

Chapter 30. Insurance and Supplemental Employee Benefits

Article 2. State Internal Auditor is amended to read:

Article 2. [STATE INTERNAL AUDITOR] State Social Security Administrator

2AAC 05.100 is repealed:

2 AAC 05.100. **Duties.** (Eff. 4/1/74, Register 50; repealed ___/___/___, Register___)

2 AAC 05.110 is repealed:

2 AAC 05.110. **Use of Agency Records.** (Eff. 4/1/74, Register 50; repealed ___/___/___, Register___)

2 AAC 05.120. is repealed:

2AAC 05.120 **General Provisions.**(Eff. 4/1/74, Register 50; repealed ___/___/___, Register___)

2 AAC 05 is amended by adding a new section to read:

2 AAC 05.125 Duties of the State Social Security Administrator.

(a) The state social security administrator, under the general supervision of the commissioner of administration or designee, as required by 20 CFR 404.1204 is designated to act for the State in administering the State’s Section 218 coverage agreement. The state administrator’s duties include:

- (1) Maintaining physical custody, in a secure location, of the State's Section 218 Agreement, its modifications and all intrastate agreements;
- (2) Providing copies of all modifications and intrastate agreements to active political subdivisions with explanations of any changes that have been overridden by subsequent changes to federal law;
- (3) Taking appropriate steps to execute modifications to the original agreement that include additional coverage groups, correcting errors in modifications or identifying additional political subdivisions that join a covered retirement system;
- (4) Conducting referenda on the coverage of services of individuals in positions under a retirement system;
- (5) Serving as an information liaison for federal, state and local agencies in the education and training of public employers;
- (6) Drafting and publishing rules, policies, procedures and standards for operation of the state social security administrator's office;
- (7) Providing the SSA with notice and evidence of the legal dissolution of covered state or political subdivision entities;
- (8) Providing guidance to the state's governmental employers on issues related to Section 218 coverage;
- (9) Working with SSA and the Internal Revenue Service (IRS) in addressing coverage and taxation questions related to the agreement and modifications; and

(10) assesses the state’s covered political subdivision, pursuant to existing state statutes, to ascertain the administrative costs for operation of the section 218 coverage program. (Eff. __/__/__, Register ____)

Authority: AS 39.30.010 **AS 39.30.010** **AS 39.30.030**
AS 39.30.040 **AS 39.30.060**

Chapter 35

Public Employees' Retirement System

Article 2 Administration

2 AAC 35.220 is repealed and readopted to read:

2 AAC 35.220. Submission and audit of employer records.

(a) The employer shall transmit to the administrator records concerning the employee's period of service, date of birth, compensation, entrance into service, death, withdrawal and other data necessary for the proper and effective operation of the system within 10 days of the date of occurrence or the first day of the payroll period occurring closest to the event, whichever is earlier.

(b) The administrator may perform an audit, review or assessment of the records of the employer to ensure compliance with the statutes and regulations of the public employees' retirement system and to confirm the accuracy of the information reported by the employer to the plan.

(c) audit, review or assessment of the employer records to determine an employer's compliance with the plan provisions shall include a desk audit, a field audit or both.

(d) In conducting an audit, review or assessment of the employer records, the employer shall allow the administrator or designee access to original records documenting personnel hiring and employment practices.

(e) Following the audit, review or assessment of the employer records, the employer will be provided with written preliminary findings. The preliminary findings will identify

inaccuracies and issues to be resolved to maintain compliance with plan provisions. Within 30 days of the date of the receipt of the preliminary findings the employer shall submit additional documentation for consideration or to respond to the preliminary findings.

(f) The final audit will include audit or review findings and will be provided to the employer no more than 60 days after consideration of any documentation or response submitted under (e) of this section.

(g) In this section, unless the context otherwise requires,

(1) “audit” means the process of obtaining competent evidentiary material about employer records through inspection, observation, inquiry, and confirmation sufficient to support a reasonable basis for determining the employer’s compliance with the legal requirements of the public employees’ retirement system.

