



# LAWS OF ALASKA

1973

Source

Chapter No.

HB 246 am S.

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## AN ACT

Establishing a deferred compensation program for public employees; and providing for an effective date.

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

\* Section 1. AS 39 is amended by adding a new chapter to read:

#### CHAPTER 45. PUBLIC EMPLOYEES' DEFERRED COMPENSATION PROGRAM.

Sec. 39.45.010. AUTHORITY. The state or a political subdivision of the state may, by contract, agree with an employee to defer, in whole or in part, that employee's salary or wages. If included in the contract to defer payment of salary or wages, the state or a political subdivision of the state shall purchase a fixed or variable life insurance or annuity contract for the purpose of funding the deferred compensation program provided for in this chapter, for the employee.

Sec. 39.45.020. ADMINISTRATION OF PROGRAM. (a) The administration of the deferred compensation program for state employees is under the direction of the Department of Administration. A political subdivision coming under the provisions of this chapter shall designate the office or official to administer its program.

(b) Payroll reductions are authorized by this chapter and shall be made by the appropriate payroll officer.

(c) The administrator of a deferred compensation program may contract with a private person for providing consolidated billing and other administrative services.

Sec. 39.45.030. INVESTMENT AUTHORITY. The administrator of the state or political subdivision deferred

compensation program is authorized, subject to contracts with individual employees, to invest the funds held under a deferred compensation program in fixed and variable life insurance and annuity contracts.

Sec. 39.45.040. ADDITIONAL BENEFITS. The deferred compensation program established under this chapter exists and serves in addition to any existing retirement, pension, or benefit system established by the state or its political subdivisions and may not affect a reduction in benefits receivable under an existing system.

Sec. 39.45.050. TAX DEFERRED INVESTMENTS. The administrator of a deferred compensation program under this chapter shall invest only in contracts which allow for deferment of the state and federal income tax until benefits are receivable under the program and shall make appropriate withholding adjustments in each participating employee's payroll.

Sec. 39.45.060. DEFINITIONS. In this chapter "employee" means a person, whether appointed, elected or under contract, who provides services for the state or a political subdivision of the state for which compensation is given.

\* Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.