

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 80/2

3605

HRLS

HB 237

481

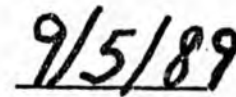


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STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907.465.3800

LEGISLATIVE AFFAIRS AGENCY  
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1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

House Rules Committee, 5/2/85, 8:36am

HB 237 - see 4/30 and 5/06/85

# COMMITTEE REPORT

## HOUSE

(7)

FURTHER:

4/24/85

Date: May 6, 1985  
0

The Committee on RULES has had HB 237

"An Act relating to pension reform; and providing for an effective date."

under consideration and recommends:

do pass [ ] do not pass

[ ] do pass with attached amendments(s)

replace with CS for HB 237 (RULES)  same title  
[ ] new title  
and recommends \_\_\_\_\_

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note  
[ ] reports it back without recommendation [ ] Zero Fiscal Note Attached

[ ] referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Malaguez  
John Tuller  
Terry Martin  
M.W. Miller  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

John Tuller (M.W.)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

M.W. Miller  
CHAIRMAN

CALL THE MEETING TO ORDER:

HOUSE RULES STANDING COMMITTEE  
T H U R S D A Y, M A Y 2, 1985  
T I M E

INDICATE MEMBERS PRESENT AND ABSENT:

Cmte. Members: Chairman M.W. Miller  
Speaker Grussendorf  
Rep. Fuller  
Rep. Martin  
Rep. Davis  
Rep. Pignalberi  
*Rep. [unclear]*

SCHEDULED ON THE COMMITTEE CALENDAR TODAY ARE:

HB 21 - "An Act relating to homesites for veterans."  
(by Rep. Goll)

HCR 31 - Proposing an amendment to the Uniform Rules of the Alaska State legislature to include the Pledge of Allegiance as part of the daily order of business.  
(by the Rules Committee)

HCR 26 - Proposing amendments to Rule 23 of the Uniform Rules of the Alaska State Legislature relating to committee meetings; and providing for an effective date.  
(by the Rules Committee)

(Continued from April 30th)

HB 237 - "An Act relating to pension reform; and providing for an effective date."  
(Rules Committee by Request of the Governor)

The first item on today's agenda is the Proposed CS HB 21(RULES) "An Act relating to homesites for veterans."

- ADOPT CSHB 21(RULES) for purposes of discussion.

CSHB 21(RULES) makes one change to CSHB 21(FINANCE). In looking at the Rules CS, on Page 1, line 18 after the word "States", the phrase, "WHO HAS AT ANY TIME RESIDED CONTINUOUSLY FOR AT LEAST ONE YEAR IN THE STATE AND" ----- HAS BEEN DELETED.

Included in the packets today is a memo from Randall J. Moen, Legislative Counsel regarding the constitutionality of exemption for one year resident veterans from certain costs under the homesite entry program.

NOTE: RANDAL MOEN IS HERE IF YOU WOULD LIKE TO HAVE HIM EXPLAIN WHY THIS PROVISION WAS DELETED FROM THE FINANCE VERSION.

DISCUSSION

MOVE CSHB 21(RULES) FROM COMMITTEE WITH INDIVIDUAL RECOMMENDATIONS.

The second item on today's agenda is HCR 31 - Proposing an amendment to the Uniform Rules of the Alaska State legislature to include the Pledge of Allegiance as part of the daily order of business.

Move to adopt HCR 31 for purposes of discussion.

Move HCR 31 from the Rules Committee with individual recommendations.

*Amendment No 2 passed when amended to HCR 26 on the House floor. We have rolled this amendment into HCR 31*

The third item on today's agenda is the proposed "2nd CS HCR 26(RULES) - Proposing amendments to Rule 23 of the Uniform Rules of the Alaska State Legislature relating to committee meetings; and providing for an effective date."

Request motion to Adopt 2nd CS HCR 26(RULES) FOR PURPOSES OF DISCUSSION.

The 2nd CS makes two changes to CS HCR 26(RULES).

\*On Page 1, line 20, after the word "Office" the phrase or Legislative Teleconference Center HAS BEEN ADDED.

\*Page 1, line 21, the word "FULL-TIME" has been deleted.

FURTHER DISCUSSION?

Request motion to move 2nd CS HCR 26(RULES) FROM COMMITTEE WITH INDIVIDUAL RECOMMENDATIONS.

.....

The fourth item on today's agenda is the proposed CSHB 237(RULES) - "An Act relating to pension reform; and providing for an effective date."

Request motion to adopt CSHB 237(RULES) for purposes of discussion.

Included in your folder is a revised CS. TERRY CRAMER, LEGISLATIVE AFFAIRS ATTORNEY IS HERE TO GO OVER CHANGES MADE TO THE NEW VERSION OF CSHB 237(RULES)

- VIRGINIA RAGLE, A.G'S OFFICE MAY BE HERE - KEN HUMPHREYS, DIRECTOR, DIVISION OF RETIREMENT WILL MAY BE HERE.

Request a motion to move CSHB 237(RULES) from committee with individual recommendations.



Official Business

# Alaska State Legislature

## House of Representatives

### Committee on Rules

Pouch V  
Juneau, Alaska 99811

Phone:  
(907) 465-3764  
465-3765

HOUSE RULES STANDING COMMITTEE  
T H U R S D A Y, M A Y 2, 1 9 8 5

HB 21 - "An Act relating to homesites for veterans."  
(by Rep. Goll)

HCR 31 - Proposing an amendment to the Uniform Rules of the Alaska State legislature to include the Pledge of Allegiance as part of the daily order of business.  
(by the Rules Committee)

HCR 26 - Proposing amendments to Rule 23 of the Uniform Rules of the Alaska State Legislature relating to committee meetings; and providing for an effective date."  
(by the Rules Committee)

(continued from April 30th Rules Meeting:)

HB 237 - "An Act relating to pension reform; and providing for an effective date."  
(Rules' Committee by Request of the Governor)

*115200 letter of Intent*



Official Business

# Alaska State Legislature

## House of Representatives

Committee on Rules

Pouch V  
Juneau, Alaska 99811

Phone:  
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### RULES COMMITTEE STANDING COMMITTEE

#### I N D E X

HB 237 - "An Act relating to pension reform; and providing for an effective date."

- 0. Analysis/Drafting Changes
- I. Proposed CSHB 237 (RULES)
- II. Original Version - HB 237
- III. Analysis/Information Packet on HB 237
- IV. Bill History - HB 237

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# STATE OF ALASKA THE LEGISLATURE

POUCHY STATE CAPITOL  
JUNEAU ALASKA 99811  
907 465 3800

## LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

April 29, 1985

SUBJECT: CSHB 237 (Rules) (Pension reform) (Work  
Order No. 14-H237)

TO: Representative Mike W. Miller  
Chairman, Rules Committee

FROM: Teresa B. Cramer *TBC*  
Legislative Counsel

You have requested an explanation of the drafting changes made in preparing CSHB 237 (Rules).

Sec. 14.25.150(b) is rewritten in the Committee Substitute to incorporate the substance of subsection (c), defining "spouse," from the original version of the bill.

Sec. 14.25.155(c) is rewritten in the active instead of the passive voice. (Page 3 line 21)

Sec. 14.25.157(a) is rewritten in the active instead of the passive voice (page 4, lines 3 and 19) and to clarify language (page 4, lines 15-16 and 21).

Sec. 14.25.166(a) is rewritten to include the substance of subsection (d), defining "spouse," from the original bill.

Section 14.25.166(b) is rewritten to use the active instead of the passive voice.

Sec. 14.25.167 (a) and (c) are rewritten to include the substance of subsection (f) of the original bill, defining "spouse," within their terms and to clarify the language.

Sec. 14.25.167 (f), (g), and (h) are the same as subsections (g), (h) and (i) of the original bill except that the CS substitutes the word "evidence" for "documentation provided to the administrator" on page 7, line 24.

Representative Mike W. Miller  
Chairman, Rules Committee  
April 29, 1985  
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Sec. 14.25.200(e) is rewritten to include the terms of subsection (e) of the original bill within this subsection. (Page 8, lines 13-14)

Sec. 14.25.220 refers to the definition of "qualified domestic relations order" in AS 39.35.680 instead of repeating the language here. The definition of "surviving spouse" added by the original bill is not included in the CS. It might be appropriate to include a new section similar to the section added to PERS (see page 15, lines 5-11 of the CS) to the TRS chapter.

Secs. 22.25.030(b) and 22.25.035 in the Committee Substitute have the same effect as the amendments to the definition of "surviving spouse" in the original bill.

Sec. 22.25.900 refers to the definition of "qualified domestic relations order" in AS 39.35.680 instead of including the language here.

Secs. 25.24.160 and 25.24.230 are the same in both the CS and the original bill except that the CS substitutes "meet the requirements of" for "be" on page 9, lines 8 and 13.

Sec. 26.05.224(d) of the CS replaces passive voices with active voices. (Page 9, line 28 and page 10, line 4). The CS also incorporates the substance of the definition of "spouse" found in Sec. 26.05.224(g) of the original bill into this subsection. (Page 10, lines 5-6)

Sec. 26.05.224(e) of the CS is rewritten to include the substance of the definition of "spouse" within its terms.

Sec. 26.05.225(f) is the same in both the CS and the original bill except that the CS adds the words "the date" on page 10, line 24.

Sec. 26.05.227(4) of the CS refers to the definition of "qualified domestic relations order" in AS 39.35.680 instead of repeating the language here.

Sec. 39.35.200(a) is the same in both the CS and the original bill.

Sec. 39.35.200(c) is rewritten to include the substance of subsection (d) of the original bill, defining "spouse," in this subsection.

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Sec. 39.35.370(a) and (b) are the same in both versions except that the CS indents the paragraphs.

Sec. 39.35.385 (a) and (b) are the same in both versions.

The Committee Substitute does not include an amendment to AS 39.35.420 or 39.35.440(b) because the only purpose was to refer to AS 39.35.490, the section on designated beneficiaries. That section makes clear that the only way a members of PERS may designate a beneficiary is in accordance with that subsection.

Sec. 39.35.430(f) is the same except that the CS deletes the reference to AS 39.35.490 for the reason explained above.

Sec. 39.35.450(a) and (c) are rewritten in the CS to include the substance of the definition of "spouse" found in proposed AS 39.35.450(f) of the original bill.

Sec. 39.35.450(f), (g) and (h) of the CS are identical to AS39.35.450(g), (h) and (i) of the original bill except that the CS uses the term "evidence" for "documentation provided to the administrator" on page 14, line 23.

Sec. 39.35.455 of the CS is new. It is added to avoid including substantive provisions about the effect of a qualified domestic relations order in the definition of "surviving spouse." (See Sec. 39.35.680(37) of the original bill)

Sec. 39.35.490(a) is rewritten to include the substance of the definition of "spouse" found in subsection (d) of the original bill.

Sec. 39.35.490(b) and (c) are rewritten to substitute active voice for passive voice.

Sec. 39.35.490(d) in the CS is the same as 39.35.490(e) in the original bill except that the words "the date" are added to page 16, line 23.

Sec. 39.35.500 of the CS is the same as 39.35.500(a) and (b) of the original bill. (Page 17, lines 8-10)

The Committee Substitute does not amend the definition of "surviving spouse" and instead adds a substantive provision,

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Chairman, Rules Committee  
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Sec. 39.35.455 above, to incorporate the change proposed in the original bill.

Sec. 39.35.680(4) is the same in both versions except for the removal of two commas in (G).

Sections 41-43 are the same in both versions except for minor technical changes.

If I may be of further assistance, please advise.

TC:mkr  
059:714

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 CS FOR HOUSE BILL NO. 237 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to pension reform; and providing for  
7 an effective date."

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

9 \* Section 1. AS 14.25.110(a) is amended to read:

10 (a) Subject to AS 14.25.167, a [A] member is eligible for a  
11 normal retirement benefit if the member

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

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

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

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

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

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

26 \* Sec. 2. AS 14.25.110(b) is amended to read:

27 (b) Subject to AS 14.25.167, a [A] member is eligible for an  
28 early retirement benefit upon completing any one of the service re-  
29 quirements in (a)(1), (2), or (3) of this section and attaining the

1 age of 50 years.

2 \* Sec. 3. AS 14.25.125(a) is amended to read:

3 (a, Subject to AS 14.25.167, a [A] member is eligible for a  
4 normal retirement salary at age 55 with at least two years membership  
5 service if the member also is eligible for a normal retirement benefit  
6 under the public employees' retirement system (AS 39.35).

7 \* Sec. 4. AS 14.25.125(b) is amended to read:

8 (b) Subject to AS 14.25.167, a [A] member is eligible for an  
9 early retirement salary at age 50 with at least two years of member-  
10 ship service if the member also is eligible for an early retirement  
11 benefit under the public employees' retirement system (AS 39.35).

12 \* Sec. 5. AS 14.25.150 is amended to read:

13 Sec. 14.25.150. REFUND UPON TERMINATION. (a) Except as pro-  
14 vided in (b) of this section, a [A] terminated member is entitled to a  
15 refund of the balance of the member contribution account. A member is  
16 not entitled to a refund of supplemental contributions except as pro-  
17 vided in AS 14.25.160(a).

18 \* Sec. 6. AS 14.25.150 is amended by adding a new subsection to read:

19 (b) A member who is terminated and is a vested member, deferred  
20 vested member, or who is entitled to benefits under AS 14.25.125, and  
21 who is married at the time of application for a refund or whose rights  
22 to a refund are subject to a qualified domestic relations order is  
23 entitled to receive a refund of the balance of the member contribution  
24 account only if the member's spouse and each person entitled under the  
25 order consents to the refund in writing on a form provided by the  
26 administrator. The administrator may waive written consent from the  
27 person entitled under the order if the administrator determines that  
28 the person cannot be located or for other reasons established by  
29 regulation. The administrator may waive written consent from the

1 spouse if the administrator determines that

2 (1) the member was not married to the spouse during any  
3 period of the member's employment with an employer;

4 (2) the spouse has no rights to benefits under this chapter  
5 because of the terms of a qualified domestic relations order;

6 (3) the spouse cannot be located; or

7 (4) for other reasons established by regulation.

8 \* Sec. 7. AS 14.25 is amended by adding a new section to read:

9 Sec. 14.25.153. RIGHTS UNDER QUALIFIED DOMESTIC RELATIONS ORDER.

10 In this chapter the rights of a person under a qualified domestic  
11 relations order take precedence over the rights of a spouse, surviving  
12 spouse, or dependent child to the extent required by the order. A  
13 person granted rights under a qualified domestic relations order shall  
14 be treated as a spouse or surviving spouse under this chapter to the  
15 extent required by the order. Rights under the order do not take  
16 effect until the order is filed with the administrator.

17 \* Sec. 8. AS 14.25.155(c) is amended to read:

18 (c) If the death of a vested member or deferred vested member  
19 occurs and the proximate cause of death is not a bodily injury sus-  
20 tained or hazard undergone while in the performance and within the  
21 scope of the member's duties of employment, the surviving spouse may  
22 elect to receive either the benefits described in (b) of this section  
23 or a 50 percent joint and survivor option as provided under AS 14.25.-  
24 167(a)(2) based on credited service to the date of the member's ter-  
25 mination. If no spouse survives a vested or deferred vested member,  
26 or if a person other than the spouse is designated as beneficiary in  
27 accordance with AS 14.25.166, the administrator shall pay [,] the  
28 designated beneficiary [SHALL BE PAID] the benefits described in  
29 AS 14.25.160(b) and (c). Benefits accrue from the first day of the

1 month following the member's death and are payable the last day of the  
2 month.

