

HOUSE BILL NO. 481

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE KAPSNER

Introduced: 2/19/02

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 forest technicians."**

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

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

5 (a) Beginning January 1, 1987, each peace officer or fire fighter shall
6 contribute to the system an amount equal to seven and one-half percent of the peace
7 officer's or fire fighter's compensation. **Beginning January 1, 2003, each state**
8 **employee who is employed as a forest technician shall contribute to the system an**
9 **amount equal to seven and one-half percent of the employee's compensation.**

10 Except as provided in (d) of this section, beginning January 1, 1987, each other
11 employee shall contribute to the system an amount equal to six and three-quarters
12 percent of the employee's compensation. The contributions shall be deducted by the
13 employer at the end of each payroll period. The contributions shall be deducted from
14 employee compensation before computation of applicable federal taxes, and the

1 contributions shall be treated as employer contributions under 26 U.S.C. 414(h)(2).

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

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

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

6 (2) with at least 20 years of credited service as a peace officer, [OR]
7 fire fighter, **or forest technician**; or

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

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

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

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

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

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

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

23 (f) A member who is vested in the system as a peace officer, [OR] fire fighter,
24 **or forest technician** at the time the member incurs a permanent disability of at least
25 33 1/3 per cent under workers' compensation and who (1) undergoes retraining
26 because of the disability; and (2) is subsequently employed with the state or other
27 employer in a position other than peace officer, [OR] fire fighter, **or forest technician**
28 is eligible for a normal retirement benefit as a peace officer, [OR] fire fighter, **or**
29 **forest technician** under (a) and (c) of this section upon completing 20 years of
30 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 forest technician.** (a) Any active member may elect to irrevocably
 3 relinquish peace officer, [OR] fire fighter, **or forest technician** status with the system
 4 and to retain all credited service as if it had been acquired as a member other than a
 5 peace officer, [OR] fire fighter, **or forest technician.**

6 (b) In order to relinquish peace officer, [OR] fire fighter, **or forest technician**
 7 status with the system, a person must be an active member and must file a written
 8 request with the administrator by July 1, 1984, **for active members who are peace**
 9 **officers or fire fighters** or within six months after employment as a peace officer or
 10 fire fighter, **or by July 1, 2003, or within six months after employment as a forest**
 11 **technician for active members who are forest technicians,** whichever occurs later.
 12 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 peace officer, [OR] fire fighter, **or forest technician**
 15 status under this section a refund equal to the amount by which the balance of the
 16 person's accumulated mandatory contributions plus interest exceeds the balance which
 17 would exist if all service credit had been acquired as a member other than a peace
 18 officer, [OR] fire fighter, **or forest technician.**

19 (d) A written request to relinquish peace officer, [OR] fire fighter, **or forest**
 20 **technician** status is irrevocable upon filing with the administrator.

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

22 (41) "forest technician" means a state employee who is employed, on
 23 or after January 1, 2003, in the job class titled forest technician.

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

26 TRANSITION. (a) A state employee who was employed by the state before
 27 January 1, 2003, as a forest technician may convert the credited service for that position
 28 during that time to credited service as a forest technician as enacted by this Act by claiming
 29 the service as forest technician service before the member is appointed to retirement. When
 30 the member claims this credited service as forest technician service, an indebtedness of the
 31 member to the system shall be established. The indebtedness is equal to (1) the contributions

1 to the system that the employee would have made if the service had counted as forest
2 technician service, less (2) the contributions to the system that the employee actually made.
3 Interest, as prescribed by regulation, accrues on this indebtedness, as required by regulation.
4 Any outstanding indebtedness that exists at the time a person is appointed to retirement will
5 require an actuarial adjustment to the benefits payable based upon the service claimed under
6 this subsection.

7 (b) In this section, "forest technician" has the meaning given in AS 39.35.680(41),
8 enacted by sec. 6 of this Act.