

**HOUSE BILL NO. 329**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-THIRD LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVES MCGUIRE, Kerttula**

**Introduced: 5/21/03**

**Referred: State Affairs, Labor and Commerce, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to retirement incentive programs for the public employees' retirement**  
2 **system, the judicial retirement system, and the teachers' retirement system; relating to**  
3 **separation incentives for certain state employees; and providing for an effective date."**

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

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

7 FINDINGS AND PURPOSE. The State of Alaska and many local governments and  
8 school districts are facing the need to restructure their operations and their work forces in  
9 order to reduce expenditures and balance budgets. Retirement and separation incentives are  
10 management tools that have been used extensively by the private sector, the federal  
11 government, and other state and local governments across the country. The purpose of this  
12 Act is to make these management tools temporarily available to the state and to the  
13 municipalities and school districts of the state. This Act will enable these entities to be more  
14 efficient and cost-effective by eliminating certain nonessential positions, and producing a net

1 reduction in personnel costs.

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

4 RETIREMENT INCENTIVE PROGRAM. (a) An employer may adopt a retirement  
5 incentive plan under secs. 3 - 6 of this Act, as appropriate, and designate categories of  
6 employees eligible to participate in that plan. An employer need not extend the incentive plan  
7 to all employees who would otherwise be eligible, but may choose to extend the plan only to  
8 employees

9 (1) in specific budget or administrative components of the employer;

10 (2) in specific job classifications;

11 (3) in specific geographic locations; or

12 (4) on the basis of any combination of factors under (1) - (3) of this  
13 subsection.

14 (b) An employee is eligible to participate in a retirement incentive plan under this Act  
15 only if the

16 (1) employee is a vested member of the public employees' retirement system  
17 or the teachers' retirement system;

18 (2) employee will be qualified to retire under AS 14.25.110 or AS 39.35.370  
19 after receipt of the credit described in (f) of this section;

20 (3) savings to the employer in personal services costs for the employee's  
21 position will exceed the costs to the employer for that position within three years after the  
22 employee is appointed to retirement.

23 (c) An employer shall file its proposed retirement incentive plan with the  
24 commissioner of administration. The commissioner shall approve the plan if the plan meets  
25 the requirements of this Act, except that the commissioner may approve a state agency's  
26 retirement incentive plan only if the office of management and budget approves the  
27 calculation of savings under (b)(3) of this section. A proposed plan filed under this section  
28 must

29 (1) identify job classifications of employees, and specific budget or  
30 administrative components, eligible to participate in the plan;

31 (2) include a reimbursement agreement that

1 (A) requires the employer, for each employee who retires under the  
2 plan, to reimburse the appropriate retirement system, within three years after the end  
3 of the fiscal year in which the employee is appointed to retirement, in an amount equal  
4 to

5 (i) the actuarial equivalent of the difference between the  
6 benefits the participant receives after the addition of the credit under (f) of this  
7 section and the amount the participant would have received without the credit,  
8 less the amount the participant has paid on the indebtedness determined under  
9 (d) or (e) of this section; and

10 (ii) an appropriate share of the administrative costs of the  
11 program; and

12 (B) provides that contributions from the employer under this section  
13 take priority over other obligations of the employer to the maximum extent permitted  
14 by law.

15 (d) A member of the teachers' retirement system who participates in an approved  
16 retirement incentive plan under this Act is indebted to that system for an amount calculated  
17 under this subsection. The indebtedness is 25.95 percent of the member's actual  
18 compensation for the school year in which the member terminates employment, or the  
19 calculated school year compensation for a member who works less than the entire school year.  
20 An outstanding indebtedness at the time a member is appointed to retirement under an  
21 approved retirement incentive plan requires an actuarial adjustment to the benefits payable to  
22 that member.

23 (e) A member of the public employees' retirement system who participates in an  
24 approved retirement incentive plan under this Act is indebted to that system for an amount  
25 calculated under this subsection. The indebtedness is 22-1/2 percent for a peace officer or fire  
26 fighter, and 20-1/4 percent for other members, of the member's actual annual compensation  
27 for the year in which the member terminates employment, or the calculated annual  
28 compensation for a member who works fewer than 12 months. An outstanding indebtedness  
29 at the time a member is appointed to retirement under an approved retirement incentive plan  
30 requires an actuarial adjustment to the benefits payable to that member.

