

agreements entered into by this state thereunder.

Sec. 3. Supplementary Agreements. The compact administrator is hereby authorized and empowered to enter into supplementary agreements with appropriate officials of other states pursuant to the compact. In the event that such supplementary agreement shall require or contemplate the use of any institution or facility of this state or require or contemplate the provision of any service of this state, said supplementary agreement shall have no force or effect until approved by the head of the department or agency under whose jurisdiction said institution is operated, or whose department or agency shall be charged with the rendering of such service.

Sec. 4. Financial Arrangements. The compact administrator, subject to the approval of the Commissioner of Administration, may make or arrange for any payments necessary to discharge any financial obligations imposed upon this state by the compact or by any supplementary agreement entered into thereunder.

Sec. 5. Fees. Any council or guardian ad litem appointed pursuant to the

provisions of this compact may be paid as provided in Section 55-3-4, ACLA 1949.

Sec. 6. Responsibilities of State Departments, Agencies and Officers. The courts, departments, agencies and officers of this state and subdivisions shall enforce this compact and shall do all things appropriate to the effectuation of its purposes and intent which may be within their respective jurisdiction.

Sec. 7. Additional Procedures Not Precluded. In addition to any procedures provided in articles IV and VI of the compact for the return of any runaway juvenile, the particular states, the juvenile or his parents, the courts, or other legal custodian involved may agree upon and adopt any plan or procedure legally authorized under the laws of this state and any other respective party states for the return of any such runaway juvenile.

Sec. 8. Short Title. This chapter may be cited as the "Uniform Interstate Compact on Juveniles."

Sec. 9. Effective Date. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 8, 1960

CHAPTER 89

AN ACT

Relating to the Teachers' Retirement System; amending Ch. 145, SLA 1955 as amended by Ch. 142, SLA 1957; repealing Sec. 3, Ch. 145, SLA 1955; and providing for an effective date.

(H.B. 364)

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

Section 1. Sec. 1, Ch. 145, SLA 1955, is amended to read as follows:

Section 1. Retirement System Established. The joint-contributory retirement system created and established for teachers of the Territory of Alaska is hereby adopted for the teachers of the State of Alaska.

Sec. 2. Subsecs. (a), (b), (c), (e), (g), (h), (j), and (l) of Sec. 2, Ch. 145, SLA 1955, as amended by Ch. 142, SLA 1957

are amended to read as follows:

(a) "Administrator" means the Department of Administration.

(b) "Employer" means any city school district, incorporated school district, independent school district, the Board of Regents of the University of Alaska, and the Department of Education.

(c) "Teacher" means any certified teacher, principal, supervisor or superintendent employed on a full-time basis in the public schools of

Alaska, the Commissioner of Education, supervisors within the Department of Education, and all full-time resident department heads, instructors, professors, assistant professors, associate professors, deans, agricultural extension agents and supervisors, librarian and registrar of the University of Alaska. In all cases of doubt the administrator shall finally determine whether any person is a teacher as defined in this Act.

(e) "Outside service" means service as a "Teacher" in a public school not under the supervision and control of the Department of Education or 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.

(g) "Membership service" means service as a teacher in a public school within the Territory or State of Alaska or both under the supervision and control of the Territorial Board of Education or the Department 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.

(h) "Creditable service" means outside service not to exceed ten (10) years, plus membership service as is provided in subsection (g).

(j) "Year of service" means service of at least 140 school days in any one school year. Fractional credit shall be given for membership service in any year after July 1, 1960 if the number of days of school service is less than 140 but at least 20, according to the ratio that the number of such school days of service bears to 140 and providing that appropriate contributions are made by the teacher.

(l) "Base salary" or "basic salary" means the annual salary authorized by law to be paid a teacher if employed in the same position in the First Judicial Division of the Territory of Alaska or the geographic area succeeding the First Judicial Division in law for the purpose of setting basic teachers' salaries for the State of Alaska, but not to exceed \$7,000.00. "Salary authorized"

means that salary fixed by the Territorial Board of Education and the Department of Education pursuant to law; or if an employee of the Department of Education, University of Alaska or a Community College, that salary, in fact, paid such employee.

Sec. 3. Sec. 4, Ch. 145, SLA 1955 as amended by Ch. 142, SLA 1957 is amended to read as follows:

Sec. 4. Powers and Duties. The administrator shall have, but not by way of limitation, the following powers and duties: (a) authority to promulgate and issue appropriate regulations to implement the provisions of this Act and to cover matters not expressly touched upon or anticipated but implied by the provisions hereof. All such regulations shall have the force and effect of law; (b) authority to make such expenditures from the Retirement Fund as are necessary to administer this Act; providing that such administrative expenditures shall be included in the governor's budget for each fiscal year and shall be subject to appropriation by the legislature; (c) to establish and maintain an adequate system of accounts for the Retirement Fund; (d) to approve or disapprove claims for retirement salary; (e) to keep an official record of all proceedings; (f) to publish annually a report showing the financial conditions of the Retirement Fund; and (g) to do whatever else may be necessary to effectuate the purposes of this Act.