3 \* Sec. 9. AS 14.25.157(a) is amended to read:

4 (a) If (1) the death of a member occurs before the member first  
5 attains eligibility for normal retirement, and (2) the proximate cause  
6 of death is a bodily injury sustained or hazard undergone while in the  
7 performance and within the scope of the member's duties of employment,  
8 and (3) the injury or hazard is not the proximate result of wilful  
9 negligence on the part of the member, the administrator shall pay a  
10 monthly survivor's pension equal to 40 percent of the member's base  
11 salary at the time of termination of employment, divided by 12, [SHALL  
12 BE PAID] to the member's surviving spouse. If there is no surviving  
13 spouse, the administrator shall pay the monthly survivor's pension  
14 [SHALL BE PAID] in equal parts to the dependent children of the mem-  
15 ber. On the date the normal retirement of the member would have  
16 occurred if the member had lived, monthly payments must [SHALL] equal  
17 the monthly amount of the normal retirement benefit to which the mem-  
18 ber, had the member lived and continued employment until the member's  
19 normal retirement date, would have been entitled with an average base  
20 salary as existed at the member's death and the credited service to  
21 which the member would have been entitled. If the member does not  
22 have a [NO SURVIVING] spouse or dependent children [EXIST] at the time  
23 of death or if the member designates as beneficiary under AS 14.25.166  
24 someone other than the surviving spouse or dependent children, the  
25 administrator shall pay the member's designated beneficiary [SHALL BE  
26 PAID] those benefits available to a beneficiary under AS 14.25.160(b)  
27 and (c) and may not pay a [NO] benefit [WILL BE PAID] to the surviving  
28 spouse or dependent children.

29 \* Sec. 10. AS 14.25.166(a) is amended to read:

1 (a) Each member shall designate the beneficiary or beneficiaries  
2 to whom the administrator shall distribute benefits payable under this  
3 chapter as a consequence of the member's death. Notwithstanding a  
4 previous designation of beneficiary, a person who is the spouse of a  
5 member at the time of the member's death automatically becomes the  
6 designated beneficiary if the spouse was married to the member during  
7 part of the member's employment for an employer

8 (1) except to the extent a qualified domestic relations  
9 order filed with the administrator provides for payment to a former  
10 spouse or other dependent of the member; or

11 (2) unless the member files a revocation of beneficiary  
12 accompanied by a written consent to the revocation from the spouse and  
13 each person entitled under the order [SHALL BE DISTRIBUTED].

14 \* Sec. 11. AS 14.25.166(b) is amended to read:

15 (b) Except as provided in (a) of this section, the member may  
16 change or revoke the [THE] designation [MAY BE CHANGED OR REVOKED BY  
17 THE MEMBER] without notice to the beneficiary or beneficiaries at any  
18 time. If a member designates more than one beneficiary, each shares  
19 [SHALL SHARE] equally unless the member specifies a different allo-  
20 cation or preference. The designation of a beneficiary, [AND] a  
21 change or revocation of a beneficiary, and a consent to revocation of  
22 a beneficiary shall be made on a form provided by the administrator  
23 and is not effective until filed with the administrator.

24 \* Sec. 12. AS 14.25.166 is amended by adding a new subsection to read:

25 (d) A person claiming entitlement to benefits payable under this  
26 chapter as a consequence of a member's death shall provide the admin-  
27 istrator with a marriage certificate, divorce or dissolution judgment,  
28 or other evidence of entitlement. Documents establishing entitlement  
29 may be filed with the administrator immediately after a change in the

1 member's marital status. If the administrator does not receive noti-  
2 fication of a claim before the date 10 days after the member's death,  
3 the person claiming entitlement is not entitled to receive from the  
4 division of retirement and benefits any benefit already paid by the  
5 administrator.

6 \* Sec. 13. AS 14.25.167(a) is repealed and reenacted to read:

7 (a) Benefits payable under this section are in place of benefits  
8 payable under AS 14.25.110, 14.25.125, 14.25.155, 14.25.157, 14.25.-  
9 160, 14.25.162, or 14.25.164. Upon filing an application for retire-  
10 ment with the administrator, or when a disabled member becomes eligi-  
11 ble for normal retirement under AS 14.25.130(e), the member shall  
12 designate the person who is the member's spouse at the time of ap-  
13 pointment to retirement as the contingent beneficiary. However, if  
14 the designation of the spouse is revoked under (c) of this section,  
15 the member may designate a dependent approved by the administrator as  
16 the contingent beneficiary or may take normal or early retirement  
17 under AS 14.25.110 or 14.25.125. The administrator shall pay benefits  
18 under the option elected by the member. The member may elect an  
19 option that provides that

20 (1) the member is entitled to receive a reduced benefit  
21 payable for life, and, after the member's death, the contingent ben-  
22 eficiary is entitled to receive payments in the amount of 75 percent  
23 of the reduced benefit for life;

24 (2) the member is entitled to receive a reduced benefit  
25 payable for life, and, after the member's death, the contingent ben-  
26 eficiary is entitled to receive payments in the amount of 50 percent  
27 of the reduced benefit for life; or

28 (3) the member is entitled to receive a reduced benefit  
29 payable during the joint lifetime of the member and the contingent

1 beneficiary, and, after the death of either the member or the contin-  
2 gent beneficiary, the survivor is entitled to receive payments in the  
3 amount of 66-2/3 percent of the reduced benefit for life.

4 \* Sec. 14. AS 14.25.167(c) is amended to read:

5 (c) A member may elect or [,] change [, OR REVOKE] an option  
6 without the approval of the administrator if the member's election or  
7 [,] change [, OR REVOCATION] is filed in writing with the administra-  
8 tor before the effective date of the member's retirement. A member  
9 may revoke a joint and survivor option if the member files with the  
10 administrator before the effective date of the member's retirement a  
11 revocation and a consent to the revocation signed by the member's  
12 spouse and each person entitled to benefits under a qualified domestic  
13 relations order on forms provided by the administrator. The adminis-  
14 trator may waive the requirement for written consent from

15 (1) a person entitled under the order if the person cannot  
16 be located or for other reasons established by regulation; or

17 (2) the spouse if the member is not married, the member was  
18 not married to the spouse during any period of the member's employment  
19 with an employer, the spouse has no rights to the option because of  
20 the terms of a qualified domestic relations order, the spouse cannot  
21 be located, or for other reasons established by regulation.

22 \* Sec. 15. AS 14.25.167 is amended by adding new subsections to read:

23 (f) The member and any person claiming to be a contingent bene-  
24 ficiary shall file with the administrator a marriage certificate,  
25 divorce or dissolution judgment, or other evidence necessary to deter-  
26 mine the applicability of this section and the identity of any contin-  
27 gent beneficiary.

28 (g) If the administrator determines, based on the affidavit of  
29 the member and other evidence, that a member is eligible to elect a

1 form of payment other than a joint and survivor option under this  
2 section, and no contrary evidence is presented to the administrator  
3 within 60 days after the effective date of the member's retirement, no  
4 claim under this section, made by a spouse or former spouse of the  
5 member, may be paid if payment would result in an increase in actuari-  
6 al liability to the system.

7 (h) If a member fails to elect an option under (a) of this  
8 section and no effective revocation is filed with the administrator,  
9 the member is considered to have elected the option provided in (a)(2)  
10 of this section.

11 \* Sec. 16. AS 14.25.200(a) is amended to read:

12 (a) Benefits and other amounts held in the retirement fund on  
13 behalf of the members are exempt from Alaska state and municipal taxes  
14 and are not subject to anticipation, alienation, sale, transfer,  
15 assignment, pledge, encumbrance, or charge of any kind, either volun-  
16 tary or involuntary, before they are received by the person entitled  
17 to the amount under the terms of the system, and any attempt to antic-  
18 ipate, alienate, sell, transfer, assign, pledge, encumber, charge, or  
19 otherwise dispose of any right to amounts accrued in the retirement  
20 fund is void. However, a member's right to receive benefits may be  
21 assigned under a qualified domestic relations order.

22 \* Sec. 17. AS 14.25.220 is amended by adding a new paragraph to read:

23 (43) "qualified domestic relations order" means a divorce or  
24 dissolution judgment under AS 25.24, including an order approving a  
25 property settlement, that

26 (A) creates or recognizes the existence of an alter-  
27 nate payee's right to, or assigns to an alternate payee the right  
28 to, receive all or a portion of the benefits payable with respect  
29 to a member;

1 (B) sets out the name and last known mailing address,  
2 if any, of the member and of each alternate payee covered by the  
3 order;

4 (C) sets out the amount or percentage of the member's  
5 benefit, or of any survivor's benefit, to be paid to the alter-  
6 nate payee, or sets out the manner in which that amount or per-  
7 centage is to be determined;

8 (D) sets out the number of payments or period to which  
9 the order applies;

10 (E) does not require any type or form of benefit or  
11 any option not otherwise provided by this chapter;

12 (F) does not require an increase of benefits in excess  
13 of the amount provided by this chapter, determined on the basis  
14 of actuarial value; and

15 (G) does not require the payment, to an alternate  
16 payee, of benefits that are required to be paid to another alter-  
17 nate payee under another order previously determined to be a  
18 qualified domestic relations order.

19 \* Sec. 18. AS 22.25.030(b) is amended to read:

20 (b) To be eligible for the survivors' benefits, the surviving  
21 spouse must have been married to the justice or judge for at least one  
22 year [TWO YEARS] immediately preceding the death of the justice or  
23 judge. The benefits continue until the remarriage or death of the  
24 surviving spouse.

25 \* Sec. 19. AS 22.25.030 is amended by adding a new subsection to read:

26 (f) The rights of a surviving spouse or dependent child under  
27 this section are subject to the rights of a previous spouse or a  
28 dependent under a qualified domestic relations order.

29 \* Sec. 20. AS 22.25 is amended by adding a new section to read:

1           Sec. 22.25.035. RIGHTS UNDER A QUALIFIED DOMESTIC RELATIONS  
2 ORDER. A person who was married to a justice or judge for at least  
3 one year, who has not remarried, and who has been granted rights to  
4 benefits under this chapter by the terms of a qualified domestic  
5 relations order, shall be treated as a spouse or surviving spouse  
6 under this chapter to the extent required by the order. Rights under  
7 the order do not take effect until the order is filed with the admin-  
8 istrator. The benefits continue until the remarriage or death of the  
9 person.

10 \* Sec. 21. AS 22.25 is amended by adding a new section to read:

11           Sec. 22.25.900. DEFINITION. In this chapter, "qualified domes-  
12 tic relations order" means a divorce or dissolution judgment under  
13 AS 25.24, including an order approving a property settlement, that

14           (1) creates or recognizes the existence of an alternate  
15 payee's right to, or assigns to an alternate payee the right to,  
16 receive all or a portion of the benefits payable with respect to a  
17 justice or judge;

18           (2) sets out the name and last known mailing address, if  
19 any, of the justice or judge and of each alternate payee covered by  
20 the order;

21           (3) sets out the amount or percentage of the justice's or  
22 judge's benefit, or of any survivor's benefit, to be paid to the  
23 alternate payee, or sets out the manner in which that amount or per-  
24 centage is to be determined;

25           (4) sets out the number of payments or period to which the  
26 order applies;

27           (5) does not require any type or form of benefit or any  
28 option not otherwise provided by this chapter;

29           (6) does not require an increase of benefits in excess of

1 the amount provided by this chapter, determined on the basis of actu-  
2 arial value;

3 (7) does not require the payment, to an alternate payee, of  
4 benefits that are required to be paid to another alternate payee under  
5 another order previously determined to be a qualified domestic rela-  
6 tions order.

7 \* Sec. 22. AS 25.24.160 is amended by adding a new subsection to read:

8 (b) If a judgment under this section distributes benefits to an  
9 alternate payee under AS 14.24, AS 22.25, AS 26.05.222 - 26.05.226, or  
10 AS 39.35, the judgment must meet the requirements of a qualified  
11 domestic relations order under the definition of that phrase that is  
12 applicable to those provisions.

13 \* Sec. 23. AS 25.24.230 is amended by adding a new subsection to read:

14 (g) If a judgment under this section distributes benefits to an  
15 alternate payee under AS 14.24, AS 22.25, AS 26.05.222 - 26.05.226, or  
16 AS 39.35, the judgment must meet the requirements of a qualified  
17 domestic relations order under the definition of that phrase that is  
18 applicable to those provisions.

19 \* Sec. 24. AS 26.05.224(d) is amended to read:

20 (d) Upon the death of an active member who has at least five  
21 years service in the Alaska National Guard or Alaska Naval Militia or  
22 a combination of these components, the member's designated beneficiary  
23 is entitled to a lump sum benefit calculated in accordance with (b) of  
24 this section. Upon the death of a former member who has at least 20  
25 years service, the former member's designated beneficiary is entitled  
26 to a lump sum benefit calculated in accordance with (b) of this sec-  
27 tion less any retirement benefits previously paid. Except as provided  
28 in (e) of this section, a [A] member may change or revoke the desig-  
29 nation of a beneficiary without notice to the beneficiary at any time.

1 If a member designates more than one beneficiary, each shares [SHALL  
2 SHARE] equally unless the member specifies a different allocation.  
3 The member shall make a designation of a beneficiary or [AND] a change  
4 or revocation of a beneficiary [SHALL BE MADE] on a form provided by  
5 the Department of Military and Veterans' Affairs. It [AND] is not  
6 effective until filed with the Department of Military and Veterans'  
7 Affairs. If a member fails to designate a beneficiary or if no des-  
8 ignated beneficiary survives the member, the department, except to the  
9 extent provided otherwise in a qualified domestic relations order,  
10 shall pay the death benefit under this subsection to the member's  
11 surviving spouse or, if there is no spouse surviving, [SHALL BE PAID]  
12 to the member's estate.

13 \* Sec. 25. AS 26.05.224 is amended by adding new subsections to read:

14 (e) Notwithstanding any previous designation of beneficiary, the  
15 spouse of a member at the time of the member's death automatically  
16 becomes the designated beneficiary if the spouse was married to the  
17 member during part of the member's service under this chapter

18 (1) except to the extent a qualified domestic relations  
19 order provides for payment to a former spouse or other dependent of  
20 the member; or

21 (2) unless the member files with the Department of Military  
22 and Veterans' Affairs a revocation of beneficiary and a written con-  
23 sent to the revocation signed by the spouse and each person entitled  
24 to benefits under the order on forms provided by the department.

25 (f) A person claiming entitlement to any benefits payable under  
26 this section shall provide the department with a marriage certificate,  
27 divorce or dissolution decree, or other evidence of entitlement.  
28 Documents showing entitlement may be filed with the department immedi-  
29 ately after a change in the member's marital status. If the

1 department does not receive notification of a claim before the date 10  
2 days after the member's death, the person claiming entitlement to the  
3 benefits is not entitled to receive from the Department of Adminis-  
4 tration or Department of Military and Veterans' Affairs any benefit  
5 already paid under this section.

6 \* Sec. 26. AS 26.05.227 is amended by adding a new paragraph to read:

7 (4) "qualified domestic relations order" means a divorce or  
8 dissolution judgment under AS 25.24, including an order approving a  
9 property settlement, that

10 (A) creates or recognizes the existence of an alter-  
11 nate payee's right to, or assigns to an alternate payee the right  
12 to, receive all or a portion of the benefits payable with respect  
13 to a member;

14 (B) sets out the name and last known mailing address,  
15 if any, of the member and of each alternate payee covered by the  
16 order;

17 (C) sets out the amount or percentage of the member's  
18 benefit, or of any survivor's benefit, to be paid to the alter-  
19 nate payee, or sets out the manner in which that amount or per-  
20 centage is to be determined;

21 (D) sets out the number of payments or period to which  
22 the order applies;

23 (E) does not require any type or form of benefit or  
24 any option not otherwise provided by AS 26.05.222 - 26.05.228;

25 (F) does not require an increase of benefits in excess  
26 of the amount provided by AS 26.05.222 - 26.05.228, determined on  
27 the basis of actuarial value; and

28 (G) does not require the payment, to an alternate  
29 payee, of benefits that are required to be paid to another

1           alternate payee under another order previously determined to be a  
2           qualified domestic relations order.