31 (f) An employee who participates in an approved retirement incentive plan under this

1 Act receives a credit of three years. The three years must be applied in the following order  
2 until exhausted:

3 (1) to meet the age or service required for eligibility for normal retirement  
4 under AS 14.25.110 or AS 39.35.370, as appropriate;

5 (2) to meet the age required for early retirement under AS 14.25.110 or  
6 AS 39.35.370, as appropriate;

7 (3) to reduce the actuarial adjustment required for early retirement under  
8 AS 14.25.110 or AS 39.35.370, as appropriate;

9 (4) as years of credited service for calculating retirement benefits.

10 (g) In this section,

11 (1) "department" means

12 (A) a principal department of the executive branch of state  
13 government; an independent state entity that is attached to a principal department of  
14 the executive branch for administrative purposes but that is not a public organization  
15 as defined in AS 39.35.680 is part of that department for purposes of this paragraph;  
16 and

17 (B) the Office of the Governor;

18 (2) "employer" has the meaning given in AS 14.25.220 and AS 39.35.680 and  
19 includes a department.

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

22 **AUTHORIZATION FOR STATE EMPLOYEE RETIREMENT INCENTIVE.** (a) A  
23 state agency may adopt, and file with the commissioner of administration for approval, a  
24 proposed retirement incentive plan for its employees.

25 (b) Upon the request of a state agency, the commissioner of administration shall  
26 establish one or more periods during which the employees of that state agency who are  
27 eligible under sec. 2(b) of this Act to participate in a retirement incentive plan may apply to  
28 the commissioner of administration to participate in the state agency's approved plan. The  
29 periods shall begin no earlier than July 1, 2003, and end no later than June 30, 2006. The  
30 periods shall be no less than 30 days and no more than 60 days in duration, and may not begin  
31 less than 30 days after their establishment. A state agency is not required to request an

1 application period, and may request more than one application period.

2 (c) A proposed retirement incentive plan adopted under this section may not permit an  
3 employee who is the governor, the lieutenant governor, or a commissioner, deputy  
4 commissioner, or assistant commissioner of a principal department of the executive branch to  
5 participate in the plan.

6 (d) A proposed retirement incentive plan adopted under this section may permit  
7 participation only by an employee who is eligible to participate under sec. 2(b) of this Act and  
8 who

9 (1) has been continuously employed by the state for at least one year before  
10 the employee applies to participate in the state agency's approved plan;

11 (2) is a permanent seasonal employee who has been continuously employed  
12 by the state in a permanent seasonal position during all of the time in the one year before the  
13 employee's application to participate in which the position normally is filled;

14 (3) has a job sharing agreement with a state agency in which two or more  
15 employees share a single position identified by a single position control number and in which  
16 the employee who applies to participate in the plan was continuously employed by the agency  
17 during the portion of the one year before the employee's application in which the employee  
18 normally worked under the job sharing agreement; or

19 (4) meets a combination of the requirements of this subsection.

20 (e) The commissioner of administration may not accept the application of an  
21 employee to participate in an approved retirement incentive plan adopted under this section  
22 unless the employee will be appointed to retirement not later than the first day of the month  
23 that is six months after the last day of the application period established by the commissioner  
24 under (b) of this section. A state agency, in a plan adopted under this section, may set an  
25 earlier date by which an employee must be appointed to retirement in order to participate in  
26 the plan.

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

29 **AUTHORIZATION FOR RETIREMENT INCENTIVE FOR EMPLOYEES OF THE**  
30 **UNIVERSITY OF ALASKA.** (a) The Board of Regents of the University of Alaska may  
31 adopt, and file with the commissioner of administration for approval, a proposed retirement

1 incentive plan for university employees.

2 (b) Upon the request of the Board of Regents, the commissioner of administration  
3 shall establish one or more periods during which the employees of the university who are  
4 eligible under sec. 2(b) of this Act to participate in a retirement incentive plan may apply to  
5 the commissioner of administration to participate in the university's approved plan. The  
6 periods shall begin no earlier than July 1, 2003, and end no later than June 30, 2004. The  
7 periods shall be no less than 30 days and no more than 60 days in duration, and may not begin  
8 less than 30 days after their establishment. The Board of Regents is not required to request an  
9 application period, and may request more than one application period.

