



LAWS OF ALASKA

1989

Source

CSHB 23(Fin)

Chapter No.

58

AN ACT

Relating to credit for service as an elected officer of a municipality or political subdivision for certain members of the teachers' retirement system, and to credit for part-time service in the public employees' retirement system and the teachers' retirement system; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 14

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: May 30, 1989
Actual Effective Date: May 31, 1989

AN ACT

Relating to credit for service as an elected officer of a municipality or political subdivision for certain members of the teachers' retirement system, and to credit for part-time service in the public employees' retirement system and the teachers' retirement system; and providing for an effective date.

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

(d) A person who is employed at least half-time in the system during the same period that the person is employed at least half-time in a position in the public employees' retirement system under AS 39.-35 shall receive credited service under each system for half-time employment. However, the amount of credited service a person receives under the public employees' retirement system during a school year may not exceed the amount necessary, when added to the amount of credited service earned during the school year under the system, to equal one year of credited service. A person who was employed at least half-time in a position in the public employees' retirement system under AS 39.35 in the same period that the person was employed at least half-time in a position in this system may claim credited service in both systems for employment before the effective date of this Act. To obtain this credited service, the person shall claim the service and

Chapter 58

1 verify the period of half-time employment. When eligibility for
2 half-time service credit has been established, an indebtedness shall
3 be determined to the retirement system in which the person did not
4 participate. The amount of the indebtedness is the full actuarial
5 cost of providing benefits for the credited service claimed. Interest
6 as prescribed by regulation accrues on that indebtedness beginning on
7 the later of July 1, 1989, or the date on which the member is first
8 eligible to claim the service. Any outstanding indebtedness existing
9 at the time the person retires will require an actuarial adjustment to
10 the benefits payable based on that service.

11 * Sec. 2. AS 39.35 is amended by adding a new section to read:

12 Sec. 39.35.131. MEMBERSHIP IN TEACHERS' AND PUBLIC EMPLOYEES'
13 RETIREMENT SYSTEMS. (a) A person who is employed at least half-time
14 in the system during the same period that the person is employed at
15 least half-time in a position in the teachers' retirement system under
16 AS 14.25 shall receive credited service under each system for half-
17 time employment. However, the amount of credited service a person
18 receives under the system during a school year may not exceed the
19 amount necessary, when added to the amount of credited service earned
20 during the school year under the teachers' retirement system, to equal
21 one year of credited service.

22 (b) A person who was employed at least half-time in a position
23 in the teachers' retirement system under AS 14.25 in the same period
24 that the person was employed at least half-time in a position in this
25 system may claim credited service in both systems for employment
26 before the effective date of this Act. To obtain this credited ser-
27 vice, the person shall claim the service and verify the period of
28 half-time employment. When eligibility for half-time service credit
29 has been established, an indebtedness shall be determined to the

1 retirement system in which the person did not participate. The amount
2 of the indebtedness is the full actuarial cost of providing benefits
3 for the credited service claimed. Interest as prescribed by regula-
4 tion accrues on that indebtedness beginning on the later of July 1,
5 1989, or the date on which the member is first eligible to claim the
6 service. Any outstanding indebtedness existing at the time the person
7 retires will require an actuarial adjustment to the benefits payable
8 based on that service.

9 * Sec. 3. AS 39.35 is amended by adding a new section to read:

10 Sec. 39.35.381. ALTERNATE BENEFIT FOR ELECTED PUBLIC OFFICERS.

11 (a) An elected public officer is eligible for a public officer benef-
12 it if the officer is retired under AS 14.25 (teachers' retirement
13 system). Only fully paid credited service as an elected public offi-
14 cer of a municipality or other political subdivision, earned while the
15 municipality or political subdivision was an employer under this
16 system and while the person was employed full-time under AS 14.25, may
17 be counted under this section.

18 (b) Credited service for which contributions were refunded is
19 not creditable under this section unless the refunded contributions
20 have been repaid. For purposes of (a) of this section, a member or
21 former member does not have to be reemployed under this system in
22 order to pay refunded contributions. Compound interest at the rate
23 prescribed by regulation must be added to the reinstatement indebted-
24 ness from the date of the refund to the date of repayment.

25 (c) The amount of the monthly elected public officer benefit is
26 two percent of the average monthly compensation for service eligible
27 under this section times those years of service.

28 (d) When an elected public officer eligible to receive credited
29 service under this section dies, the officer's designated beneficiary

Chapter 58

1 is entitled to the balance in the officer's employee contribution
2 account.

3 (e) A person who retires under this section is not entitled to
4 disability or death benefits under AS 39.35.400 - 39.35.440, a minimum
5 benefit under AS 39.35.485, or to medical benefits under AS 39.35.535.
6 Service earned under this section may not be used for vesting under
7 this chapter.

8 (f) Benefits payable under this section accrue from the first
9 day of the month after which all of the following requirements are
10 met: (1) the elected public officer meets the eligibility require-
11 ments of this section; (2) the officer terminates employment under
12 this chapter; and (3) the officer applies for retirement. The bene-
13 fits are payable the last day of the month. If payment is delayed, a
14 retroactive payment shall be made to cover the period of the delay.

15 (g) An elected public officer may claim credit under this sec-
16 tion for service performed as an elected public officer before the
17 effective date of this Act. To claim the service, the elected public
18 officer must have been an elected public officer of a municipality or
19 political subdivision that was an employer under this system during
20 the elected service and must have been employed full-time under
21 AS 14.25 during that time. When the elected public officer claims
22 that service, an indebtedness to the system is established. The
23 amount of the indebtedness is the full actuarial cost of providing
24 benefits for the service claimed. Interest as prescribed by regu-
25 lation accrues on that indebtedness beginning on July 1, 1989. Any
26 outstanding indebtedness existing at the time the person retires will
27 require an actuarial adjustment to the benefits payable based on that
28 service.

29 * Sec. 4. AS 39.35.680(21) is amended to read:

(21) "member" or "employee"

(A) means a person eligible to participate in the system and who is covered by the system;

(B) includes

- (i) active member;
- (ii) inactive member;
- (iii) vested member;
- (iv) deferred vested member;
- (v) non-vested member;
- (vi) disabled member;
- (vii) retired member;
- (viii) an elected public officer under AS 39.35.381;

(C) does not include

- (i) former members;
- (ii) persons compensated on a contractual or fee basis;
- (iii) casual or emergency workers or nonpermanent employees as defined in AS 39.25.200;
- (iv) persons covered by the Alaska Teachers' Retirement System except as provided under AS 39.35.131 and 39.35.381;
- (v) employees of the division of marine transportation engaged in operating the state ferry system who are covered by a union or group retirement system to which the state makes contributions;
- (vi) justices of the supreme court or judges of the court of appeals or of the superior or district courts of Alaska;
- (vii) the administrative director of courts

Chapter 58

1 appointed under art. IV, sec. 16 of the state constitution
2 unless the director becomes a member under AS 39.35.158; and

3 (viii) members of the elected public officers'
4 retirement system (former AS 39.37);

5 (D) may include employees of the division of marine
6 transportation excluded under (C)(v) of this paragraph provided
7 that

8 (i) the State of Alaska formally agrees to their
9 inclusion through the process of collective bargaining; and

10 (ii) no collective bargaining agreement has the
11 effect of obligating contributions made by the state under
12 AS 39.30.150 in the event the state resumes participation in
13 the federal social security system;

14 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).