3 \* Sec. 27. AS 39.35.200(a) is amended to read:

4           (a) Except as provided in (c) of this section, an [AN] inactive  
5           employee, not on leave-without-pay status or layoff status, is enti-  
6           tled to receive a refund of the balance of the employee contribution  
7           account.

8 \* Sec. 28. AS 39.35.200 is amended by adding a new subsection to read:

9           (c) An employee who is terminated and is a vested employee,  
10           deferred vested employee, or who is entitled to benefits under AS 39.-  
11           35.385, and who is married at the time of application for a refund or  
12           whose rights to a refund are subject to a qualified domestic relations  
13           order is entitled to receive a refund of the balance of the employee  
14           contribution account only if the employee's spouse and each person  
15           entitled under the order consent to the refund in writing on a form  
16           provided by the administrator. The administrator may waive written  
17           consent from the person entitled to benefits under the order if the  
18           administrator determines that the person cannot be located or for  
19           other reasons established by regulation. The administrator may waive  
20           written consent from the spouse if the administrator determines that

21                   (1) the employee was not married to the spouse during any  
22                   period of the employee's employment with an employer;

23                   (2) the spouse has no rights under this chapter because of  
24                   the terms of a qualified domestic relations order;

25                   (3) the spouse cannot be located; or

26                   (4) for other reasons established by regulation.

27 \* Sec. 29. AS 39.35.370(a) is amended to read:

28           (a) Subject to AS 39.35.450, a [A] terminated employee is elig-  
29           ible for a normal retirement benefit

1 (1) at age 55 with at least five years credited service, or  
2 (2) with at least 20 years of credited service as a peace  
3 officer or fireman, or

4 (3) with at least 30 years of credited service for all  
5 other employees.

6 \* Sec. 30. AS 39.35.370(b) is amended to read:

7 (b) Subject to AS 39.35.450, a [A] terminated employee is elig-  
8 ible for an early retirement benefit at age 50 with at least five  
9 years credited service.

10 \* Sec. 31. AS 39.35.385(a) is amended to read:

11 (a) Subject to AS 39.35.450, an [AN] employee is eligible for a  
12 normal retirement benefit at age 55 with at least two years of cred-  
13 ited service if the employee also is eligible for a normal retirement  
14 salary under the teachers' retirement system (AS 14.25).

15 \* Sec. 32. AS 39.35.385(b) is amended to read:

16 (b) Subject to AS 39.35.450, an [AN] employee is eligible for an  
17 early retirement benefit at age 50 with at least two years of credited  
18 service if the employee also is eligible for an early retirement sal-  
19 ary under the teachers' retirement system (AS 14.25).

20 \* Sec. 33. AS 39.35.420(c) is amended to read:

21 (c) If, under AS 39.35.490, a vested or deferred vested member  
22 designates as beneficiary to receive nonoccupational benefits someone  
23 other than the surviving spouse to whom the member has been married  
24 for at least one year, the administrator shall pay [TO RECEIVE  
25 NONOCCUPATIONAL DEATH BENEFITS,] the designated beneficiary [SHALL BE  
26 PAID]: (1) the balance of the deceased member's employee contribution  
27 account; and (2) a lump-sum death benefit. The amount of the lump-sum  
28 death benefit is \$100 times the years of credited service of the  
29 deceased member plus \$1,000.

1 \* Sec. 34. AS 39.35.430(f) is amended to read:

2 (f) If the death of an employee occurs from occupational causes  
3 but no surviving spouse or dependent children exist at the time of the  
4 death or if the employee designates as beneficiary under AS 39.35.490  
5 someone other than the surviving spouse or dependent children, the  
6 employee's designated beneficiary is entitled to receive those bene-  
7 fits available to a beneficiary under AS 39.35.420(c) and no occupa-  
8 tional death benefit will be paid to the surviving spouse or dependent  
9 children. [IF THE DESIGNATED BENEFICIARY IS THE SURVIVING SPOUSE OR  
10 DEPENDENT CHILDREN, THE BENEFICIARY SHALL RECEIVE THE BENEFIT DE-  
11 SCRIBED IN (b) OF THIS SECTION.]

12 \* Sec. 35. AS 39.35.440(b) is amended to read:

13 (b) Upon the death of a disabled employee who is receiving or is  
14 entitled to receive an occupational disability benefit, the adminis-  
15 trator shall pay the surviving spouse a surviving spouse's pension,  
16 equal to 40 percent of the employee's monthly compensation at the  
17 termination of employment because of occupational disability [SHALL BE  
18 PAID TO THE SURVIVING SPOUSE]. If there is no surviving spouse, the  
19 administrator shall pay the survivor's pension [SHALL BE PAID] in  
20 equal parts to the dependent children of the employee. On the date  
21 the normal retirement of the employee would have occurred if the  
22 employee had lived, the administrator shall adjust the monthly pay-  
23 ments to [SHALL] equal the monthly amount of the normal retirement  
24 benefit to which the employee, had the employee lived and continued  
25 employment until the employee's normal retirement date, would have  
26 been entitled with an average monthly compensation as existed at death  
27 and the credited service to which the employee would have been enti-  
28 tled. If the death of an employee occurs from occupational causes but  
29 no surviving spouse or dependent children exist at the time of the

1 death, or if the employee designates as beneficiary under AS 39.35.490  
2 someone other than the surviving spouse or dependent children, the  
3 administrator shall pay the employee's designated beneficiary [SHALL  
4 BE PAID] those benefits available to a beneficiary under AS 39.35.-  
5 420(c) and may not pay an [NO] occupational death benefit [WILL BE  
6 PAID] to the surviving spouse or dependent children.

7 \* Sec. 36. AS 39.35.450(a) is repealed and reenacted to read:

8 (a) Benefits payable under this section are in place of benefits  
9 payable under AS 39.35.370, 39.35.385, and 39.35.460. Upon filing an  
10 application with the administrator or when a disabled employee first  
11 attains eligibility for normal retirement under AS 39.35.400(f) or  
12 39.35.410(h), the employee shall designate the person who is the  
13 employee's spouse at the time of appointment to retirement as the  
14 contingent beneficiary. However, if the designation of the spouse is  
15 revoked under (c) of this section, the employee may designate a depen-  
16 dent approved by the administrator as the contingent beneficiary or  
17 may take normal or early retirement under AS 39.35.370 or 39.35.385 or  
18 a level income option under AS 39.35.460. The administrator shall pay  
19 benefits under the option elected by the employee. The employee may  
20 elect an option that provides that

21 (1) the employee is entitled to receive a reduced benefit  
22 payable for life, and, after the employee's death, the contingent ben-  
23 eficiary is entitled to payments in the amount of 75 percent of the  
24 reduced benefit payable for life;

25 (2) the employee is entitled to receive a reduced benefit  
26 payable for life, and, after the employee's death, the contingent  
27 beneficiary is entitled to receive payments in the amount of 50 per-  
28 cent of the reduced benefit payable for life;

29 (3) the employee is entitled to receive a reduced benefit

1 payable during the joint lifetime of the employee and the contingent  
2 beneficiary, and, after the death of either the employee or the con-  
3 tingent beneficiary, the survivor is entitled to receive payments in  
4 the amount of 66-2/3 percent of the reduced benefit payable for life.

5 \* Sec. 37. AS 39.35.450(c) is amended to read:

6 (c) An employee may elect or [,] change [, OR REVOKE] an option  
7 without the approval of the administrator if the election or [,]  
8 change [, OR REVOCATION] is filed in writing with the administrator  
9 before the effective date of the employee's retirement. An employee  
10 may revoke a joint and survivor option if the employee files with the  
11 administrator before the effective date of the employee's retirement a  
12 revocation and consent to the revocation signed by the employee's  
13 spouse and each person entitled to benefits under a qualified domestic  
14 relations order on forms provided by the administrator. The adminis-  
15 trator may waive the requirement for written consent from

16 (1) a person entitled under the order if the person cannot  
17 be located or for other reason established by regulation; or

18 (2) the spouse if the employee is not married, the employee  
19 was not married to the spouse during any period of the employee's  
20 employment with an employer, the spouse has no rights to the option  
21 because of the terms of a qualified domestic relations order, the  
22 spouse cannot be located, or for other reason established by regula-  
23 tion.

24 \* Sec. 38. AS 39.35.450 is amended by adding new subsections to read:

25 (f) The employee and any person claiming to be a contingent  
26 beneficiary shall file with the administrator a marriage certificate,  
27 divorce or dissolution judgment, or other evidence necessary to deter-  
28 mine the applicability of this section and the identity of any contin-  
29 gent beneficiary.

1 (g) If the administrator determines, based on the affidavit of  
2 the employee and other evidence that an employee is eligible to elect  
3 a form of payment other than a joint and survivor option under this  
4 section, and no contrary evidence is presented to the administrator  
5 within 60 days after the effective date of the employee's retirement,  
6 no claim under this section, made by a spouse or former spouse of the  
7 member, may be paid if payment would result in an increase in actuari-  
8 al liability to the system.

9 (h) If an employee fails to elect an option under this section,  
10 and if no effective revocation is filed with the administrator, the  
11 employee is considered to have elected the option provided in (a)(2)  
12 of this section.

13 \* Sec. 39. AS 39.35 is amended by adding a new section to read:

14 Sec. 39.35.455. RIGHTS UNDER QUALIFIED DOMESTIC RELATIONS ORDER.  
15 In this chapter the rights of a person under a qualified domestic  
16 relations order take precedence over the rights of a spouse, surviving  
17 spouse, or dependent child to the extent required by the order. A  
18 person granted rights under a qualified domestic relations order shall  
19 be treated as a spouse or surviving spouse to the extent required by  
20 the order. Rights under the order are effective when the order is  
21 filed with the administrator.

22 \* Sec. 40. AS 39.35.490 is amended to read:

23 Sec. 39.35.490. DESIGNATION OF BENEFICIARY. (a) Each employee  
24 shall designate the beneficiary or beneficiaries to whom the adminis-  
25 trator shall distribute benefits payable under this chapter as a  
26 consequence of the employee's death. Notwithstanding a previous  
27 designation of beneficiary, a person who is the spouse of an employee  
28 at the time of the employee's death automatically becomes the desig-  
29 nated beneficiary if the spouse was married to the employee during

1 part of the employee's employment for an employer

2 (1) except to the extent a qualified domestic relations  
3 order filed with the administrator provides for payment to a former  
4 spouse or other dependent of the employee; or

5 (2) unless the employee files a revocation of beneficiary  
6 accompanied by a written consent to the revocation signed by the  
7 spouse and each person entitled under the order [SHALL BE DISTRI-  
8 BUTED].

9 (b) Except as provided in (a) of this section, the [THE] desig-  
10 nation may be changed or revoked by the employee without notice to the  
11 beneficiary or beneficiaries at any time. If an employee designates  
12 more than one beneficiary, each shares [SHALL SHARE] equally unless  
13 the employee specifies a different allocation or preference. The  
14 member shall make a designation of [A] beneficiary, [AND] a change or  
15 revocation of a beneficiary, or a consent to a revocation of a benefi-  
16 ciary shall be made on a form provided by the administrator and is not  
17 effective until filed with the administrator.

18 (c) If an employee fails to designate a beneficiary, or if no  
19 designated beneficiary survives the employee, the administrator shall  
20 pay the death benefit [SHALL BE PAID]

21 (1) to the surviving spouse or, if there is none surviving,

22 (2) to the surviving children in equal parts or, if there  
23 is none surviving,

24 (3) to the surviving parents in equal parts or, if there is  
25 none surviving,

26 (4) to the employee's estate.

27 \* Sec. 41. AS 39.35.490 is amended by adding a new subsection to read:

28 (d) A person claiming entitlement to benefits payable under this  
29 chapter as a consequence of an employee's death shall provide the

1 administrator with a marriage certificate, divorce or dissolution  
2 decree, or other evidence of entitlement. Documents establishing  
3 entitlement may be filed with the administrator immediately after a  
4 change in the employee's marital status. If the administrator does  
5 not receive notification of a claim before the date 10 days after the  
6 employee's death, the person claiming entitlement to the benefits is  
7 not entitled to receive from the division of retirement and benefits  
8 any benefit already paid by the administrator.

9 \* Sec. 42. AS 39.35.500 is amended to read:

10 Sec. 39.35.500. SAFEGUARD OF EMPLOYEE FUNDS HELD BY THE SYSTEM.  
11 Employee contributions and other amounts held in the pension fund are  
12 exempt from Alaska state and local taxes. Amounts held on behalf of,  
13 or payable to, any employee or other person who is or may become  
14 eligible for benefits under the system are not subject to anticipa-  
15 tion, alienation, sale, transfer, assignment, pledge, encumbrance, or  
16 charge of any kind, either voluntary or involuntary, before being  
17 received by the person entitled to the amount under the terms of the  
18 system. An attempt to anticipate, alienate, sell, transfer, assign,  
19 pledge, encumber, charge, or otherwise dispose of a right to amounts  
20 held under the system is void. However, an employee's right to re-  
21 ceive benefits may be assigned under a qualified domestic relations  
22 order.

23 \* Sec. 43. AS 39.35.680 is amended by adding a new paragraph to read:

24 (40) "qualified domestic relations order" means a divorce  
25 or dissolution judgment under AS 25.24, including an order approving a  
26 property settlement, that

27 (A) creates or recognizes the existence of an alter-  
28 nate payee's right to, or assigns to an alternate payee the right  
29 to, receive all or a portion of the benefits payable with respect

1 to an employee;

2 (B) sets out the name and last known mailing address,  
3 if any, of the employee and of each alternate payee covered by  
4 the order;

5 (C) sets out the amount or percentage of the employ-  
6 ee's benefit, or of any survivor's benefit, to be paid to the  
7 alternate payee, or sets out the manner in which that amount or  
8 percentage is to be determined;

9 (D) sets out the number of payments or period to which  
10 the order applies;

11 (E) does not require any type or form of benefit or  
12 any option not otherwise provided by this chapter;

13 (F) does not require an increase of benefits in excess  
14 of the amount provided by this chapter, determined on the basis  
15 of actuarial value; and

16 (G) does not require the payment to an alternate payee  
17 of benefits that are required to be paid to another alternate  
18 payee under another order previously determined to be a qualified  
19 domestic relations order.

20 \* Sec. 44. Within 90 days after the effective date of this section, the  
21 Department of Administration shall publish notice of the provisions of this  
22 Act in the regularly published newsletters of the division of retirement  
23 and benefits and in newspapers of general distribution in each judicial  
24 district of the state, and shall make available the forms necessary to  
25 implement this Act.

26 \* Sec. 45. Section 44 of this Act takes effect immediately in accor-  
27 dance with AS 01.10.070(c).

28 \* Sec. 46. Sections 1 - 43 of this Act take effect January 1, 1986.  
29

Introduced: 2/25/85  
Referred: State Affairs,  
Judiciary and Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 237

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to pension reform; and providing for  
7 an effective date."

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

9 \* Section 1. AS 14.25.110(a) is amended to read:

10 (a) Subject to AS 14.25.167, a [A] member is eligible for a  
11 normal retirement benefit if the member

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

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

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

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

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

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

26 \* Sec. 2. AS 14.25.110(b) is amended to read:

27 (b) Subject to AS 14.25.167, a [A] member is eligible for an  
28 early retirement benefit upon completing any one of the service re-  
29 quirements in (a)(1), (2), or (3) of this section and attaining the

1 age of 50 years.