Sec. 4. Sec. 6, Ch. 145, SLA 1955 is amended to read as follows:

Section 6. Contributions by Teachers. Commencing July 1, 1955, each teacher shall contribute to the Retirement Fund an amount equal to five percent (5%) of his base salary. The contribution shall be deducted by the employer on the basis of days taught at a daily rate determined by dividing the annual contribution by 140; provided, no contribution for any one school year shall exceed \$350.00 nor shall the number of days for which a contribution is made exceed 140.

Sec. 5. Sec. 7, Ch. 145, SLA 1955 as amended by Ch. 142, SLA 1957 is repealed and re-enacted to read as follows:

Sec. 7. **Arrearages.** a. Retroactive contributions will not be required for creditable membership service prior to June 30, 1955.

b. In the event that retroactive contributions have been made on creditable membership service prior to June 30, 1955, or a reduced retirement salary received in lieu thereof, the teacher shall be entitled to a refund of such contributions. If a teacher has foregone all or part of his retirement salary in lieu of making these retroactive contributions, he shall commence to receive a full or proportionate benefit as computed under Section 13, based on his service and earnings prior to retirement, and, in addition, he shall receive credit for or a refund of the amount or amounts that were not received in the past because such contributions were not made. Such refunds shall not be considered in the application of subsection (d) of Section 16 of this Act, and in the event of future death or withdrawal, shall not be counted as part of his accumulated contributions.

c. If a teacher has creditable outside service he shall be indebted, in addition to the contributions required by Section 6 of this Act, as follows:

(1) If, at the time of becoming a member of this retirement system, a teacher has no membership service, his indebtedness shall be five percent (5%) of the base salary paid at the time of first becoming employed as a teacher, under the provisions of this Act, multiplied by the total number of years of such creditable outside service at the time of becoming a member; provided that the total outside service claimed shall not exceed ten years.

(2) If a teacher, after becoming a member of this retirement system, discontinues active membership and subsequently desires to be reinstated and receive credit for outside service accumulated in the interim, his indebtedness to the Retirement Fund for such additional credit shall be computed as follows: Five percent (5%) of the base salary received upon reinstatement multiplied by the number of years of interim outside service; provided, however, that the total outside service

claimed shall not exceed ten (10) years.

d. Each teacher shall be credited with his total amount of contributions, if any, less any refunds, paid into the Retirement Fund of 1945.

Sec. 6. Sec. 9, Ch. 145, SLA 1955 is amended to read as follows:

Section 9. Contributions by the State. The state shall contribute to the Retirement Fund from the state School Tax Fund an amount equal to one-half the sum contributed each pay period by the teachers. The sum due hereunder shall be covered into the Retirement Fund semi-annually.

Sec. 7. Sec. 10, Ch. 145, SLA 1955 is amended to read as follows:

Section 10. Contributions by the State for Arrearages. The state shall contribute to the Retirement Fund from the state School Tax Fund, an amount equal to: (a) the arrearage payments made by teachers as provided in Section 7 herein; and/or (b) the arrearage outstanding under option (2) of Section 13 herein. The state shall be obligated to contribute to the Retirement Fund from the state School Tax Fund, an amount sufficient to provide for any benefits which are based on creditable service granted to a teacher on the basis of membership service up to June 30, 1955. This obligation shall be met by payments to the Retirement Fund in such amounts and at such time as the state determines, provided that the obligation shall be met in full by July 1, 2000.

Sec. 8. Sec. 11, Ch. 145, SLA 1955 is amended to read as follows:

Section 11. Credit for Service in the Armed Forces. Any teacher who served as an active member of the Armed Forces of the United States on or after January 1, 1940, having entered the Armed Forces immediately after service as a teacher in a public school, may receive creditable service under this retirement system, up to a maximum of five (5) years. Each twelve (12) months of military service shall equal one (1) school year, and lesser military periods shall be determined for credit purposes in a proportionate ratio to a school year; Provided,

that the teacher return to teaching in a public school within one (1) year following discharge from the Armed Forces; and Provided, further, that if entry into the Armed Forces was immediately preceded by membership service and, following discharge, is continued by membership service within one (1) year thereafter, such service shall not be counted for purposes of determining the applicability of the ten (10) year limitation on outside service.

