

SENATE CS FOR HOUSE BILL NO. 140(STA) am S(efd fld S)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Amended: 4/30/03

Offered: 3/20/03

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to benefits for retired teachers or employees who participated in**
2 **retirement incentive programs and are subsequently reemployed as a commissioner."**

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

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 FINDINGS AND PURPOSE. (a) The legislature finds that it is in the best interests
7 of the people of Alaska to ensure that the principal departments of state government are
8 managed by competent, skilled, knowledgeable, and experienced individuals. Choosing to
9 serve Alaska as the commissioner of a principal department often requires an individual to
10 make sacrifices, including reduced pay and benefits as well as relocation of the individual and
11 the individual's family to the state capital.

12 (b) The purposes of this Act are to remove a major disincentive to serving as the
13 commissioner of a principal department and to give the governor greater flexibility in filling
14 those positions.

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

2 (a) If a retired member again becomes an active member, benefit payments
3 may not be made during the period of reemployment unless the teacher makes an
4 election under (b) **or (e)** of this section. The retirement benefit must be suspended for
5 the entire school year if the teacher is reemployed as an active teacher for a period
6 equivalent to a year of service. During the period of reemployment, the member is
7 subject to AS 14.25.050, and deductions from the member's salary will be made in
8 accordance with AS 14.25.050.

9 * **Sec. 3.** AS 14.25.043 is amended by adding new subsections to read:

10 (d) A member who retired under AS 14.25.110(a) and participated in a
11 retirement incentive program under ch. 26, SLA 1986; ch. 89, SLA 1989; ch. 65, SLA
12 1996; ch. 4, FSSLA 1996; or ch. 92, SLA 1997, who is subsequently reemployed as a
13 commissioner may become an active member without losing the incentive credit
14 provided under the applicable retirement incentive plan and is not subject to any
15 related reemployment indebtedness.

16 (e) A member who retired under AS 14.25.110(a) and participated in a
17 retirement incentive program under ch. 26, SLA 1986; ch. 89, SLA 1989; ch. 65, SLA
18 1996; ch. 4, FSSLA 1996; or ch. 92, SLA 1997, who is subsequently reemployed as a
19 commissioner and becomes an active member may, within 30 days of the date of
20 reemployment, elect to continue receiving benefit payments during the period of
21 reemployment by filing a waiver of coverage with the administrator on a form
22 provided by the administrator. An election under this subsection waives coverage for
23 the period of reemployment and is irrevocable during the period of reemployment.
24 Deductions from the member's salary may not be made under AS 14.25.050 during the
25 period of reemployment, and the member may not receive credited service for the
26 period of reemployment. A member who makes an election under this subsection
27 does not lose the incentive credit provided under the applicable retirement incentive
28 plan and is not subject to any related reemployment indebtedness.

29 * **Sec. 4.** AS 39.35.150(b) is amended to read:

30 (b) A member who retired under AS 39.35.370(a) and subsequently becomes
31 an active member may, within 30 days of the date of reemployment, elect to continue

1 receiving benefit payments during the period of reemployment by filing an election
 2 with the administrator on a form provided by the administrator. An election under this
 3 subsection waives coverage for the period of reemployment and is irrevocable during
 4 the period of reemployment. During the period of reemployment, deductions from the
 5 member's salary may not be made under AS 39.35.160 and the member may not
 6 receive credited service. A member who participated in a retirement incentive
 7 program under ch. 26, SLA 1986; ch. 89, SLA 1989; ch. 65, SLA 1996; ch. 4, FSSLA
 8 1996; or ch. 92, SLA 1997, is not eligible to make an election under this subsection
 9 **unless the member is reemployed as a commissioner.**

10 * **Sec. 5.** AS 39.35.150 is amended by adding a new subsection to read:

11 (e) A member who retired under 39.35.370(a) and participated in a retirement
 12 incentive program under ch. 26, SLA 1986; ch. 89, SLA 1989; ch. 65, SLA 1996; ch.
 13 4, FSSLA 1996; or ch. 92, SLA 1997, who is subsequently reemployed as a
 14 commissioner may become an active member without losing the incentive credit
 15 provided under the applicable retirement incentive plan and is not subject to any
 16 related reemployment indebtedness.

17 * **Sec. 6.** The uncodified law of the State of Alaska enacted in sec. 12, ch. 57, SLA 2001, is
 18 amended to read:

19 Sec. 12. AS 14.20.135; AS 14.25.043(b), **14.25.043(e), added by sec. 3 of**
 20 **this 2003 Act;** AS 39.35.120(b)(2), 39.35.150(b), **as amended by sec. 4 of this 2003**
 21 **Act,** and 39.35.150(c) are repealed July 1, 2005.

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

24 **RETROSPECTIVE EFFECT.** This Act is retrospective to May 1, 2003.