2 \* Sec. 3. AS 14.25.125(a) is amended to read:

3 (a) Subject to AS 14.25.167, a [A] member is eligible for a  
4 normal retirement salary at age 55 with at least two years membership  
5 service if the member also is eligible for a normal retirement benefit  
6 under the public employees' retirement system (AS 39.35).

7 \* Sec. 4. AS 14.25.125(b) is amended to read:

8 (b) Subject to AS 14.25.167, a [A] member is eligible for an  
9 early retirement salary at age 50 with at least two years of member-  
10 ship service if the member also is eligible for an early retirement  
11 benefit under the public employees' retirement system (AS 39.35).

12 \* Sec. 5. AS 14.25.150 is amended to read:

13 Sec. 14.25.150. REFUND UPON TERMINATION. (a) Except as pro-  
14 vided in (b) of this section, a [A] terminated member is entitled to a  
15 refund of the balance of the member contribution account. A member is  
16 not entitled to a refund of supplemental contributions except as pro-  
17 vided in AS 14.25.160(a).

18 (b) If, upon termination of employment, a member has a suffi-  
19 cient number of years of membership, or membership and other credited  
20 service, to have a vested interest under AS 14.25.110 or 14.25.125,  
21 the member is entitled to receive a refund of the balance of the  
22 member contribution account only if the member's spouse consents to  
23 the refund, in writing, on a form provided by the administrator. The  
24 consent of the member's spouse is not required if the administrator  
25 determines, based on the affidavit of the member and other documenta-  
26 tion provided to the administrator, that (1) the spouse was not mar-  
27 ried to the member during any period of the member's employment  
28 covered by this chapter, or (2) consent cannot be obtained because  
29 there is no spouse, because the spouse cannot be located, or because

1 of other circumstances described by the administrator by regulation.

2 (c) As used in this section, "spouse" means the person to whom  
3 the member is married at the time of application for the refund,  
4 except to the extent that a qualified domestic relations order, filed  
5 with the administrator, orders otherwise.

6 \* Sec. 6. AS 14.25.155(c) is amended to read:

7 (c) If the death of a vested member or deferred vested member  
8 occurs and the proximate cause of death is not a bodily injury sus-  
9 tained or hazard undergone while in the performance and within the  
10 scope of the member's duties of employment, the surviving spouse may  
11 elect to receive either the benefits described in (b) of this section  
12 or a 50 percent joint and survivor option as provided under AS 14.25.-  
13 167(a)(2) based on credited service to the date of the member's ter-  
14 mination. If no spouse survives a vested or deferred vested member,  
15 or if a person other than the spouse is designated as beneficiary in  
16 accordance with AS 14.25.166, the designated beneficiary must [SHALL]  
17 be paid the benefits described in AS 14.25.160(b) and (c). Benefits  
18 accrue from the first day of the month following the member's death  
19 and are payable the last day of the month.

20 \* Sec. 7. AS 14.25.157(a) is amended to read:

21 (a) If (1) the death of a member occurs before the member first  
22 attains eligibility for normal retirement, and (2) the proximate cause  
23 of death is a bodily injury sustained or hazard undergone while in the  
24 performance and within the scope of the member's duties of employment,  
25 and (3) the injury or hazard is not the proximate result of wilful  
26 negligence on the part of the member, a monthly survivor's pension  
27 equal to 40 percent of the member's base salary at the time of termin-  
28 ation of employment, divided by 12, must [SHALL] be paid to the mem-  
29 ber's surviving spouse. If there is no surviving spouse, the monthly

1 survivor's pension must [SHALL] be paid in equal parts to the depen-  
2 dent children of the member. On the date the normal retirement of the  
3 member would have occurred if the member had lived, monthly payments  
4 must [SHALL] equal the monthly amount of the normal retirement benefit  
5 to which the member, had the member lived and continued employment  
6 until the member's normal retirement date, would have been entitled  
7 with an average base salary as existed at the member's death and the  
8 credited service to which the member would have been entitled. If no  
9 surviving spouse or dependent children exist at the time of death, or  
10 if the member designates as beneficiary someone other than the surviv-  
11 ing spouse in accordance with AS 14.25.166 or dependent children, the  
12 member's designated beneficiary must [SHALL] be paid those benefits  
13 available to a beneficiary under AS 14.25.160(b) and (c) and no bene-  
14 fit will be paid to the surviving spouse or dependent children.

15 \* Sec. 8. AS 14.25.166(a) is amended to read:

16 (a) Each member shall designate the beneficiary or beneficiaries  
17 to whom benefits payable under this chapter as a consequence of the  
18 member's death must [SHALL] be distributed. Notwithstanding any  
19 previous designation of beneficiary, if, during a period of employment  
20 covered by this chapter, the member is married, becomes married, or  
21 remarries, the designated beneficiary automatically becomes, except to  
22 the extent that a qualified domestic relations order provides for  
23 payment to other dependents of the member, the member's spouse, unless  
24 the designation of the spouse is revoked. Revocation of the designa-  
25 tion of the member's spouse as the beneficiary is not effective unless

26 (1) the revocation is made on a form provided by the admin-  
27 istrator and is filed with the administrator; and

28 (2) the member's spouse files with the administrator, on a  
29 form provided by the administrator, a written consent to the

1        revocation.

2        \* Sec. 9. AS 14.25.166(b) is amended to read:

3                (b) Except as provided in (a) of this section, the [THE] desig-  
4                nation may be changed or revoked by the member without notice to the  
5                beneficiary or beneficiaries at any time. If a member designates more  
6                than one beneficiary, each shares [SHALL SHARE] equally unless the  
7                member specifies a different allocation or preference. The designa-  
8                tion of a beneficiary and a change or revocation of a beneficiary must  
9                [SHALL] be made on a form provided by the administrator and is not  
10                effective until filed with the administrator.

11        \* Sec. 10. AS 14.25.166 is amended by adding new subsections to read:

12                (d) As used in (a) of this section, "spouse" means the person to  
13                whom the member was married during a period of the member's employment  
14                covered by this chapter, and is married at the time of the member's  
15                death, except to the extent that a qualified domestic relations order,  
16                filed with the administrator, orders otherwise.

17                (e) A person claiming entitlement to benefits payable under this  
18                chapter as a consequence of a member's death shall provide the admin-  
19                istrator with a marriage certificate, divorce or dissolution judgment,  
20                or other evidence of entitlement. Documents establishing entitlement  
21                may be filed with the administrator immediately after a change in the  
22                member's marital status. If the administrator does not receive noti-  
23                fication of a claim before 10 days after the member's death, the  
24                person claiming entitlement is not entitled to receive from the divi-  
25                sion of retirement and benefits any benefit already paid by the admin-  
26                istrator.

27        \* Sec. 11. AS 14.25.167(a) is amended to read:

28                (a) Benefits payable under this section are in place of benefits  
29                payable under AS 14.25.110, 14.25.125, 14.25.155, 14.25.157,

1 14.25.160, 14.25.162, or 14.25.164. Upon filing an application for  
2 retirement with the administrator, or when a disabled member becomes  
3 eligible for normal retirement under AS 14.25.130(e), the [A] member  
4 shall [MAY] designate the member's spouse [OR A DEPENDENT APPROVED BY  
5 THE ADMINISTRATOR] as the contingent beneficiary. If a revocation and  
6 consent are filed with the administrator under (c)(1) of this section,  
7 or the administrator determines that the consent of the spouse is not  
8 required or cannot be obtained for reasons set out in (c)(2) of this  
9 section, a member may designate a dependent approved by the adminis-  
10 trator as the contingent beneficiary, or may take normal or early  
11 retirement under AS 14.25.110 or 14.25.125. The benefit must [SHALL]  
12 be determined in accordance with one of the following options elected:

13 (1) the member is entitled to receive a reduced benefit  
14 payable for life, and payments in the amount of 75 percent of the  
15 reduced benefit must [SHALL], after the member's death, be continued  
16 to the contingent beneficiary for life;

17 (2) the member is entitled to receive a reduced benefit  
18 payable for life, and payments in the amount of 50 percent of the  
19 reduced benefit must [SHALL], after the member's death, be continued  
20 to the contingent beneficiary for life; or

21 (3) the member is entitled to receive a reduced benefit  
22 payable during the joint lifetime of the member and the contingent  
23 beneficiary, and payments in the amount of 66-2/3 percent of the re-  
24 duced benefit must [SHALL], after the death of either the member or  
25 the contingent beneficiary, be continued to the survivor for life.

26 \* Sec. 12. AS 14.25.167(c) is amended to read:

27 (c) A member may elect or[,] change[, OR REVOKE] an option  
28 without the approval of the administrator if the member's election or  
29 [,] change[, OR REVOCATION] is filed in writing with the administrator

1 before the effective date of the member's retirement. A revocation of  
2 a joint and survivor option is not effective unless it is filed with  
3 the administrator before the effective date of the member's retirement  
4 and

5 (1) the member's spouse files with the administrator a  
6 written consent to the revocation on a form approved by the adminis-  
7 trator; or

8 (2) the administrator determines, based on the affidavit of  
9 the member and other documentation provided to the administrator, that  
10 the consent of the member's spouse under (1) of this subsection either  
11 (A) is not required because the spouse was not married to the member  
12 during any period of the member's employment covered by this chapter,  
13 or (B) cannot be obtained because there is no spouse, because the  
14 spouse cannot be located, or because of other circumstances described  
15 by the administrator by regulation.

16 \* Sec. 13. AS 14.25.167 is amended by adding new subsections to read:

17 (f) As used in this section, "spouse" means the person to whom  
18 the member is married at the time of appointment to retirement, except  
19 to the extent that a qualified domestic relations order, filed with  
20 the administrator, orders otherwise.

21 (g) The member and any person claiming to be a contingent bene-  
22 ficiary shall file with the administrator a marriage certificate,  
23 divorce or dissolution judgment, or other evidence necessary to deter-  
24 mine the applicability of this section and the identity of any contin-  
25 gent beneficiary.

26 (h) If the administrator determines, based on the affidavit of  
27 the member and other documentation provided to the administrator, that  
28 a member is eligible to elect a form of payment other than a joint and  
29 survivor option under this section, and no contrary evidence is

1 presented to the administrator within 60 days after the effective date  
2 of the member's retirement, no claim under this section, made by a  
3 spouse or former spouse of the member, may be paid if payment would  
4 result in an increase in actuarial liability to the system.

5 (i) If a member fails to elect an option under (a) of this  
6 section and no effective revocation is filed with the administrator,  
7 the member is considered to have elected the option provided in (a)(2)  
8 of this section.

9 \* Sec. 14. AS 14.25.200(a) is amended to read:

10 (a) Except as provided in (c) of this section, benefits [BENE-  
11 FITS] and other amounts held in the retirement fund on behalf of the  
12 members are exempt from Alaska state and municipal taxes and are not  
13 subject to anticipation, alienation, sale, transfer, assignment,  
14 pledge, encumbrance, or charge of any kind, either voluntary or invol-  
15 untary, before they are received by the person entitled to the amount  
16 under the terms of the system, and any attempt to anticipate, alien-  
17 ate, sell, transfer, assign, pledge, encumber, charge, or otherwise  
18 dispose of any right to amounts accrued in the retirement fund is  
19 void.

20 \* Sec. 15. AS 14.25.200 is amended by adding a new subsection to read:

21 (c) The prohibition against assignment of benefits, in (a) of  
22 this section, does not apply to assignment of a member's right to  
23 receive benefits under a qualified domestic relations order.

24 \* Sec. 16. AS 14.25.220 is amended by adding new paragraphs to read:

25 (42) "qualified domestic relations order" means a divorce  
26 or dissolution judgment under AS 25.24, including an order approving a  
27 property settlement, that

28 (A) creates or recognizes the existence of an alter-  
29 nate payee's right to, or assigns to an alternate payee the right

1 to, receive all or a portion of the benefits payable with respect  
2 to a member;

3 (B) sets out the name and last known mailing address,  
4 if any, of the member and of each alternate payee covered by the  
5 order;

6 (C) sets out the amount or percentage of the member's  
7 benefit, or of any survivor's benefit, to be paid to the alter-  
8 nate payee, or sets out the manner in which that amount or per-  
9 centage is to be determined;

10 (D) sets out the number of payments or period to which  
11 the order applies;

12 (E) does not require any type or form of benefit or  
13 any option not otherwise provided by this chapter;

14 (F) does not require an increase of benefits in excess  
15 of the amount provided by this chapter, determined on the basis  
16 of actuarial value; and

17 (G) does not require the payment, to an alternate  
18 payee, of benefits that are required to be paid to another alter-  
19 nate payee under another order previously determined to be a  
20 qualified domestic relations order;

21 (43) "surviving spouse" means the spouse of a member at the  
22 time of the member's death, except to the extent that a qualified  
23 domestic relations order, filed with the administrator, orders other-  
24 wise.

25 \* Sec. 17. AS 22.25.030(b) is repealed and reenacted to read:

26 (b) For purposes of this section, "surviving spouse" means the  
27 person to whom the justice or judge was married for at least one year  
28 immediately preceding the death of the justice or judge, except to the  
29 extent that a qualified domestic relations order, filed with the

1 administrator by a previous spouse of the justice or judge, who was  
2 married to the justice or judge for at least one year and who has not  
3 remarried, provides otherwise. The benefits continue until the remar-  
4 riage or death of the surviving spouse.

5 \* Sec. 18. AS 22.25 is amended by adding a new section to read:

6 Sec. 22.25.900. DEFINITION. "Qualified domestic relations order"  
7 means a divorce or dissolution judgment under AS 25.24, including an  
8 order approving a property settlement, that

9 (1) creates or recognizes the existence of an alternate  
10 payee's right to, or assigns to an alternate payee the right to,  
11 receive all or a portion of the benefits payable with respect to a  
12 justice or judge;

13 (2) sets out the name and last known mailing address, if  
14 any, of the justice or judge and of each alternate payee covered by  
15 the order;

16 (3) sets out the amount or percentage of the justice's or  
17 judge's benefit, or of any survivor's benefit, to be paid to the  
18 alternate payee, or sets out the manner in which that amount or per-  
19 centage is to be determined;

20 (4) sets out the number of payments or period to which the  
21 order applies;

22 (5) does not require any type or form of benefit or any  
23 option not otherwise provided by this chapter;

24 (6) does not require an increase of benefits in excess of  
25 the amount provided by this chapter, determined on the basis of actu-  
26 arial value;

27 (7) does not require the payment, to an alternate payee, of  
28 benefits that are required to be paid to another alternate payee under  
29 another order previously determined to be a qualified domestic

1 relations order.

2 \* Sec. 19. AS 25.24.160 is amended by adding a new subsection to read:

3 (b) If a judgment under this section distributes benefits to an  
4 alternate payee under AS 14.24, AS 22.25, AS 26.05.222 -- 26.05.226,  
5 or AS 39.35, the judgment must be a "qualified domestic relations  
6 order" as defined in those chapters.

7 \* Sec. 20. AS 25.24.230 is amended by adding a new subsection to read:

8 (g) If a judgment under this section distributes benefits to an  
9 alternate payee under AS 14.24, AS 22.25, AS 26.05.222 -- 26.05.226,  
10 or AS 39.35, the judgment must be a "qualified domestic relations  
11 order" as defined in those chapters.