10 (c) The commissioner of administration may not accept the application of an  
11 employee to participate in an approved retirement incentive plan adopted under this section  
12 unless the employee will be appointed to retirement not later than the first day of the month  
13 that is six months after the last day of the application period established by the commissioner  
14 under (b) of this section. The Board of Regents, in a plan adopted under this section, may set  
15 an earlier date by which an employee of the University of Alaska must be appointed to  
16 retirement in order to participate in the plan.

17 (d) A participant in the optional university retirement program under AS 14.40.661 -  
18 14.40.799 who is vested in the public employees' retirement system or the teachers' retirement  
19 system may participate in a retirement incentive plan for that system if the participant meets  
20 the other qualifications of this Act. If a provision of this subsection is inconsistent with  
21 another provision of law, the provision of this subsection governs.

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

24 **AUTHORIZATION FOR RETIREMENT INCENTIVE FOR OTHER EMPLOYEES**  
25 **IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM.** (a) The governing body of a  
26 political subdivision of the state or public organization that has elected to participate in the  
27 public employees' retirement system under AS 39.35.550 - 39.35.650 may adopt, and file with  
28 the commissioner of administration for approval, a proposed retirement incentive plan for its  
29 employees. Upon the request of the governing body, the commissioner of administration shall  
30 establish one or more periods during which the employees of a political subdivision or public  
31 organization who are eligible to participate in a retirement incentive plan may apply to the

1 commissioner of administration to participate in the approved plan. The periods shall begin  
 2 no earlier than October 31, 2003, and end no later than June 30, 2004. The periods shall be no  
 3 less than 30 days and no more than 60 days in duration, and may not begin less than 60 days  
 4 after their establishment. The governing body is not required to request an application period,  
 5 and may request more than one application period.

6 (b) The commissioner of administration may not accept the application of an  
 7 employee to participate in an approved retirement incentive plan adopted under this section  
 8 unless the employee will be appointed to retirement not later than the first day of the month  
 9 that is six months after the last day of the application period established by the commissioner  
 10 under (a) of this section. The governing body of the political subdivision or public  
 11 organization, in a plan adopted under this section, may set an earlier date by which an  
 12 employee must be appointed to retirement in order to participate in the plan.

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

15 **AUTHORIZATION FOR RETIREMENT INCENTIVE FOR OTHER EMPLOYEES**  
 16 **IN THE TEACHERS' RETIREMENT SYSTEM.** (a) An employer under the teachers'  
 17 retirement system who is not otherwise covered by secs. 3 or 4 of this Act may adopt, and file  
 18 with the commissioner of administration for approval, a proposed retirement incentive plan  
 19 for its employees. A plan adopted under this section must provide that the application period  
 20 for participation in the retirement incentive plan is July 1, 2003, through June 30, 2004.

21 (b) The commissioner of administration may not accept the application of an  
 22 employee to participate in an approved retirement incentive plan adopted under this section  
 23 unless the employee will be appointed to retirement on or before August 1, 2004. The  
 24 employer, in a plan adopted under this section, may set an earlier date by which an employee  
 25 must be appointed to retirement in order to participate in the plan.

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

28 **POLITICAL SUBDIVISION OR PUBLIC ORGANIZATION EMPLOYMENT.** For  
 29 purposes of determining the years of service requirements for retirement under AS 14.25.110  
 30 or AS 39.35.370, as appropriate, a vested member who is a state employee and who applies to  
 31 participate in a retirement incentive plan approved under this Act may receive credit for

1 employment with a political subdivision or public organization before the political  
 2 subdivision or organization became an employer under the public employees' retirement  
 3 system. The member may not receive credit for those years under this subsection for  
 4 purposes of determining benefits. If a provision of this section is inconsistent with any other  
 5 provision of law, the provision of this section governs.

6 \* **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to  
 7 read:

8 PROVISION AND AUTHORIZATION FOR ADMINISTRATIVE DIRECTOR OF  
 9 COURT. (a) The chief justice of the state supreme court may adopt a retirement incentive  
 10 plan for an administrative director of the Alaska Court System who is a member of the  
 11 judicial retirement system under AS 22.25.012 if participation in the plan will result in  
 12 savings to the court system in personal services costs within three years after the  
 13 commencement of the plan. The administrative director may participate only if the  
 14 administrative director is vested in the judicial retirement system and will be qualified to  
 15 retire under AS 22.25.010 after receipt of the retirement incentive. To participate, the  
 16 administrative director shall apply to the commissioner of administration to participate in the  
 17 approved court system plan.

