

**SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 253**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVES JAMES, Kerttula**

**Introduced: 4/28/01**

**Referred: State Affairs, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to retirement contributions and benefits under the public employees'**  
2 **retirement system of certain state employees who are employed as social workers or who**  
3 **supervise social workers."**

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

5 \* **Section 1.** AS 39.35.160(a) is amended to read:

6 (a) Beginning January 1, 1987, each peace officer or fire fighter shall  
7 contribute to the system an amount equal to seven and one-half percent of the peace  
8 officer's or fire fighter's compensation. **Beginning January 1, 2002, each state social**  
9 **worker shall contribute to the system an amount equal to seven and one-half**  
10 **percent of the social worker's compensation.** Except as provided in (d) of this  
11 section, beginning January 1, 1987, each other employee shall contribute to the system  
12 an amount equal to six and three-quarters percent of the employee's compensation.  
13 The contributions shall be deducted by the employer at the end of each payroll period.  
14 The contributions shall be deducted from employee compensation before computation

1 of applicable federal taxes, and the contributions shall be treated as employer  
2 contributions under 26 U.S.C. 414(h)(2).

3 \* **Sec. 2.** AS 39.35.370(a) is amended to read:

4 (a) Subject to AS 39.35.450, a terminated employee is eligible for a normal  
5 retirement benefit

6 (1) at age 60 with at least five years credited service;

7 (2) with at least 20 years of credited service as a peace officer, [OR]  
8 fire fighter, **or state social worker**; or

9 (3) with at least 30 years of credited service for all other employees.

10 \* **Sec. 3.** AS 39.35.370(c) is amended to read:

11 (c) The monthly amount of a retirement benefit for a peace officer, [OR] fire  
12 fighter, **or state social worker** is two percent of the average monthly compensation  
13 times the years of credited service through 10 years, plus two and one-half percent of  
14 the average monthly compensation times the years of service over 10 years. For all  
15 other employees it is

16 (1) two percent of the average monthly compensation times all years of  
17 service before July 1, 1986, and for years of service through a total of 10 years; plus

18 (2) two and one-quarter percent of the average monthly compensation  
19 times all years of service after June 30, 1986, over 10 years of total service through 20  
20 years; plus

21 (3) two and one-half percent of the average monthly compensation  
22 times all years of service after June 30, 1986, over 20 years of total service.

23 \* **Sec. 4.** AS 39.35.370(f) is amended to read:

24 (f) A member who is vested in the system as a peace officer, [OR] fire fighter,  
25 **or state social worker** at the time the member incurs a permanent disability of at least  
26 33 1/3 percent under workers' compensation and who (1) undergoes retraining because  
27 of the disability; and (2) is subsequently employed with the state or other employer in  
28 a position other than peace officer, [OR] fire fighter, **or state social worker** is eligible  
29 for a normal retirement benefit as a peace officer, [OR] fire fighter, **or state social**  
30 **worker** under (a) and (c) of this section upon completing 20 years of credited service.

31 \* **Sec. 5.** AS 39.35.527 is amended to read:

1           **Sec. 39.35.527. Election to terminate coverage as a peace officer, [OR] fire**  
 2 **fighter, or state social worker.** (a) Any active member may elect to irrevocably  
 3 relinquish **hazardous duty** [PEACE OFFICER OR FIRE FIGHTER] status with the  
 4 system and to retain all credited service as if it had been acquired as a member other  
 5 than a peace officer, [OR] fire fighter, **or state social worker.**

6           (b) In order to relinquish **hazardous duty** [PEACE OFFICER OR FIRE  
 7 FIGHTER] status with the system, a person must be an active member and must file a  
 8 written request with the administrator by July 1, 1984, **for active members who are**  
 9 **peace officers or fire fighters** or within six months after employment as a peace  
 10 officer or fire fighter, **or by July 1, 2002, or within six months after employment as**  
 11 **a state social worker for active members who are state social workers,** whichever  
 12 occurs later. No person has more than one opportunity to exercise this option.

13           (c) As soon as possible after the relinquishment, the administrator shall refund  
 14 to a person who relinquishes **hazardous duty** [PEACE OFFICER OR FIRE  
 15 FIGHTER] status under this section a refund equal to the amount by which the  
 16 balance of the person's accumulated mandatory contributions plus interest exceeds the  
 17 balance which would exist if all service credit had been acquired as a member other  
 18 than a peace officer, [OR] fire fighter, **or state social worker.**

19           (d) A written request to relinquish **hazardous duty** [PEACE OFFICER OR  
 20 FIRE FIGHTER] status is irrevocable upon filing with the administrator.

21           **(e) In this section, "hazardous duty status" means status as a peace**  
 22 **officer, fire fighter, or state social worker under this system.**

23 \* **Sec. 6.** AS 39.35.680 is amended by adding a new paragraph to read:

24           (41) "state social worker" means a state employee who is employed, on  
 25 or after January 1, 2002, as a

26                   (A) social worker whose prime responsibility is child  
 27 protection under AS 47.10, 47.17, or 47.35;

28                   (B) unit leader of social workers whose prime responsibility is  
 29 child protection under AS 47.10, 47.17, or 47.35; or

30                   (C) direct supervisor of a social worker whose prime  
 31 responsibility is child protection under AS 47.10, 47.17, or 47.35.

1     \* **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to  
2 read:

3           TRANSITION. (a) A state employee who was employed by the state before  
4 January 1, 2002, as a social worker, unit leader of social workers, or direct supervisor of a  
5 social worker may convert the credited service for that position during that time to credited  
6 service as a state social worker as enacted by this Act by claiming the service as state social  
7 worker service before the member is appointed to retirement. When the member claims this  
8 credited service as state social worker service, an indebtedness of the member to the system  
9 shall be established. The indebtedness is equal to (1) the contributions to the system that the  
10 employee would have made if the service had counted as state social worker service, less (2)  
11 the contributions to the system that the employee actually made. Interest, as prescribed by  
12 regulation, accrues on this indebtedness, as required by regulation. Any outstanding  
13 indebtedness that exists at the time a person is appointed to retirement will require an actuarial  
14 adjustment to the benefits payable based upon the service claimed under this subsection.

15           (b) In this section, "state social worker" has the meaning given in AS 39.35.680(41),  
16 enacted by sec. 6 of this Act.