

(1) For the first month or fraction thereof, 10% of the tax due;

(2) For the second month or fraction thereof, 15% of the tax due;

(3) For the third month or fraction thereof, 20% of the tax due;

(4) For the fourth month or fraction thereof, 25% of the tax due;

(5) For the fifth month or fraction thereof, 30% of the tax due;

(6) Thereafter 50% of the tax due.

Sec. 4. Sec. 48-3-4, ACLA 1949, is repealed and re-enacted to read as follows:

Sec. 48-3-4. Distributor Fees: Filing of Affidavit by Distributor. Every distributor of coin-operated equipment as defined in Sec. 48-3-2 is required to:

(1) Pay an annual permit fee to the Department of Revenue in the amount of \$50.00 to be covered into the general fund.

(2) File an affidavit that he is a citizen of the United States and a bona fide resident of the State of Alaska for more than three years, and has never been convicted of a felony; provided, that in the case of a corporation such affidavit shall be required from each stockholder and employee of such corporation.

Sec. 5. Sec. 48-3-5, ACLA 1949 is repealed and re-enacted to read as follows:

Sec. 48-3-5. Operations by Persons Under Eighteen: Location Near Schools. The operation of any device, except music machines, covered by this Act by any person under the age of eighteen years shall not be permitted by any operator or other person having such device in his charge, and such operator

or person shall place a conspicuous notice of this prohibition, in accordance with standards to be fixed by the commissioner of revenue, on each device. Excepting music machines, no machine shall be placed, used, located or operated within a radius of one hundred yards of any school building.

Sec. 6. Sec. 48-3-6, ACLA 1949 as amended by Ch. 31, SLA 1949, is repealed and re-enacted to read as follows:

Sec. 48-3-6. Distribution of Tax. One-half of the proceeds of the gross revenue from the tax herein provided, excluding distributors' fees, penalties, and less the amount duly determined to have been spent by the state in its collection, shall be refunded to the incorporated municipality by action of the legislature in the proportion that such revenue was earned within the incorporated municipality and the balance shall be retained by the state and covered into its general fund.

Sec. 7. Sec. 48-3-7, ACLA 1949 is repealed and re-enacted to read as follows:

Sec. 48-3-7. Orders, Rules and Regulations. The commissioner of revenue has the power to issue all orders, rules and regulations necessary to carry out the provisions of this Act.

Sec. 8. Sec. 48-3-8, ACLA 1949 is repealed and re-enacted to read as follows:

Sec. 48-3-8. Gambling Not Legalized. This Act shall not be construed in any way to legalize gambling or the possession of any gambling device.

Sec. 9. This Act shall be retroactive to January 1, 1960.

Sec. 10. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 18, 1960

CHAPTER 143

AN ACT

Establishing a Retirement System for the payment of pensions and other benefits to employees of the State of Alaska and to employees of political subdivisions which elect to participate in the system; providing for the accumulation of funds to pay for such benefits; providing for the administration of the Retirement System;

providing penalties for fraud; and providing for an effective date.

(S.B. 178)

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

Section 1. **Short Title.** This Act may be cited as the "Public Employees' Retirement System of Alaska."

Sec. 2. Purpose and Effective Date.

a. The purpose of this Act is to encourage qualified personnel to enter and remain in the service of the State of Alaska by establishing a system for the payment of retirement, disability, and death benefits to or on behalf of such employees.

b. The system created hereunder shall become effective as of January 1, 1961, at which time contributions by the state and its employees shall commence.

Sec. 3. Definitions. Where the following words and phrases appear in this Act, they shall have the respective meanings set forth below, unless their context clearly indicates to the contrary:

(1) "system" shall mean the Public Employees' Retirement System of Alaska.

(2) "state" shall mean the State of Alaska.

(3) "employers" shall mean the State of Alaska and any political subdivisions and public or quasi-public organizations thereof which are participating in the system.

(4) "board" shall mean the public employees' retirement board as created by this Act.

(5) "employee" shall mean a person who is receiving remuneration for full-time personal services regularly rendered to an employer or who would be receiving such remuneration except for an authorized leave of absence, excluding (a) persons compensated on a contractual or fee basis, (b) casual or part-time workers in a position having duties which will not permit at least six months of service during a calendar year, and (c) persons covered by the Alaska Teachers Retirement System.

(6) "policemen and firemen" shall mean employees who are police officers, firemen, guards at public institutions and firewardens, other than ex officio.

(7) "widow" shall mean the wife of an employee who has been married to the employee for at least one year and who, at the time of his death, was living with him or dependent for support upon him, or living apart for justifiable cause or by reason of desertion by the employee.

(8) "retirement" shall mean termination of employment after an employee has fulfilled all requirements for a pension. Retirement shall be considered as commencing on the day immediately following an employee's last day of employment (or authorized leave of absence, if later).

(9) "normal retirement date" shall mean the first day of the month next following an employee's sixty-fifth birthday, except that the normal retirement date of policemen and firemen with at least fifteen years credited service as policemen or firemen shall be the first day of the month next following their sixtieth birthday.

(10) "compensation" shall mean the total remuneration paid to an employee by the employers for personal services rendered during the period considered as credited service, including any cost-of-living adjustments or differentials and including the monetary value, as determined by the Board, of subsistence and maintenance provided by the employers, if any, in partial payment for services, but excluding retirement and other welfare benefits financed by the employers.

(11) "average monthly compensation" shall mean the result obtained by dividing the total compensation paid to an employee during a considered period by the number of months (including fractional months) for which such compensation was received; the considered period shall consist of the five consecutive calendar years during the period of credited service which yield the highest average.

(12) "pension fund" shall mean all money and other investments held in the name of the system and attributable to contributions by employers and employees.

(13) "actuarial equivalent" shall mean equality in value of the aggregate expected payments under two different forms of pension payments, considering expected mortality and interest earnings on the basis of tables adopted from time to time by the board.

(14) "non-occupational disability" shall mean a physical or mental condition which, in the judgment of the board, based upon medical reports and other evidence satisfactory to the board, presumably permanently prevents an employee from satisfactorily performing his usual duties for his employer or the duties of another position or job which an employer makes available and for which such employee is qualified by reason of his training or education, not including any condition resulting from a cause which the board, in its rules, has excluded.