18 (b) The court system shall include in the retirement incentive plan a reimbursement  
 19 agreement that requires the court system, for each administrative director of the Alaska Court  
 20 System who is retired under the plan, to reimburse the judicial retirement system within three  
 21 years after the end of the fiscal year in which the administrative director is appointed to  
 22 retirement in an amount equal to

23 (1) the actuarial equivalent of the difference between the benefits the  
 24 administrative director receives after the addition of the credit under (e) of this section and the  
 25 amount the participant would have received without the credit, less the total of the amount the  
 26 participant has paid on the indebtedness determined under (d) of this section; and

27 (2) an appropriate share of the administrative costs of the program.

28 (c) A retirement incentive plan adopted under this section must provide that  
 29 contributions from the court system under (b) of this section take priority over other  
 30 obligations of the court system to the maximum extent permitted by law.

31 (d) An administrative director of the Alaska Court System who participates in an

1 approved retirement incentive plan is indebted to the system. The amount of indebtedness is  
 2 equal to 21 percent of the director's actual annual compensation for the year in which the  
 3 director terminates employment to participate in the program, or the calculated annual  
 4 compensation for an administrative director who works fewer than 12 months. An  
 5 outstanding indebtedness at the time the administrative director is appointed to retirement  
 6 under an approved retirement incentive plan will require an actuarial adjustment to the  
 7 benefits payable to the director.

8 (e) An administrative director of the Alaska Court System who participates in an  
 9 approved retirement incentive plan receives a credit of three years that may only be used to  
 10 meet the age requirements for normal or early retirement under AS 22.25.010(d).

11 (f) The chief justice of the Alaska Court System may adopt, and file with the  
 12 commissioner of administration for approval, a proposed retirement incentive plan for the  
 13 administrative director of the court system who is a member of the judicial retirement system.  
 14 Upon the request of the chief justice, the commissioner of administration shall establish a  
 15 period during which an administrative director eligible to participate in the retirement  
 16 incentive plan of the court system may apply to the commissioner of administration to  
 17 participate in the court system's approved plan. The period shall begin no earlier than July 1,  
 18 2003, and end no later than June 30, 2004. The period shall be no less than 30 days and no  
 19 more than 60 days in duration and may not begin less than 30 days after establishment. The  
 20 chief justice is not required to request an application period.

21 (g) The commissioner of administration may not accept the application of an  
 22 administrative director of the court system to participate in an approved retirement incentive  
 23 plan adopted under this section unless the administrative director will be appointed to  
 24 retirement not later than the first day of the month that is six months after the last day of the  
 25 application period established by the commissioner under (f) of this section. The chief  
 26 justice, in a plan adopted under this section, may set an earlier date by which an  
 27 administrative director must be appointed to retirement in order to participate in the plan.

28 \* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to  
 29 read:

30 **RECOVERY OF EMPLOYER DELINQUENCIES.** To recover a delinquency owed  
 31 by an employer other than the state under an agreement entered into under sec. 2(c)(2) of this

1 Act, the Department of Administration may

2 (1) direct that the amount of the delinquency or a lesser amount be withheld  
3 from any money payable to the employer by a state department or agency and that the amount  
4 withheld be credited to the delinquency; and

5 (2) bring an action against the employer.

6 \* **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to  
7 read:

8 REEMPLOYMENT INDEBTEDNESS; PROHIBITION ON REEMPLOYMENT.

9 (a) If an individual is reemployed as a member of the public employees' retirement system  
10 under AS 39.35, the teachers' retirement system under AS 14.25, the judicial retirement  
11 system under AS 22.25, or the optional university retirement program under AS 14.40.661 -  
12 14.40.799 after appointment to retirement under this Act, that individual forfeits the incentive  
13 credit received under sec. 2(f) of this Act and is indebted to the system under which the  
14 individual took retirement. The indebtedness is 110 percent of the amount the individual  
15 received as a result of participation in a retirement incentive plan under this Act and to which  
16 the individual would not otherwise have been entitled, including the cost of health insurance.  
17 The amount that the individual has paid under sec. 2(d) or (e) of this Act will be applied as a  
18 credit toward the reemployment indebtedness. Interest on the reemployment indebtedness  
19 accrues from the date of reemployment until the date that the individual either is appointed to  
20 retirement and accepts an actuarial adjustment to the individual's future benefits or repays the  
21 indebtedness in full. The rate of interest is that established by regulation for the public  
22 employees' retirement system by the public employees' retirement board and for the teachers'  
23 retirement system by the teachers' retirement board.