(2) “desk audit” means an audit of an employer’s records conducted by the administrator or designee based upon an examination of an employer’s records without an on-site visit to the location of the employer business records;

(3) “field audit” means an audit of an employer conducted by the administrator or designee based upon an examination of an employer’s records with an on-site visit to the location of the employer business records.

(In effect before 10/21/83, Register 93; am/readopt 7/20/2006, Register 179; am 1/13/2010, Register 193; am ___/___/___, Register ___)

Authority: AS 39.35.003 AS 39.35.004 AS 39.35.005
AS 39.35.070

Chapter 36

Teachers' Retirement System

**Article 2. Administration of the Defined Benefit Plan (AS 14.25.009-14.25.220) and the
Defined Contribution Plan (AS 14.25.310-14.25.590)**

2 AAC 36.021 is repealed and readopted to read:

2 AAC 36.021 Employers to Supply Employment Records

(a) The employer shall transmit to the administrator records concerning the employee's period of service, date of birth, compensation, entrance into service, death, withdrawal and other data necessary for the proper and effective operation of the system within 10 days of the date of occurrence or the first day of the payroll period occurring closest to the event, whichever is earlier.

(b) The administrator may perform an audit, review or assessment of the records of the employer to ensure compliance with the statutes and regulations of the public employees' retirement system and to confirm the accuracy of the information reported by the employer to the plan.

(c) audit, review or assessment of the employer records to determine an employer's compliance with the plan provisions shall include a desk audit, a field audit or both.

(d) In conducting an audit, review or assessment of the employer records, the employer shall allow the administrator or designee access to original records documenting personnel hiring and employment practices.

(e) Following the audit, review or assessment of the employer records, the employer will be provided with written preliminary findings. The preliminary findings will identify

inaccuracies and issues to be resolved to maintain compliance with plan provisions. Within 30 days of the date of the receipt of the preliminary findings the employer shall submit additional documentation for consideration or to respond to the preliminary findings.

(f) The final audit will include audit or review findings and will be provided to the employer no more than 60 days after consideration of any documentation or response submitted under (e) of this section.

(g) In this section, unless the context otherwise requires,

(1) “audit” means the process of obtaining competent evidentiary material about employer records through inspection, observation, inquiry, and confirmation sufficient to support a reasonable basis for determining the employer’s compliance with the legal requirements of the teachers’ retirement system.

(2) “desk audit” means an audit of an employer’s records conducted by the administrator or designee based upon an examination of an employer’s records without an on-site visit to the location of the employer business records;

(3) “field audit” means an audit of an employer conducted by the administrator or designee based upon an examination of an employer’s records with an on-site visit to the location of the employer business records.

(Effective 7/20/2006, Register 179; am 1/13/2010, Register 193; am ___/___/___, Register ___)

Authority: AS 14.25.003 AS 14.25.004 AS 14.25.005

Chapter 37

Article 1

Judicial Retirement System

2 AAC 37 is amended by adding a new section to read:

2 AAC 37.033 Court System to Supply Employment Records

(a) The court system shall transmit to the administrator records concerning the judge or justice's period of service, date of birth, compensation, entrance into service, death, withdrawal and other data necessary for the proper and effective operation of the system within 10 days of the date of occurrence or the first day of the payroll period occurring closest to the event, whichever is earlier.

(b) The administrator may perform an audit, review or assessment of the records of the court system to ensure compliance with the statutes and regulations of the public employees' retirement system and to confirm the accuracy of the information reported by the court system to the plan.

(c) audit, review or assessment of the court system records to determine the court system's compliance with the plan provisions shall include a desk audit, a field audit or both.

(d) In conducting an audit, review or assessment of the records, the court system shall allow the administrator or designee access to original records documenting personnel hiring and employment practices.

(e) Following the audit, review or assessment of the court system records, the court system will be provided with written preliminary findings. The preliminary findings will

identify inaccuracies and issues to be resolved to maintain compliance with plan provisions.

Within 30 days of the date of the receipt of the preliminary findings the court system shall submit additional documentation for consideration or to respond to the preliminary findings.

