

SENATE BILL NO. 21

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

BY SENATOR DAVIS

Introduced: 1/11/05

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 child or vulnerable**
3 **adult protection workers or who supervise child or vulnerable adult protection**
4 **workers."**

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

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

7 (a) Beginning January 1, 1987, each peace officer or fire fighter shall
8 contribute to the system an amount equal to seven and one-half percent of the peace
9 officer's or fire fighter's compensation. **Beginning January 1, 2006, each state child**
10 **or vulnerable adult protection worker shall contribute to the system an amount**
11 **equal to seven and one-half percent of the employee's compensation.** Except as
12 provided in (d) of this section, beginning January 1, 1987, each other employee shall
13 contribute to the system an amount equal to six and three-quarters percent of the
14 employee's compensation. The contributions shall be deducted by the employer at the

1 end of each payroll period. The contributions shall be deducted from employee
 2 compensation before computation of applicable federal taxes, and the contributions
 3 shall be treated as employer contributions under 26 U.S.C. 414(h)(2). A member may
 4 not have the option of making the payroll deduction directly instead of having the
 5 contribution picked up by the employer.

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

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

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

10 (2) with at least 20 years of credited service as a peace officer, [OR]
 11 fire fighter, **or state child or vulnerable adult protection worker**;

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

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

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

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

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

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

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

27 (f) A member who is vested in the system as a peace officer, [OR] fire fighter,
 28 **or state child or vulnerable adult protection worker** at the time the member incurs
 29 a permanent disability of at least 33 1/3 **percent** [PER CENT] under workers'
 30 compensation and who (1) undergoes retraining because of the disability; and (2) is
 31 subsequently employed with the state or other employer in a position other than peace

1 officer, [OR] fire fighter, or state child or vulnerable adult protection worker is
 2 eligible for a normal retirement benefit as a peace officer, [OR] fire fighter, or state
 3 child or vulnerable adult protection worker under (a) and (c) of this section upon
 4 completing 20 years of credited service.

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

6 **Sec. 39.35.527. Election to terminate coverage as a peace officer, [OR] fire**
 7 **fighter, or state child or vulnerable adult protection worker.** (a) Any active
 8 member may elect to irrevocably relinquish peace officer or fire fighter status or
 9 status as a state child or vulnerable adult protection worker with the system and to
 10 retain all credited service as if it had been acquired as a member other than a peace
 11 officer, [OR] fire fighter, or state child or vulnerable adult protection worker.

12 (b) In order to relinquish peace officer or fire fighter status or status as a
 13 state child or vulnerable adult protection worker with the system, a person must be
 14 an active member and must file a written request with the administrator by July 1,
 15 1984, for active members who are peace officers or fire fighters or within six
 16 months after employment as a peace officer or fire fighter, whichever occurs later, or
 17 by July 1, 2006, or within six months after employment as a state child or
 18 vulnerable adult protection worker for active members who are state child or
 19 vulnerable adult protection workers, whichever occurs later. A [NO] person does
 20 not have [HAS] more than one opportunity to exercise this option.

21 (c) As soon as possible after the relinquishment, the administrator shall refund
 22 to a person who relinquishes peace officer or fire fighter status or status as a state
 23 child or vulnerable adult protection worker under this section a refund equal to the
 24 amount by which the balance of the person's accumulated mandatory contributions
 25 plus interest exceeds the balance that [WHICH] would exist if all service credit had
 26 been acquired as a member other than a peace officer, [OR] fire fighter, or state child
 27 or vulnerable adult protection worker.

28 (d) A written request to relinquish peace officer or fire fighter status or status
 29 as a state child or vulnerable adult protection worker is irrevocable upon filing
 30 with the administrator.

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

1 (41) "state child or vulnerable adult protection worker" means an
 2 employee who is employed, on or after January 1, 2006, by the state Department of
 3 Health and Social Services occupying a position with responsibility under AS 47.10,
 4 AS 47.17, AS 47.24, or AS 47.35 for direct casework functions associated with
 5 investigating reports of harm and providing protective services to children or
 6 vulnerable adults, licensing facilities for the protective placement of those children or
 7 vulnerable adults, or managing the work of employees performing those casework
 8 functions on a regional basis.

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

11 TRANSITION. (a) A state employee who was employed by the state before
 12 January 1, 2006, as a child or vulnerable adult protection worker may convert the credited
 13 service for that position during that time to credited service as a state child or vulnerable adult
 14 protection worker as enacted by this Act by claiming the service as a state child or vulnerable
 15 adult protection worker service before the member is appointed to retirement. When the
 16 member claims this credited service as state child or vulnerable adult protection worker
 17 service, an indebtedness of the member to the system shall be established. The indebtedness
 18 is equal to (1) the contributions to the system that the employee would have made if the
 19 service had counted as state child or vulnerable adult protection worker service, less (2) the
 20 contributions to the system that the employee actually made. Interest, as prescribed by
 21 regulation, accrues on this indebtedness. Any outstanding indebtedness that exists at the time
 22 a person is appointed to retirement will require an actuarial adjustment to the benefits payable
 23 based upon the service claimed under this subsection.

24 (b) In this section, "state child or vulnerable adult protection worker" has the meaning
 25 given in AS 39.35.680(41), enacted by sec. 6 of this Act.