(15) "occupational disability" shall mean a physical or mental condition which presumably permanently prevents an employee from satisfactorily performing his usual duties for his employer, or the duties of another position or job which an employer makes available and for which such employee is qualified by reason of his training or education, provided that the proximate cause of such condition is a bodily injury sustained, or a hazard undergone, while in the performance and within the scope of the employee's duties and provided that such condition is not the proximate result of the wilful negligence of the employee. A determination of whether occupational disability exists shall be made by the board, based upon medical reports and other evidence satisfactory to the board.

(16) "employee contribution account" shall mean the account maintained to record the contributions of each employee and adjustments made to such account in accordance with Section 36.

(17) "employee savings account" shall mean the account maintained to record the voluntary contributions of each employee and adjustments to such account in accordance with Section 36.

(18) "prescribed rate of interest" shall mean the rate of interest to be used for computing employer contributions, for preparing actuarial tables to be used by

the system and for crediting interest to employee contribution accounts and employee savings accounts. Such rate of interest shall be adopted by the board on the basis of the probable effective rate of interest on a long term basis, and such rate may be changed from time to time by the board.

(19) "fiscal year" shall mean the period beginning on July 1 and ending on June 30 of the year next succeeding.

Sec. 4. Commencement of Participation. An employee of the state shall be included in this system upon commencement of his employment with the state, or on January 1, 1961, whichever is later. An employee of a political subdivision or public or quasi-public organization which becomes an employer shall be included in the system as of the effective date of such employer's participation or the date of the employee's commencement of employment with such employer, whichever is later. Inclusion in the system shall be considered a condition of employment.

Sec. 5. Termination of Participation. An employee shall be excluded from the system upon termination of his employment with the employers, unless he is eligible for a retirement benefit at such time. If such employee does not receive a refund of his contributions at the time of his termination, his contribution accounts, including voluntary contributions if any, shall continue to be held in the system, earn interest at the prescribed rate and according to the prescribed method of allocation under Sec. 36, and shall be available to the employee, his beneficiary, or his estate in one of the alternative settlement options under Sec. 9 (c) within 60 days of an application for their withdrawal.

Sec. 6. Re-employment of Former Employees. If an employee's employment is terminated prior to becoming eligible for a retirement benefit and the employee is subsequently re-employed by an employer, he shall be considered a new employee and shall not receive credit for any prior periods of employment, except as otherwise provided in Section 16.

Sec. 7. Re-employment of Retired Employees. If a retired employee is re-employed on a regular full-time basis by an employer, no pension payments shall be

made during the period of re-employment. Upon the subsequent retirement of such an employee, he shall be entitled to receive a pension based on his credited service and compensation prior to the date of his previous retirement, as well as his credited service and compensation during the period of re-employment. In the case of re-employment of an employee who retired under Section 19, the pension payable upon the employee's subsequent retirement shall be reduced by the actuarial equivalent of any early retirement benefits previously received by the employee.

Sec. 8. Contributions by Employees. a. Every employee shall, throughout his participation in the system, contribute to the system an amount equal to four and one-half per cent ($4\frac{1}{2}\%$) of his compensation. Amounts paid by an employee under the Federal Insurance Contributions Act (for the purpose of providing old-age, survivors and disability insurance benefits) shall be considered as a contribution to the System.

b. Contributions of employees shall be required as a condition of employment and shall be made by payroll deductions; every employee shall be deemed to consent to such deductions. It shall be of no consequence that a payroll deduction may cause the compensation paid in cash to an employee to be reduced below the minimum required by law. Payment of an employee's compensation, less such payroll deductions, shall constitute a full and complete discharge and satisfaction of all claims and demands by the employee relating to remuneration for his services rendered during the period covered by the payment, except with respect to the benefits provided under the system.

c. In addition to the mandatory contributions required of each employee pursuant to the above paragraph, an employee may, during each calendar year he is participating in the system, voluntarily contribute to his employee savings account an amount not to exceed five per cent (5%) of his compensation for said year.

d. The contributions of employees shall be forwarded to the Department of Administration, which shall maintain records to indicate the contributions of each employee.

Sec. 9. Refunds Upon Severance or Death. a. Upon termination of employment for a reason other than death, an employee who is not eligible for a retirement benefit shall be entitled to receive refund of the balance, determined as of the date of termination of employment, of (1) his employee contribution account and (2) his employee savings account.

b. Upon termination of employment by reason of an employee's death, the employee's beneficiary shall be paid the balance, as of the date of the employee's death, of (1) the employee contribution account, provided a joint and survivor option under Section 26 is not operative and provided a widow's pension under Section 24 does not become payable, and (2) the employee savings account.

c. Upon the retirement of an employee, the balance of his employee savings account shall be paid to the employee in whichever of the following forms the employee elects:

- (1) a lump sum payment;
- (2) a life annuity on a full cash refund or term certain basis;
- (3) installments over a designated period of time.

d. Upon the death of a retired employee, the employee's beneficiary shall be paid (1) the excess, if any, of the balance in the employee contribution account of the deceased employee as of the date of the commencement of the employee's pension payments over the sum of the pension payments previously received by the employee, except that such amount shall not be paid if a joint and survivor option under Section 26 is operative or if a widow's pension under Section 25 is payable, and (2) the remaining payments, if any, purchased by the balance in the employee savings account of the deceased employee as of the date he retired.

e. While an employee is employed by an employer, he will be permitted to withdraw his voluntary contributions and interest accrued thereon, or part of such amount, only if he receives the consent of the board, and the board shall permit a withdrawal prior to termination of employment only in cases of financial need.

