

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

Section 1. Subject to sec. 2 of this Act, the Department of Public Works, referred to hereafter as the "department," shall construct a school at Hydaburg according to plans prepared by it and approved by the City of Hydaburg, referred to hereafter as the "city." The entire construction cost, including design and planning, may not exceed \$300,000.

Sec. 2. The city and the department shall, before any work is begun on the school authorized by this Act, enter into an agreement in writing by which

(1) the department agrees to build a school as provided by this Act;

(2) the city agrees, before construction begins, to

(A) pay to the department \$35,000 from money now available to the city from cigarette tax receipts, and

(B) convey to the department the land upon which the school is to be built; and

(3) other matters relating to the construction which are considered important by the city or the department are mutually agreed upon.

Sec. 3. When the building is completed, the department shall reconvey the land with the building to the city.

Sec. 4. Beginning July 1, 1963, the commissioner of education shall pay annually to the general fund money to which the city becomes entitled from cigarette tax receipts in the "School Fund" as provided by the formula set out in sec. 125(c)(2), subchapter 14, Title 4, Alaska Administrative Code, until the amount paid to the general fund amounts to \$265,000. No money from this source shall be paid to the city until the required payment to the general fund has been made.

Sec. 5. The sum of \$265,000 is appropriated from the general fund to the Department of Public Works for the construction authorized by this Act.

Sec. 6. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 20, 1963

## CHAPTER 86

### AN ACT

**Relating to the Teachers' Retirement System; and providing for an effective date.**

(S.B. 84)

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

Section 1. AS 14.25.040 is amended to read:

Sec. 14.25.040. **Membership.** After June 30, 1955, a teacher contracting for service with an employer, except one whose attained age in completed years on the July 1 falling on or after the date of commencement of service, less the number of years of creditable service prior to that July 1, exceeds 50, is subject to this chapter.

Sec. 2. AS 14.25.060(c) is amended to read:

(c) If a teacher has creditable outside service, he is indebted, in addition

to the contributions required by sec. 50 of this chapter, as follows:

(1) If, at the time of becoming a member of the retirement system, a teacher has no membership service, his indebtedness is five per cent of the base salary paid at the time of first becoming employed as a teacher, under this chapter, multiplied by the total number of years of creditable outside service at the time of becoming a member. The total outside service claimed may not exceed 10 years. Compound interest of three per cent a year shall be added to the indebtedness beginning July 1, 1963, or at the time of first becoming employed as a teacher, to the date of payment or the date of retirement, whichever occurs first.

(2) If a teacher, after becoming a member of this retirement system, discontinues active membership and subsequently desires to be reinstated and to receive credit for outside service accumulated in the interim, his indebtedness to the retirement fund for the additional credit shall be computed at five per cent of the base salary received upon reinstatement multiplied by the number of years of interim outside service. Compound interest of three per cent a year shall be added to the indebtedness beginning on July 1, 1963, or at the time of reinstatement, to the date of payment or the date of retirement, whichever occurs first.

Sec. 3. AS 14.25.090 is amended to read:

Sec. 14.25.090. **Contributions by the State for Arrearages.** The state shall appropriate annually to the retirement fund from the general fund of the state an amount equal to

(1) the arrearage and interest payments made by teachers as provided in sec. 60 of this chapter;

(2) the arrearage outstanding under option (2) of sec. 120 of this chapter.

Sec. 4. AS 14.25.110 is amended to read:

Sec. 14.25.110. **Eligibility for Service Retirement.** (a) A teacher who has completed 15 years of creditable service, the last five years of which have been membership service in the state, and has completed at least 10 years of membership service, and who has attained the age of 55 years, may retire from service, and apply in writing to the administrator for retirement salary.

(b) A teacher who has completed 15 years of creditable service, the last five years of which have been membership service in the state, and has completed at least 10 years of membership service, and who has attained the age of 65 years during a school year, shall be retired on July 1 following his 65th birthday unless the teacher is retained by request of his employer. Provisions of this subsection regarding compulsory retirement shall not apply to personnel of the University of Alaska.

(c) The burden is upon the applicant to prove eligibility for retirement benefits to the full satisfaction of the administrator.

Sec. 5. AS 14.25.130(a) is amended to read:

(a) A teacher in membership service who has become permanently disabled and who has had five or more membership years may be retired by the administrator as of the first day of the month following the permanent disability. The administrator, after a report of medical examination of the teacher has been submitted, shall certify that the teacher is physically or mentally incapacitated for the further performance of duty, and that the incapacity is likely to be permanent, and that the teacher should be retired. However, the number of years in outside service and BIA service may not exceed the number of years in membership service.

Sec. 6. AS 14.25 is amended by adding a new section to read:

Sec. 14.25.135. **Deferred Retirement Benefit.** (a) A teacher is eligible for a deferred benefit if

(1) he terminates his employment on or after the date on which his attained age and credited service total at least 75 years;

(2) he has completed at least 15 years of creditable service, of which at least 10 years have been in membership service; and

(3) he does not withdraw his contributions to the retirement fund.

(b) Payment of the deferred benefit shall begin on the first day of the month coinciding with or following the teacher's 60th birthday or the first day of the month in which his application for deferred benefit is filed with the administrator, whichever is later. The last payment shall be made as of the first day of the month in which the death of the retired teacher occurs.

(c) The monthly amount of a normal deferred benefit shall be determined in accordance with sec. 120 of this chapter as it is in effect on the date of his termination of employment, considering the teacher's credited service and compen-

sation before his termination of employment.

(d) A teacher is not entitled to a deferred benefit unless an application for it is filed with the administrator not later than his 70th birthday. If the application is received after his 60th birthday but on or before his 70th birthday, no retroactive payment may be made for the months preceding the month in which the application is received.

Sec. 7. AS 14.25.150(3) is amended to read:

(3) If a teacher who has received a refund of contributions is re-employed in membership service, he becomes indebted to the retirement fund in the amount of the refund, including interest paid him, if any, increased by the amount, if any, deducted for administrative expenses. This indebtedness to the retirement fund shall bear compound interest at the rate of three per cent a year beginning July 1 following the date of re-employment to the date of repayment or the date of retirement of the teacher, whichever occurs first.

Sec. 8. AS 14.25.220(3) is amended to read:

(3) "creditable service" means outside service not exceeding 10 years and BIA service not exceeding five years, plus membership service as provided in (5) of this section;

Sec. 9. AS 14.25.220(4) is amended to read:

(4) "employer" means a borough

school district, a city school district, incorporated school district, independent school district, the Board of Regents of the University of Alaska, or the Department of Education;

Sec. 10. AS 14.25.220(5) is amended to read:

(5) "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 borough school district, incorporated city, incorporated school district, independent school district, or the Board of Regents of the University of Alaska;

Sec. 11. AS 14.25.220(8) is amended to read:

(8) "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 a borough school district, incorporated city, incorporated school district, independent school district, or the Board of Regents of the University of Alaska;

Sec. 12. AS 14.25.220 is amended by adding a new paragraph to read:

(17) "BIA service" means service as a teacher in a school operated by the Bureau of Indian Affairs in Alaska.

Sec. 13. This Act takes effect July 1, 1963.

Approved April 20, 1963

## CHAPTER 87

### AN ACT

**Relating to the Rampart Dam Development Committee; and providing for an effective date.**

(C.S.S.B. 123)

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

#### Article 7.

#### Rampart Dam Development Committee

Section 1. AS 44.45 is amended by adding new sections to read:

Sec. 44.45.180. **Creation of Committee.**  
Upon completion of current Rampart