12 \* Sec. 21. AS 26.05.224(d) is amended to read:

13 (d) Upon the death of an active member who has at least five  
14 years service in the Alaska National Guard or Alaska Naval Militia or  
15 a combination of these components, the member's designated beneficiary  
16 is entitled to a lump sum benefit calculated in accordance with (b) of  
17 this section. Upon the death of a former member who has at least 20  
18 years service, the former member's designated beneficiary is entitled  
19 to a lump sum benefit calculated in accordance with (b) of this sec-  
20 tion less any retirement benefits previously paid. Except as provided  
21 in (e) of this section, a [A] member may change or revoke the desig-  
22 nation of a beneficiary without notice to the beneficiary at any time.  
23 If a member designates more than one beneficiary, each shares [SHALL  
24 SHARE] equally unless the member specifies a different allocation.  
25 The designation of a beneficiary and a change or revocation of a  
26 beneficiary must [SHALL] be made on a form provided by the Department  
27 of Military and Veterans' Affairs and is not effective until filed  
28 with the Department of Military and Veterans' Affairs. If a member  
29 fails to designate a beneficiary or if no designated beneficiary

1 survives the member, the death benefit under this subsection must  
2 [SHALL] be paid to the member's surviving spouse or, if there is none  
3 surviving, to the member's estate.

4 \* Sec. 22. AS 26.05.224 is amended by adding new subsections to read:

5 (e) Notwithstanding any previous designation of beneficiary, if,  
6 during a period of service covered by this chapter, the member is  
7 married, becomes married, or remarries, the designated beneficiary  
8 automatically becomes, except to the extent that a qualified domestic  
9 relations order provides for payment to other dependents of the mem-  
10 ber, the member's spouse, unless the designation of the spouse is  
11 revoked. Revocation of the designation of the member's spouse as the  
12 beneficiary is not effective unless the member's spouse files with the  
13 Department of Military and Veterans' Affairs, on a form provided by  
14 the department, a written consent to the revocation.

15 (f) A person claiming entitlement to any benefits payable under  
16 this section shall provide the department with a marriage certificate,  
17 divorce or dissolution decree, or other evidence of entitlement.  
18 Documents showing entitlement may be filed with the department immedi-  
19 ately after a change in the member's marital status. If the depart-  
20 ment does not receive notification of a claim before 10 days after the  
21 member's death, the person claiming entitlement to the benefits is not  
22 entitled to receive from the Department of Administration or Depart-  
23 ment of Military and Veterans' Affairs any benefit already paid under  
24 this section.

25 (g) As used in (e) of this section, "spouse" means the person to  
26 whom the member was married during a period of service covered by this  
27 chapter, and is married at the time of the member's death, except to  
28 the extent that a qualified domestic relations order filed with the  
29 department, orders otherwise.

1 \* Sec. 23. AS 26.05.227 is amended by adding a new paragraph to read:

2 (4) "qualified domestic relations order" means a divorce or  
3 dissolution judgment under AS 25.24, including an order approving a  
4 property settlement, that

5 (A) creates or recognizes the existence of an alter-  
6 nate payee's right to, or assigns to an alternate payee the right  
7 to, receive all or a portion of the benefits payable with respect  
8 to a member;

9 (B) sets out the name and last known mailing address,  
10 if any, of the member and of each alternate payee covered by the  
11 order;

12 (C) sets out the amount or percentage of the member's  
13 benefit, or of any survivor's benefit, to be paid to the alter-  
14 nate payee, or sets out the manner in which that amount or per-  
15 centage is to be determined;

16 (D) sets out the number of payments or period to which  
17 the order applies;

18 (E) does not require any type or form of benefit or  
19 any option not otherwise provided by AS 26.05.222 -- 26.05.228;

20 (F) does not require an increase of benefits in excess  
21 of the amount provided by AS 26.05.222 -- 26.05.228, determined  
22 on the basis of actuarial value; and

23 (G) does not require the payment, to an alternate  
24 payee, of benefits that are required to be paid to another alter-  
25 nate payee under another order previously determined to be a  
26 qualified domestic relations order.

27 \* Sec. 24. AS 39.35.200(a) is amended to read:

28 (a) Except as provided in (c) of this section, an [AN] inactive  
29 employee, not on leave-without-pay status or layoff status, is

1 entitled to receive a refund of the balance of the employee contribu-  
2 tion account.

3 \* Sec. 25. AS 39.35.200 is amended by adding new subsections to read:

4 (c) If, upon termination of employment, an employee has credited  
5 service of more than five years, the employee is entitled to receive a  
6 refund of the balance of the employee's contribution account only if  
7 the employee's spouse consents to the refund, in writing, on a form  
8 provided by the administrator. The consent of the employee's spouse  
9 is not required if the administrator determines, based on the affida-  
10 vit of the employee and other documentation provided to the adminis-  
11 trator, that (1) the spouse was not married to the employee during any  
12 period of the employee's employment covered by this chapter, or (2)  
13 the consent cannot be obtained because there is no spouse, because the  
14 spouse cannot be located, or because of other circumstances described  
15 by the administrator by regulation.

16 (d) AS used in this section, "spouse" means the person to whom  
17 the employee is married at the time of application for the refund,  
18 except to the extent that a qualified domestic relations order, filed  
19 with the administrator, orders otherwise.

20 \* Sec. 26. AS 39.35.370(a) is amended to read:

21 (a) Subject to AS 39.35.450, a [A] terminated employee is elig-  
22 ible for a normal retirement benefit (1) at age 55 years with at least  
23 five years credited service, or (2) with at least 20 years of credited  
24 service as a peace officer or fireman, or (3) with at least 30 years  
25 of credited service for all other employees.

26 \* Sec. 27. AS 39.35.370(b) is amended to read:

27 (b) Subject to AS 39.35.450, a [A] terminated employee is elig-  
28 ible for an early retirement benefit at age 50 with at least five  
29 years credited service.

1 \* Sec. 28. AS 39.35.385(a) is amended to read:

2 (a) Subject to AS 39.35.450, an [AN] employee is eligible for a  
3 normal retirement benefit at age 55 with at least two years of cred-  
4 ited service if the employee also is eligible for a normal retirement  
5 salary under the teachers' retirement system (AS 14.25).

6 \* Sec. 29. AS 39.35.385(b) is amended to read:

7 (b) Subject to AS 39.35.450, an [AN] employee is eligible for an  
8 early retirement benefit at age 50 with at least two years of credited  
9 service if the employee also is eligible for an early retirement sal-  
10 ary under the teachers' retirement system (AS 14.25).

11 \* Sec. 30. AS 39.35.420(c) is amended to read:

12 (c) If a vested or deferred vested member designates as benefi-  
13 ciary, in accordance with AS 39.35.490, someone other than the surviv-  
14 ing spouse to receive nonoccupational death benefits, the designated  
15 beneficiary must [SHALL] be paid: (1) the balance of the deceased  
16 member's employee contribution account; and (2) a lump-sum death  
17 benefit. The amount of the lump-sum death benefit is \$100 times the  
18 years of credited service of the deceased member plus \$1,000.

19 \* Sec. 31. AS 39.35.430(f) is amended to read:

20 (f) If the death of an employee occurs from occupational causes  
21 but no surviving spouse or dependent children exist at the time of the  
22 death or if the employee designates as beneficiary someone other than  
23 the surviving spouse, in accordance with AS 39.35.490, or dependent  
24 children, the employee's designated beneficiary is entitled to receive  
25 those benefits available to a beneficiary under AS 39.35.420(c) and no  
26 occupational death benefit will be paid to the surviving spouse or  
27 dependent children. [IF THE DESIGNATED BENEFICIARY IS THE SURVIVING  
28 SPOUSE OR DEPENDENT CHILDREN, THE BENEFICIARY SHALL RECEIVE THE BENE-  
29 FIT DESCRIBED IN (b) OF THIS SECTION.]

1 \* Sec. 32. AS 39.35.440(b) is amended to read:

2 (b) Upon the death of a disabled employee who is receiving or is  
3 entitled to receive an occupational disability benefit, a surviving  
4 spouse's pension, equal to 40 percent of the employee's monthly com-  
5 pensation at the termination of employment because of occupational  
6 disability, must [SHALL] be paid to the surviving spouse. If there is  
7 no surviving spouse, the survivor's pension must [SHALL] be paid in  
8 equal parts to the dependent children of the employee. On the date  
9 the normal retirement of the employee would have occurred if the  
10 employee had lived, monthly payments must [SHALL] equal the monthly  
11 amount of the normal retirement benefit to which the employee, had the  
12 employee lived and continued employment until the employee's normal  
13 retirement date, would have been entitled with an average monthly  
14 compensation as existed at death and the credited service to which the  
15 employee would have been entitled. If the death of an employee occurs  
16 from occupational causes but no surviving spouse or dependent children  
17 exist at the time of the death, or if the employee designates as  
18 beneficiary someone other than the surviving spouse, in accordance  
19 with AS 39.35.490, or dependent children, the employee's designated  
20 beneficiary must [SHALL] be paid those benefits available to a benefi-  
21 ciary under AS 39.35.420(c) and no occupational death benefit will be  
22 paid to the surviving spouse or dependent children.

23 \* Sec. 33. AS 39.35.450(a) is amended to read:

24 (a) Benefits payable under this section are in place of benefits  
25 payable under AS 39.35.370 and 39.35.385. Upon filing an application  
26 with the administrator, or when a disabled employee first attains  
27 eligibility for normal retirement under AS 39.35.400(f) or 39.35.410-  
28 (h), the [AN] employee shall [MAY] designate the employee's [A] spouse  
29 [OR A DEPENDENT APPROVED BY THE ADMINISTRATOR,] as the contingent

1 beneficiary. If a revocation and consent are filed with the adminis-  
2 trator under (c)(1) of this section, or the administrator determines  
3 that the consent of the spouse is not required or cannot be obtained  
4 for the reasons set out in (c)(2) of this section, the employee may  
5 designate a dependent approved by the administrator as the contingent  
6 beneficiary, or may take normal or early retirement under AS 39.35.370  
7 or 39.35.385. The benefit must [SHALL] be determined in accordance  
8 with one of the following options elected:

9 (1) the employee is entitled to receive a reduced benefit  
10 payable for life, and payments in the amount of 75 percent of the  
11 reduced benefit must [SHALL], after the employee's death, be continued  
12 to the contingent beneficiary for life;

13 (2) the employee is entitled to receive a reduced benefit  
14 payable for life, and payments in the amount of 50 percent of the  
15 reduced benefit must [SHALL], after the employee's death, be continued  
16 to the contingent beneficiary for life;

17 (3) the employee is entitled to receive a reduced benefit  
18 payable during the joint lifetime of the employee and the contingent  
19 beneficiary, and payments in the amount of 66 2/3 percent of the re-  
20 duced benefit must [SHALL], after the death of either the employee or  
21 the contingent beneficiary, be continued to the survivor for life.

22 \* Sec. 34. AS 39.35.450(c) is amended to read:

23 (c) An employee may elect or [,] change[, OR REVOKE] an option  
24 without the approval of the administrator if the election or [,]  
25 change[, OR REVOCATION] is filed in writing with the administrator  
26 before the effective date of the employee's retirement. A revocation  
27 of a joint and survivor option is not effective unless it is filed  
28 with the administrator before the effective date of the employee's  
29 retirement and

1           (1) the employee's spouse files with the administrator a  
2 written consent to the revocation on a form approved by the adminis-  
3 trator; or

4           (2) the administrator determines, based on the affidavit of  
5 the employer and other documentation provided to the administrator,  
6 that the consent of the employee's spouse under (1) of this subsection  
7 (A) is not required because the spouse was not married to the employee  
8 during any period of the employee's employment covered by this chap-  
9 ter, or (B) cannot be obtained because there is no spouse, because the  
10 spouse cannot be located, or because of other circumstances described  
11 by the administrator by regulation.

12 \* Sec. 35. AS 39.35.450 is amended by adding new subsections to read:

13           (f) As used in this section, "spouse" means the person to whom  
14 the employee is married at the time of appointment to retirement, ex-  
15 cept to the extent that a qualified domestic relations order, filed  
16 with the administrator, orders otherwise.

17           (g) The employee and any person claiming to be a contingent  
18 beneficiary shall file with the administrator a marriage certificate,  
19 divorce or dissolution judgment, or other evidence necessary to deter-  
20 mine the applicability of this section and the identity of any contin-  
21 gent beneficiary.

22           (h) If the administrator determines, based on the affidavit of  
23 the employee and other documentation provided to the administrator,  
24 that an employee is eligible to elect a form of payment other than a  
25 joint and survivor option under this section, and no contrary evidence  
26 is presented to the administrator within 60 days after the effective  
27 date of the employee's retirement, no claim under this section, made  
28 by a spouse or former spouse or ~~the member~~ may be paid if payment  
29 would result in an increase in actuarial liability to the system.

1 (i) If an employee fails to elect an option under this section,  
2 and if no effective revocation is filed with the administrator, the  
3 employee is considered to have elected the option provided in (a)(2)  
4 of this section.

5 \* Sec. 36. AS 39.35.490 is amended to read:

6 Sec. 39.35.490. DESIGNATION OF BENEFICIARY. (a) Each employee  
7 shall designate the beneficiary or beneficiaries to whom benefits,  
8 payable under this chapter as a consequence of the employee's death,  
9 must [SHALL] be distributed. Notwithstanding any previous designation  
10 of beneficiary, if, during a period of employment covered by this  
11 chapter, the employee is married, becomes married, or remarries, the  
12 designated beneficiary automatically becomes, except to the extent  
13 that a qualified domestic relations order provides for payment to  
14 other dependents of the employee, the employee's spouse, unless the  
15 designation of the spouse is revoked. Revocation of the designation  
16 of the employee's spouse as the beneficiary is not effective unless

17 (1) the revocation is made on a form provided by the admin-  
18 istrator and is filed with the administrator; and

19 (2) the employee's spouse files with the administrator on a  
20 form provided by the administrator a written consent to the revoca-  
21 tion.

22 (b) Except as provided in (a) of this section, the [THE] desig-  
23 nation may be changed or revoked by the employee without notice to the  
24 beneficiary or beneficiaries at any time. If an employee designates  
25 more than one beneficiary, each shares [SHALL SHARE] equally unless  
26 the employee specifies a different allocation or preference. The  
27 designation of a beneficiary and a change or revocation of a benefi-  
28 ciary must [SHALL] be made on a form provided by the administrator and  
29 is not effective until filed with the administrator.

1 (c) If an employee fails to designate a beneficiary, or if no  
2 designated beneficiary survives the employee, the death benefit must  
3 [SHALL] be paid (1) to the surviving spouse or, if there is none  
4 surviving, (2) to the surviving children in equal parts or, if there  
5 is none surviving, (3) to the surviving parents in equal parts or, if  
6 there is none surviving, (4) to the employee's estate.

7 (d) As used in (a) of this section, "spouse" means the person to  
8 whom the employee was married during a period of the employee's em-  
9 ployment covered by this chapter, and is married at the time of the  
10 employee's death, except to the extent that a qualified domestic  
11 relations order, filed with the administrator, orders otherwise.

12 (e) A person claiming entitlement to benefits payable under this  
13 chapter as a consequence of an employee's death shall provide the  
14 administrator with a marriage certificate, divorce or dissolution  
15 decree, or other evidence of entitlement. Documents establishing  
16 entitlement may be filed with the administrator immediately after a  
17 change in the employee's marital status. If the administrator does  
18 not receive notification of a claim before 10 days after the employ-  
19 ee's death, the person claiming entitlement to the benefits is not  
20 entitled to receive from the division of retirement and benefits any  
21 benefit already paid by the administrator.

