 (g) A surviving spouse receiving or entitled to receive benefits

1 [A SURVIVING SPOUSE'S PENSION] under AS 39 35.420(b), 39.35.430 or
2 39.35.440 or benefits under a joint and survivor option filed under
3 AS 39.35.450 is eligible to receive increased benefits based upon
4 military service as described in (a) of this section. To receive
5 credited service for military service, the surviving spouse must verify
6 the employee's military service. When verified, the surviving spouse
7 is entitled to receive an increased benefit which shall be actuarially
8 adjusted to reflect his or her indebtedness for that credit. The
9 indebtedness shall be calculated in the same manner as described in (b)
10 of this section except that it shall be based on the average monthly
11 compensation used in calculating the benefit. Benefits payable under
12 this subsection are effective the first day of the month following that
13 in which eligibility has been established.

14 * Sec. 30. AS 39.35.360(b) is amended to read:

15 (b) An employee who is entitled to credited service for employ-
16 ment before January 1, 1961, under (a) of this section is not required
17 to make retroactive contributions under this chapter.

18 * Sec. 31. AS 39.35.370(c) is repealed and reenacted to read:

19 (c) The monthly amount of the retirement benefit for a peace
20 officer or fireman with less than 10 years of credited service is two
21 percent of the average monthly compensation times the years of credited
22 service. The monthly amount of the retirement benefit for a peace
23 officer or fireman with 10 years or more of credited service is two and
24 one-half percent of the average monthly compensation times the years of
25 credited service. The monthly amount of the retirement benefit for all
26 other employees with less than 10 years of credited service is two
27 percent of the average monthly compensation times the years of credited
28 service. The monthly amount of the retirement benefit for all other
29 employees with 10 years or more of credited service but less than 20

1 years of credited service is two and one-quarter percent of the average
2 monthly compensation times the years of credited service. The monthly
3 amount of the retirement benefit for all other employees with 20 years
4 or more of credited service is two and one-half percent of the average
5 monthly compensation times the years of credited service. An actuarial
6 adjustment must be made for an early retirement benefit.

7 * Sec. 32. AS 39.35.370 is amended by adding a new subsection to read:

8 (g) A member may not receive retirement benefits under this
9 section based on a period of employment for which the member received
10 credited service under AS 39.35.305 if the member is receiving retire-
11 ment benefits from a marine retirement trust based on the same period
12 of employment.

13 * Sec. 33. AS 39.35.385(d) is repealed and reenacted to read:

14 (d) The monthly amount of a conditional service retirement benefit
15 shall be calculated in accordance with AS 39.35.370(c), except that

16 (1) the member may irrevocably elect to substitute one-
17 twelfth of the "average base salary" as defined in AS 14.25.220(5) in
18 place of average monthly compensation; and

19 (2) in determining the percentage multiplier for each year
20 of service under AS 39.35.370(c) the years of credited service under
21 AS 14.25 shall also be considered.

22 * Sec. 34. AS 39.35.385(c) is amended to read:

23 (c) Credited service for which contributions were refunded is not
24 creditable under this section unless the refunded contributions have
25 been repaid. For purposes of (a) and (b) of this section, a member or
26 former member does not have to be reemployed under this system in order
27 to pay refunded contributions. Compound interest at the rate pre-
28 scribed by regulation must be added to the reinstatement indebtedness
29 from the date of the refund to the date of repayment.

1 * Sec. 35. AS 39.35.420(b) is amended to read:

2 (b) If the death of a vested member or deferred vested member oc-
3 curs from nonoccupational causes, the surviving spouse may at his or
4 her discretion receive either the amounts set out in (c) [BENEFITS
5 DESCRIBED IN (a)] of this section or a 50 percent joint and survivor
6 option based upon credited service to the date of the employee's death
7 or termination. Benefits accrue from the first day of the month fol-
8 lowing the employee's death and are payable the last day of the month.

9 * Sec. 36. AS 39.35.420 is amended by adding a new subsection to read:

10 (c) If no spouse survives the death of a vested or deferred
11 vested member, the designated beneficiary shall be paid: (1) the
12 balance of the deceased member's contribution account; (2) the balance
13 of the deceased member's savings account; (3) the deceased member's
14 final monthly benefit payment; and (4) a lump-sum death benefit. The
15 amount of the lump-sum death benefit is \$100 times the years of credited
16 service of the deceased member plus \$1,000.

