

CHAPTER 143

AN ACT

[H. B. 135]

Pertaining to the Teachers' Retirement System amending Sections 37-5-22, 37-5-24, as amended by Chapter 29 SLA 1951, 37-5-26, 37-5-27, 37-5-28, 37-5-30, 37-5-31, 37-5-32 and 37-5-33 ACLA 1949.

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. Section 37-5-22 ACLA 1949 is amended to read as follows:

Section 37-5-22. DEFINITION OF TERMS.

Whenever in this Act the following words and phrases are used, unless a different meaning is plainly required by the contents, they shall have the following meanings:

1. "Public School" shall mean any day school within the Territory under the supervision and control of the Territorial Board of Education, the school board of any incorporated city, incorporated school district, independent school district, or the board of regents of the University of Alaska. This term shall also include public schools, Universities and Colleges in any other political subdivisions of the United States and schools operated on property under control of the United States Government in foreign countries and Alaska.

"Public School"
defined.

2. "Teacher" shall mean any certified teacher, principal, supervisor, or superintendent employed on a full time basis in the public schools of the Territory, the Commissioner of Education, the Deputy Commissioner of Education, Supervisors of the Department of Education, and all resident teachers and instructors, including the administrative head, librarian and extension service personnel of the University of Alaska.

"Teacher"
defined.

This definition shall also include veteran teachers not so employed who have already rendered the years of service required for retirement as hereinafter set forth.

"Board."

3. The "Board" shall mean the "Teachers' Retirement Board" provided for in Section 37-5-23 herein, to administer the retirement system.

"Retirement Fund."

4. "Retirement Fund" shall consist of all matching contributions from funds appropriated by the Territorial Legislature; contributions by incorporated cities, from the School Tax Fund (Chapter 38, SLA 1943), and from the Rural School Fund as provided in Section 37-5-30 herein; contributions from teachers' salaries; payments of arrearages as provided in Section 4 (37-5-24 herein); income and interest derived from investment of moneys contained in the fund; and all moneys derived or contributed for the same purpose from any other source.

"Member."

5. "member" shall mean any teacher included in the membership of the system as provided in Section 37-5-28 herein.

"Service."

6. "Service" shall mean service as a teacher.

"Year of Service."

7. "Year of Service" shall be construed to mean service of at least 140 school days, however, no more than one year credit may be obtained during any one school year. If service is less than 140 days, credit will be given for the actual number of months of service, based on a twenty-day school month.

"Retirement Salary."

8. "Retirement Salary" shall mean the money received by a retired teacher from the fund.

"Non-Revertible Funds."

9. "Non-Revertible Funds" shall mean that portion of the Teachers' Retirement Fund not

subject to withdrawal by teachers who might discontinue teaching service and membership in the system prior to retirement.

10. "School Year" shall begin on July 1st of each year and end on June 30th of the ensuing year.

"School Year."

11. "Teaching" shall be construed to mean service in the capacity of the positions stated in Subsection 2 of Section 37-5-22 herein.

"Teaching."

Section 2. Section 37-5-24 ACLA 1949 as amended by Chapter 29 SLA 1951 is amended to read as follows:

Section 37-5-24. **RETIREMENT AGE BENEFITS.** Eligibility: Payments: Service credits. Every teacher who has had twenty-five years of service in public schools or the Territorial Department of Education, of which service at least fifteen years have been in the Territory of Alaska, shall be eligible to retire from active teaching service and upon reaching the age of fifty-five years shall be entitled to receive for life from the Teachers' Retirement Fund a retirement salary of Twelve Hundred Dollars (\$1,200.00) per year payable in four equal quarterly installments, October 1, January 1, April 1, and July 1. To be eligible to receive retirement salary under this Act a teacher must pay into the Retirement Fund an amount equal to twenty-five times Ninety Dollars (25 x \$90) and no teacher shall be required to pay a greater sum. All teachers actively engaged in the profession in Alaska, and those who may later come into the Retirement System, and all aged teachers not so engaged who have already rendered the required years of service and apply for retirement benefits, shall be given credit here-

Retirement age.

Retirement salary.

Maximum payment by beneficiary.

Prior service credit.

