

AMENDMENT # 1

OFFERED IN THE HOUSE

BY REPRESENTATIVE DOLL

TO: HCS CSSB 123(FIN)

1 Page 8, line 30, through page 9, line 12:

2 Delete all material and insert:

3 **** Sec. 16.** AS 14.25.310 is amended to read:

4 **Sec. 14.25.310. Applicability of AS 14.25.310 - 14.25.590.** The provisions of
5 AS 14.25.310 - 14.25.590 apply only to

6 (1) teachers who first become members on or after July 1, 2006, and
7 before the effective date of this bill section and who have not elected under sec.
8 123 of this Act to be members of the defined benefit retirement plan established
9 in AS 14.25.009 - 14.25.220;

10 (2) teachers who first become members on or after the effective
11 date of this bill section and who have elected under AS 14.25.335 to be members
12 of the defined contribution retirement plan established in AS 14.25.310 -
13 14.25.590 or are precluded by AS 14.25.335(e) from making an election under
14 AS 14.25.335;

15 (3) members who are employed by employers that do not
16 participate in the defined benefit retirement plan established under AS 14.25.009
17 - 14.25.220; or

18 (4) [TO] members who transfer into the defined contribution
19 retirement plan under AS 14.25.540.

20 *** Sec. 17.** AS 14.25.310, as amended by sec. 16 of this Act, is amended to read:

21 **Sec. 14.25.310. Applicability of AS 14.25.310 - 14.25.590.** The provisions of
22 AS 14.25.310 - 14.25.590 apply only to

23 (1) teachers who first become members on or after July 1, 2006, and

1 before the effective date of this bill section and who have not elected under sec. 123 of
 2 this Act to be members of the defined benefit retirement plan established in
 3 AS 14.25.009 - 14.25.220;

4 (2) teachers who first become members on or after the effective date of
 5 this bill section and who have elected under AS 14.25.335 to be members of the
 6 defined contribution retirement plan established in AS 14.25.310 - 14.25.590 or are
 7 precluded by AS 14.25.335(e) from making an election under AS 14.25.335;

8 (3) members who are employed by employers that do not participate in
 9 the defined benefit retirement plan established under AS 14.25.009 - 14.25.220;

10 **(4) former members under AS 14.25.220;** or

11 **(5) [(4)] members who transfer into the defined contribution retirement**
 12 **plan under AS 14.25.540."**

13
 14 Page 9, following line 19:

15 Insert new bill sections to read:

16 **"* Sec. 19.** AS 14.25.330(a) is amended to read:

17 (a) **Except as provided in AS 14.25.310, a** [A] teacher who first becomes a
 18 member on or after July 1, 2006, shall participate in the **system** [PLAN] as a member
 19 of the defined **benefit** [CONTRIBUTION] retirement plan **established in**
 20 **AS 14.25.009 - 14.25.220.**

21 *** Sec. 20.** AS 14.25 is amended by adding a new section to read:

22 **Sec. 14.25.335. Election to participate in defined benefit or defined**
 23 **contribution plan.** (a) Except as provided in (e) of this section, a person who has not
 24 previously been eligible for benefits under the teachers' retirement system who
 25 becomes eligible on or after the effective date of this bill section may, within 30 days
 26 after becoming eligible to elect a benefit plan, elect to enroll in either the defined
 27 benefit retirement plan or the defined contribution retirement plan. An election made
 28 under this section is irrevocable. Except as provided in (e) of this section, a person
 29 who is eligible to make an election under this subsection and fails to make an election
 30 is considered to have elected to enroll in the defined benefit retirement plan.

31 (b) The election allowed under this section must be made in writing on forms

1 and in the manner prescribed by the administrator. Before accepting an election under
 2 this section, the administrator shall provide the employee with information to clearly
 3 inform the employee of the potential consequences of each of the employee's options.

4 (c) Upon making an election under this section to enroll in the defined benefit
 5 retirement plan, or upon failure to make an election under this section within 30 days
 6 after becoming eligible to elect a benefit plan, the employee shall be enrolled as a
 7 member of the defined benefit retirement plan, and the employee's participation in the
 8 system shall be governed by the provisions of AS 14.25.009 - 14.25.220.

9 (d) Upon making an election under this section to enroll in the defined
 10 contribution retirement plan, the employee shall be enrolled as a member of the
 11 defined contribution retirement plan, and the employee's participation in the plan shall
 12 be governed by the provisions of AS 14.25.310 - 14.25.590.

13 (e) A member may be enrolled in the defined benefit retirement plan under (c)
 14 of this section only if the member's employer participates in both the defined benefit
 15 retirement plan and the defined contribution retirement plan.

16 (f) In this section,

17 (1) "defined benefit retirement plan" means the retirement plan
 18 established in AS 14.25.009 - 14.25.220;

19 (2) "defined contribution retirement plan" means the retirement plan
 20 established in AS 14.25.310 - 14.25.590."