17 * Sec. 37. AS 39.35.430 is amended by adding a new subsection to read:

18 (f) If the death of an employee occurs from occupational causes
19 but no surviving spouse or dependent children exist at the time of the
20 death, the employee's designated beneficiary is entitled to receive
21 those benefits available to a beneficiary under AS 39.35.420(a) or (c).

22 * Sec. 38. AS 39.35.440(b) is amended to read:

23 (b) Upon the death of a disabled employee who is receiving or is
24 entitled to receive an occupational disability benefit, a surviving
25 spouse's pension equal to 40 percent of the employee's [HIS AVERAGE]
26 monthly compensation at the termination of employment because of occu-
27 pational disability shall be paid to the [HIS] surviving spouse. If
28 there is no surviving spouse, the survivor's pension shall be paid in
29 equal parts to the dependent children of the employee. On the date the

1 normal retirement of the employee would have occurred if the employee
2 [HE] had lived, monthly payments shall equal the monthly amount of the
3 normal retirement benefit to which the employee, had the employee [HE]
4 lived and continued [HIS] employment until the employee's [HIS] normal
5 retirement date, would have been entitled with an average monthly
6 compensation as existed at [HIS] death and the credited service to
7 which the employee [HE] would have been entitled. If the death of
8 an employee occurs from occupational causes but no surviving spouse or
9 dependent children exist at the time of the death, the employee's
10 designated beneficiary shall be paid those benefits available to a
11 beneficiary under AS 39.35.420(a) or (c).

12 * Sec. 39. AS 39.35.475 is repealed and reenacted to read:

13 Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once
14 each year the administrator shall increase benefit payments to eligible
15 disabled members and persons age 55 or older receiving benefits under
16 this system in the preceding calendar year.

17 (b) The increase in benefit payments applies to total benefit
18 payments exclusive only of the cost-of-living allowance under AS 39.-
19 35.480. The amount of the increase is a percentage of the current
20 benefit equal to

21 (1) the lesser of 75 percent of the increase in the cost of
22 living in the preceding calendar year or nine percent, for recipients
23 who on July 1 are at least 65 years old;

24 (2) the lesser of 50 percent of the increase in the cost of
25 living in the preceding calendar year or six percent, for recipients
26 who on July 1 are at least 60 but less than 65 years old and for members
27 receiving disability benefits who are less than 65 years old; and

28 (3) the lesser of 25 percent of the increase in the cost of
29 living in the preceding calendar year or three percent, for recipients

1 who on July 1 are at least 55 but less than 60 years old.

2 (c) If a recipient was not receiving benefits during the entire
3 preceding calendar year, the increase in benefits under this section
4 shall be adjusted by multiplying it by the fraction whose numerator is
5 the number of months for which benefits were received in the preceding
6 calendar year and whose denominator is 12.

7 (d) If at the time of first receiving a retirement benefit a
8 member was receiving a disability benefit under this system, the admin-
9 istrator shall, at the time the member is appointed to retirement,
10 increase the retirement benefit by a percentage equal to the total
11 cumulative percentage increase which has been applied to the member's
12 disability benefit under this section.

13 (e) When computing a joint and survivor benefit under AS 39.35.-
14 450 or a survivor's benefit under AS 39.35.420 or 39.35.440, adjust-
15 ments granted to the deceased member under this section shall be in-
16 cluded.

17 (f) An increase in benefit payments under this section is effec-
18 tive July 1 of each year and is based on the percentage increase in the
19 consumer price index for urban wage earners and clerical workers for
20 Anchorage, Alaska during the previous calendar year as determined by
21 the United States Department of Labor, Bureau of Labor Statistics.

22 * Sec. 40. AS 39.35.460 is amended to read:

23 Sec. 39.35.460. LEVEL INCOME OPTION. If the payment of a [AN
24 EARLY] retirement pension begins before age 65 [THE EARLIEST AGE AS OF
25 WHICH THE EMPLOYEE BECOMES ELIGIBLE FOR A PRIMARY SOCIAL SECURITY BENE-
26 FIT], the amount of pension payable before and after that age may be
27 adjusted so that an increased amount will be paid before the time that
28 full social security benefits become available and a reduced amount af-
29 ter that time, so that the employee may [WILL] receive a more level

1 [RETIREMENT] income for life. The aggregate value of all adjusted
2 payments may [, HOWEVER, SHALL] not exceed the actuarial equivalent of
3 the value of the pension otherwise payable to the employee.

