

SENATE BILL NO. 245

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

BY SENATOR ELTON

Introduced: 1/12/04

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 harbor officers."**

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, 2005, each harbor**
8 **officer shall contribute to the system an amount equal to seven and one-half**
9 **percent of the harbor officer's compensation.** Except as provided in (d) of this
10 section, beginning January 1, 1987, each other employee shall contribute to the system
11 an amount equal to six and three-quarters percent of the employee's compensation.
12 The contributions shall be deducted by the employer at the end of each payroll period.
13 The contributions shall be deducted from employee compensation before computation
14 of applicable federal taxes, and the contributions shall be treated as employer

1 contributions under 26 U.S.C. 414(h)(2). A member may not have the option of
 2 making the payroll deduction directly instead of having the contribution picked up by
 3 the employer.

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

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

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

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

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

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

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

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

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

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

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

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

1 * **Sec. 5.** AS 39.35.527 is amended to read:

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

7 (b) In order to relinquish **hazardous duty** [PEACE OFFICER OR FIRE
 8 FIGHTER] status with the system, a person must be an active member and must file a
 9 written request with the administrator by July 1, 1984, **for active members who are**
 10 **peace officers or fire fighters** or within six months after employment as a peace
 11 officer or fire fighter, **or by July 1, 2005, or within six months after employment as**
 12 **a harbor officer for active members who are harbor officers,** whichever occurs
 13 later. No person has more than one opportunity to exercise this option.

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

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

22 * **Sec. 6.** AS 39.35.527 is amended by adding a new subsection to read:

23 (e) In this section, "hazardous duty status" means status as a peace officer, fire
 24 fighter, or harbor officer under this system.

25 * **Sec. 7.** AS 39.35.680 is amended by adding a new paragraph to read:

26 (41) "harbor officer" means an employee authorized to enforce boat
 27 harbor laws within a boat harbor owned by a political subdivision of the state.

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

30 TRANSITION. (a) An employee who was employed before January 1, 2005, but on
 31 or after June 23, 1983, in a position that meets the definition of "harbor officer" enacted in

1 sec. 7 of this Act may convert the credited service for that position during that time to credited
2 service as a harbor officer as enacted by this Act by claiming the service as harbor officer
3 service before the member is appointed to retirement. When the member claims this credited
4 service as harbor officer service, an indebtedness of the member to the system shall be
5 established. The indebtedness is equal to (1) the contributions to the system that the
6 employee would have made if the service had counted as harbor officer service, less (2) the
7 contributions to the system that the employee actually made. Interest, as prescribed by
8 regulation, accrues on this indebtedness, as required by regulation. Any outstanding
9 indebtedness that exists at the time a person is appointed to retirement will require an actuarial
10 adjustment to the benefits payable based upon the service claimed under this subsection.

11 (b) In this section, "harbor officer service" means service that is eligible for enhanced
12 retirement benefits as established in this Act.