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Sectional Analysis SB185 ver. D

Section 1

Adds new section to AS 14.20:

AS 14.20.136(a) allows school districts to rehire educators that have retired under the defined benefit plan or the defined contribution plan when;

AS 14.20.136(b)(1) the retired member certifies that there was no prearrangement of reemployment made prior to retirement;

AS 14.20.136(b)(2) the member has been retired at least 60 days if they are 62 years of age or older or six months if the member is younger than 62 years of age;

AS 14.20.136(c) the school district has adopted a rehire policy by resolution and has publicly advertised the position for 10 business days and is actively recruiting to fill the position with a person other than a retired member.

AS 14.20.136(d) reemployment contracts may not exceed 12 consecutive months.

AS 14.20.136(e) the school district that hires a retiree must provide the administrator with a copy of the resolution and policy required by (e) as well as a report stating the retiree's name, description of circumstances, and actions taken to comply with the policy. The school district is also required to make contributions to AS 14.25.070.

AS 14.20.136(f) certain requirements of the section don't apply to a rehire member that's eligible for restoration of tenure rights.

Section 2

Allows retirees who are rehired, as permitted by section 1, to continue to receive retirement benefits during the period of reemployment unless they become an active member.

Sections 3

Makes retirees who are reemployed, as permitted by section 1, ineligible to receive additional retirement benefits based on their service and salary during the period of reemployment.

Section 4

Clarifies that a member who is reemployed does not become an active member, the member will continue to receive retirement benefits, deductions under TRS will not be made to their salary and reemployed educators will not receive credited time for service during reemployment. This section also ensures that a retired and rehired teacher will be eligible to receive the group health plan coverage that is provided to active members employed by the school district if they so choose.

Section 5

Inserts reference to section 1 which will require the employer to make TRS contribution for reemployed retirees at a rate of 12.56%.

Section 6

Applies the bill's provisions to contracts made on or after the effective date.

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