4 * Sec. 41. AS 39.35 is amended by adding a new section to read:

5 Sec. 39.35.527. ELECTION TO TERMINATE COVERAGE AS A PEACE OFFICER
6 OR FIREMAN. (a) An employee occupying a position as a peace officer
7 or fireman may irrevocably elect to relinquish peace officer or fireman
8 status with the system and receive credited service other than as a
9 peace officer or fireman in an amount equal to the credited service as
10 a peace officer or fireman.

11 (b) An employee who elects to relinquish peace officer or fireman
12 status with the system must be currently employed as a peace officer or
13 fireman and must file a written request with the administrator

14 (1) by January 1, 1982 if the employee wants the election to
15 be effective January 16, 1982; or

16 (2) within six months of employment or reemployment in a
17 position in the peace officer or fireman category if the election is to
18 be effective on the date of employment or reemployment.

19 (c) An employee who relinquishes peace officer or fireman service
20 under this section shall receive a refund equal to the amount by which
21 the employee's accumulated contributions exceed the contributions which
22 would otherwise have been required for the same period of service.

23 * Sec. 42. AS 39.35.485(a) is amended to read:

24 (a) An employee who is eligible for a benefit calculated in
25 accordance with AS 39.35.370(c) is entitled to a benefit of at least
26 \$25 a month for each year of credited service, not including adjust-
27 ments made under AS 39.35.340 for military service, AS 39.35.350 for
28 reinstatement of credited service, AS 39.35.360 for credit for earlier
29 service, AS 39.35.370(c) for early retirement, AS 39.35.420 for non-

1 occupational death benefits [AS 39.35.380, 39.35.410], AS 39.35.450
2 for the survivor's option, AS 39.35.460 for the level income option,
3 AS 39.35.475 for the post-retirement pension adjustment, and AS 39.35.-
4 480 for the cost of living.

5 * Sec. 43. AS 39.35.535 is repealed and reenacted to read:

6 Sec. 39.35.535. MEDICAL BENEFITS. (a) The following are entitled
7 to major medical insurance coverage:

8 (1) a person receiving a monthly benefit from the system;

9 (2) the spouse of a person receiving a monthly benefit from
10 the system;

11 (3) a natural or adopted child of a person receiving a
12 monthly benefit from the system, if the child is a dependent child
13 under AS 39.35.680(11).

14 (b) Major medical insurance coverage takes effect on the same
15 date as retirement benefits begin, and stops when the retired employee
16 or survivor is no longer eligible to receive a monthly benefit. The
17 coverage for persons 65 or older is the same coverage available for a
18 person under 65. The benefits payable to those persons 65 or older
19 supplement those afforded under the federal old age survivor and dis-
20 ability insurance program, if any.

21 * Sec. 44. AS 39.35.560 is amended to read:

22 Sec. 39.35.560. REQUEST BY PUBLIC ORGANIZATION TO PARTICIPATE AND
23 ADOPTION OF RESOLUTION. A public organization [CREATED WHOLLY OR PART-
24 LY BY, OR DERIVING ITS POWERS FROM, THE LEGISLATURE OF THE STATE] may
25 request to become an employer in this system. The request shall be
26 made after adoption of a resolution by the governing body of the public
27 organization. A certified copy of the resolution shall be filed with
28 the administrator. If the administrator approves the request for par-
29 ticipation, the public organization is an employer of the system.

