CS FOR HOUSE BILL NO. 277(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/8/00
Referred: Rules

Sponsor(s): REPRESENTATIVES HALCRO, Dyson, Rokeberg, Cissna, Smalley

A BILL

FOR AN ACT ENTITLED

"An Act relating to payment of retirement benefits for certain subsequently reemployed retired members of the teachers' retirement system; and providing for an effective date."

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

* Section 1. AS 14.25.043 is amended to read:

Sec. 14.25.043. Reemployment of retired members. Except as provided in (b) of this section, if [IF] a retired member again becomes an active member, benefit payments may not be made during the period of reemployment. The retirement benefit must be suspended for the entire school year if the teacher is reemployed as an active teacher for a period equivalent to a year of service. During the period of reemployment, deductions from the member's salary will be made in accordance with AS 14.25.050. Upon subsequent retirement, the retired member is entitled to receive an additional benefit based on the credited service and the average base salary during the period of reemployment in accordance with AS 14.25.110.
* Sec. 2. AS 14.25.043(a) is amended to read:

(a) If a retired member again becomes an active member, benefit payments may not be made during the period of reemployment. The retirement benefit must be suspended for the entire school year if the teacher is reemployed as an active teacher for a period equivalent to a year of service. During the period of reemployment, deductions from the member's salary will be made in accordance with AS 14.25.050. Upon subsequent retirement, the retired member is entitled to receive an additional benefit based on the credited service and the average base salary during the period of reemployment in accordance with AS 14.25.110.

* Sec. 3. AS 14.25.043 is amended by adding a new subsection to read:

(b) A school district or regional educational attendance area that has or anticipates having a shortage of teachers qualified to teach in a particular discipline or specialty may, by resolution, adopt a policy that permits the employment of retired teachers who are qualified to teach in the discipline or specialty in accordance with this subsection. The policy must describe the circumstances that constitute a shortage. If a shortage of teachers exists in the district or attendance area as described in the policy, the district or attendance area shall notify the administrator that it is hiring retired teachers under this subsection. Retired teachers reemployed under a policy adopted in accordance with this subsection shall continue to receive benefit payments under this chapter during the period of reemployment. The payments shall be based on the member’s accrued credited service and the member’s average base salary in effect before the period of reemployment. During the period of reemployment, deductions from the member’s salary shall be made in accordance with AS 14.25.050. Upon subsequent retirement, the retired member is entitled to receive an additional benefit based on the credited service and the average base salary during the period of reemployment in accordance with AS 14.25.110.

* Sec. 4. SUNSET. AS 14.25.043(b) is repealed July 1, 2003.

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

REPORT TO LEGISLATURE. Beginning in 2001 and ending in 2004, the
**Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

**EFFECT OF SUNSET ON EXISTING TEACHER CONTRACTS.** Notwithstanding the repeal of AS 14.25.043(b) made by sec. 4 of this Act, a retired teacher who is employed under a contract on June 30, 2003, may continue to receive benefits and make deductions as though AS 14.25.043(b) were not repealed for the duration of the teacher’s contract of employment then in effect.

**Sec. 7.** Section 2 of this Act takes effect July 1, 2003.