24 (b) An individual who was appointed to retirement under this Act may not be  
25 employed by, or enter into a contract for personal services with, a state agency or the  
26 University of Alaska within the three years after the date of appointment to retirement, except  
27 that

28 (1) the University of Alaska may enter into a personal services contract with  
29 the individual for teaching or research; and

30 (2) the individual may accept employment with the legislature during a  
31 legislative session if the employment is on an hourly basis and does not entitle the individual

1 to receive retirement, health, or leave benefits.

2 (c) Notwithstanding the prohibition in (b) of this section, a state agency or the  
 3 University of Alaska may enter into a personal services contract with an individual who was  
 4 appointed to retirement under this Act if the Board of Regents, for the University of Alaska,  
 5 or the commissioner of administration, for a state agency, determines that there is a  
 6 compelling reason to do so because of the individual's specialized or extensive experience that  
 7 relates to a particular program or project of the state agency or university. However, a state  
 8 agency may not enter into a contract with an individual under this subsection if the individual  
 9 was employed by that state agency at the time of the individual's appointment to retirement.

10 \* **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to  
 11 read:

12 **SEPARATION INCENTIVE PROGRAM.** (a) A state agency may, with the approval  
 13 of the director of the office of management and budget, establish a separation incentive  
 14 program for its employees. The program may be offered in combination with an approved  
 15 retirement incentive plan adopted under sec. 3 of this Act, or may be offered separately from  
 16 such a plan. A state agency need not extend an incentive program under this section to all  
 17 employees who would otherwise be eligible to participate, but may choose to extend the  
 18 program only to employees

19 (1) in specific budget or administrative components of the state agency;

20 (2) in specific job classifications;

21 (3) on the basis of any combination of factors under (1) and (2) of this  
 22 subsection.

23 (b) A separation incentive payment under this section shall be paid in a lump sum  
 24 after the employee's separation from state service, and shall be equal to the lesser of an  
 25 amount equaling six months of the employee's base salary, or \$25,000. However, a state  
 26 agency or the office of management and budget may set a lower separation incentive payment  
 27 in the state agency's separation incentive program.

28 (c) Upon the request of a state agency, the commissioner of administration shall  
 29 establish one or more periods during which the employees of that state agency may apply to  
 30 the commissioner of administration to participate in the state agency's approved separation  
 31 incentive program. The periods shall begin no earlier than July 1, 2003, and end no later than

1 June 30, 2006. The periods shall be no less than 30 days and no more than 60 days in  
2 duration, and may not begin less than 30 days after their establishment. A state agency is not  
3 required to request an application period, and may request more than one application period.  
4 If the commissioner of administration has established one or more application periods for a  
5 state agency under sec. 3(b) of this Act, the application period or periods established under  
6 this subsection must coincide with the period or periods established under sec. 3(b) of this  
7 Act.

8 (d) A separation incentive program established under this section must provide that a  
9 separation incentive payment to an employee may be made only if

10 (1) the employee is a permanent full-time or permanent full-time seasonal  
11 employee with at least five years of service with the state; and

12 (2) the savings to the state agency in personal services costs for the position  
13 occupied by that employee would exceed, in the three years after the employee separates, the  
14 amount of the separation incentive payment.

15 (e) If an individual who received a separation incentive payment under this section  
16 subsequently is reemployed by a state agency or the University of Alaska within the three  
17 years after the date that the individual received the separation incentive payment, the  
18 individual is liable to the state in an amount equal to 110 percent of the amount of the  
19 separation incentive payment, plus interest at the rate prescribed by AS 45.45.010,  
20 commencing on the date that the individual received the separation incentive payment.

21 (f) If an employee is eligible to participate in an approved retirement incentive plan  
22 adopted under sec. 3 of this Act,

23 (1) a separation incentive payment to that employee may not exceed the  
24 amount that the state agency would be obligated to pay to the appropriate retirement system,  
25 notwithstanding (b) of this section; and

26 (2) the employee may participate in either the separation incentive program  
27 under this section or the retirement incentive plan adopted under sec. 3 of this Act, but not  
28 both.