22 \* Sec. 37. AS 39.35.500 is amended to read:

23 Sec. 39.35.500. SAFEGUARD OF EMPLOYEE FUNDS HELD BY THE SYSTEM.

24 (a) Employee contributions and other amounts held in the pension fund  
25 are exempt from Alaska state and local taxes. Except as provided in  
26 (b) of this section, amounts [AMOUNTS] held on behalf of, or payable  
27 to, any employee or other person who is or may become eligible for  
28 benefits under the system are not subject to anticipation, alienation,  
29 sale, transfer, assignment, pledge, encumbrance, or charge of any

1 kind, either voluntary or involuntary, before being received by the  
2 person entitled to the amount under the terms of the system. Except  
3 as provided in (b) of this section, an [AN] attempt to anticipate,  
4 alienate, sell, transfer, assign, pledge, encumber, charge, or other-  
5 wise dispose of a right to amounts held under the system is void.

6 (b) The prohibition against assignment of benefits in (a) of  
7 this section does not apply to assignment of an employee's right to  
8 receive benefits under a qualified domestic relations order.

9 \* Sec. 38. AS 39.35.680(37) is amended to read:

10 (37) "surviving spouse" means the spouse of an employee who  
11 has been married to the employee for at least one year at the time of  
12 the employee's death, except to the extent that a qualified domestic  
13 relations order, filed with the administrator, orders otherwise; the  
14 one-year marriage requirement does not apply when the employee's death  
15 was an occupational or accidental death.

16 \* Sec. 39. AS 39.35.680 is amended by adding a new paragraph to read:

17 (40) "qualified domestic relations order" means a divorce  
18 or dissolution judgment under AS 25.24, including an order approving a  
19 property settlement, that

20 (A) creates or recognizes the existence of an alter-  
21 nate payee's right to, or assigns to an alternate payee the right  
22 to, receive all or a portion of the benefits payable with respect  
23 to an employee;

24 (B) sets out the name and last known mailing address,  
25 if any, of the employee and of each alternate payee covered by  
26 the order;

27 (C) sets out the amount or percentage of the employ-  
28 ee's benefit, or of any survivor's benefit, to be paid to the  
29 alternate payee, or sets out the manner in which that amount or

1 percentage is to be determined;

2 (D) sets out the number of payments or period to which  
3 the order applies;

4 (E) does not require any type or form of benefit or  
5 any option not otherwise provided by this chapter;

6 (F) does not require an increase of benefits in excess  
7 of the amount provided by this chapter, determined on the basis  
8 of actuarial value; and

9 (G) does not require the payment, to an alternate  
10 payee, of benefits that are required to be paid to another alter-  
11 nate payee under another order previously determined to be a  
12 qualified domestic relations order.

13 \* Sec. 40. Within 90 days after this Act becomes law, the Department of  
14 Administration shall provide notification of the provisions of this Act in  
15 the regularly published newsletters of the division of retirement and  
16 benefits and by publication in newspapers of general distribution in each  
judicial district of the state, and shall make available the forms neces-  
sary to implement this Act.

17 \* Sec. 41. Section 40 of this Act takes effect immediately in accor-  
18 dance with AS 01.10.070(c).

19 \* Sec. 42. Sections 1 -- 39 take effect on January 1, 1986.

ANALYSIS OF HB 237  
"An act relating to pension reform."  
March 1985

I. Sections 1-16 relate to changes in the Teachers' Retirement System.

Sections 1-3 amend the eligibility requirements for normal and early retirement of the TRS system to stipulate that members must designate their spouse\* (which could include former spouses) the contingent beneficiary and select a joint and survivor benefit plan. The member must chose among three options that currently exist in the retirement plan.

Exceptions to these requirements are:

1. if the spouse has signed a consent form waiving the right as the contingent beneficiary;
2. if the spouse was not married to the member during any period of the member's employment covered by the retirement system;
3. if there is no spouse or that the spouse cannot be located or other circumstances described by the administrator by regulation

\*Under sections 1-3, "spouse" means the person to whom the member is married at the time of appointment to retirement except to the extent that a qualified domestic relations order, orders otherwise.

Section 5 amends vested members' right to refund upon termination by requiring vested members to obtain their spouse's\* (which could include former spouses) consent to the refund, in writing.

Exceptions to this requirement are:

1. the member is not vested;
2. the spouse was not married to the member during any period of the member's employment;
3. there is no spouse;
4. consent cannot be obtained because the spouse cannot be located.

\*Under this section "spouse" means the person to whom the member is married at the time of application for the refund, except to the extent that a qualified domestic relations order, orders otherwise.

Sections 6 and 7 amend the designation of beneficiary for non-occupational and occupational death benefits by clarifying the definition of spouse\* to include former spouses to the extent that a qualified domestic relations order so orders.

\*Under these sections "spouse" means the person to whom the member was married during the member's employment and is married to at the time of the member's death, except to the extent that a qualified domestic relations order, orders otherwise.

Sections 8-10 amend the designation of beneficiary for death benefits from the member's designated choice to the member's spouse if the member is married, becomes married or remarries. Revocation of the designation of the member's spouse can only be accomplished by the spouse signing a consent form waiving the right as beneficiary.

The definition of spouse is clarified to mean the person to whom the member was married during the member's employment and is married to at the time of the member's death, except to the extent that a qualified domestic relations order, orders otherwise. A qualified domestic relations order can establish a former spouse as the designated beneficiary.

Procedures for the claiming of spousal entitlement to death benefits is outlined. A ten day time period, following the member's death, is established for all entitlement claims to be filed with the administrator. If a claim is not received within the ten day period, the person claiming entitlement is not entitled to receive any benefit already paid by the administrator.

Sections 11-13 amend the joint and survivor option of retirement plans by changing the designation of contingent beneficiary to require that a member's spouse (which could include former spouses) must be the contingent beneficiary. The member, however, maintains the choice of which joint and survivor option plan to select. The member must choose among three options currently existing in the retirement plan.

Exceptions to this requirement are:

1. if the spouse signs a consent form waiving the right as contingent beneficiary;
2. if the spouse was not married to the member during any period of the members employment covered by this retirement plan;

3. if there is no spouse or that the spouse cannot be located or other circumstances described by the administrator.

In the case where there is 'no spouse', a member may designate a dependent as a contingent beneficiary or may take normal or early retirement.

Spouse is defined as the person to whom the member is married at the time of appointment to retirement, except to the extent that a qualified domestic relations order, orders otherwise. A qualified domestic relations order can establish a former spouse as the contingent beneficiary.

Procedures for claiming to be a contingent beneficiary is outlined. A 60 day time period, following a member's application for retirement, is established for filing of all claims as contingent beneficiary. No claim, following the 60 day period, may be paid if the payment would result in an increase in the actuarial cost to the retirement system.

Sections 14-15 amend the TRS exemption status from assignments to provide for assignments resulting from qualified domestic relations orders.

Section 16 defines a domestic relations order. Which means a divorce or dissolution judgement, including an order approving a property settlement, provision of child support and spousal support. It also defines surviving spouse as the spouse of a member at the time of a member's death except to the extent that a qualified domestic relations order, orders otherwise.

## II. Sections 17 and 18 relate to changes in the Judicial Retirement System.

Section 17 amends survivor benefits by reducing the requirement from two years to one year that a spouse be married prior to the death of the justice or judge in order to be eligible for survivor benefits. This change conforms to PERS definition and ERISA's requirements for eligibility of survivor benefits.

It also allows former spouses who were married for at least one year and who have not remarried to share in survivors' benefits to the extent provided in a qualified domestic relations order.

Section 18 defines a qualified domestic relations order. The definition is the same as described in Section 16 under the TRS plan.

III. Sections 19 and 20 relate to changes in the Marital and Domestic Relations statute. The amendments require that if a divorce or dissolution judgement distributes benefits from PERS, TRS, NGRS to an alternate payee (former spouse), the judgement must be a qualified domestic relations order.

IV. Sections 21-23 relate to changes in the Alaska National Guard Retirement System.

Sections 21 and 22 amend retirement benefits for vested members by changing the designation of beneficiary for death benefits from the vested member's designated choice to the member's spouse if the member is married, becomes married or remarries while employed under this retirement plan. It also allows former spouses who were married to the member while employed under this retirement plan to share in survivors' benefits to the extent provided in a qualified domestic relations order.

Requirements and procedures for revocation of consent of the spouse, proof of a claim to entitlement and a 10 day notification of claim period are the same as for the death benefits under TRS (referred to in Sections 8-10).

Section 23 defines a qualified domestic relations order. It is identical to all other references in TRS, JRS (Sections 16 and 18).

V. Sections 24-39 relate to changes in the Public Employees' Retirement System.

Section 24 amends a vested member's right to refund upon termination by requiring vested members to obtain their spouse's consent to the refund in writing. Definition of spouse and exceptions to this requirement are the same as in TRS (Section 5).

Sections 26-29 amend the eligibility requirements for normal and early retirement under PERS to stipulate that members must designate their spouses as the contingent beneficiary and select a joint and survivor benefit plan. The member must choose among three options which currently exist in the retirement plan. The exceptions to this requirement and definition of spouse are the same as in TRS (Sections 1-3).

Sections 30-32 amend the designation of beneficiary for non-occupational and occupational death benefits by clarifying the definition of spouse which could include former spouses to the extent that a qualified domestic relations order so orders. The change in definition of spouse is the same as in TRS (Sections 6-7).

Sections 33-35 amend the joint and survivor option of retirement plan by changing the designation of contingent beneficiary to require that a member's spouse (which could include former spouses) must be the contingent beneficiary. The member, however, maintains the choice of which joint and survivor option plan to select. The member must choose among three options that currently exist in the retirement plan. Revocation of this requirement, spousal waiver, right to designate a dependent as beneficiary or take normal retirement, definition of spouse, procedures for spousal claim to right of contingent beneficiary and time period allotted for claim is the same as in TRS (Sections 11-13).

Section 36 amends the designation of beneficiary for death benefits from the member's designated choice to the member's spouse if the member is married, becomes married or remarries. Revocation of designation, spousal waiver of the right to beneficiary, the definition of spouse, procedures for spousal claim to right of beneficiary and time period allotted for claim is the same as in TRS (Sections 8-10).

Section 37 amends the PERS exemption status from assignments to provide for assignments resulting from qualified domestic relations orders. This is the same in TRS (Sections 14-15).

Section 38 amends the definition of surviving spouse in the PERS plan to include former spouses to the extent that a qualified domestic relations order, orders.

Section 39 defines a domestic relations order. This is the same definition used in TRS, JRS, NGRS (Sections 16, 18, 23).

Section 40 charges the Department of Administration with the duty to notify members of the state's retirement plans of the changes previously outlined within 90 days following enactment of the legislation. Notification will be provided through the division of retirement's newsletter and publication in newspapers in each judicial district of the state. They will also provide all necessary forms to implement the Act.

Sections 41-42 set out the effective dates of the Act. Notification of the changes to the state's retirement plans will take effect immediately. Sections 1-39 take effect January 1, 1986.

PROPOSED PENSION LEGISLATION

1. Current state law:

Sec. 39.35.330. Leave of absence. (a) A leave of absence with pay authorized by an employer will not be considered as interrupting employment. If the employee is a permanent part-time employee, credited service will be granted on a basis proportionate to that which would have been earned as a permanent full-time employee. (b) A leave of absence without pay which exceeds 10 working days in any calendar year or layoff status authorized by an employer will be considered as an interruption of employment and no credited service will be granted.

Intent of proposed change:

Add section on exceptions to credited service that would treat a leave of absence not to exceed 501 hours due to pregnancy, birth, adoption or certain child care as credited service whether the absence was in payed or unpaid status. Such a leave of absence should not be applied to the 10 day rule of leave without pay.

2. Current state laws:

Sec. 39.35.450. Joint and survivor option. (a) Benefits payable under this section are in place of benefits payable under AS 39.35.370. Upon filing an application with the administrator, an employee may designate his or her spouse or a dependent approved by the administrator as the contingent beneficiary. The benefit shall be determined in accordance with one of the following options elected:

(c) An employee may elect, change, or revoke an option without the approval of the administrator if his election, change, or revocation is filed in writing with the administrator before the effective date of his retirement.

(d) A member, including a deferred vested member, may, regardless of his age, elect a joint and survivor option any time before appointment to receive a retirement benefit.

Sec. 39.35.490. Designation of beneficiary. (a) Each employee shall designate the beneficiary or beneficiaries to whom benefits payable under this chapter as a consequence of the employee's death shall be distributed.

(b) The designation may be changed or revoked by the employee without notice to the beneficiary or beneficiaries at any time. If an employee designates more than one beneficiary, each shall share equally unless the employee specifies a different allocation or preference. The designation of a beneficiary and a change or revocation of a beneficiary shall be made on a form provided by the administrator and is not effective until filed with the administrator.

(c) If an employee fails to designate a beneficiary, or if no designated beneficiary survives the employee, the death benefit shall be paid (1) to his surviving spouse, or, if there is none surviving, (2) to his surviving children in equal parts or, if there is none surviving, (3) to his surviving parents in equal parts or, if there is none surviving, (4) to his estate.

Intent of proposed change:

Make survivor benefits for spouses automatic unless both the participant and the spouse consent in writing to waive it.

3. Current state law:

Sec. 39.35.500. Safeguard of employee funds held by the system. Employee contributions and other amounts held in the pension fund are exempt from Alaska state and local taxes. Amounts held on behalf of, or payable to, any employee or other person who is or may become eligible for benefits under the system are not subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge of any kind, either voluntary or involuntary, before being received by the person entitled to the amount under the terms of the system. An attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise dispose of a right to amounts held under the system is void.

Intent of proposed change:

Indicate that the assignment of retirement benefits to satisfy judgements in divorce actions, child support or alimony payments does not result in prohibited assignment under the terms of the system.

4. Current state law:

Sec. 25.24.160. Judgement. In a judgement in an action for divorce or action declaring a marriage void or at any time after judgement, the court may provide:

(6) for the division between the parties of their property, whether joint or separate, acquired only during coverture, in the manner as may be just, and without regard to which of the parties is in fault; however, the court, in making the division, may invade the property of either spouse acquired before marriage when the balancing of the equities between the parties requires it; and to accomplish this end the judgement may require that one or both of the parties assign, deliver, or convey any of their real property to the other party.

Intent of proposed change:

Specify that pension and retirement benefits constitute property not otherwise encumbered by law.

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Page 1 of 2

Revision Date: \_\_\_\_\_

Page 1 of 2

REQUEST

Bill/Resolution No.: 237

Title: An Act Relating to Pension Reform

Sponsor: \_\_\_\_\_

Requestor: \_\_\_\_\_

Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: All State Agencies

Program Category Affected: Elementary & Secondary Education, Labor Services

BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

PERS, JRS, TRS

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
Operating						
100 Personal Svcs		10.0				
100 Ptmnt & Bnfts						
200 Travel						
300 Contractual						
400 Supplies		5.0				
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	15.0	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND		15.0				
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	15.0	-0-	-0-	-0-	-0-

POSITIONS:	-0-	-0-	-0-	-0-	-0-	-0-
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	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME						
PART-TIME						
TEMPORARY		2.0				

ANALYSIS: (Attach a separate page if necessary)

Prepared By: J.K. Humphreys, Director Phone: 465-4470  
 Division: Retirement & Benefits Date: 2/20/85

Approved by Commissioner: Lisa Rudd Date: 2-21-85  
 Agency: Department of Administration

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

HB 237 . . .

