

LEGAL SERVICES

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MEMORANDUM

April 8, 2015

SUBJECT: Sectional Summary
(CSSB 79(EDC); Work Order No. 29-LS0444\N)

TO: Senator Mike Dunleavy
Attn: Sheila Peterson

FROM: Daniel C. Wayne
Legislative Counsel 

You have requested a sectional summary of the above-described draft 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 draft 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 either the defined contribution plan or the defined benefit plan of the teachers' retirement system who have retired. It would require that a member of the defined contribution plan of the teachers retirement system who takes a normal retirement may be reemployed only if the member has been retired under the plan for three months or longer if the member is at least 62, or one year or longer if the member is less than 62. It would require the employer to make employer contributions to the defined benefit plan of the teachers' retirement system.

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.

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 Conforms an employer contribution requirement in the defined benefit plan of the teachers' retirement system to the requirement (proposed in sec. 1 of the bill) that employers who reemploy retirees from the plan shall make employer contributions.

Section 6 would make the bill's provisions applicable to contracts that are made on or after the bill's effective date.

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