

**CS FOR HOUSE BILL NO. 323(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 5/4/98

Referred: Rules

Sponsor(s): REPRESENTATIVES BRICE, Kubina, Croft, Nicholia

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the calculation of employee contributions and credited service  
2 in the public employees' retirement system for noncertificated employees of school  
3 districts, regional educational attendance areas, the Alaska Vocational Technical  
4 Center, and state boarding schools; and providing for an effective date."

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

6 \* **Section 1.** AS 39.35.160 is amended by adding a new subsection to read:

7 (c) An employee who has made an irrevocable election under AS 39.35.300(c)  
8 or 39.35.310(c) to have the employee's years of service as a noncertificated employee  
9 of a state boarding school, of a school district or regional educational attendance area,  
10 or of the Alaska Vocational Technical Center determined by reference to AS 14.25.220  
11 shall pay a contribution surcharge for that service. The amount of the surcharge is the  
12 difference between the amount the employer would have had to contribute under  
13 AS 39.35.250 - 39.35.290 for the employee when treating the employee's credited  
14 service as service earned under AS 39.35.300(c) or 39.35.310(c) less the amount the

1 employer would have had to contribute under AS 39.35.250 - 39.35.290 without  
2 treating the employee's credited service as service earned under AS 39.35.300(c) or  
3 39.35.310(c).

4 \* **Sec. 2.** AS 39.35.300 is amended by adding a new subsection to read:

5 (c) A noncertificated employee of the Alaska Vocational Technical Center or  
6 a state boarding school who first becomes a member of the system on or after the  
7 effective date of this Act may, within 90 days after the employee first joins the system,  
8 make an irrevocable election under this subsection to have the years of service that the  
9 employee earns in that employment determined using the table for service on or after  
10 July 1, 1969, that is set out in the definition of "year of service" in AS 14.25.220. A  
11 noncertificated employee of the Alaska Vocational Technical Center or a state boarding  
12 school who is an active member of the system on the effective date of this Act may,  
13 within 180 days after the effective date of this Act, make the irrevocable election. A  
14 member of the system who is an inactive member on the effective date of this Act and  
15 who is later employed as a noncertificated employee of the Alaska Vocational  
16 Technical Center or a state boarding school may, within 90 days after beginning the  
17 subsequent employment, make the irrevocable election. An election under this  
18 subsection shall be made in writing on a form provided by the administrator. The  
19 election applies to the employee's service earned for the school year in which the  
20 election is accepted by the administrator. An employee who makes an election under  
21 this subsection shall pay the contribution surcharge as set out in AS 39.35.160(c).

22 \* **Sec. 3.** AS 39.35.310 is amended by adding a new subsection to read:

23 (c) A noncertificated employee of a school district or regional educational  
24 attendance area who first becomes a member of the system on or after the effective  
25 date of this Act may, within 90 days after the employee first joins the system, make  
26 an irrevocable election under this subsection to have the years of service that the  
27 employee earns in that employment determined using the table for service on or after  
28 July 1, 1969, that is set out in the definition of "year of service" in AS 14.25.220. A  
29 noncertificated employee of a school district or regional educational attendance area  
30 who is an active member of the system on the effective date of this Act may, within  
31 180 days after the effective date of this Act, make the irrevocable election. A member

1 of the system who is an inactive member on the effective date of this Act and who  
2 later is employed as a noncertificated employee of a school district or regional  
3 educational attendance area may, within 90 days after beginning the subsequent  
4 employment, make the irrevocable election. An election under this subsection shall  
5 be made in writing on a form provided by the administrator. The election applies to  
6 the employee's service earned for the school year in which the election is accepted by  
7 the administrator. An employee who makes an election under this subsection shall pay  
8 the contribution surcharge as set out in AS 39.35.160(c).

9 \* **Sec. 4.** This Act takes effect July 1, 1998.