Sec. 10. Contributions by Employers. a. Each employer shall make contributions to the system in amounts determined in accordance with this Section. A separate contribution rate shall be determined for each employer, and such contribution rate shall be the sum of the following percentages:

(1) The percentage of compensation of the participating employees of the employer which, if paid over the entire period of their credited service, and when combined with employee contributions available for the payment of benefits under the system, will be sufficient to provide the benefits payable to such employees. Such percentage shall be known as the normal cost rate applicable to such employer;

(2) The percentage of compensation of the participating employees of the employer necessary to provide the uniform annual amount required, at the prescribed rate of interest, to amortize the amount of the unfunded obligation of the employer over the balance of a period of forty years; such period to begin as of the effective date of the employer's participation in the system. The unfunded obligation shall, as of the beginning of each fiscal year, be determined as the present value of all benefits to be provided for the participating employees of the employer less the sum of (a) the balance of all employee contribution accounts of the employees of the employer, (b) the present value of expected future contributions from employees of the employer which are available for the payment of benefits under the system, (c) the balance of the asset share account of the employer, and (d) the present value of expected future normal cost contributions of the employer. This percentage shall be known as the prior service rate;

(3) The percentage of compensation of the participating employees of the employer necessary to provide the employer's pro rata share of the administrative expenses of the system for the current fiscal year. An appropriate adjustment shall be made for any surplus or deficiency existing in the employer's expense account at the end of the previous fiscal year. Administrative expenses shall be shared by the employers in the ratio that the number of participating employees of an employer bears to the total number of

employees participating in the system.

b. The contribution rate for each employer shall be calculated every fiscal year, using the information available at the time the computation is made. The computation shall be completed in time to be considered in the state budget. Each employer shall make provision in its budget for the payment of contributions according to its current contribution rate.

c. The amount of each employer's contributions shall be determined by applying the employer's contribution rate to the total of all compensation paid to participating employees of the employer for each payroll period, and such amount shall be remitted by the employer to the commissioner of administration.

d. The total amount of contributions required under Section 10 to be made by the state into the system shall be ascertained by the department of administration as soon as practicable after the end of each calendar month and shall be payable from the general fund of the state, except as provided hereinafter. If an employee was paid wages by the state during the month from a special or administrative fund provided by law, the payment to the system shall be made from such special or administrative fund. If the wages of an employee include both wages for state employment paid from the general fund of the state and wages for state employment paid from special or administrative funds, the amount to be paid into the system under Section 10 shall be prorated among the state funds in proportion to the wages paid to such individuals from each such fund. Provided further, that this proviso shall not be effective if it is in conflict with the statute covering such special or administrative fund.

e. In order to ensure orderly and efficient transmittal of employer contributions, the board shall adopt such rules as are desirable to achieve this purpose, provided the rules are consistent with the provisions of this Act.

Sec. 11. Employment With the State. An employee shall be entitled to service credit for the entire period of uninterrupted employment with the State commencing with the effective date of this

Act or the latest date the employee entered employment, whichever is later, and ending with the termination of his employment, regardless of the office, department, division, or agency of the state for which such employment was rendered.

Sec. 12. Employment With Other Employers. An employee shall be entitled to service credit for the entire period of uninterrupted employment with a participating political subdivision or a public or quasi-public organization commencing with the effective date of such employer's participation in the system or the latest date the employee entered employment, whichever is later, and ending with the termination of his employment. The employee shall also receive service credit for continuous employment with such employer prior to the effective date of the employer's participation in the system to the extent that it was determined by the employer, at the time it adopted the system, that such prior employment shall be credited.

Sec. 13. Transfers Between Employers. In the event an employee transfers from one participating employer to another, without withdrawing his contributions, his service credit at the time of the transfer shall be preserved, i.e., he shall not forfeit any service credit by reason of the transfer.

Sec. 14. Authorized Absences. A leave of absence which is authorized by an employer shall not be considered as interrupting employment, provided that the employee returns to employment after the expiration of the period of authorized absence. The board shall adopt rules to govern the extent to which periods of authorized absence shall be considered as credited service, except as hereinafter provided.

Sec. 15. Military Service. a. An employee shall be entitled to service credit for military service in the Armed Forces of the United States during war, either by enlistment or induction, provided that the employee was in the employ of an employer on the date of entry into the Armed Forces and returned to the employ of an employer within ninety days after the date of his discharge from such service, and provided that the employee did not receive a dishonorable discharge; such service credit shall not exceed an

aggregate period of five years and, provided further, that the retirement benefits payable to the employee under this Act which are attributable to such military service shall be reduced by the amount, if any, of pension benefits payable to him by the United States Government, which are attributable to the period of military service for which the employee receives service credit. If an employee objects in writing to this reduction, the reduction shall not be made, and no service credit for such military service shall be granted.

b. If the pension benefit payable to an employee by the United States Government is dependent upon the employee's leaving his accumulated contributions with the retirement program of such employer, no service credit shall be granted under this system for military service if the employee has impaired any of his rights to those benefits by withdrawing all or any portion of his contributions to that program.

c. An employee who is entitled to service credit for military service shall not be required to make retroactive contributions under this system for such period of service credit.

Sec. 16. Interrupted Employment. In the event an employee's employment is terminated for any reason prior to becoming eligible for a retirement benefit and the employee is subsequently re-employed by an employer, the employee shall be entitled to the credited service he had accumulated at the time of his prior termination, provided that within one year after re-employment the employee makes a contribution to the system equal to the amount of any refund paid upon his prior termination, and attributable to the balance in his employee contribution account at that time, together with interest at the prescribed rate of interest to the date on which such contribution is made.

Sec. 17. Prior Service. a. An employee who is in the employment of the state on the effective date of this Act shall be entitled to service credit for employment rendered to the state and former territory of Alaska prior to the effective date of this Act regardless of the office, department, division or agency of the state or territory to which such employment

was rendered; provided, that any employee who will not be eligible for a retirement benefit within a period of five years from the effective date of this Act shall have completed at least five years of employment with the state after the effective date of this Act before such service credit may be used in computing a retirement benefit.

b. An employee who is employed by the state after the effective date of this Act, shall be entitled to service credit for employment rendered to the state and former territory of Alaska prior to the effective date of this Act regardless of the office, department, division or agency of the state or territory to which such employment was rendered, provided that such employee shall have completed at least five years of employment with the state after the effective date of this Act.

c. An employee who is entitled to service credit for prior service shall not be required to make retroactive contributions under this system for such period of service credit.

