

CS FOR HOUSE BILL NO. 306(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/12/18

Referred: Rules

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to disbursement options under the Public Employees' Retirement**
2 **System of Alaska and the Teachers' Retirement System of Alaska for participants in the**
3 **defined contribution plan; and providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 14.25.420(a) is amended to read:

6 (a) A participant may elect to receive distribution of the participant's share of
7 the individual account in a

8 (1) lump sum payment, which is a single payment of the entire balance
9 in the account;

10 (2) periodic lump sum payment, which is a payment of a portion of the
11 balance in the account, not more than twice each year;

12 (3) period certain annuity payment, which is an annuity payable in a
13 fixed number of monthly installments for a duration of 60, 120, or 180 months;

14 (4) life annuity with a period certain payment, which is an annuity

payable until the later of the first day of the month in which the annuitant's death occurs, or the date on which the payment of a fixed number of monthly installments is completed; the period certain for installments is 120 or 180 months;

(5) single life annuity payment, which is an annuity payable monthly until the first of the month in which the annuitant's death occurs; [OR]

(6) joint and survivor annuity payment, which is an annuity payable monthly to the member until the first of the month in which the member's death occurs; after the member's death, a survivor annuity equal to 50 percent or 100 percent of the member's benefit, as previously elected by the member, shall be paid monthly to the joint annuitant for the remainder of the survivor's lifetime; or

(7) payment as authorized by a regulation adopted by the commissioner of administration.

* Sec. 2. AS 39.35.820(a) is amended to read:

(a) A participant may elect to receive the participant's share of the individual account in a

(1) lump sum payment, which is a single payment of the entire balance in the account;

(2) periodic lump sum payment, which is a payment of a portion of the balance in the account, not more than twice each year;

(3) period certain annuity payment, which is an annuity payable in a fixed number of monthly installments for a duration of 60, 120, or 180 months;

(4) life annuity with a period certain payment, which is an annuity payable until the later of the first day of the month in which the annuitant's death occurs, or the date on which the payment of a fixed number of monthly installments is completed; the period certain for installments is 120 or 180 months;

(5) single life annuity payment, which is an annuity payable monthly until the first of the month in which the annuitant's death occurs; [OR]

(6) joint and survivor annuity payment, which is an annuity payable monthly to the member until the first of the month in which the member's death occurs; after the member's death, a survivor annuity equal to 50 percent or 100 percent of the member's benefit, as previously elected by the member, shall be paid monthly to

1 the joint annuitant for the remainder of the survivor's lifetime; or

2 (7) payment as authorized by a regulation adopted by the
3 commissioner of administration.

4 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
5 read:

6 TRANSITION: REGULATIONS. (a) The commissioner of administration may adopt
7 regulations necessary to implement this Act. Regulations adopted by the commissioner of
8 administration under this Act relate to the internal management of a state agency and are not
9 subject to AS 44.62 (Administrative Procedure Act) under AS 14.25.005 and AS 39.35.005.

10 (b) Regulations adopted under this section may not take effect before the effective
11 date of the law being implemented by the regulation.

12 * **Sec. 4.** Section 3 of this Act takes effect immediately under AS 01.10.070(c).