

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

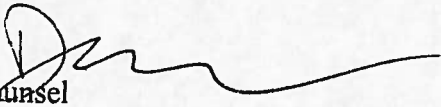
State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 4, 2013

SUBJECT: Sectional Summary of HB 152 (Work Order No. 28-LS0272\C)

TO: Representative Steve Thompson
Attn: Jane Pierson

FROM: Dan 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. Adds a new subsection to the PERS defined benefit retirement plan, requiring employers to continue contributing to the defined benefit retirement plan until the plan does not have a past service liability, regardless of whether they have terminated participation in PERS by some or all of their employees.

Section 2. Repeals a requirement that employers pay for a termination cost study if they terminate participation, by some or all of their employees, in the PERS defined benefit retirement plan. Requires certain employers who terminate a certain percentage of employee participation in the PERS defined benefit retirement plan to contribute a certain amount of money to the defined benefit retirement plan until the past service liability of that plan is extinguished.

Section 3. Repeals language requiring employers who terminate some or all participation in the PERS defined contribution retirement plan to pay a termination cost based on the actuarially required cost of fully funding that plan, including the cost of providing pension benefits elected by certain disabled firefighters or peace officers, certain health benefits, and certain occupational disability and death benefits, and replaces the repealed language with language requiring certain employers to pay termination costs and excusing certain other employers from paying termination costs.

Section 4. Repeals language establishing termination cost payment deadlines and collection procedures for the PERS defined contribution retirement plan, and reenacts new language establishing termination cost payment deadlines and collection procedures.

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Repeals language allowing employers that have terminated all participation in the PERS defined contribution retirement plan to participate in the plan again, in the future, if they have paid all prior termination costs. (This language is reenacted in another section of the bill).

Section 5. Adds subsections to AS 39.35.958, including subsections that exempt certain employers from paying termination costs to the PERS defined contribution retirement plan; require employers, if they are required to pay termination costs to the defined contribution retirement plan, to pay those costs until the defined contribution plan does not have a past service liability; and restore language, repealed in sec. 4 of the bill, allowing employers that have terminated all participation in the defined contribution retirement plan to participate in the plan again, in the future, if they have paid all required prior termination costs.

Section 6. Repeals a requirement that employers pay for a termination cost study if they terminate participation, by some or all of their employees, in the PERS defined contribution retirement plan.

Section 7. Annuls 2 AAC 35.235, a state regulation relating to PERS termination cost requirements.

Section 8. Establishes a temporary law requiring that certain provisions in the bill would apply only to termination costs paid on or after the bill's effective date.

Section 9. Establishes a temporary law making certain sections of the bill retroactive to July 1, 2008.

Section 10. Would give the bill an immediate effective date.

DCW:ljw

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