

CS FOR HOUSE BILL NO. 226(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 5/13/99

Referred: Labor and Commerce, Finance

Sponsor(s): REPRESENTATIVES COGHILL, Dyson, Whitaker, Morgan, Green, Smalley, Phillips, Rokeberg, Kerttula, Kemplen, Harris, Brice, Masek, Berkowitz

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to credited service under the teachers' retirement system for
2 education employees on leave without pay or receiving workers' compensation
3 benefits because of certain on-the-job injuries."

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

5 * **Section 1.** AS 14.25.040 is amended by adding a new subsection to read:

6 (e) A teacher who is assaulted while on the job, who files for benefits under
7 AS 23.30, and who, as a result of a physical injury from the assault, is placed on leave
8 without pay, whether or not the teacher is receiving benefits under AS 23.30 for the
9 injury, is entitled to accrue credited service while the teacher, because of the injury,
10 is on leave-without-pay status or is receiving workers' compensation benefits under
11 AS 23.30. Entitlement to earn credited service under this subsection ends when the
12 teacher is eligible to receive benefits under AS 14.25.110(a) or 14.25.130(a).

13 * **Sec. 2.** AS 14.25.050(a) is amended to read:

14 (a) **Except as provided in (c) of this section, beginning** [BEGINNING]

January 1, 1991, each teacher shall contribute to the system an amount equal to 8.65 percent of the teacher's base salary accrued from July 1 to the following June 30. The employer shall deduct the contribution from the teacher's salary at the end of each payroll period. The contributions shall be deducted from employee compensation before the computation of applicable federal taxes and shall be treated as employer contributions under 26 U.S.C. 414(h)(2).

* **Sec. 3.** AS 14.25.050 is amended by adding new subsections to read:

(c) The employer of a teacher who, because of a physical injury caused by an on-the-job assault, is on unpaid leave of absence or is receiving benefits under AS 23.30 shall pay the teacher's contributions required by this section while the teacher is on unpaid leave or receiving the workers' compensation benefits.

(d) A teacher who is placed on leave of absence without pay because the teacher is unable to work due to an on-the-job injury or occupational illness for which the teacher is receiving benefits under AS 23.30 and for which the teacher is not entitled to credited service under AS 14.25.040(e) may elect to receive credited service for the time on leave of absence without pay status. When a teacher elects to receive credited service under this subsection, an indebtedness is established. The amount of the indebtedness is equal to the contributions that the teacher would have made if the teacher had been working. Interest as prescribed by regulation accrues on the indebtedness beginning on the date that the teacher returns to work or terminates employment. If there is an outstanding indebtedness at the time the teacher is appointed to retirement, benefits shall be actuarially adjusted.

* **Sec. 4.** AS 39.35.160(a) is amended to read:

(a) Beginning January 1, 1987, each peace officer or fire fighter shall contribute to the system an amount equal to seven and one-half percent of the peace officer's or fire fighter's compensation. **Except as provided in (c) of this section, beginning** [BEGINNING] January 1, 1987, each other employee shall contribute to the system an amount equal to six and three-quarters percent of the employee's compensation. The contributions shall be deducted by the employer at the end of each payroll period. The contributions shall be deducted from employee compensation before computation of applicable federal taxes, and the contributions shall be treated

1 as employer contributions under 26 U.S.C. 414(h)(2).

2 * **Sec. 5.** AS 39.35.160 is amended by adding new subsections to read:

3 (c) The employer of a member who is employed by a school district, a
4 regional educational attendance area, or a state boarding school who is assaulted while
5 on the job and who, as a result of a physical injury from the assault, is placed on
6 unpaid leave of absence or is receiving benefits under AS 23.30, shall pay the
7 member's contributions under this section while the member is, as a result of the on-
8 the-job injury, on unpaid leave or receiving the benefits under AS 23.30.

9 * **Sec. 6.** AS 39.35.330 is amended by adding a new subsection to read:

10 (d) An employee of a school district, a regional educational attendance area,
11 or a state boarding school who is assaulted while on the job and who, as a result of
12 a physical injury from the assault, is placed on leave without pay, whether or not the
13 employee receives workers' compensation benefits under AS 23.30 for the injury, is
14 entitled to accrue credited service while the employee, because of the injury, is on
15 leave-without-pay status or is receiving the benefits under AS 23.30. Entitlement to
16 credited service under this subsection ends when the employee is eligible to receive
17 benefits under AS 39.35.370(a) or 39.35.410(a).

18 * **Sec. 7.** This Act entitles a teacher under AS 14.25 or an employee of a school district,
19 a regional educational attendance area, or a state boarding school under AS 39.35 to receive
20 credited service for days on leave without pay or days when the teacher or employee was
21 receiving workers' compensation benefits under AS 23.30 that occur on or after the effective
22 date of this Act.