Sec. 18. Normal Retirement Benefits.

a. An employee shall be eligible for a normal retirement pension if his employment is terminated on or after his normal retirement date and after he completes ten or more years of credited service.

b. Payment of the normal retirement pension shall commence upon the first day of the month coinciding with or next following retirement. The last payment shall be made as of the first day of the month in which the death of the retired employee occurs.

c. The monthly amount of the normal retirement pension shall be the sum of: (1) $\frac{1}{2}\%$ of the employee's average monthly compensation multiplied by his years of credited service (including fractional years); and (2) $\frac{3}{4}\%$ of the employee's average monthly compensation in excess of one-twelfth of the average annual taxable wage under the federal Social Security program during the period of credited service, after the effective date, multiplied by the number of years of credited service (including fractional years); except that the pension payable to a supreme and superior court judge of the state shall be further increased by an amount equal to one-half per cent of

his average monthly compensation multiplied by his years of credited service (including fractional years) as a judge, not to exceed twenty years of such service.

Sec. 19. Early Retirement Benefits. a. An employee, other than a policeman or fireman, shall be eligible for an early retirement pension if his employment is terminated on or after his sixtieth birthday and after he completes fifteen or more years of credited service. A policeman or fireman shall be eligible for an early retirement pension if his employment is terminated on or after his fifty-fifth birthday and after he completes twenty or more years of credited service as a policeman or fireman.

b. Payment of the early retirement pension shall commence upon the normal retirement date of the employee, unless, at the employee's request, the board authorizes payments to commence on an actuarial equivalent basis as of the first day of any month which is prior to the employee's normal retirement date. The last payment shall be made as of the first day of the month in which the death of the retired employee occurs.

c. The monthly amount of the early retirement pension shall be determined in accordance with the provisions of Section 18. c., considering the employee's credited service and compensation prior to his termination of employment, but reduced to the actuarial equivalent thereof in the event that payments commence prior to the normal retirement date of the employee.

Sec. 20. Deferred Retirement Benefit.

a. An employee shall be eligible for a deferred retirement benefit if his employment is terminated on or after the date on which he attained age and credited service total at least seventy-five (75) years, and he does not withdraw the balance in his employee contribution account.

b. Payment of the deferred pension shall commence upon the first day of the month coinciding with or next following the employee's normal retirement date and after he has made application for such benefit. The last payment shall be made as of the first day of the month in which the death of the retired employee occurs.

c. The monthly amount of the normal retirement pension shall be determined in accordance with the provisions of Section 18 (c) as they existed on the date of his termination of employment, considering the employee's credited service and compensation prior to his termination of employment.

d. An employee shall not be entitled to a deferred pension unless an application for such pension is filed on or after he reaches his normal retirement date and before he attains age seventy (70). All such applications shall be filed with the board. In the event the employee fails to apply prior to age seventy (70) for a deferred retirement benefit, he shall be eligible for a refund as if his employment had terminated for a reason other than death at age 70 under Section 9.

Sec. 21. Non-Occupational Disability Pensions. a. An employee shall be eligible for a non-occupational disability pension if his employment is terminated because of a non-occupational disability prior to his normal retirement date and after ten or more years of credited service.

b. Payment of the non-occupational disability pension shall commence upon the first day of the month next following the expiration of a period of three full months after the last day of employment, except that the board may, in its discretion, authorize the pension to commence upon the first day of any earlier month following termination of his employment. In the event that payment does not commence upon the first day of the month coincidental with or next following retirement, a retroactive payment shall be made to cover the period of deferment. The last payment shall be made as of the first day of the month in which the death of the retired employee occurs or in which he recovers from disability. In the event of recovery from non-occupational disability, the retired employee shall then be entitled to receive a normal or early retirement pension, provided he would have been eligible for such pension if his employment had continued during the period of disability, but such period shall not constitute credited service.

c. The monthly amount of the non-occupational disability pension shall be determined in accordance with the pro-

visions of Section 18. c., considering the employee's credited service and compensation prior to termination of employment, provided, however, that such amount shall be reduced by any workmen's compensation benefits or wage continuation payments which are available to the employee and which are attributable to the employers. In no event shall a non-occupational disability pension exceed the benefit determined in accordance with the provisions of Section 22. c.

d. A retired employee receiving a non-occupational disability pension shall be required, as often as the Personnel Director of the State deems advisable, but not more frequently than once a year, to undergo a medical examination by a physician or physicians engaged by the Director. If, in the judgment of the board, the examination indicates that the employee is no longer incapacitated for service in the position held at the time his disability pension commenced, or in another comparable position, payments of his disability pension shall cease. The name of the employee shall then be placed on the appropriate list of candidates maintained for appointment to a position for which he is found to be qualified unless he elects to receive a normal or early retirement pension in accordance with the provisions of Section 21. b.

Sec. 22. Occupational Disability Pensions. a. An employee shall be eligible for an occupational disability pension if his employment is terminated because of an occupational disability prior to his normal retirement date and after one or more years of credited service.

b. Payment of the occupational disability pension shall commence on the first day of the month next following a period of three full months after the last day of employment, except that the board may, in its discretion, authorize the pension to commence upon the first day of any earlier month following termination of his employment. In the event that payment does not commence upon the first day of the month coincidental with or next following retirement, a retroactive payment shall be made to cover the period of deferment. The last payment shall be made as of the first day of the month in which the death of the retired em-

ployee occurs or in which he recovers from occupational disability prior to his normal retirement date. In the event of recovery from occupational disability prior to his normal retirement date, the retired employee shall then be entitled to receive an early retirement pension, provided he would have been eligible for such pension if his employment had continued during the period of disability, but such period shall not constitute credited service.

c. The monthly amount of an occupational disability pension shall be determined in accordance with the provisions of Section 18. c., considering (1) the employee's compensation prior to his termination of employment, and (2) the credited service that would have been accumulated if the employee's employment had continued until his sixtieth birthday, or his actual credited service if greater; except that the amount so determined shall be reduced by assuming that a joint and survivor option of seventy-five per cent (75%) became immediately effective upon retirement, with the employee's spouse as contingent beneficiary. If no spouse exists at the time of actual retirement, the pension shall be determined as if the spouse were the same age as the employee.

d. An employee's occupational disability pension shall be reduced by any workmen's compensation or wage continuation payments which are available to the employee and which are attributable to the employers.

e. An employee shall not be entitled to an occupational disability pension unless an application for such pension is filed within six months after the date of the accident, in the event the disability is attributable to an accident, or within six months after the date his disability commenced in the event the disability is caused by an occupational disease. Furthermore, if the disability is attributable to an accident, the employee is required to file a notice of the accident within thirty days next following the date it occurred; this requirement shall be suspended during the period in which the employee's condition prevents him from so filing. All such applications and notices shall be filed with the board.

f. A retired employee receiving an oc-

cupational disability pension shall be required, as often as the Personnel Director of the state deems advisable, but not more frequently than once a year, to undergo a medical examination at a place determined by the Personnel Director and by a physician or physicians engaged by the Director. If, in the judgment of the board, the examination indicates that the retired employee is no longer incapacitated for service in the position held at the time his disability pension commenced or in another comparable position, payments of his disability pension shall cease. The name of the employee shall then be placed on the appropriate list of candidates maintained for appointment to a position for which he is found to be qualified, unless he elects to receive an early retirement pension in accordance with the provisions of Section 22.b.