Payment to fund
for prior service.

under for all previous teaching service in the Territory; provided that all such teachers may also claim and be given credit for teaching service not exceeding ten years rendered by them respectively in any other political subdivision of the United States, including schools operated on property under the control of the United States Government in foreign countries and Alaska; provided, further, that in every case the last five years of teaching prior to retirement which are claimed and credited must have been in Alaska. All teachers shall have the privilege at any time of paying into the Retirement Fund, for each year of previous service, not to exceed twenty-five, and equal amounts shall be paid by the Territory into said Fund, as provided in Section 37-5-30 herein; or, in the alternative, the quarterly benefits payable to teachers after retirement may be withheld and credited on arrearages until such time as the total teacher's contribution in each case shall equal the sum due hereunder.

Exemption from
taxation and
process.

Exemption from taxation and process. Teachers' retirement salaries shall be exempt from any Territorial or municipal tax and shall not be subject to execution, attachment, garnishment or any other process whatsoever.

Compulsory
retirement.

Retirement. To be eligible for these benefits a teacher must retire from teaching service, except as hereinafter provided. After becoming eligible for retirement from active service a teacher may be retired or retained in service at the discretion of the employer and the employee. Retirement is compulsory at the age of sixty-five, provided, however, that there shall be no restrictions on the occupation of a teacher who

has reached the compulsory retirement age of sixty-five years and who is otherwise eligible for retirement benefits, except with respect to teaching on a full time basis in the Alaska Public School System, Provided, however, that he be allowed to finish out the school year if he becomes sixty-five years of age during that school year. The compulsory retirement provisions of this section shall not apply to University of Alaska teachers, the Commissioner of Education, Deputy Commissioner of Education, Supervisors of the Department of Education and full time administrators in the Alaska Public School System, except for the purpose of determining whether or not they shall become participating members of the Retirement System as prescribed in Section 37-5-28; provided, however, that teachers of advanced years who have been admitted into the System prior hereto may hereafter elect whether to remain or withdraw. In case of withdrawal, the withdrawing teacher shall be refunded all money heretofore withheld from him or otherwise paid by him into the Retirement System.

Exceptions.

Withdrawal
and refund.

Section 3. Section 37-5-26 ACLA 1949 is amended to read as follows:

Section 37-5-26. **RETIREMENT SALARY SUSPENDED IF RE-EMPLOYED.** If any retired teacher shall be re-employed as a teacher in the public schools of the Territory of Alaska, his retirement salary shall immediately be suspended for the period of such re-employment.

Suspension
upon
re-employment.

Section 4. Section 37-5-27 ACLA is amended to read as follows:

Section 37-5-27. **RETIREMENT SALARY OF DECEASED TEACHER TO BE PAID TO**

Payment to
beneficiary.

BENEFICIARY. When a teacher who has become eligible for retirement salary under this Act dies before receiving in quarterly payments an amount equal to Twenty-Two Hundred Fifty Dollars (\$2,250.00), (25 x \$90), the remaining amount shall be paid to his beneficiary in quarterly payments as provided in Section 37-5-24 herein.

Section 5. Section 37-5-28 ACLA 1949 is amended to read as follows:

Membership
compulsory.

Section 37-5-28. **MEMBERSHIP.** Membership in the Retirement System shall be compulsory for all teachers contracting for service commencing on or after September 1, 1945, unless the teacher's age is such that he cannot teach the required twenty-five years by the time he has reached the compulsory retirement age as fixed herein; and, with this one exception, no person shall teach in any public school of the Territory or the University of Alaska who shall not have executed a contract authorizing the deduction and withholding for deposit in said Teachers' Retirement Fund the sum of Ninety Dollars (\$90.00) per year.

Exception.

Section 6. Section 37-5-30 ACLA 1949 is amended to read as follows:

Source of funds.

Section 37-5-30. **SOURCE OF FUNDS.** The Retirement Fund is created and shall consist of moneys contributed jointly by the teachers of the Territory of Alaska, the public schools in Alaska, the Territorial Department of Education and other appropriated funds. Payments shall be made into the Retirement Fund as follows:

1. Contribution by the teacher, Ninety Dollars (\$90.00) per year as provided in Section

37-5-28 herein. This sum shall be deducted by the employer pro-rata on a monthly basis, and the same shall be forwarded semi-annually on or before the first day of July and the first day of January of each year by said employer to the office of the Secretary of the Teachers' Retirement System, who will forward the money to the Territorial Treasurer for deposit in said Teachers' Retirement Fund.

