

SENATE BILL NO. 170

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Introduced: 5/7/99

Referred: HESS, Finance

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 and who, as a result of injury
7 from the assault, is placed on leave without pay, whether or not the teacher is
8 receiving benefits under AS 23.30 for the injury, is entitled to accrue credited service
9 while the teacher, because of the injury, is on leave-without-pay status or is receiving
10 workers' compensation benefits under AS 23.30. Entitlement to earn credited service
11 under this subsection ends when the teacher is eligible to be appointed to normal
12 retirement under AS 14.25.110(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]

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

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

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

12 (d) A teacher who takes more than 10 days leave of absence without pay in
13 a calendar year because the teacher is unable to work due to an on-the-job injury or
14 occupational illness for which the teacher is receiving benefits under AS 23.30 and for
15 which the teacher is not entitled to credited service under AS 14.25.040(e) may elect
16 to receive credited service for the time on leave of absence without pay status. When
17 a teacher elects to receive credited service under this subsection, an indebtedness is
18 established. The amount of the indebtedness is equal to the contributions that the
19 teacher would have made if the teacher had been working, less the sum of
20 contributions that the teacher made for those periods of time and an amount equal to
21 contributions that would have been made for the first 10 days of leave without pay.
22 Interest as prescribed by regulation accrues on the indebtedness beginning on the date
23 that the teacher returns to work or terminates employment. If there is an outstanding
24 indebtedness at the time the teacher is appointed to retirement, benefits shall be
25 actuarially adjusted.

26 * **Sec. 4.** AS 39.35.120 is amended by adding a new subsection to read:

27 (c) An employee of a school district, a regional educational attendance area,
28 or a state boarding school who is assaulted while on the job and who, as a result of
29 injury from the assault, is placed on leave without pay, whether or not the employee
30 receives workers' compensation benefits under AS 23.30 for the injury, is entitled to
31 accrue credited service while the employee, because of the injury, is on leave-without-

1 pay status or is receiving the benefits under AS 23.30. Entitlement to credited service
2 under this subsection ends when the employee is eligible to be appointed to normal
3 retirement under AS 39.35.370(a).

4 * **Sec. 5.** AS 39.35.160(a) is amended to read:

5 (a) **Except as provided in (c) of this section, beginning** [BEGINNING]
6 January 1, 1987, each peace officer or fire fighter shall contribute to the system an
7 amount equal to seven and one-half percent of the peace officer's or fire fighter's
8 compensation. Beginning January 1, 1987, each other employee shall contribute to the
9 system an amount equal to six and three-quarters percent of the employee's
10 compensation. The contributions shall be deducted by the employer at the end of each
11 payroll period. The contributions shall be deducted from employee compensation
12 before computation of applicable federal taxes, and the contributions shall be treated
13 as employer contributions under 26 U.S.C. 414(h)(2).

14 * **Sec. 6.** AS 39.35.160 is amended by adding new subsections to read:

15 (c) The employer of a member who is employed by a school district, a
16 regional educational attendance area, or a state boarding school, who, because of an
17 injury caused by an on-the-job assault, is on unpaid leave of absence or is receiving
18 benefits under AS 23.30, shall pay the member's contributions under this section while
19 the member is, as a result of the on-the-job injury, on unpaid leave or receiving the
20 benefits under AS 23.30.

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