(f) The final audit will include audit or review findings and will be provided to the court system no more than 60 days after consideration of any documentation or response submitted under (e) of this section.

(g) In this section, unless the context otherwise requires,

(1) “audit” means the process of obtaining competent evidentiary material about court system records through inspection, observation, inquiry, and confirmation sufficient to support a reasonable basis for determining the court system’s compliance with the legal requirements of the judicial retirement system.

(2) “desk audit” means an audit of court system records conducted by the administrator or designee based upon an examination of court system records without an on-site visit to the location of the court system business records;

(3) “field audit” means an audit of court system conducted by the administrator or designee based upon an examination of court system records with an on-site visit to the location of the court system business records.

(Effective __/__/__, am __/__/__, Register __)

Authority: AS 22.25.025 AS 22.25.027

Chapter 37

Article 3

Supplemental Benefits System

2 AAC 37.180 is repealed and adopted to read:

2 AAC 37.180 Annuity Plan Operations

(a) The administrator shall establish the supplemental annuity trust fund as a separate trust fund of the supplemental benefits system. The assets of the individual employee annuity accounts must be deposited and held in the fund for the exclusive benefit of the participating employees or their beneficiaries.

(b) The Alaska Retirement Management Board will adopt a written statement of goals and objectives for the supplemental annuity trust fund. The statement will include specific investment performance objectives and the time period over which they are to be realized. The statement will be reviewed and modified as necessary, and at least annually.

(c) The administrator shall contract with an independent firm of certified public accountants to conduct an annual audit of the system, its accounts, and the supplemental annuity trust fund.

(d) If contributions are posted to an individual's annuity account after the commencement date of an annuity benefit and if the contributions do not result from the individual's employment subsequent to the commencement date, the administrator shall refund the contributions to the individual in a lump sum.

(e) Investment income will be posted monthly to the individual annuity accounts. Investment income will continue to be posted to the expected date of initiation of payment.

(f) The supplemental benefits system will not initiate payment on an individual annuity account balance of less than \$5.

(g) The employer shall transmit to the administrator records concerning the employee's period of service, date of birth, compensation, entrance into service, death, withdrawal and other data necessary for the proper and effective operation of the system within 10 days of the date of occurrence or the first day of the payroll period occurring closest to the event, whichever is earlier.

(h) The administrator may perform an audit, review or assessment of the records of the employer to ensure compliance with the statutes and regulations of the public employees' retirement system and to confirm the accuracy of the information reported by the employer to the plan.

(i) audit, review or assessment of the employer records to determine an employer's compliance with the plan provisions shall include a desk audit, a field audit or both.

(j) In conducting an audit, review or assessment of the employer records, the employer shall allow the administrator or designee access to original records documenting personnel hiring and employment practices.

(k) Following the audit, review or assessment of the employer records, the employer will be provided with written preliminary findings. The preliminary findings will identify inaccuracies and issues to be resolved to maintain compliance with plan provisions. Within 30 days of the date of the receipt of the preliminary findings the employer shall submit additional documentation for consideration or to respond to the preliminary findings.

(l) The final audit will include audit or review findings and will be provided to the

employer no more than 60 days after consideration of any documentation or response submitted under (e) of this section.

(m) In this section, unless the context otherwise requires,

(1) “audit” means the process of obtaining competent evidentiary material about employer records through inspection, observation, inquiry, and confirmation sufficient to support a reasonable basis for determining the employer’s compliance with the legal requirements of the supplemental benefits system.

(2) “desk audit” means an audit of an employer’s records conducted by the administrator or designee based upon an examination of an employer’s records without an on-site visit to the location of the employer business records;

(3) “field audit” means an audit of an employer conducted by the administrator or designee based upon an examination of an employer’s records with an on-site visit to the location of the employer business records.

(In effect before 11/7/85, Register 99; am 11/16/90, Register 118; am 5/3/91, Register 118; em am 5/3/91-10/28/91, Register 118; am ___/___/___, Register ___)

Authority: AS 39.30.154 AS 39.30.155 AS 39.30.160