

**HOUSE BILL NO. 191**

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

**BY REPRESENTATIVE SEATON**

**Introduced: 3/12/07**

**Referred: State Affairs, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act creating an incentive for certain state employees to continue serving past the**  
2 **date the employees become eligible to retire; and providing for an effective date."**

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

4 **\* Section 1.** AS 39.35.680(9) is amended to read:

5 (9) "compensation" means the remuneration earned by an employee  
6 for personal services rendered to an employer, including employee contributions under  
7 AS 39.35.160, cost-of-living differentials only as provided in AS 39.35.675, payments  
8 for leave that is actually used by the employee, the amount by which the employee's  
9 wages are reduced under AS 39.30.150(c), and any amount deferred under an  
10 employer-sponsored deferred compensation plan, but does not include retirement  
11 benefits, severance pay or other separation bonuses, **bonus payments under**  
12 **AS 39.51.210**, welfare benefits, per diem, expense allowances, workers' compensation  
13 payments, or payments for leave not used by the employee whether those leave  
14 payments are scheduled payments, lump-sum payments, donations, or cash-ins; for a

1 member first hired on or after July 1, 1996, compensation does not include  
 2 remuneration in excess of the limitations set out in 26 U.S.C. 401(a)(17) (Internal  
 3 Revenue Code);

4 \* **Sec. 2.** AS 39.35.680(9) is amended to read:

5 (9) "compensation" means the remuneration earned by an employee  
 6 for personal services rendered to an employer, including employee contributions under  
 7 AS 39.35.160, cost-of-living differentials only as provided in AS 39.35.675, payments  
 8 for leave that is actually used by the employee, the amount by which the employee's  
 9 wages are reduced under AS 39.30.150(c), and any amount deferred under an  
 10 employer-sponsored deferred compensation plan, but does not include retirement  
 11 benefits, severance pay or other separation bonuses, bonus payments under **former**  
 12 AS 39.51.210, welfare benefits, per diem, expense allowances, workers' compensation  
 13 payments, or payments for leave not used by the employee whether those leave  
 14 payments are scheduled payments, lump-sum payments, donations, or cash-ins; for a  
 15 member first hired on or after July 1, 1996, compensation does not include  
 16 remuneration in excess of the limitations set out in 26 U.S.C. 401(a)(17) (Internal  
 17 Revenue Code);

18 \* **Sec. 3.** AS 39.51 is amended by adding a new section to read:

19 **Sec. 39.51.210. Bonus payment for working past retirement eligibility.** (a)

20 The commissioner of administration shall pay to a person who has not reached the age  
 21 set for Medicare eligibility and who is eligible to retire from state service and receive a  
 22 retirement benefit under AS 39.35.095 - 39.35.680 an annual bonus payment of \$1,500  
 23 each time the person completes a year of continuous employment in state service that  
 24 the person began after becoming eligible to retire from state service.

25 (b) Calculation of a year of continuous service under this section shall exclude

26 (1) a day for which a person is paid a pension benefit under  
 27 AS 39.35.095 - 39.35.680, even if the person performs work for the state on that day;

28 (2) a period of continuous unpaid leave that is 11 or more normal  
 29 workdays in length;

30 (3) a period of separation from state service.

31 (c) The commissioner of administration shall administer this section.

1       \* **Sec. 4.** AS 39.51.210 is repealed five years and one day after the effective date of sec. 3 of  
2 this Act.

3       \* **Sec. 5.** Section 2 of this Act takes effect five years and one day after the effective date of  
4 sec. 1 of this Act.