1 * Sec. 45. AS 39.35.680(8) is amended to read:

2 (8) "compensation" means the total remuneration earned by an
3 employee for personal services rendered, including cost-of-living dif-
4 ferentials, payments for leave that is actually used by the employee,
5 the amount by which the employee's wages are reduced under AS 39.30.-
6 150(c), and any amount deferred under the state deferred compensation
7 plan, but does not include retirement benefits, welfare benefits, per
8 diem, expense allowances, workers' compensation payments or payments
9 for [MEDICAL LEAVE OR ANNUAL] leave not used by the employee whether
10 those leave payments are scheduled payments, lump-sum payments, dona-
11 tions or cash-ins;

12 * Sec. 46. AS 39.35.680(13) is amended to read:

13 (13) "early retirement" means retirement for a member who is
14 not eligible for normal retirement and who is at least 50 years old and
15 is eligible to receive benefits under AS 39.35.370(b) or under AS 39.-
16 35.385(b) or (f) [HAS A MINIMUM OF FIVE YEARS CREDITED SERVICE];

17 * Sec. 47. AS 39.35.680(25) is amended to read:

18 (25) "normal retirement" means retirement for a member who is
19 at least 55 years old and is eligible to receive benefits under AS 39.-
20 35.370(a) or under AS 39.35.385(a) or (f) [HAS A MINIMUM OF FIVE YEARS
21 CREDITED SERVICE, OR WHO IS ANY AGE AND HAS 30 YEARS OR MORE OF CRED-
22 ITED SERVICE, OR A PEACE OFFICER OR FIREMAN WHO IS ANY AGE AND HAS 20
23 YEARS OR MORE OF CREDITED SERVICE];

24 * Sec. 48. AS 39.35.680(27) is amended to read:

25 (27) "peace officer" or "fireman" means an employee occupying
26 a position as a peace officer, chief of police, correctional officer,
27 correctional superintendent, [QUALIFIED EMPLOYEE OF THE DEPARTMENT OF
28 FISH AND GAME,] fireman, or fire chief;

29 * Sec. 49. AS 39.35.680 is amended by adding a new paragraph to read:

1 (39) "public organization" means an organization or entity
2 (A) created by the constitution or laws of the state for
3 the purpose of administering state programs;

4 (B) whose officers and employees are paid by a method
5 other than by the state payroll prepared by the Department of
6 Administration; and

7 (C) whose employees are not required by law to partici-
8 pate in the system.

9 * Sec. 50. AS 39.35.680(32) is repealed.

10 * Sec. 51. A person holding a position as a "qualified employee of the
11 Department of Fish and Game" on June 30, 1981, shall continue to be treated
12 as a peace officer under AS 39.35 until that person

13 (1) terminates employment with the Department of Fish and Game
14 before eligibility for or appointment to retirement or disability; or

15 (2) elects to irrevocably relinquish peace officer status under
16 AS 39.35.527.

17 * Sec. 52. Sections 11 and 39 of this Act apply to persons receiving
18 benefits under the retirement systems on July 1, 1982. Benefits shall be
19 recomputed as of July 1, 1982, under AS 14.25.143 and AS 39.35.475 to include
20 adjustments under AS 14.25.143 or AS 39.35.475 for each year since the
21 person first began receiving a benefit. If the recomputed benefit exceeds
22 the current benefit, the current benefit shall be increased accordingly
23 effective July 1, 1982. Payment of the increased benefit shall begin no
24 later than January 1, 1983, but no retroactive benefit payments may be made
25 under this section for any period before July 1, 1982.

26 * Sec. 53. Sections 5 - 7, 11, 25, 28, 31, 39, and 52 of this Act take
27 effect July 1, 1982.

28 * Sec. 54. Sections 1 - 4, 8 - 10, 12 - 24, 26, 27, 29, 30, 32 - 38, and
29 40 - 51 of this Act take effect July 1, 1981.

Introduced: 4/8/81
Referred: State Affairs and
Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 400

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the public employees' retirement
7 system."

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

9 * Section 1. AS 39.35 is amended by adding a new section to read:

10 Sec. 39.35.305. CREDITED SERVICE FOR EMPLOYMENT WITH THE DIVISION
11 OF MARINE TRANSPORTATION. (a) Except as provided in (b) of this
12 section a person is entitled, at the time he becomes an active employee,
13 to credited service in the public employees' retirement system for
14 periods of employment with the division of marine transportation for
15 which he has been credited with service under a marine retirement trust

16 (b) If a person receives a refund of contributions he has made to
17 a marine retirement trust for employment with the division of marine
18 transportation, he is not entitled to credited service in the public
19 employees' retirement system for the period of employment for which the
20 refund is made unless the amount of the refund is paid to the public
21 employees' retirement system.