Fiscal Note Analysis

Prepared by Division of Retirement & Benefits

Department of Administration

February 20, 1985

IV Analysis:

Passage of this bill will; 1) require a married member of the Public Employees' (PERS), Teachers' (TRS) and Judicial (JRS) Retirement Systems to select one of the joint and survivor options upon retirement unless the requirement is waived by the spouse and would require that the spouse be the primary beneficiary of death benefits, and 2) would allow any benefit payable from the PERS, TRS and JRS to be subject to attachment to satisfy orders by divorce or dissolution of marriage orders.

The fiscal impact of this will be due to the research and notification efforts by the Division to inform effected members of the legislation.



STATE OF ALASKA

OFFICE OF THE GOVERNOR

ALASKA WOMEN'S COMMISSION

3601 C STREET - SUITE 742

ANCHORAGE, ALASKA 99503

RETIREMENT AND PENSION REFORM RESEARCH REPORT

(revised) March 1985

Background

Retirement age represents a time of economic uncertainty for most women whether they have worked outside the home or have spent most of their lives as homemakers. At age 65 most people experience a reduction in their income by 44 percent. As a group, older women's incomes are yet smaller since most exist only on Social Security benefits. Older women have the highest incidence of poverty in the state as well as in the nation. The median annual income for older women in Alaska is \$4,700 which is about one-half that for older Alaskan men.

Today more women work outside the home than ever before. In Alaska, 60 percent of all women aged sixteen and older are in the labor force. Sixty-two percent of those women work in the private sector with most of the remaining working in federal, state or local governments. Yet, according to a national survey covering private industry employment in 1979, only 31 percent of all women workers (including part-time workers) were covered by private retirement plans. (Alaskan data are not currently available.) Public sector employment covered by the state of Alaska's retirement plans (PERS, TRS, JRS, NGRS) provides coverage for all permanent employees of the state, participating local governments and the legislature. These systems include approximately 80 to 85 percent of the employment in state and local governments. The balance of local government employment is covered by private retirement plans if any is offered to an employee. Federal workers are covered by their own plan through the federal government. However, no data are currently available on federal retirement programs and participant characteristics for Alaska.

The number of employers offering retirement programs has continued to grow. However, coverage and vestment of women in these programs have not kept pace with men. Many factors contribute to the situation. Women are clustered in industries that are low paying and that offer few benefit programs for their employees. In Alaska, over 62 percent of working women are concentrated in low paying jobs such as clerical, sales and service. Women are also more likely to work part-time or on a temporary basis than men, consequently making vestment difficult to obtain. Sixty-two percent of all part-time work performed in Alaska is done by women.

Private and public retirement plans reward long term, steady employment and generally do not consider the working patterns of women. While women carry the responsibility of child bearing, they are often penalized by retirement plans when they take a leave of absence or break their service in order to provide necessary care for their families. For example, the state of Alaska allows nine weeks leave without pay for purposes of pregnancy or adoption. However, retirement credit stops after an employee exceeds 10 days of leave without pay, thus penalizing an employee who takes the necessary leave.

Rules guiding vestment in retirement plans have also limited many women's abilities to qualify for retirement benefits. In some cases, an employee who returns to work after a break in service may lose retirement credit for pre-break service. This is not a problem in the state's retirement plans, however. No service is lost unless an employee "cashes out" the benefit upon termination and does not repay it when the employee returns to work for the state.

The term of employment required in order to be eligible for vestment is often times extraordinarily long. National statistics indicate that men spend an average of 5.1 years with the current employer while women had spent only 3.3 years. Yet many private plans require 10 years of service before vestment and the state of Alaska's retirement plans require a minimum of 5 years.

Marriage is an economic partnership and the pension of the working partner is often one of the most valuable assets of a marriage. Yet, spouses who are homemakers or who have worked outside the home but never vested are not always entitled to an equitable share of retirement income based on their partner's careers. Survivor benefits are not automatic in either private or public retirement systems. A joint and survivor option must be selected in order for the spouse to be covered. According to a national survey, over 60 percent of all married private plan participants who retired in 1978 did not elect a joint and survivor option. In the state's retirement plans, PERS and TRS, only 20% and 37% respectively choose joint and survivor options. Since there is no requirement to inform a spouse of the retirement option chosen by the plan participant, many spouses are left unknowingly financially unprepared to face their retirement years. Nationally, only 10 percent of women aged 65 and older received income from private pensions or annuities in 1980.

Retirement and pension benefits are not always considered or included in the determination of marital assets during a divorce or dissolution action, although it may be the most valuable asset attained during a marriage. Recognizing that marriage is an economic partnership, pension benefits accrued during a marriage should be considered as joint property. Alaska statutes, however, contain no specific criteria for property settlements other than the requirement that they be "just and necessary."

Private pension plans and the state's retirement plans, PERS and TRS, have been protected by law from any type of assignment including the satisfying of marital property rights, spousal support and child support. Consequently, when marital property is divided during divorce, the courts can do nothing more than establish a value to retirement benefits and adjust for its value from others assets if they exist.

#### Changes in Federal Retirement and Pension Laws

On August 9, 1984 Congress passed amendments (H.R. 4280) to the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code of 1954. Known as the Retirement Equity Act of 1984, the purpose of the amendments is to improve the delivery of retirement benefits and provide for greater equity under private pension plans for workers and their spouses and dependents. The amendments took into account changes in work patterns, the status of marriage as an economic partnership, and the substantial contribution to that partnership of spouses who work both in and outside the home. Although the amendments are not as complete as the original package first sent to the House of Representatives, its impact can potentially affect 62 percent of the women who work in Alaska (private sector employment) and serve as a model to the state in examining its own retirement laws.

The Retirement Equity Act detailed seven significant areas of change to the federal law which affects private pensions. However, only two of these areas are of importance to the report since the state's retirement plans incorporate many of these changes in their current plan.

1. The Act requires pension plans to provide automatic survivor benefits and pre-retirement survivor benefits. A participant is given the right to waive survivor benefits only if consent is given in writing and is signed by the participant and the participant's spouse. Additionally, the bill established that a spouse who had been married for one year or more qualified under joint and survivor benefits.
2. The Act permits assignment of retirement benefits to satisfy marital property rights, child support or alimony payments pursuant to a state domestic relations law. The bill clarifies that such an order does not result in prohibited assignment under the spendthrift provisions of the Code or ERISA.

#### Proposed Changes to Alaska's Retirement Law

Acknowledgement by Congress of the need to provide greater equity under pension plans for workers, their spouses and dependents signals the need to review and improve State statutes affecting pensions. While the Retirement Equity Act covers all private retirement and pension

plans, state and local governments are not covered unless they purchase private plans. In Alaska, the state's retirement plans cover the majority of state and local government employment. These plans are considered to be very fair to the employee, however, with the passage of the Retirement Equity Act participants of the state's plans do not share the same protections and rights afforded under private sector pension plans. Inequities exist in two areas:

1. Joint and survivor benefits.

Current state law does not require a married participant to select survivor benefits nor is the participant required to inform the spouse that survivor benefits were selected.

Proposed change - Amend all appropriate sections in TRS, JRS, PERS to indicate that survivor benefits for spouses are automatic unless both the participant and spouse consent in writing to waive it.

2. Assignment of retirement benefits in domestic relations cases.

Current state law protects the Public Employees Retirement System (PERS) and the Teachers Retirement System (TRS) from assignment for any purpose including the satisfying of marital property rights, child support or spousal support.

Proposed change - Amend sections of PERS and TRS to remove the prohibition of assignment only for the purposes of satisfying marital property rights, child support or spousal support.

A third shortcoming in the state's retirement plans relate to the loss of retirement credit due to pregnancy or adoption. Although this was not addressed in the final version of the Retirement Equity Act, the discriminatory situation created by the state's current leave without pay policy is obvious. While the state recognizes and supports the working parent by funding child care programs and providing up to nine weeks of leave without pay for the purposes of pregnancy or adoption, it penalizes any employee who takes over ten days of leave without pay by stopping the accrual of retirement credit. Working women are the primary group affected by this. They must choose between taking the necessary time off to care for their families and lose valuable retirement credit or risk neglect of their families in order to insure no loss to their retirement benefits.

Proposed change - Amend the leave without pay policies to allow an employee to purchase back up to nine weeks of retirement credit when the absence is due to pregnancy, birth, adoption or certain child care responsibilities.



STATE OF ALASKA  
OFFICE OF THE GOVERNOR

ALASKA WOMEN'S COMMISSION  
3601 C STREET - SUITE 742  
ANCHORAGE, ALASKA 99503

March 1, 1985

Representative Katie Hurley  
Pouch V  
Juneau, AK 99811

Dear Representative Hurley:

The Alaska Women's Commission urges your support for HB 237, an act relating to pension reform. This bill insures that public employees (in PERS, TRS, JRS and the Department of Military and Veterans Affairs) will share similar rights and protections in their retirement systems as do members of private retirement plans.

HB 237 recognizes, as does the federal law (Retirement Equity Act of 1984) that guides private retirement plans, that rights to benefits accrued during a marriage are property rights in which both partners to the marriage have an interest. Presently, retirement age represents a time of economic uncertainty for many women. At age 65, most people experience a reduction in their income by 44 percent. As a group, older women's incomes are yet smaller. Older women have the highest incidence of poverty in the state as well as in the nation. The median annual income for older women in Alaska is \$4,700 which is about one-half that for older Alaskan men.

Under current state law a married public employee is not required to select survivor benefits for a spouse or to inform the spouse that survivor benefits were or were not selected. Thus, many spouses are left unknowingly financially unprepared to face their retirement years. Among those married members currently enrolled in the PERS and TRS systems, only 20 percent and 37 percent respectively have chosen survivor benefits for their spouses and it is unknown how many have informed their spouses about this decision that ultimately affects both of their financial futures. HB 237 corrects this problem by making spouses the automatic beneficiary unless the spouse signs a waiver consenting to a change in beneficiary. It further provides that a vested member who terminates prior to retirement must also receive consent of the spouse before "cashing out" of the retirement system.

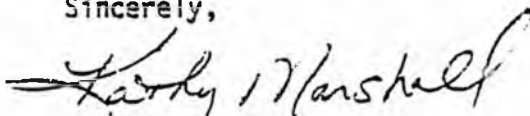
March 1, 1985  
Page Two

HB 237 also addresses the rights of former spouses to retirement benefits. Under current state law, the court determines whether retirement benefits will be considered as a marital asset and very often it may be the most valuable asset attained during marriage. Since the TRS and PERS systems are protected by statute from assignment, the courts can do nothing more than establish a value to the benefits and adjust for its value from other assets if they exist. HB 237 waives this prohibition of assignment of the PERS and TRS system for purposes of satisfying marital property rights, spousal support and child support when a qualified domestic relations order is issued by the courts. It also extends to former spouses of members of all state retirement systems the right to share in survivor benefits to the extent outlined in a domestic relations order. This provision does not require an increase in benefits to the member in order to satisfy the domestic relations order, however.

In summary, HB 237 establishes equity and provides the same "right to know" and protections for spouses of public employees that is now provided to members and their spouses of private retirement systems under the federal Retirement Equity Act of 1984. Further, the state's Supplemental Benefits System (SBS) plan is regulated by this federal act and has been amended to comply with it. Thus, HB 237 will provide consistency in the regulation and treatment of the state's retirement and annuity plans.

If you have any questions or would like to discuss this bill in greater depth, please contact me at your convenience.

Sincerely,



Kathy Marshall  
Executive Director.



## Alaska Women:

# A N D P E N S I O N S

### Background

Until recently, pension laws have failed to consider the needs of working women, the work patterns of most females or marriage as an economic partnership.

According to the Institute of Gerontology at the University of Michigan, 60 percent of workers vested in pension plans have selected options that will provide nothing for a surviving spouse, the net result being that older women reach the end of their resources long before they reach the end of their lives.

A recent study done at the federal level found that while 50 percent of all male workers were covered by a pension plan, only 31 percent of female workers were covered.

And in 1981, the U.S. Census Bureau estimated that the average private pension received by a man was \$4,152 a year as compared to \$2,427 received by a woman. The Census Bureau also reported:

- 60 percent of the U.S. population over 65 years are women.
- 72 percent of aged poor households consist of single women.
- 85 percent of single persons over 65 years who live below the poverty line are women.

### Private Pensions and Spouses

However, on August 9, 1984, Congress adopted amendments to the Employee Retirement Income Security Act (ERISA), ending a ten-year struggle for pension equity for women. The amendments affect all women who work in the private sector. Major provisions include:

- Requiring a spouse's written permission before an employee can waive survivor benefits;
- Payment of benefits to the spouse of a worker fully vested but who dies before reaching retirement age;
- Requiring that employees be allowed to participate in pension plans when they turn 21, lowered from age 25;
- Forbidding pension plans from counting a one-year maternity or paternity leave as a break in service when adding up the years needed to earn a pension;
- Specifying that state courts may divide up pension benefits in divorce proceedings;

- Limiting a company's freedom to change a pension plan so that employees are better protected from losing benefits they have accrued; and
- Allowing companies to give cash in lieu of pension to an employee who leaves before retirement, if the benefit is worth less than \$3,500.

### In Alaska

Amendments to ERISA could affect the 62 percent of women who work in the private sector. Since the balance of workers represented by local, state or federal pension plans are not affected by ERISA, those women may still face certain inequities. Although marriage should be recognized as an economic partnership, only 20 percent and 37 percent of those couples enrolled in the Public Employees Retirement System and the Teachers Retirement System respectively, have selected options that will provide benefits for a surviving spouse.

Legislation, supported by the Alaska Women's Commission, has been introduced to update the various public employees retirement systems. The proposed legislation would ensure that state and many municipal employees and their spouses are afforded similar benefits and protections as members of private pension plans receive. This legislation would have its biggest impact on women reaching retirement age.

According to the Older Alaskans Commission, in 1981 there were 3,793 women approaching retirement age. Now state officials believe a trend towards a growing elderly population is developing. The Older Alaskans Commission statistics also show that women tend to outlive their male counterparts. At age 70 and older, women outlive men, 45 percent to 55 percent. It is evident, by the growing older population and the longer life expectancy of women, that pension reform is of great importance. Here are some statistics.

- Women, 60 years and older, comprised 5 percent of the state's population and 34 percent of those people 50 years and older in 1980.
- The proportion of women over age 65 who head households has increased from 34 to 36 percent between 1960 and 1980.
- The median income for women age 65 years or older was \$4,702 in 1980 compared to \$7,741, the median income for men of the same age group.
- Of those women 65 years or older in 1980, approximately 13.4 percent lived in poverty.

### Sources:

A New Beginning for Older Alaskans: A Three-Year Statewide Plan, Older Alaskans Commission, July 1983

Alaska Women: A Databook, Alaska Women's Commission, July 1984

"Retirement and Pension Reform Research Report," Barbara Baker, Alaska Women's Commission, August 15, 1984

The President's Commission on Pension Policy, Washington, D.C.

Women's Pension Project, Pension Rights Center, Washington, D.C.

Older Women's League, Washington, D.C.

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Geraldine  
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**NEWS**

Ninth Congressional District

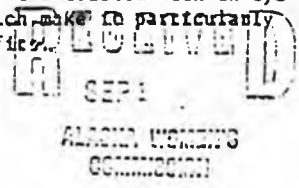
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THE RETIREMENT EQUITY ACT OF 1984 H.R. 4280

INTRODUCTION: On August 13, 1984, the President signed into law Rep. Geraldine A. Ferraro's private pension reform legislation. The Ferraro pension bill amends the Employee Retirement Income Security Act (ERISA). The pension changes will apply to both men and women, but they were crafted with an eye to modifying aspects of the private pension system which make it particularly difficult for women to qualify for retirement benefits.



PROVISIONS OF H.R. 4280:

WOMEN AS WIVES AND WIDOWS

I. The Retirement Equity Act requires written consent of both participant and spouse to waive survivor annuity option. (Currently, survivors' benefits are optional for the employee alone.)