Where a teacher is unable to resume teaching in a public school within one year following discharge because of hospitalization, rehabilitation training, a disability derived while in the Armed Forces, or other like circumstances, the administrator shall determine the allowance or disallowance of any service in the Armed Forces.

Credit of service in the Armed Forces shall be granted only if the teacher makes contributions for such service in the same manner as is required for outside service under Section 7 herein.

Sec. 9. Sec. 12, Ch. 145, SLA 1955 as amended by Ch. 142, SLA 1957 is amended to read as follows:

Sec. 12. Eligibility for Service Retirement. (a) Any teacher who has completed twenty-five (25) years of creditable service, the last five (5) years of which is membership service in the Territory or state, and who has attained the age of fifty-five (55) years, may retire from service, and apply in writing to the administrator for his retirement salary.

(b) Any teacher who has completed twenty-five (25) years of creditable service, the last five (5) years of which is membership service in the Territory or state, and who has attained the age of sixty-five (65) years during any school year, shall be retired on the first day of July following his sixty-fifth (65) birthday; Provided, however, except for the purposes of determining eligibility for membership in this retirement system, compulsory retirement at the age of sixty-five (65) shall not apply to the Commissioner of Education supervisors within the Department of Education, other full-time ad-

ministrators and personnel of the University of Alaska.

(c) The burden of providing eligibility for any retirement benefits hereunder shall be borne by the applicant to the full satisfaction of the administrator.

Sec. 10. Subsec. (a) of Sec. 13, Ch. 145, SLA 1955 is amended to read as follows:

(a) If the teacher has attained the age of sixty (60) or over on the date which the application for a retirement salary is filed, and has paid into the Retirement Fund the full amount of his indebtedness, his annual retirement salary shall be one and one-half percent (1½%) of his highest average base salary during any five (5) consecutive years of membership service multiplied by the total number of years of creditable service, including credited fractional years.

Sec. 11. Subsec. (e) of Sec. 13, Ch. 145, SLA 1955 is amended to read as follows:

(e) If a teacher, after receiving any retirement salary, shall be re-employed as a full-time teacher in membership service, his retirement salary shall be suspended during the period of such re-employment.

The retirement salary shall be suspended for the entire school year if the teacher is re-employed as a full time teacher in membership service for a period of time equivalent to a year of service, as used in this Act.

During such period of re-employment, deductions from salary may be made at the option of the teacher for contributions to the Retirement Fund as provided in Section 6. If such deductions are made, the annual amount of retirement salary shall be increased when the teacher again retires from active membership service, by adding to the annual amount previously payable, an amount equal to one and one-half (1½%) percent of the base salary for such period of re-employment, provided that if the teacher has not attained the age of sixty (60) on the date when payment of retirement salary is resumed, the additional amount

provided for in this sub-section shall be reduced annually by the amount derived from the following computations: Multiply one-half of one percent ($\frac{1}{2}\%$) times the number of months, to the nearest month, by which the teacher's attained age on date of subsequent retirement falls short of sixty (60) times the additional amount provided for in this sub-section.

Sec. 12. Sec. 14, Ch. 145, SLA 1955 is amended to read as follows:

Section 14. Eligibility for Disability Retirement. Upon the application of a teacher in membership service who has become permanently disabled and who has had five (5) or more membership years, such teacher may be retired by the administrator as of the first day of the month following the permanent disability; Provided, the administrator, after a report of medical examination of the teacher has been submitted, shall certify that such teacher is physically or mentally incapacitated for the further performance of duty, and that such incapacity is likely to be permanent and that such teacher should be retired; Provided, further, that the number of years of prior service credited for the purposes of disability retirement shall not exceed ten (10) years or the number of membership years, whichever is smaller.

A teacher retired because of disability under this section and who subsequently recovers from such disability shall not be entitled to any disability retirement salary from the first day of the month following recovery.

Once each year during the first five (5) years following retirement of a teacher under this section, and once in every three (3) year period thereafter, the administrator may, and upon his application for disability retirement salary, shall, require any teacher who has not attained the age of sixty-five (65) years to undergo a medical or mental examination by a competent physician or psychiatrist; provided, further, that the administrator shall suspend any disability retirement allowances for a teacher who refuses to undergo a physical or mental examination when requested by the administrator within the purview of this section.

Sec. 13. Sec. 17, Ch. 145, SLA 1955, as amended by Ch. 142, SLA 1957, is amended to read as follows:

Sec. 17. Payment Upon Death of Teacher. Upon receipt of a valid claim and proper proof of the death of a member who is entitled to a refund of contributions, a payment, in the amount specified hereafter, shall be paid to his estate or to any person he has nominated by written designation, executed and filed with the administrator. All claims and presentations of proof shall be made within five (5) years of termination of service, or if in membership service at the time of death, within five (5) years after date of death.