Sec. 23. Non-Occupational Death Benefits. In the event that (1) the death of an employee occurs prior to his retirement, but after he has completed one or more years of credited service, and (2) the employee's widow is not entitled to a widow's pension under Section 24, a lump sum death benefit shall be paid to the beneficiary of the employee. The amount of such benefit shall be one hundred dollars for each year of credited service. The death benefit payable pursuant to this Section shall be in addition to a refund of the balance of the employee contribution account of the deceased employee, pursuant to Section 9.

Sec. 24. Occupational Death Benefits.

a. In the event that (1) the death of an employee occurs prior to his retirement and prior to his normal retirement date, and (2) the proximate cause of death is a bodily injury sustained, or a hazard undergone, while in the performance and within the scope of the employee's duties, and (3) the injury or hazard is not the proximate result of the wilful negligence of the employee, then the surviving widow, if any, of the employee shall be eligible for a widow's pension. The monthly amount of the widow's pension shall be equal to the amount the widow would have received if the employee had retired because of an occupational disability immediately prior to his death.

b. A determination of whether the proximate cause of death was a bodily

injury sustained, or a hazard undergone, while in the performance and within the scope of the employee's duties and whether the injury or hazard was the proximate result of the wilful negligence of the employee shall be made by the board, based upon evidence satisfactory to the board. Payment of the widow's pension shall commence on the first day of the month following the employee's death, and the last payment shall be made as of the first day of the month in which the death or re-marriage of the widow occurs.

Sec. 25. Death After Occupational Disability. Upon the death of a retired employee who is receiving or is entitled to receive an occupational disability pension, a widow's pension shall be paid to his surviving widow, if any. The monthly amount of such pension shall be equal to seventy-five per cent (75%) of the monthly amount of the occupational disability pension which the retired employee was receiving or would have been entitled to receive had he not been entitled to workmen's compensation and wage continuation payments. Payment of the widow's pension shall commence on the first day of the month following the retired employee's death, and the last payment shall be made as of the first day of the month in which the death or re-marriage of the widow occurs.

Sec. 26. Joint and Survivor Option. a. By filing an application with the board, an employee may designate his spouse, or a dependent approved by the board, as his contingent beneficiary and elect to receive a pension payable in accordance with one of the following joint and survivor options, in lieu of the normal retirement pension to which he may otherwise become entitled upon retirement:

(1) The employee shall receive a reduced pension payable for life, and payments in the amount of seventy-five per cent (75%) of such reduced pension shall, after the employee's death, be continued to his contingent beneficiary for life.

(2) The employee shall receive a reduced pension payable for life, and payments in the amount of fifty per cent (50%) of such reduced pension shall, after the employee's death, be continued to his contingent beneficiary for life.

(3) The employee shall receive a reduced pension payable during the joint lifetime of the employee and his contingent beneficiary, and payments in the amount of sixty-six and two-thirds per cent (66-2/3%) of such reduced pension shall, after the death of either the employee or his contingent beneficiary, be continued to the survivor for life.

b. The aggregate of the pension payments expected to be paid to an employee and his contingent beneficiary under any of the above options shall be the actuarial equivalent of the pension which the employee is otherwise entitled to receive upon retirement.

c. An employee may elect, change or revoke an option without the approval of the board if his election, change or revocation is filed in writing with the board at least thirty days prior to his normal retirement date; and option may not be elected, changed, or revoked after the thirty-day period has commenced.

d. Notwithstanding anything in this section to the contrary, an employee may, regardless of his age, elect an option without the approval of the board any time within six months after the effective date of his employer's participation in the system, provided the employee is in the active employ of the employer at the time the election is made.

e. An election made pursuant to this section shall become inoperative in the event the employee's retirement or death occurs prior to his normal retirement date or the contingent beneficiary's death occurs before the employee's normal retirement date.

f. If an employee who makes an election pursuant to the requirements of this section continues in the employ of an employer after his normal retirement date, no pension payments shall be made during the period of continued employment. In the event of the death of either the employee or his contingent beneficiary during such continued employment, the election shall become operative, so that (1) if the contingent beneficiary predeceases the employee, the latter shall, upon retirement, receive the reduced pension which would have been payable had the beneficiary then been surviving, or (2) If the employee predeceases the con-

tingent beneficiary, the latter shall receive, commencing as of the first day of the month next following the employee's death, the survivorship pension which would have been payable had the employee retired immediately prior to his death.

Sec. 27. Level Income Option. If the payment of an early retirement pension commences prior to the earliest age as of which the employee becomes eligible for a primary social security benefit, the amount of pension payable before and after such age may be adjusted so that an increased amount will be paid prior to the time that social security benefits will be available and a reduced amount thereafter, so that the employee will receive a level retirement income. The aggregate value of all such adjusted payments, however, shall not exceed the actuarial equivalent of the value of the pension otherwise payable to such employee.

Sec. 28. Other Forms of Payment. If a pension payable under the system is less than \$25.00 per month, the board may direct that, in lieu of such pension, the actuarial equivalent thereof shall be paid in a lump sum, or in a series of uniform monthly, quarterly, or annual amounts for life or for a designated period of time.