22 * Sec. 2. AS 39.35.370 is amended by adding a new subsection to read:

23 (g) A member may not receive retirement benefits under this
24 section based on a period of employment for which the member received
25 credited service under AS 39.35.305 if he is receiving retirement
26 benefits from a marine retirement trust based on the same period of
27 employment.
28

29

COMMITTEE REPORT
SENATE

FURTHER: Finance

4/8/81

Date: _____

Mr. President:

The Committee on RESOURCES has had SB 401

canceling certain claims for reimbursement of state money granted to fair associations

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

as follows

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
- new title

and recommends _____

AND attaches a "Letter of Intent" New Fiscal Note

reports it back ^{with} ~~without~~ recommendations

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

1 Alan Selman

1 Bob Mulcahy

MEMBERS HAVING
OTHER RECOMMENDATIONS:

2 Brad & Bradley No Rec

2 Harley & Stump No Rec

2 Mulcahy " "

1 Byron Stuckey No Rec

CHAIRMAN

Introduced: 4/8/81
Referred: Resources and Finance

1 IN THE SENATE

BY HOJMAN

2 SENATE BILL NO. 401

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act canceling certain claims for reimbursement of
7 state money granted to fair associations as state aid
8 to fairs; and providing for an effective date."

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

10 * Section 1. FINDINGS. Before July 1, 1980, AS 03.20.020(a) did not
11 allow the value of donated labor and materials to be used as a match for
12 state aid to fairs granted under that section. However, before that date
13 the division of agriculture, Department of Natural Resources, had advised
14 fair associations that donated labor and materials could be used to meet the
15 matching requirement. Some fair associations therefore claimed the value of
16 donated labor and materials for the purpose of matching money and the state
17 now seeks reimbursement. The legislature finds that since the fair associa-
18 tions relied in good faith on the representations of state officials it is
19 unfair that those associations should be required to reimburse the state.

20 * Sec. 2. Any state claim for reimbursement resulting from a fair
21 association claiming the value of labor and materials donated before July 1,
22 1980, as matching money for state aid to fairs under AS 03.02.020 is
23 canceled.

24 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
25 070(c).

ALASKA STATE LEGISLATURE

TWELFTH Legislature FIRST Session

SENATE BILL NO. 401

By HOHMAN

"An Act canceling certain claims for reimbursement of state money granted to fair associations as state aid to fairs; and providing for an effective date."

Introduced in the Senate 4/8/81

HISTORY IN THE SENATE

19 81	Read first time and referred to Committee on Resources and Finance												
4 8													
5 19	Reported back with recommendation that <i>Be passed. See memo to Finance.</i>												
	Read second time and												
	Read third time and												
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	Reported correctly engrossed Signed by President Sent to House												
SECRETARY OF THE SENATE													

HISTORY IN THE HOUSE

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	Reported correctly engrossed Signed by Speaker Returned to Senate												
CHIEF CLERK OF THE HOUSE													

HISTORY IN THE SENATE

19	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
 by Governor
	Filed with Lt. Governor
	Chapter No.

Introduced: 4/8/81
Referred: Resources and Finance

1 IN THE SENATE

BY HCHMAN

2 SENATE BILL NO. 401

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act canceling certain claims for reimbursement of
7 state money granted to fair associations as state aid
8 to fairs; and providing for an effective date."

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

10 * Section 1. FINDINGS. Before July 1, 1980, AS 03.20.020(a) did not
11 allow the value of donated labor and materials to be used as a match for
12 state aid to fairs granted under that section. However, before that date
13 the division of agriculture, Department of Natural Resources, had advised
14 fair associations that donated labor and materials could be used to meet the
15 matching requirement. Some fair associations therefore claimed the value of
16 donated labor and materials for the purpose of matching money and the state
17 now seeks reimbursement. The legislature finds that since the fair associa-
18 tions relied in good faith on the representations of state officials it is
19 unfair that those associations should be required to reimburse the state.

20 * Sec. 2. Any state claim for reimbursement resulting from a fair
21 association claiming the value of labor and materials donated before July 1,
22 1980, as matching money for state aid to fairs under AS 03.02.020 is
23 canceled.

24 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
25 070(c).
26
27
28
29