21
 22 Renumber the following bill sections accordingly.

23
 24 Page 35, line 28, through page 36, line 10:

25 Delete all material and insert:

26 **** Sec. 82.** AS 39.35.700 is amended to read:

27 **Sec. 39.35.700. Applicability of AS 39.35.700 - 39.35.990.** The provisions of
 28 AS 39.35.700 - 39.35.990 apply only to

29 **(1) members first hired on or after July 1, 2006, and before the**
 30 **effective date of this bill section and who have not elected under sec. 123 of this**
 31 **Act to be members of the defined benefit retirement plan established in**

1 AS 39.35.095 - 39.35.680;

2 (2) persons who first became members on or after the effective
 3 date of this bill section and who have elected under AS 39.35.722 to be members
 4 of the defined contribution retirement plan established in AS 39.35.700 -
 5 39.35.990 or are precluded by AS 39.35.722(e) from making an election under
 6 AS 39.35.722;

7 (3) members who are employed by employers that do not
 8 participate in the defined benefit retirement plan established under AS 39.35.095
 9 - 39.35.680; or

10 (4) [TO] members who transfer into the defined contribution plan under
 11 AS 39.35.940.

12 * **Sec. 83.** AS 39.35.700, as amended by sec. 82 of this Act, is amended to read:

13 **Sec. 39.35.700. Applicability of AS 39.35.700 - 39.35.990.** The provisions of
 14 AS 39.35.700 - 39.35.990 apply only to

15 (1) members first hired on or after July 1, 2006, and before the
 16 effective date of this bill section and who have not elected under sec. 123 of this Act
 17 to be members of the defined benefit retirement plan established in AS 39.35.095 -
 18 39.35.680;

19 (2) persons who first became members on or after the effective date of
 20 this bill section and who have elected under AS 39.35.722 to be members of the
 21 defined contribution retirement plan established in AS 39.35.700 - 39.35.990 or are
 22 precluded by AS 39.35.722(e) from making an election under AS 39.35.722;

23 (3) members who are employed by employers that do not participate in
 24 the defined benefit retirement plan established under AS 39.35.095 - 39.35.680;

25 (4) former members under AS 39.35.680; or

26 (5) [(4)] members who transfer into the defined contribution plan under
 27 AS 39.35.940."

28
 29 Page 36, following line 19:

30 Insert new bill sections to read:

31 **** Sec. 85.** AS 39.35.720 is amended to read:

1 **Sec. 39.35.720. Membership. Except as provided in AS 39.35.700, an** [AN]
2 employee who becomes a member on or after July 1, 2006, shall participate in the
3 **system as a member of the defined benefit** plan set out in **AS 39.35.095 - 39.35.680**
4 [AS 39.35.700 - 39.35.990].

5 * **Sec. 86.** AS 39.35 is amended by adding a new section to read:

6 **Sec. 39.35.722. Election to participate in defined benefit or defined**
7 **contribution plan.** (a) Except as provided in (e) of this section, a person who has not
8 previously been eligible for benefits under the public employees' retirement system
9 who becomes eligible on or after the effective date of this bill section may, within 30
10 days after becoming eligible to elect a benefit plan, elect to enroll in either the defined
11 benefit retirement plan or the defined contribution retirement plan. An election made
12 under this section is irrevocable. A person who is eligible to make an election under
13 this subsection and fails to make an election is considered to have elected to enroll in
14 the defined benefit retirement plan.

15 (b) The election allowed under this section must be made in writing on forms
16 and in the manner prescribed by the administrator. Before accepting an election under
17 this section, the administrator must provide the employee with information to clearly
18 inform the employee of the potential consequences of each of the employee's options.

19 (c) Upon making an election under this section to enroll in the defined benefit
20 retirement plan, or upon failure to make an election under this section within 30 days
21 after becoming eligible to elect a benefit plan, the employee shall be enrolled as a
22 member of the defined benefit retirement plan, and the employee's participation in the
23 system shall be governed by the provisions of AS 39.35.095 - 39.35.680.

24 (d) Upon making an election under this section to enroll in the defined
25 contribution retirement plan, the employee shall be enrolled as a member of the
26 defined contribution retirement plan, and the employee's participation in the plan shall
27 be governed by the provisions of AS 39.35.700 - 39.35.990.

28 (e) A member may be enrolled in the defined benefit retirement plan under (c)
29 of this section only if the member's employer participates in both the defined benefit
30 retirement plan and the defined contribution retirement plan.

31 (f) In this section,

1 (1) "defined benefit retirement plan" means the retirement plan
2 established in AS 39.35.095 - 39.35.680;

3 (2) "defined contribution retirement plan" means the retirement plan
4 established in AS 39.35.700 - 39.35.990."

5
6 Renumber the following bill sections accordingly.