\*\* For Example: In order for your husband to waive survivor benefits he needs your permission in writing.

II. The Retirement Equity Act specifies that decisions to waive pre-retirement survivor benefits be made after workers turn 35, and that decisions to forgo post-retirement survivor benefits be made within 90 days before pension payments begin.

\*\* For Example: Your husband must be 35 and have your permission in order to waive his pre-retirement survivor benefits. Your husband must make his decision to waive post-retirement survivor benefits with your permission during the three months before he retires.

III. The Retirement Equity Act requires payment of benefits to the spouse of a worker who was fully vested, even if that worker dies before the early retirement age, age 55, under ERISA. (Vested means that the employee has worked for the minimum years necessary to be eligible for a pension at retirement.)

\*\* For Example: If your husband dies at age 40 after working for 11 years, (and vesting occurs at 10 years) you are entitled to survivor benefits, which you would receive at the date he would have reached early retirement age.

IV. The Retirement Equity Act abolishes the ERISA provision allowing plans to deny widow's/widower's benefits if an otherwise qualified spouse dies within two years of choosing survivor benefits (if death is from natural causes).

\*\* For Example: If you and your husband opt for survivor benefits and he informs his employer, even if he dies a week afterward you are still eligible for survivor benefits.

V. The Retirement Equity Act permits assignment of pension benefits by state divorce courts in cases related to alimony, child support and marital property.

\*\* For Example: A court can award a woman the right to part of her ex-husband's pension in a divorce settlement.

WOMEN AS MOTHERS

VI. The Retirement Equity Act allows employees to take a year off for maternity or paternity leave, including leave to take care of an adopted child, without suffering a break in service for pension purposes.

\*\* For Example: If you had worked for five years, you could take a year off to have a baby, and then take an additional five years off. When you

returned, your first five years of work would count toward your vesting and pension benefits.

WOMEN AS WORKERS

VII. The Retirement Equity Act lowers the minimum participation age for private pension plans from age 25 to age 21. It also requires pension plans to count the years of employees' service from the time they turn 18, in calculating when they have worked long enough to be vested.

\*\* For Example: If you begin a job at 18, at 21 you are eligible to join the pension plan and are credited with three years towards vesting. But if you begin work at 18 and leave the company at 20, your two years do not count towards vesting even if you return to the company at a later date.

WHO IS AFFECTED BY THIS ACT?

VIII. The Retirement Equity Act applies to all plans not yet in existence. Beginning after December 31, 1984 the Act will apply to all plans already in existence. Where collective-bargaining agreements are involved the Act takes effect when the last collective-bargaining agreement pertaining to pensions terminates. This Act is not retroactive.

\*\* For Example: If you begin a job the day after the Act is enacted your pension plan must comply with the Act. If you are currently employed, have a pension plan, and are not yet collecting a pension your pension plan will have to comply with the Act beginning January 1, 1985. If your union has a contract with your employer which includes pension benefits, the Act will apply when the portion of the contract affecting pension benefits expires. The Act does not apply if you are already collecting a pension or if your husband waived survivor benefits and has died.

State Legislatures  
Feb 1985

## Pension inequities plague women who work for states

More women are part of the work force today than at any other time in our nation's history. Yet pension systems affect women not only as workers but also as wives, divorced spouses, and widows. In an effort to equalize some of the inequities and close the "gender gap" in private pension plans, Congress last year passed a pension reform bill.

But discrepancies still exist for state and local employees who are not regulated by federal law. For instance, in the past, women employees sometimes paid higher premiums and received lower monthly benefits than male employees, but two U.S. Supreme Court cases (*Los Angeles vs. Manhart*, 1978; and *Norris vs. State of Arizona*, 1983) struck down these practices.

Another problem concerns the survivor's annuity that is paid to the surviving spouse upon the death of a vested employee. Fewer than 40 percent of married pension participants choose joint and survivor annuity plans. Why? Because their monthly retirement benefits are reduced in order to allow benefits for the surviving spouse, but no one wants to live on reduced benefits. A "pop up" provision, which allows benefits to pop back up to the full amount if the protected spouse dies first, would resolve this problem. In addition, the spouse should be included in the decision to waive survivor's annuities. Requiring written consent of both partici-

pant and spouse to waive these benefits allows both parties to be aware of the options available to them.

Part-time workers are frequently in jobs traditionally lacking high pay, job security, advancement opportunities, and fringe benefits. In particular, most of them lack a pension plan. Women specifically, since they compose 61 percent of non-agricultural, part-time workers, are likely to experience the negative effects of part-time work. Prorating retirement and other fringe benefits would avert the penalties of a reduced workweek.

Women can be affected adversely by vesting requirements and breaks in service. The Bureau of Labor Statistics estimates that women leave and re-enter the work force more often than men. While men average 12.6 years of labor force involvement for every entry, women average only 6.1 years. These figures indicate that women are not likely to vest with a pension system that requires more than eight years to vest. Retirement credit is generally granted for continuous, uninterrupted service with an employer, and a break in service, for maternity leave, for example, prevents a woman from achieving her full entitlement of retirement benefits. An equitable plan would allow for authorized breaks such as illness, maternity leave, paternity leave, or military service.

Portability, which enables workers to transfer pension credits from job to job, is available in several state systems already, particularly for employees with teaching or military experience. Hawaii is one state with a system for all public workers. Social Security, of course, is the only universally portable pension system in the United States. Women, and others who move in and out of the labor force frequently, could benefit by portable pension plans that would protect them in the future.

In divorce actions, the state must first recognize pensions as a legitimate property right in order for a divorced spouse to be entitled to a pro rata share of the other spouse's pension. In all states, most divorce settlements are worked out between

the parties without court intervention. State laws are needed, though, for those instances when parties cannot reach agreement and the courts must decide.

In a related issue, the garnishment of pensions for alimony and child support, the courts have been divided — a good reason to have a strong state statute. Some courts, while ruling that pensions are exempt from garnishment by creditors, acknowledge that support of dependents is a somewhat different category from claims by ordinary creditors. Yet the same courts have ruled that legislation prohibiting garnishment by creditors is not arbitrary. Therefore, legislation is needed to address the specific issue of garnishment of pensions for alimony and child support.

Some state systems now coordinate Social Security benefits with the benefits provided by the pension plan so that the worker's total pension does not exceed the pre-retirement income. Because low wage earners receive proportionately higher benefits from Social Security, integrated plans provide proportionately higher benefits for higher earners. Integration can mean all workers retire with about the same percentage of their salaries as retirement income, but it can also mean that pension plan money has been redistributed away from lower paid workers, who are generally women. As pension costs become more of a legislative concern, integration of some type may become more prevalent in public plans.

Finally, the composition of the board of trustees controlling pension plan assets needs to change. Questions of conflict of interest arise when bankers and brokers, whose institutions handle the funds, sit on the boards. It is better to have a representative board that includes members from the sponsoring agency and the taxpayers. — *Mary Jane Galer and Mary E. Stakes*



Steven Gold is a senior fellow in NCSL's Fiscal Affairs Program; Jane Carroll is an assistant editor of *State Legislatures*; Mary Jane Galer, a Georgia state representative, and Mary E. Stakes, legislative research associate at the University of Georgia, are co-authors of a recently published study of women and state pensions. It explores in greater detail the issues outlined in this article.

# ALASKA WOMEN'S LOBBY

POST OFFICE BOX 10-1571. ANCHORAGE. ALASKA 99510

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March 13, 1985

The Alaska Women's Lobby would like to express it's support for HB 237. Pension systems affect women not only as workers, but also as wives, divorced spouses and widows.

Marriage is an economic partnership and there is a substantial contribution to that partnership of both spouses who work inside and outside of the home. Yet, spouses who are homemakers or who have worked outside the home but never vested in a retirement system due to breaks in service during their child bearing years, are not always entitled to an equitable share of retirement income based on their partners careers.

Only 20% of the married participants of the Public Employees Retirement System have chosen survivor benefits for their spouses. We do not know how many of these married participants have informed their spouses about this decision which affects their financial futures.

Many older persons face economic uncertainty. Women have the highest incidence of poverty in Alaska and in the nation. Older women in Alaska have only half the median annual income of older men.

We firmly believe that the spouse should be included in the decision to waive survivor's benefits. Requiring written consent of both the participant and the spouse to waive these benefits allows both parties to be aware of the options available to them.

We are very supportive also of the protection afforded the rights of former spouses to retirement benefits in this proposed legislation. Pension benefits are sometimes the most valuable asset accrued during a marriage and should be considered as joint property to which both parties have an interest.

By waiving the prohibition of assignment for purposes of satisfying

Alaska Women's Lobby - Comments HB 237

marital property rights, spousal and child support we are recognizing that the support of dependents is a somewhat different category from claims by ordinary creditors.

The amendments to ERISA (Employee Retirement Income Security Act) are an acknowledgement by Congress of the need to provide greater equity under pension plans for workers, their spouses and dependents. These amendments affect all private sector pension plans.

HB 237 would ensure that state and many municipal employees and their spouses are afforded similar benefits and protections and we urge support of it's passage.

*Sherrie Joll*

Sherrie Joll  
for the Alaska Women's Lobby

# IV.

## BILL HISTORY

HG 237

### HOUSE CALENDAR:

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BILL HB0237  
PAGE 00436  
DATE 02/25/85  
CHAMBER HOUSE  
TEXT HOUSE BILL NO. 237 by the Rules Committee by request of the Governor, entitled:

"An Act relating to pension reform; and providing for an effective date."  
was read the first time and referred to the State Affairs, Judiciary and Finance Committees.

A fiscal note was attached and appears in House Journal Supplement No. 22.

The Governor's transmittal letter dated February 25, 1985 appears below:

"Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to pension reform. This bill amends statutes pertaining to the state's retirement systems to include provisions similar to those enacted by the U.S. Congress in the Retirement Equity Act of 1984 (P.L. 98-397).

The bill amends a number of sections of the public employees' retirement system and teachers' retirement system statutes to require consent of an employee's spouse before the employee may waive a joint and survivor benefit, obtain a refund of contributions if the employee has a vested interest in benefits, or revoke a designation of the spouse as the employee's beneficiary for various death benefits. Consent of the spouse is also required by this bill for revocation of a designation of the spouse as beneficiary for death benefits under AS 26.05.224. Until consent is obtained, the joint and survivor benefit and designation of the spouse as beneficiary are required. The judicial retirement system statute is amended to allow the spouse of a justice or judge to receive survivors' benefits if the spouse was married to the justice or judge for one year before death, instead of the current two years.

The bill allows former spouses to share in survivor's benefits, to the extent provided in a "qualified domestic relations order," as defined in secs. 16, 18, 23, and 39 of the bill.

Prohibitions against assignment of retirement benefits are removed with respect to assignments of those benefits made to satisfy marital property rights, spousal support, and child support under a qualified domestic relations order.

The commissioner of administration is required to inform retirement system participants and their spouses of the changes accomplished by this bill, and effective dates are established to assure an orderly transition to the provisions of this pension reform bill.

This bill recognizes, as does the federal Retirement Equity Act of 1984, that rights to benefits accrued during a marriage are property rights in which both partners to the marriage have an interest. The bill has been drafted to require the joint and survivor option, and spousal consent for revocation of designation of the spouse as beneficiary for benefits, only if the spouse was married to the employee during a period when rights to those benefits were being accrued.

I note that the state's Supplemental Benefits System (SBS) plan has already been amended to comply with the Retirement Equity Act requirements that the plan require a joint and survivor benefit unless the spouse waives that form of benefit, and that the plan require payment of a preretirement survivor benefit to the spouse unless the spouse waives that form of benefit. These amendments to the SBS were necessary to maintain the plan's tax-deferred status under the Internal Revenue Code.

Sincerely,  
/s/  
Bill Sheffield,  
Governor"

HB0237  
00600  
03/15/85  
HOUSE

The State Affairs Committee has considered HOUSE BILL NO. 237 (relating to pension reform; effective date) and reports it back as follows: Hurley (Chairman), Navarre, M.M. Miller, Collins and Boucher recommend do pass; Jenkins has no recommendation.

HB 237 was referred to the Judiciary Committee.

HB0237  
00885  
04/11/85  
HOUSE

The Judiciary Committee has considered HOUSE BILL NO. 237 (relating to pension reform; effective date) and reports it back as follows: M.M. Miller (Chairman), Sund, Gruenberg and Clocksin recommend do pass; Taylor, Pettyjohn and Phillips have no recommendation.

HB 237 was referred to the Finance Committee.

HB0237  
01053  
04/24/85  
HOUSE

The Finance Committee has considered HOUSE BILL NO. 237 (pension reform; effective date) and reports it back as follows: Adams (Chairman), Ringstad, Szymanski, Duncan, Larson, Pourchot, Uehling, Rieger, Frank, Binkley and Cotten recommend do pass.

A zero fiscal note was attached.

HB 237 was referred to the Rules Committee for placement on the calendar.

Pension  
Reform

HOUSE BILL NO. 237, by the Rules Committee by Request of the Governor. Relates to pension reform (see letter from Governor).

Introduced February 25 and referred to State Affairs, Judiciary, Finance.

In his message transmitting the bill, Governor Sheffield stated:

Under the authority of art. IX, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to pension reform. This bill amends statutes pertaining to the state's retirement systems to include provisions similar to those enacted by the U.S. Congress in the Retirement Equity Act of 1984 (P.L. 98-397).

The bill amends a number of sections of the public employees' retirement system and teachers' retirement system statutes to require consent of an employee's spouse before the employee may waive a joint and survivor benefit, obtain a refund of contributions if the employee has a vested interest in benefits, or revoke a designation of the spouse as the employee's beneficiary for various death benefits. Consent of the spouse is also required by this bill for revocation of a designation of the spouse as beneficiary for death benefits under AS 26.05.224. Until consent is obtained, the joint and survivor benefit and designation of the spouse as beneficiary are required. The judicial retirement system statute is amended to allow the spouse of a justice or judge to receive survivors' benefits if the spouse was married to the justice or judge for one year before death, instead of the current two years.

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Prohibitions against assignment of retirement benefits are removed with respect to assignments of those benefits made to satisfy marital property rights, spousal support, and child support under a qualified domestic relations order.

The commissioner of administration is required to inform retirement system participants and their spouses of the changes accomplished by this bill, and effective dates are established to assure an orderly transition to the provisions of this pension reform bill.

This bill recognizes, as does the federal Retirement Equity Act of 1984, that rights to benefits accrued during a marriage are property rights in which both partners to the marriage have an interest. The bill has been drafted to require the joint and survivor option, and spousal consent for revocation of designation of the spouse as beneficiary for benefits, only if the spouse was married to the employee during a period when rights to those benefits were being accrued.

I note that the state's Supplemental Benefits System (SBS) plan has already been amended to comply with the Retirement Equity Act requirements that the plan require a joint and survivor benefit unless the spouse waives that form of benefit, and that the plan require payment of a preretirement survivor benefit to the spouse unless the spouse waives that form of benefit. These amendments to the SBS were necessary to maintain the plan's tax-deferred status under the Internal Revenue Code.

HOUSE BILL NO.-237, (see page 363). Reported back to the House March 15 by State Affairs recommending it do pass. Concurring: Hurley (Chair), Navarre, M. M. Miller, Collins and Boucher. Not concurring: Jenkins has no recommendation. To Judiciary.

HOUSE BILL NO. 237, (see pages 363;461). Reported back to the House April 11 by Judiciary recommending as follows: M. M. Miller (Chair), Sund, Gruenberg and Clocksin recommend do pass. Taylor, Pettyjohn and Phillips have no recommendation. To Finance.