Sec. 29. Cost of Living Allowance. a. In the event an employee remains in Alaska after his retirement, and so long as he continues to reside in Alaska, he shall receive a cost of living allowance in addition to his pension. The amount of this allowance shall be determined by the increase in benefit that results when the employee's primary social security benefit (whether or not the employee is in fact eligible for such benefit) is multiplied by the ratio that the cost of living in Alaska bears to the cost of living in one or more of the other states of the United States.

b. A widow who is receiving a widow's pension shall, as long as she resides in Alaska, receive a cost of living allowance in addition to her widow's pension. The amount of this allowance shall be equal to seventy-five per cent (75%) of the cost of living allowance that was (or would have been) payable to the retired employee under this section.

c. An appropriate measure of the difference in the cost of living in Alaska as compared to other states shall be adopted by the board. The appropriateness of the measure adopted, and the amount of the cost of living allowance, shall be redetermined on each July 1 and such redetermination shall be applicable for the succeeding twelve months. The board shall adopt appropriate rules to establish, by affidavit or otherwise, the continuing right of a retired employee or widow who remains in the state to receive the cost of living allowance.

Sec. 30. Designation of Beneficiary. Each employee shall designate the beneficiary or beneficiaries to whom any benefits payable as a consequence of his death pursuant to Sections 9, 23, 24, or 25 shall be distributed. Such a designation may, at any time and from time to time, be changed or revoked by the employee without notice to the beneficiary or beneficiaries. 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 any change or revocation thereof, shall be made on forms provided by the board and shall not be effective unless and until filed with the board. If an employee fails to designate a beneficiary, or if no designated beneficiary survives the employee, the death benefit shall be paid in accordance with the following: (1) to his surviving spouse, or if there be none surviving, (2) to his surviving children (in equal parts) or, if there be none surviving, (3) to his surviving parents (in equal parts) or, if there be none surviving, (4) to his estate.

Sec. 31. Administration. The Commissioner of Administration is responsible for the administration of the system and for making effective the provisions of this Act, and in addition he shall have the following powers and duties:

(1) Maintain the accounts of the system;

(2) Make payments for the various purposes specified in the Act;

(3) Submit such periodic reports or statements of account as may be required;

(4) Issue a statement of account to any employee who may request it showing

the amount of his contributions to the system;

(5) As soon as possible following the close of each fiscal year, and in any event within a period of six months following the close of any year, cause to be transmitted to the governor, the legislature, and the board, an annual statement on the operations of the system containing, among other things: (a) a balance sheet; (b) a statement of income and expenditures for the year; (c) a report on an actuarial valuation of its assets and liabilities; (d) a detailed statement of the investments acquired and disposed of during the year; (e) a list of investments owned; (f) any other statistical and financial data which may be necessary for a proper understanding of the financial condition of the system and the results of its operations. A synopsis of such annual report shall be published for the information of employees included in the system.

Sec. 32. Public Employees Retirement Board. A Public Employees Retirement Board composed of five members is established. Three members of the board shall be members of the Personnel Board of the Department of Administration. The remaining two members of the board shall be elected by the members of the retirement system from among members of the retirement system. The initial election of the two elected representatives shall be conducted within one month of the effective date of this Act by the Personnel Board which shall by rule and regulation establish the method of nomination and election. Subsequent elections shall be conducted by the Public Employees Retirement Board. Initial terms of the elected members shall be for four and six years respectively. Subsequent terms shall be for six years. Vacancies in the unexpired elective terms shall be filled in the same manner as full terms. Members of the board may receive a per diem allowance and be paid transportation expenses in carrying out the duties set out in this Act. The Public Employees Retirement Board shall have the following powers and duties:

(1) to hold such regular meetings and special meetings as may be deemed necessary. All meetings shall be open to the public. The board shall keep a full record of all its proceedings;

(2) to adopt, with such modifications as it deems proper, rules and regulations recommended by the Personnel Director for making the provisions of this Act effective;

(3) to consider and adopt resolutions on matters referred to it by the Personnel Director in connection with changes in policy and revisions of the Act;

(4) to investigate and decide on appeal, at the request of any employee, widow or beneficiary, decisions of the Personnel Director;

(5) to have an actuarial valuation of each employer's obligations under the system prepared biennially and on the basis of such valuation, to certify an appropriate contribution rate to the employer's budgetary authority in time for the incorporation of the resulting costs in the budget. The board shall also have an actuarial and financial experience analysis of the system conducted at appropriate intervals, but not less frequently than once every six years. The annual valuations and the experience analyses shall be prepared and certified by a Fellow of the Society of Actuaries;

(6) to prescribe the policies for the proper operation of the system and carry on any other reasonable activities which are deemed necessary to effectuate the intent and purpose of the system in accordance with the provisions of this Act;

(7) to prescribe the rate of interest that shall be credited to the employee accounts each year.

Sec. 33. Personnel Director. a. A Director, appointed by the Commissioner, who may be the Personnel Director of the Personnel Division of the Department of Administration shall be in charge of the detailed affairs of the system. He also shall serve as secretary of the board. He shall administer the business of the system and be responsible for its proper operation. The Director shall have, in addition to the foregoing authority, the following powers and duties:

(1) With the assistance of a technical actuarial advisor, the Director shall submit to the board the required actuarial tables and the statistical data necessary for periodic actuarial surveys of the

operating experience of the system, which shall be made at least once every six years;

(2) Maintain such records of the employees included in the system as are necessary for the proper administration of the system and furnish such information as is requested by the actuary for preparing valuations and periodic experience analyses;

(3) Attend all meetings of the board;

(4) Certify to the appropriate division of the Department of Administration the payments to be made according to the provisions of the Act;

(5) Remit to the appropriate division of the Department of Revenue for deposit in the name of the system, all monies received for the account of the system;

(6) Formulate and recommend to the board rules and regulations to govern the operation of the system.

b. It shall be the duty of the employers to furnish the Director with records concerning the periods of service, dates of birth, compensation, new entrants into service, deaths, withdrawals and such other employee data as is necessary for the proper and effective operation of the system.

Sec. 34. Commissioner of Revenue. The Commissioner of Revenue shall be the treasurer of the system and shall perform the following duties:

(1) Act as official custodian of the cash and securities belonging to the system and provide adequate safe deposit facilities therefor;

(2) Receive all items of cash belonging to the system;

(3) Collect the interest and principal on securities acquired by the system and deposit all such amounts in the pension fund maintained in the name of the system;

(4) Invest and reinvest the assets of the pension fund in accordance with the provisions of Section 37.

Sec. 35. Attorney General. The Attorney General of the state shall be the attorney for the system and shall repre-

sent it in any legal proceeding.