29 (g) In this section, "base salary" means the monthly salary paid to an employee under  
30 the applicable collective bargaining agreement, AS 39.27.011, or another applicable pay  
31 schedule, and includes geographic differential; if an employee is paid on an hourly basis, the

1 employee's base salary is the employee's hourly rate, including geographic differential,  
2 multiplied by the number of hours in the employee's regular work week, multiplied by 4.35.

3 \* **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to  
4 read:

5 OFFICE OF MANAGEMENT AND BUDGET. (a) When designating an employee  
6 category for participation in a retirement incentive plan or a separation incentive program  
7 under this Act, the executive head of the relevant state agency shall describe in detail the  
8 expected effect of the plan or program on the agency's personal services cost and operation.  
9 This financial report must be approved by the director of the office of management and  
10 budget before the commissioner of administration may approve the proposed plan or program.  
11 The state agency shall report each year to the office of management and budget on the cost of  
12 each employee's participation and the effect on the agency's personal services cost and  
13 operation.

14 (b) The office of management and budget shall submit to the legislature annual  
15 reports on the retirement incentive and separation incentive programs under this Act  
16 beginning January 15, 2004, and continuing through January 15, 2006, and shall submit a  
17 final report January 15, 2007. Each report must provide the information necessary for the  
18 legislature to evaluate the effectiveness of the programs in achieving their objectives. The  
19 report must include information on the designated employee categories under the incentive  
20 programs, including the cost of each incentive program per participant, the cost to the state,  
21 the cost to the employee, the annual budgeted amount, by state agency, for the incentives, the  
22 number of positions deleted or left vacant, and the projected or actual net savings over the  
23 three-year period.

24 \* **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to  
25 read:

26 PROGRAM CHANGES. (a) An individual employee does not have a vested or  
27 contractual right to a benefit under this Act until an agreement is executed with the  
28 administrator that specifically authorizes that employee to participate in the retirement  
29 incentive program under this Act or until an agreement is executed with the commissioner of  
30 administration to participate in the separation incentive program under this Act. The  
31 legislature reserves the right to change any aspect of either incentive program as it relates to

1 employees for whom participation agreements have not yet been executed with the  
2 administrator or with the commissioner of administration.

3 (b) In this section, "administrator" means the administrator of the public employees'  
4 retirement system for employees who are members of that system, and the administrator of  
5 the teachers' retirement system for employees who are members of that system.

6 \* **Sec. 14.** The uncodified law of the State of Alaska is amended by adding a new section to  
7 read:

8 REGULATIONS. The commissioner of the Department of Administration may adopt  
9 regulations under AS 44.62 (Administrative Procedure Act) to implement and interpret this  
10 Act.

11 \* **Sec. 15.** The uncodified law of the State of Alaska is amended by adding a new section to  
12 read:

13 DEFINITIONS. (a) Unless provided otherwise in this Act, the definitions set out in  
14 AS 14.25.220 apply to provisions in secs. 2 - 10 of this Act that relate to the teachers'  
15 retirement system and members of the teachers' retirement system.

16 (b) Unless provided otherwise in this Act, the definitions set out in AS 39.35.680  
17 apply to provisions in secs. 2 - 10 of this Act that relate to the public employees' retirement  
18 system and members of the public employees' retirement system.

19 (c) In this Act,

20 (1) "office of management and budget" means the office of management and  
21 budget in the Office of the Governor;

22 (2) "public employees' retirement system" means the Public Employees'  
23 Retirement System of Alaska (AS 39.35);

24 (3) "state agency"

25 (A) means

26 (i) the legislative branch of state government;

27 (ii) the judicial branch of state government;

28 (iii) a principal department of the executive branch of state  
29 government; an independent state entity that is attached to a principal  
30 department of the executive branch for administrative purposes but that is not a  
31 public organization as defined in AS 39.35.680 is part of that department for

- 1 purposes of this clause; and
- 2 (iv) the Office of the Governor;
- 3 (B) does not include
- 4 (i) the University of Alaska;
- 5 (ii) a political subdivision of the state; or
- 6 (iii) a public organization as defined in AS 39.35.680;
- 7 (4) "teachers' retirement system" means the Teachers' Retirement System of
- 8 Alaska (AS 14.25).
- 9 \* **Sec. 16.** Sections 2, 3, and 11 of this Act are repealed July 1, 2006.
- 10 \* **Sec. 17.** Sections 4 - 8 of this Act are repealed July 1, 2004.
- 11 \* **Sec. 18.** This Act takes effect immediately under AS 01.10.070(c).