

CS FOR HOUSE BILL NO. 161(EDU)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON EDUCATION

Offered: 4/6/05

Referred: Health, Education and Social Services, State Affairs

Sponsor(s): REPRESENTATIVE ELKINS

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to reemployment of and benefits for retired teachers and public
2 employees and to teachers or employees who participated in retirement incentive
3 programs and are subsequently reemployed as a commissioner; repealing secs. 5, 7, and
4 9, ch. 58, SLA 2001; providing for an effective date by amending the delayed effective
5 date for secs. 3, 5, 9, and 12, ch. 57, SLA 2001, and repealing sec. 13, ch. 58, SLA 2001,
6 which is the delayed effective date for secs. 5, 7, and 9, ch. 58, SLA 2001; and providing
7 for an effective date."

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

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

11 FINDINGS AND INTENT. (a) The legislature finds that provisions of ch. 57, SLA
12 2001, ch. 58, SLA 2001, and ch. 15, SLA 2003 that provide for the reemployment of certain
13 retired members of the teachers' and public employees' retirement systems provide a valuable

1 tool for school districts and public employers to manage workforce shortages, especially in
2 teaching positions and job classes that require specialized knowledge and skills.

3 (b) The legislature also finds that school districts and public employers must plan to
4 meet their future workforce needs without reliance on retired workers. In extending the
5 termination date of the reemployment provisions, it is the intent of the legislature to allow
6 school districts and public employers to continue to use this management tool, while
7 developing plans that address the knowledge, skills, and abilities that need to be transferred or
8 developed to assure the work can be accomplished when the reemployment provisions
9 terminate. It is the intent of the legislature that all participation in the retiree reemployment
10 provisions by employers and reemployed retirees will end on July 1, 2009, unless that date is
11 extended by law.

12 (c) It is the intent of the legislature that employers that benefit from the provisions of
13 the retiree reemployment provisions pay any increase in unfunded liability that results to the
14 retirement systems.

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

16 (a) If a retired member again becomes an active member, benefit payments
17 may not be made during the period of reemployment [UNLESS THE TEACHER
18 MAKES AN ELECTION UNDER (b) OR (e) OF THIS SECTION]. The retirement
19 benefit must be suspended for the entire school year if the teacher is reemployed as an
20 active teacher for a period equivalent to a year of service. During the period of
21 reemployment, [THE MEMBER IS SUBJECT TO AS 14.25.050, AND] deductions
22 from the member's salary will be made in accordance with AS 14.25.050.

23 * **Sec. 3.** AS 14.25.070 is amended by adding a new subsection to read:

24 (b) If the administrator determines that reemployment of a retired teacher
25 under the authority of AS 14.20.135 results in an increase in the unfunded liability of
26 the system, the administrator shall include the base salary of the reemployed teacher in
27 the determination of the amount of contributions due from the employer of the
28 reemployed teacher to the extent determined by the administrator as necessary to pay
29 the liability.

30 * **Sec. 4.** AS 39.35.270 is amended by adding a new subsection to read:

31 (b) If the administrator determines that reemployment of a retired member

1 under AS 39.35.150(b) results in an increase in the unfunded liability of the system,
 2 the administrator shall include the base salary of the reemployed member in the
 3 determination of the amount of contributions due from the employer of the
 4 reemployed member to the extent determined by the administrator as necessary to pay
 5 the liability.

6 * **Sec. 5.** Section 12, ch. 57, SLA 2001, as amended by sec. 6, ch. 15, SLA 2003, is
 7 amended to read:

8 Sec. 12. AS 14.20.135; AS 14.25.043(b), 14.25.043(e), added by sec. 3, ch.
 9 15, SLA 2003 [OF THIS 2003 ACT]; AS 39.35.120(b)(2), 39.35.150(b), as amended
 10 by sec. 4, ch. 15, SLA 2003 [OF THIS 2003 ACT], and 39.35.150(c) are repealed
 11 July 1, 2009 [2005].

12 * **Sec. 6.** The uncodified law of the State of Alaska enacted in sec. 13, ch. 57, SLA 2001, is
 13 amended to read:

14 Sec. 13. REPORT TO LEGISLATURE. Annually, beginning in 2002 and
 15 ending in 2010 [2006], the administrator of the teachers' retirement system shall report
 16 to the legislature by the 30th day of the regular legislative session concerning the
 17 effect of this Act, as amended, on the retirement system.

18 * **Sec. 7.** AS 14.25.070(b) and AS 39.35.270(b) are repealed July 1, 2009.

19 * **Sec. 8.** Sections 5, 7, and 9, ch. 58, SLA 2001, are repealed.

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

22 **CONDITIONAL RETROACTIVITY.** If secs. 5, 8, and 10 of this Act take effect after
 23 July 1, 2005, secs. 5, 8, and 10 of this Act are retroactive to July 1, 2005.

24 * **Sec. 10.** Section 15, ch. 57, SLA 2001, is amended to read:

25 Sec. 15. Sections 3, 5, 9, and 12 of this Act take effect July 1, 2009 [2005].

26 * **Sec. 11.** Section 13, ch. 58, SLA 2001, is repealed.

27 * **Sec. 12.** Section 2 of this Act takes effect July 1, 2009.

28 * **Sec. 13.** Except as provided in sec. 12 of this Act, this Act takes effect immediately under
 29 AS 01.10.070(c).