

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 24, 2015

SUBJECT: Sectional Summary (SB 79; Work Order No. 29-LS0444\H)

TO: Senator Mike Dunleavy
Attn: Bethany Marcum

FROM: Daniel C. Wayne 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1 would allow borough school districts, city school districts, regional educational attendance areas, state boarding schools, and the state centralized correspondence study program to reemploy members of the defined benefit plan of the teachers' retirement system who have taken a normal retirement, if the member has been retired for at least three months. For this purpose section 1 defines "member" as a person who is eligible to participate in the defined benefit plan and who is covered by the plan, limited to

(A) a certificated full-time or part-time elementary or secondary teacher, a certificated school nurse, or a certificated person in a position requiring a teaching certificate as a condition of employment in a public school of the state, the Department of Education and Early Development, or the Department of Labor and Workforce Development;

(B) a full-time or part-time teacher of the University of Alaska or a person occupying a full-time administrative position at the University of Alaska that requires academic standing; the approval of the administrator must be obtained before an administrative position qualifies for membership in the plan; however, a teacher or administrative person at the university who is participating in a university retirement program under AS 14.40.661 - 14.40.799 is not a member under this plan; and

(C) a state legislator who elects membership under AS 14.25.040(b).

Section 2 would allow retirees who are reemployed as permitted by section 1 of the bill, in a job other than commissioner, to continue to receive retirement benefits during the period of reemployment.

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Section 3 would make retirees who are reemployed as permitted by section 1 of the bill ineligible to receive an additional retirement benefit based on their service and salary during the period of reemployment, unless they are reemployed as a commissioner.

Section 4 would add language to the defined benefit plan of the Teachers' Retirement System to require that while a member under section 1 of the bill is reemployed, the member's legal status remains that of a retiree from the plan and not an active member of the plan, the member does not receive credited service in the plan, and money is not deducted from the member's salary and contributed to the defined benefit plan.

Section 5 would make the bill's provisions applicable to contracts, for reemployment of members as permitted under section 1 of the bill, that are made on or after the bill's effective date.

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