Sec. 36. Accounting. The Commissioner of Administration shall establish and maintain an adequate system of accounts and records for the system which shall be integrated with the accounts, records, and procedures of the employers to the end that the same shall operate most effectively and at minimum expense, and that duplication of records and accounts may be avoided. All income of the pension fund and all disbursements made by the fund shall be credited or charged, whichever is appropriate, to the following accounts:

(1) **Employee Contribution Account**—An individual account shall be maintained for each employee to which the amount of his mandatory contributions shall be credited whenever such contributions are made. The portion of an employee's contributions which is used to pay the tax imposed on the employee under the Federal Insurance Contributions Act shall be charged against such account. As of the last day of each fiscal year, this account will be credited with interest, by applying the prescribed rate of interest to the balance in the account at the beginning of the fiscal year less any amounts charged to the account during the year. Upon granting a pension, or upon payment of a death or refund benefit, the balance of the employee contribution account shall be transferred to the asset share account of the employer of such employee and the employee contribution account shall be charged with the amount transferred.

(2) **Employee Savings Account**—An individual account shall be maintained for each employee to which the amount of his voluntary contributions, if any, shall be credited whenever such contributions are made. As of the last day of each fiscal year, this account will be credited with interest, by applying the prescribed rate of interest to the balance in the account at the beginning of the fiscal year less any amounts charged to the account during the year. Any amounts which, prior to termination of employment, are withdrawn by an employee from his employee savings account shall be charged to such account. Upon an employee's retirement or death, the balance of his employee savings account shall be transferred to the asset share

account of the employer of such employee and the employee savings account shall be charged with the amount transferred.

(3) **Employer Asset Share Account**—There shall be maintained a separate account for each employer which shall be credited with contributions of the employer and amounts transferred from the employee contribution accounts for the employees of such employer, except that contributions made by an employer for the purpose of providing the employer's portion of the total administrative expense of the system shall not be credited to this account. This account shall be charged with all pensions, death refund, and other benefits paid under this system to or on behalf of the employees of such employer. After an allowance for interest credited to employee contribution accounts and employee savings accounts, the investment income of the pension fund shall be allocated to each employer asset share account according to the ratio that the average of the assets in an employer's account as of the beginning and as of the end of the fiscal year bears to the total of such average balance of all employers.

(4) **Expense Account**—An expense account shall be maintained for the system. This account shall be credited with all contributions of employers for the purposes of meeting their respective proportion of the total administrative expenses of the system during each fiscal year, and it shall be charged with all disbursements representing administrative expenses incurred by the system. The surplus or deficiency of this account at the end of the year shall be used in determining the expense rate applicable for the following fiscal year. Expenditures from this account shall be included in the governor's budget for each fiscal year and shall be subject to approval by the legislature.

Sec. 37. Investments. a. Whenever, in the opinion of the Commissioner of Administration, there is on hand in the pension fund a surplus over and above a reasonably safe amount to take care of current demands upon such fund, such surplus, or so much thereof as in the judgment of the Commissioner of Administration is deemed proper, may be invested by the Commissioner of Revenue in (1) bonds or other interest bearing

obligations and securities of the United States or any state thereof or of any political subdivision of any state of the United States, provided such political subdivision has a population as shown by the last federal census preceding such investment of not less than 30,000 inhabitants, except with respect to political subdivisions located in the State of Alaska no population limitation shall apply, (2) first lien real estate mortgage securities insured by the Federal Housing Administration under the National Housing Act of the United States, as amended from time to time, and (3) in such corporation bonds, preferred and common stocks as the Commissioner of Revenue may deem to be proper investments for said fund.

b. In making each and all of such investments the Commissioner of Revenue shall exercise the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital; provided, however, that not more than fifty per cent (50%) of the pension fund shall be invested at any given time in corporate stocks and bonds, nor shall more than one per cent (1%) of the pension fund be invested in securities issued by any one corporation, nor shall more than five per cent (5%) of the voting stock of any one corporation be owned; and provided, further, that stocks eligible for purchase shall be restricted to stocks which, except for bank stocks and insurance stocks, are listed upon an exchange registered with the Federal Securities and Exchange Commission or its successors.

c. Except as hereinbefore provided, the Commissioner of Revenue is authorized and empowered:

(1) to invest and reinvest the principal and income of the pension fund without distinction between principal and income;

(2) to sell, exchange, convey, transfer, or otherwise dispose of any investments of the pension fund held in the name of the system by private contract or at public auction;

(3) to vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options and to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities, or other investments held in the pension fund;

(4) to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(5) to register any investment held in the pension fund in the name of the system;

(6) to do all acts whether or not expressly authorized which may be deemed necessary or proper for the protection of the investments held in the pension fund.

Sec. 38. Non-Guarantee of Employment. Nothing contained in this Act shall be construed as a contract of employment between an employer and any employee, or as a right of any employee to be continued in the employment of an employer, or as a limitation of the right of an employer to discharge any of its employees with or without cause.

Sec. 39. Non-Alienation of Benefits. Except with respect to indebtedness owing to the employers, benefits payable under the system shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary, prior to actually being received by the person entitled to the benefit under the terms of the system, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise dispose of any right to benefits payable hereunder shall be void.

Sec. 40. Voluntary Waiver of Benefits.

Any retired employee may, in writing, request the board to suspend, for any period of time, payment of all or part of the benefits which he is entitled to receive. The board shall grant any such request and shall not require the retired employee to disclose his reasons for desiring the suspension. Any amounts which are suspended pursuant to such a request shall be forever forfeited. The retired employee may subsequently terminate such a suspension by filing a written notice with the board which states his desire to revoke the suspension. Upon receipt of such a notice, the board shall authorize resumption of the retired employee's regular pension payments.

Sec. 41. Fraud. Any person who shall knowingly make any false statement, or shall falsify or permit to be falsified any record or records of this system, in any attempt to defraud the system, as a result of such act, shall be guilty of a misdemeanor, and on conviction thereof by any court of competent jurisdiction, shall be punished by a fine not exceeding \$500.00, or imprisonment not exceeding twelve months, or both, such fine and imprisonment to be at the discretion of the court.