In the case of a teacher in membership service at the time of death, who has not received any retirement salary, the amount of the payment shall be the sum of (a) his accumulated contributions, as determined under Sec. 16 of this Act, and (b) One Thousand Dollars (\$1,000.00), plus One Hundred Dollars (\$100.00) multiplied by the number of completed school years of membership service, plus an additional sum of Five Hundred Dollars (\$500.00), if the deceased teacher is survived by one or more children under the age of eighteen (18) years at the time of his death; provided, however, that in no case shall the amount payable under provision (b) exceed Three Thousand Dollars (\$3,000.00).

In the case of a teacher, who has received retirement salary at the time of death, the payment shall be limited to the amount of his accumulated contributions, together with two percent (2%) simple interest to the date of retirement, less all retirement salary paid the deceased teacher; provided, however, that if a teacher dies within one (1) year after the effective date of disability retirement, as specified in Sec. 14 of this Act, the payment on death shall be the amount specified in the second paragraph of this section, less the amount of any retirement salary previously paid the deceased teacher.

Upon the death of a teacher who at the time of death is not in membership service, and who is entitled to a return of his contributions, the accumulated contributions as specified in Sec. 16 of

this Act shall be paid to his designated beneficiary or estate. Further, if a teacher dies within one (1) year after leaving membership service, and is entitled to a return of his contributions and has not received such return on all service, and has not filed a claim for disability retirement but would have been eligible for such retirement if claim had been filed, the designated beneficiary or estate shall in addition be entitled to the payment specified in provision (b) of the second paragraph of this section.

Sec. 14. Ch. 145, SLA 1955, as amended by Ch. 142, SLA 1957 is amended by inserting a new Sec. 18 as follows:

Sec. 18. Administration. The Commissioner of Administration is responsible for the administration of the Retirement System and for making effective the provisions of this Act and his powers and duties for this purpose include but are not limited to the following:

(1) To maintain the accounts of the system;

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

(3) To submit such periodic reports or statements of account as may be required.

Sec. 15. Sec. 19, Ch. 145, SLA 1955 is repealed and re-enacted to read as follows:

Sec. 19. Custody and Investment. a. The Commissioner of Revenue shall be the treasurer of the system and shall have powers and duties for this purpose including but not limited to the following:

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

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

(3) To collect the interest and principal on securities acquired by the system and deposit all such amounts in the Retirement Fund maintained in the name of the system;

(4) To invest and reinvest the assets of the Retirement Fund in ac-

cordance with this section.

b. Whenever, in the opinion of the Commissioner of Administration, there is on hand in the Retirement 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, any state thereof or 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.

c. 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 percent (50%) of the Retirement Fund shall be invested at any given time in corporate stocks and bonds, nor shall more than one percent (1%) of the Retirement Fund be invested in securities issued by any one corporation, nor shall more than five percent (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.

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

(1) to invest and reinvest the principal and income of the Retirement Fund without distinction between principal and income;

(2) to sell, exchange, convey, transfer or otherwise dispose of any investments of the Retirement 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 Retirement 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 Retirement 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 Retirement Fund.

Sec. 16. Sec. 21, Ch. 145, SLA 1955 is amended to read as follows:

Section 21. Actuarial Evaluations of the Retirement Fund. Actuarial evaluations of the Retirement Fund shall be made at intervals of not more than five (5) years and on the basis of such re-evaluations the administrator may recommend to the state Legislature any necessary readjustment.

Sec. 17. Sec. 22, Ch. 145, SLA 1955 is amended to read as follows:

Section 22. Exemption from Taxation and Process. Teachers' retirement salaries shall be exempt from any state or municipal tax and shall not be subject to execution, attachment, garnishment or any other process whatsoever.

Sec. 18. Sec. 3, Ch. 145, SLA 1955 is repealed.

Sec. 19. This Act takes effect on the first day of July, 1960.

Approved April 8, 1960

CHAPTER 90

AN ACT

Relating to the support of schools in newly incorporated first, second and fourth class cities and independent school districts; and providing for an effective date.

(H.B. 396)

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

Section 1. Notwithstanding any other provisions of law, in the event that any previously unincorporated area or city of the fourth class served by a totally state supported school or schools voluntarily incorporates as a city of the first or second class or as an independent school

district, the responsibility of the state for the continued support of the local schools in the newly incorporated area shall be as follows:

(1) For the first fiscal year of operation beginning on July 1 following the incorporation, the state shall pay from appropriations available for support of district schools, 100% of the dis-