<u>A M E N D M E N T</u>

OFFERED IN THE HOUSE

TO: HB 22

BY REPRESENTATIVE MCCABE

1 Page 18, following line 14: 2 Insert a new bill section to read: "* Sec. 31. AS 39.35.680(9) is amended to read: 3 4 (9) "compensation" means 5 (A) for an employee who does not receive a benefit under 6 AS 39.35.370(*l*), the remuneration earned by an employee for personal services 7 rendered to an employer, including employee contributions under 8 AS 39.35.160, cost-of-living differentials only as provided in AS 39.35.675, 9 payments for leave that is actually used by the employee, the amount by which 10 the employee's wages are reduced under AS 39.30.150(c), an amount that is 11 contributed by the employer under a salary reduction agreement and that is not 12 includable in the gross income of the employee under 26 U.S.C. 125 or 13 132(f)(4), and any amount deferred under an employer-sponsored deferred 14 compensation plan, but does not include retirement benefits, severance pay or 15 other separation bonuses, welfare benefits, per diem, expense allowances, 16 workers' compensation payments, or payments for leave not used by the 17 employee, whether those leave payments are scheduled payments, lump-sum 18 payments, donations, or cash-ins; for a member first hired on or after July 1, 19 1996, compensation does not include remuneration in excess of the limitations 20 set out in 26 U.S.C. 401(a)(17) (Internal Revenue Code); 21 for an employee who receives a benefit under **(B)** 22 AS 39.35.370(l), the remuneration earned by an employee for personal

23 services rendered to an employer, including employee contributions under

-1-

1	AS 39.35.160, cost-of-living differentials only as provided in AS 39.35.675,
2	payments for leave that is actually used by the employee, the amount by
3	which the employee's wages are reduced under AS 39.30.150(c), an
4	amount that is contributed by the employer under a salary reduction
5	agreement and that is not includable in the gross income of the employee
6	under 26 U.S.C. 125 or 132(f)(4), and any amount deferred under an
7	employer-sponsored deferred compensation plan, but does not include
8	overtime compensation, retirement benefits, severance pay or other
9	<u>separation bonuses, welfare benefits, per diem, expense allowances,</u>
10	workers' compensation payments, or payments for leave not used by the
11	employee, whether those leave payments are scheduled payments, lump-
12	sum payments, donations, or cash-ins; for a member first hired on or after
13	July 1, 1996, compensation does not include remuneration in excess of the
14	limitations set out in 26 U.S.C. 401(a)(17) (Internal Revenue Code);"
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16	Renumber the following bill sections accordingly.
17	
18	Page 19, line 31, through page 20, line 1:
19	Delete "sec. 35"
20	Insert "sec. 36"
21	
22	Page 20, line 9:
23	Delete "sec. 35"
24	Insert "sec. 36"
25	
26	Page 20, line 16:
27	Delete "sec. 35"
28	Insert "sec. 36"
29	
30	Page 22, line 24:
31	Delete "secs. 4 - 36"

1	Insert "secs. 4 - 37"
2	
3	Page 22, line 29:
4	Delete "Section 37"
5	Insert "Section 38"
6	
7	Page 22, line 30:
8	Delete "sec. 38"
9	Insert "sec. 39"