Sec. 42. Adjustments. In the event of any change or error in the records maintained by the system, or if an error is made in computing a benefit, and as a result thereof an employee or beneficiary receives from the system more or less than he would have been entitled to receive had the records been correct, or if the error had not been made, the records or error shall be corrected and, as far as practicable, future payments shall be adjusted in such manner that the actuarial equivalent of the pension or benefit to which the employee or beneficiary was correctly entitled shall be paid. In no event shall an employee be entitled to simultaneously receive a pension under more than one of the sections of this Act.

Sec. 43. Minimum Benefit. The actuarial equivalent of minimum aggregate benefits payable to or on behalf of an employee shall not be less than the total of the balances of his employee contribution account and voluntary savings account as of the date of the termination of his employment.

Sec. 44. Participation by Political Subdivisions and Public Organizations. a.

Any municipality or other political subdivision of the state which provides coverage for its employees under Title II of the Federal Social Security Act may request to become a participating employer in this system. Such a request shall be made after a proper resolution has been adopted by the local legislative body of the political subdivision and after such resolution has been approved by any other party or officer required by law to approve the resolution. A certified copy of such resolution shall be filed with the Department of Administration and, if the Commissioner of Administration approves the request for participation, the political subdivision shall be considered as a participating employer.

b. Any public or quasi-public organization created wholly or partly by, or deriving its powers from, the legislature of the state, which provides coverage for its employees under Title II of the Federal Social Security Act may request to become a participating employer in this system. Such a request shall be made after a proper resolution has been adopted by the governing body of the public organization. A certified copy of such resolution shall be filed with the Department of Administration and, if the Commissioner of Administration approves the request for participation, the public organization shall be considered as a participating employer.

c. Any political subdivision or public organization which is contemplating participation in this system may request a preliminary survey to determine the estimated cost of participation, the benefits to be derived, and such other information as may be deemed appropriate. The cost of such a survey shall be paid by the subdivision or public organization requesting it.

d. The effective date of participation in the system by a political subdivision or public organization shall be the January 1, next succeeding the approval of its participation. The political subdivision or public organization shall designate the departments, groups or other classifications of employees which shall be eligible to participate in the system, and shall agree to make contributions each year which shall be sufficient to meet the normal cost attributable to inclusion of its employees and to amortize the past

service cost for its employees over a period not in excess of forty years.

e. The eligible employees of a participating political subdivision or public organization shall be bound by the provisions of this system and shall be entitled to the benefits provided under it.

f. The contributions of the political subdivision or public organization and the contributions of its employees, shall be transmitted to the Commissioner of Administration as soon as practicable after the close of the payroll period for which the contributions were made. If an employer is delinquent in transferring the contributions required by this Act for more than thirty days, interest shall be assessed on the outstanding contributions at one and one-half times the prescribed rate from the date that the contributions were originally due.

g. In the event the required contributions are not transmitted to the Commissioner of Administration within the prescribed time limit, the Commissioner may, in his discretion, grant an extension. If the political subdivision or public organization is in default at the end of the extension, participation in the system shall be deemed terminated, and it shall be sent notice thereof. Within six months after such termination, the actuary of the system shall, by actuarial valuation (the cost of which shall be paid by the terminated employer) determine the amount in the pension fund attributable to the employer's participation in the system. Such amount shall then be distributed by the payment or provision for the payment of benefits to employees and retired employees of the terminated employer and to the beneficiaries of such employees in the following order of precedence:

- (1) To refund the balance in the employee contribution and savings accounts as of the date of termination;

- (2) To fund in advance the benefits of retired employees, widows and beneficiaries who are receiving or are eligible to receive benefits on the date of termination appropriately adjusted for any payments made under subparagraph (1) above;

- (3) To all other employees in proportion to, but not exceeding, the respec-

tive actuarial value of their accrued benefits as of the date of termination, appropriately adjusted for any payments made under subparagraph (1) above.

h. Any distribution made as a result of termination of participation by an employer may, to the extent that no discrimination in value results, be paid in cash or in annuity contracts, according to the discretion of the board.

i. In making such distributions, any and all determinations, divisions, appraisals, apportionments, and allotments so made shall be final and conclusive and not subject to question by any person. In no event shall an employer receive, at any time, any amounts from the pension fund, except that, upon termination of its participation, the employer shall receive such amounts, if any, as may remain after the satisfaction of all liabilities of the system to the employees of such employer and arising out of any

variations between actual requirements and expected actuarial requirements.

Sec. 45. Construction. The masculine gender, where appearing in this Act shall be deemed to include the feminine gender, unless the context clearly indicates to the contrary. The words "hereof," "herein," and "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Act, not to any particular provision or section.

Sec. 46. Separability. If, regardless of cause, any section, subsection, paragraph, sentence, or clause of this Act is held invalid or to be unconstitutional, the remaining sections, subsection, paragraphs, sentences, or clauses shall continue in full force and effect, and shall be construed thereafter as being the entire provisions of this Act.

Sec. 47. Effective Date. This Act shall take effect on January 1, 1961.

Approved April 18, 1960

CHAPTER 144

AN ACT

Establishing a system of personnel administration for state employees based on the merit principle; providing penalties; repealing certain conflicting acts; and providing for an effective date.

(C.S.H.B. 188)

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

Section 1. Purpose. It is the purpose of this Act to establish a system of personnel administration based upon the merit principle and adapted to the requirements of the State of Alaska to the end that persons best qualified to perform the functions of the state will be employed, and that an effective career service will be encouraged, developed and maintained.

Sec. 2. Short Title. This Act, and all amendments to this Act, shall be known and may be cited as the "State Personnel Act of 1960."

Sec. 3. Coverage of Act. This Act and the rules adopted pursuant to this Act apply to all positions in the classified service. This Act and the rules adopted

pursuant to this Act apply to all positions in the partially exempt service as specifically provided.

Sec. 4. Classified Service. The classified service consists of all positions in the state service not included in the exempt service or in the partially exempt service.

Sec. 5. Exempt Service. The following positions in the state service constitute the exempt service and are exempt from the provisions of this Act and the rules adopted pursuant to this Act:

(1) Persons elected to public office by popular vote or appointed to fill vacancies in elected offices;

(2) Justices of the supreme court, judges of the superior court, judges, magistrates and deputy magistrates of other