7
8 Page 54, line 20:

9 Delete "sec. 20"

10 Insert "sec. 22"

11
12 Page 54, line 29:

13 Delete "sec. 50"

14 Insert "sec. 52"

15
16 Page 55, lines 5 - 7:

17 Delete all material and insert:

18 **"* Sec. 123.** The uncodified law of the State of Alaska is amended by adding a new section
19 to read:

20 RETIREMENT PLAN ELECTION OPTION. (a) A teacher who was hired on or after
21 July 1, 2006, and before the effective date of this section and who is an active member of the
22 defined contribution plan of the teachers' retirement system under AS 14.25.310 - 14.25.590
23 may make a one-time election before October 1, 2007, or within 90 days after the effective
24 date of this section, whichever is later, to participate in the defined benefit retirement plan
25 under AS 14.25.009 - 14.25.220 and to transfer any contributions, including employer
26 contributions, made to the defined contribution plan before that date.

27 (b) A public employee who was hired on or after July 1, 2006, and before the
28 effective date of this section and who is an active member of the defined contribution plan of
29 the public employees' retirement system under AS 39.35.700 - 39.35.990 may make a one
30 time election before October 1, 2007, or within 90 days after the effective date of this section,
31 whichever is later, to participate in the defined benefit retirement plan under AS 39.35.095 -

1 39.35.680 and to transfer any contributions, including employer contributions, made to the
2 defined contribution plan before that date.

3 (c) The election to participate in the defined benefit retirement plan under this section
4 must be made in writing on forms and in the manner prescribed by the administrator. Before
5 accepting an election to participate in the defined benefit retirement plan, the administrator
6 shall provide the employee planning on making an election to participate in the defined
7 benefit retirement plan with information, including calculations to illustrate the effect of
8 moving the employee's retirement plan from the defined contribution retirement plan to the
9 defined benefit retirement plan as well as other information to clearly inform the employee of
10 the potential consequences of the employee's election.

11 (d) An election made under this section to participate in the defined benefit retirement
12 plan is irrevocable. On making the election, the participant shall be enrolled as a member of
13 the defined benefit retirement plan; the member's participation in the plan shall be governed
14 by the provisions for the defined benefit retirement plan, and the member's participation in the
15 defined contribution retirement plan shall terminate. The participant's enrollment in the
16 defined benefit retirement plan shall be effective the first day of the month after the
17 administrator receives the completed enrollment forms. An election made by an eligible
18 member who is married is not effective unless the election is signed by the individual's
19 spouse.

20 (e) As directed by the participant, the board shall transfer or cause to be transferred
21 the appropriate amounts to the designated account. The administrator shall credit the
22 participant with a service credit that is equal to the participant's actual service or the
23 actuarially calculated value of the employer and employee contribution transferred, whichever
24 is less. The board shall establish transfer procedures by regulation, but the actual transfer may
25 not be later than 30 days after the effective date of the member's participation in the defined
26 benefit retirement plan unless the major financial markets for securities available for a transfer
27 are seriously disrupted by an unforeseen event that also causes the suspension of trading on
28 any national securities exchange in the country where the securities were issued. In that event,
29 the 30-day period of time may be extended by a resolution of the board. Transfers are not
30 commissionable or subject to other fees and may be in the form of securities or cash as
31 determined by the board. Securities shall be valued on the date of receipt in the participant's

1 account.

2 (f) A person may make an election under this section only if the person's employer
3 participates in both the applicable defined benefit retirement plan and the applicable defined
4 contribution retirement plan.

5 (g) In this section,

6 (1) "active member" means an employee who is employed by an employer, is
7 receiving compensation for seasonal, permanent full-time, or permanent part-time services,
8 and is, on the effective date of this section, making contributions to the defined contribution
9 retirement plan under AS 14.25.310 - 14.25.590 or AS 39.35.700 - 39.35.990, as applicable;

10 (2) "administrator" means the person serving as administrator under
11 AS 14.25.003 for a teachers' retirement plan or the person appointed or designated by the
12 commissioner of administration under AS 39.35.050 for a public employees' retirement plan;

13 (3) "board" means the Alaska Retirement Management Board established
14 under AS 37.10.210;

15 (4) "defined benefit retirement plan" means the retirement plan established
16 under AS 14.25.009 - 14.25.220 or AS 39.35.095 - 39.35.680, as applicable;

17 (5) "defined contribution retirement plan" means the retirement plan
18 established under AS 14.25.310 - 14.25.590 or AS 39.35.700 - 39.35.990, as applicable;

19 (6) "employer,"

20 (A) as applied to an active member of the plan under AS 14.25.310 -
21 14.25.590, has the meaning given in AS 14.25.590; and

22 (B) as applied to an active member of the plan under AS 39.35.700 -
23 39.35.990, has the meaning given in AS 39.35.990.

24 * **Sec. 124.** Sections 5, 6, 17, 62, 70, 71, 83, and 120(b) of this Act take effect July 1, 2010.

25 * **Sec. 125.** Except as provided in sec. 124 of this Act, this Act takes effect immediately
26 under AS 01.10.070(c)."