

**CS FOR HOUSE BILL NO. 277(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/8/00

Referred: Rules

Sponsor(s): REPRESENTATIVES HALCRO, Dyson, Rokeberg, Cissna, Smalley

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to payment of retirement benefits for certain subsequently  
2 reemployed retired members of the teachers' retirement system; and providing for  
3 an effective date."

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

5 \* Section 1. AS 14.25.043 is amended to read:

6           **Sec. 14.25.043. Reemployment of retired members. Except as provided in**  
7           **(b) of this section, if** [IF] a retired member again becomes an active member, benefit  
8           payments may not be made during the period of reemployment. The retirement benefit  
9           must be suspended for the entire school year if the teacher is reemployed as an active  
10          teacher for a period equivalent to a year of service. During the period of  
11          reemployment, deductions from the member's salary will be made in accordance with  
12          AS 14.25.050. Upon subsequent retirement, the retired member is entitled to receive  
13          an additional benefit based on the credited service and the average base salary during  
14          the period of reemployment in accordance with AS 14.25.110.

1     \* **Sec. 2.** AS 14.25.043(a) is amended to read:

2             (a) **If** [EXCEPT AS PROVIDED IN (b) OF THIS SECTION, IF] a retired  
3     member again becomes an active member, benefit payments may not be made during  
4     the period of reemployment. The retirement benefit must be suspended for the entire  
5     school year if the teacher is reemployed as an active teacher for a period equivalent  
6     to a year of service. During the period of reemployment, deductions from the  
7     member's salary will be made in accordance with AS 14.25.050. Upon subsequent  
8     retirement, the retired member is entitled to receive an additional benefit based on the  
9     credited service and the average base salary during the period of reemployment in  
10    accordance with AS 14.25.110.

11    \* **Sec. 3.** AS 14.25.043 is amended by adding a new subsection to read:

12             (b) A school district or regional educational attendance area that has or  
13    anticipates having a shortage of teachers qualified to teach in a particular discipline or  
14    specialty may, by resolution, adopt a policy that permits the employment of retired  
15    teachers who are qualified to teach in the discipline or specialty in accordance with  
16    this subsection. The policy must describe the circumstances that constitute a shortage.  
17    If a shortage of teachers exists in the district or attendance area as described in the  
18    policy, the district or attendance area shall notify the administrator that it is hiring  
19    retired teachers under this subsection. Retired teachers reemployed under a policy  
20    adopted in accordance with this subsection shall continue to receive benefit payments  
21    under this chapter during the period of reemployment. The payments shall be based  
22    on the member's accrued credited service and the member's average base salary in  
23    effect before the period of reemployment. During the period of reemployment,  
24    deductions from the member's salary shall be made in accordance with AS 14.25.050.  
25    Upon subsequent retirement, the retired member is entitled to receive an additional  
26    benefit based on the credited service and the average base salary during the period of  
27    reemployment in accordance with AS 14.25.110.

28    \* **Sec. 4.** SUNSET. AS 14.25.043(b) is repealed July 1, 2003.

29    \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section  
30    to read:

31             REPORT TO LEGISLATURE. Beginning in 2001 and ending in 2004, the

1 administrator of the teachers' retirement system shall report to the legislature by the 30th day  
2 of the regular legislative session concerning the effect of this Act on the retirement system.

3 \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section  
4 to read:

5 **EFFECT OF SUNSET ON EXISTING TEACHER CONTRACTS.** Notwithstanding  
6 the repeal of AS 14.25.043(b) made by sec. 4 of this Act, a retired teacher who is employed  
7 under a contract on June 30, 2003, may continue to receive benefits and make deductions as  
8 though AS 14.25.043(b) were not repealed for the duration of the teacher's contract of  
9 employment then in effect.

10 \* **Sec. 7.** Section 2 of this Act takes effect July 1, 2003.