Contribution
by teacher.

2. Special appropriation by the Territory of one-half the sum contributed by the teachers until a \$100,000.00 reserve has been reached as provided in Section 37-5-33 herein. This amount is to be covered into the Retirement Fund semi-annually.

Territorial
appropriations.

3. Contributions by city schools and by incorporated and independent school districts, of one-quarter of the sum contributed by teachers for each teacher in the schools and school districts. The sum due hereunder shall be deducted by the Commissioner of Education semi-annually from Territorial funds due the schools and school districts and deposited by him in the Teachers' Retirement Fund.

Contributions
by schools and
districts.

4. Contributions from the Territorial School Tax fund (Chapter 38 SLA 1943), one-quarter of the sum contributed by teachers for each teacher. Concurrently on receipt of the teachers' contribution the sum due from the School Tax Fund shall be covered into the Retirement Fund semi-annually.

Contributions
from School Tax
Fund.

5. Contribution from the Rural School Funds, one-quarter of the sum contributed by teachers for each rural school teacher. Concurrently on receipt of the teachers' contribution the sum due

Contributions
from rural
school funds.

from the Rural School Fund shall be covered into the Retirement Fund semi-annually.

Contribution
from School
Tax Fund for
arrearages.

6. Contributions from the Territorial School Tax Fund (Chapter 38 SLA 1943) to match 100% arrearage payments by teachers for prior service as provided in Section 37-5-24 herein. Concurrently on receipt of the teachers' contribution the amount due from the School Tax Fund shall be covered into the Retirement Fund, provided that the amount from this fund for this purpose shall not exceed \$12,000.00 in any one year.

Contribution
by University
of Alaska.

7. Contributions by University of Alaska, one-quarter of the sum contributed by teachers for each teacher or employee of the University under the Retirement System, to be paid semi-annually.

Contribution
by Dept. of
Education.

8. Contribution by the Office of the Commissioner of Education, one-quarter of the sum contributed by each employee under the Retirement System to be paid semi-annually.

Section 7. Section 37-5-31 ACLA 1949 is amended to read as follows:

Applications for
retirement.

Section 37-5-31. APPLICATION FOR RETIREMENT. Persons eligible for retirement salary shall make written applications to the Secretary of the Teachers' Retirement System, who will present the applications to the Territorial Retirement Board for approval. The burden of proof of eligibility as defined in this Act shall fall entirely upon the teacher.

Section 8. Section 37-5-32 ACLA 1949 is amended to read as follows:

Section 37-5-32. WITHDRAWAL FROM

SERVICE. Any teacher who has been a contributing member for more than two years, upon leaving the profession or leaving the Territory before receiving any retirement salary, shall be entitled to a refund of seventy-five percent (75%) of such contributions, without interest upon written application to the Secretary of the Teachers' Retirement System made within twenty-four months after date of such leaving. The beneficiary of a person who has died in service before becoming eligible for retirement salary shall be entitled to one hundred per cent (100%) of the contributions, without interest, that the teacher has made. Teachers with membership of two years or less shall be entitled to a refund of thirty-three and one-third per cent (33 1/3%) of the amount of their contributions, without interest, provided claim is presented to the Secretary of the Teachers' Retirement System within twelve months of the termination of service.

Refund upon withdrawal.

Refund to beneficiary.

Section 9. Section 37-5-33 ACLA 1949 is amended to read as follows:

Section 37-5-33. SUSPENDED CONTRIBUTION BY TERRITORY. Whenever the portion of non-revertible funds, as defined in Section 37-5-22 herein, shall reach \$100,000, payments into the fund by the Territory by special appropriations as set forth in sub-section 2 of Section 37-5-30 herein shall be suspended and shall not be resumed unless and until the portion of the Retirement Fund which is non-revertible falls below \$100,000; provided, however, that the other provisions for matching teachers' contributions, as set forth in Section 37-5-30 herein, shall at all times remain in effect.

Suspension of Territorial contribution by special appropriation.

Approved March 31, 1953.