

**HOUSE BILL NO. 135**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVE KERTTULA**

**Introduced: 1/31/11**

**Referred: Labor and Commerce, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to voluntary deduction of dues for membership in certain retiree**  
2 **organizations; and providing for an effective date."**

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

4 **\* Section 1.** AS 39.35.500(a) is amended to read:

5 (a) Except as provided in AS 29.45.030(a)(1) or in (b) of this section,  
6 employee contributions and other amounts held in the plan are exempt from Alaska  
7 state and local taxes. Except as provided in this subsection and in (b) **and (c)** of this  
8 section, amounts held on behalf of, or payable to, any employee or other person who is  
9 or may become eligible for benefits under the plan are not subject to anticipation,  
10 alienation, sale, transfer, assignment, pledge, encumbrance, or charge of any kind,  
11 either voluntary or involuntary, before being received by the person entitled to the  
12 amount under the terms of the plan. An attempt to anticipate, alienate, sell, transfer,  
13 assign, pledge, encumber, charge, or otherwise dispose of a right to amounts held  
14 under the plan is void. However, an employee's right to receive benefits or the

1 member's employee contribution account may be assigned

2 (1) under a qualified domestic relations order; [OR]

3 (2) to a trust or similar legal device that meets the requirements for a  
4 Medicaid-qualifying trust under AS 47.07.020(f) and 42 U.S.C. 1396p(d)(4); **or**

5 **(3) as provided in (c) of this section.**

6 \* **Sec. 2.** AS 39.35.500 is amended by adding a new subsection to read:

7 (c) A person receiving benefits under this chapter who intends to join or who  
8 belongs to a retirement organization may authorize the administrator to deduct from  
9 the person's benefits the amount of annual dues owed to the organization. The person  
10 shall make the authorization in writing on a form approved by the administrator. The  
11 authorization remains in effect until revoked in writing. The revocation is effective  
12 when received by the administrator. The administrator may, by regulation, assess a  
13 reasonable administrative fee to compensate the system for administration of this  
14 subsection. In this subsection, "retirement organization" means an organization  
15 representing persons receiving benefits under this chapter that is affiliated with an  
16 organization representing employees of the employer under AS 23.40.070 - 23.40.260.

17 \* **Sec. 3.** This Act takes effect October 1, 2011.