



# LAWS OF ALASKA

1968

Source

SCSCSHE 272

Chapter No.

235

## AN ACT

Relating to the Public Employees' Retirement System; and providing for an effective date.

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

\* Section 1. AS 39.35.040(5) is repealed and re-enacted to read:

(5) to have prepared, at least biennially, an actuarial valuation of the total obligations under the system of the state and each participating political subdivision and public organization and, on the basis of the valuation and in time for incorporation of the results in the state budget, to certify to the appropriate budgetary authorities of the state and each participating political subdivision and public organization:

(A) an appropriate contribution rate for the state not to exceed seven per cent of the compensation paid to participating state employees; in addition the state shall pay the appropriate social security contribution; and

(B) an appropriate total contribution rate for each participating political subdivision and public organization; in addition the board shall have an actuarial and financial experience analysis of the system conducted at appropriate intervals, but no less frequently than once every six years; the biennial valuations and the actuarial and financial experience analyses shall be prepared and certified by a fellow of the Society of Actuaries;

\* Sec. 2. AS 39.35.160 is repealed and re-enacted to read:

Sec. 39.35.160. AMOUNT OF EMPLOYEE CONTRIBUTIONS.

While participating in the system each employee shall contribute three and one-half per cent of his compensation. In addition each employee shall pay the appropriate social security contribution.

\* Sec. 3. AS 39.35.350 is amended to read:

Sec. 39.35.350. INTERRUPTED EMPLOYMENT. If an employee's employment is terminated for any reason before he becomes eligible for a retirement benefit and the employee is subsequently reemployed, the employee is entitled to the credited service he had accumulated at the time of his last termination, if the employee makes a contribution to the system equal to the amount of the refund paid upon his last termination, and attributable to the balance in his employee contribution account at that time, together with interest at the prescribed rate to the date of repayment of the contribution. A repayment to establish credit for the last period of interrupted service will not be permitted more than three years after the date on which notice of the amount of contribution and interest due was mailed to the employee at his place of employment.

\* Sec. 4. AS 39.35.360 is amended by adding a new subsection to read:

(d) No service credit may be granted for employment which resulted in pension benefits being payable to the employee from any other state or territorial retirement system.

\* Sec. 5. AS 39.35.370(c) is repealed and re-enacted to read:

(c) The monthly amount of the normal retirement pension is one per cent of the employee's average monthly compensation for each year of credited service, plus one-fourth of one per cent for each year of credited service in excess of 10 years, plus an additional one-fourth of one per cent for each year of credited service in excess of 20 years.

\* Sec. 6. AS 39.35.390(a) is amended to read:

(a) An employee is eligible for a deferred vested retirement benefit if his employment is terminated on or after attainment of age 40 and credited service of eight years and he does not withdraw the balance in his employee contribution account.

\* Sec. 7. AS 39.35.390 is amended by adding a new subsection to read:

(e) An employee who is eligible for a deferred retirement benefit may elect a joint and survivor option under the same terms and conditions as set out in sec. 450 of this chapter.

\* Sec. 8. AS 39.35.450(e) is amended to read:

(e) An election made under this section becomes inoperative if the employee's pension payments commence or

death occurs before his normal retirement date or the contingent beneficiary's death occurs before the employee's normal retirement date.

\* Sec. 9. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. When the commissioner of administration determines the cost-of-living has increased and the financial condition of the retirement fund permits, he will recommend to the retirement board increased pension payments to retired employees, spouses or other beneficiaries to reflect this increase in the cost-of-living and the board may adopt the increase by regulation. The amount of the increase may not exceed one and one-half per cent for each year of retirement. A retired employee shall first be eligible for an increase at the end of the year following the year of his retirement. Increases shall be effective on and paid beginning the first day of January.

\* Sec. 10. AS 39.35.500 is amended to read:

Sec. 39.35.500. NONALIENATION OF AMOUNTS HELD BY THE SYSTEM. Employee contributions and other amounts held in the pension fund are exempt from state and local taxes. Except with respect to indebtedness owing to the employers, amounts held on behalf of, or payable to, any employee or other person who is or may become eligible for benefits under the system are not subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary, before being received by the person entitled to the amount under the terms of the system. An attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise dispose of a right to amounts held under the system is void.

\* Sec. 11. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.545. DUPLICATE BENEFITS. If payments from the system are due to an employee, his spouse or a beneficiary under more than one provision of this chapter, the employee, spouse or beneficiary shall elect under which provision he wishes to receive benefits, and no payments may be made under any other provision.

\* Sec. 12. AS 39.35.580 is amended to read:

Sec. 39.35.580. EFFECTIVE DATE OF PARTICIPATION. The effective date of participation in the system by a political subdivision or public organization is the first day of any month acceptable to the governing body of the political subdivision or public organization and to the commissioner of administration.

\* Sec 13. This Act takes effect July 1, 1968.