

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: CSHB 116(L&C)
Fiscal Note Number: 1
(H) Publish Date: 4/10/14

Identifier: HB116-DOA-DRB-01-21-14
Title: PERS CREDIT FOR MILITARY SERVICE
Sponsor: MILLETT
Requester: House Labor and Commerce

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Retirement and Benefits
OMB Component Number: 64

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0

Estimated CAPITAL (FY2015) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated for 2nd session to accurately reflect FY2015 and out year costs.

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Division:	Department of Administration	Date:	10/14/2013 01:00 PM
Approved By:	Curtis Thayer, Acting Commissioner	Date:	01/10/14
Agency:	Department of Administration		

FISCAL NOTE ANALYSIS #1

**STATE OF ALASKA
2014 LEGISLATIVE SESSION**

BILL NO. CSHB 116(L&C)

Analysis

HB 116 allows Peace Officer/ Firefighter members of the Public Employees' Retirement System (PERS) to apply military service towards their eligibility for retiree medical coverage with system paid premiums. Peace officer/Firefighter members who elect to use claimed military service for this purpose will pay the PERS the full actuarial cost to do so through a reduced benefit resulting in no cost impact to the PERS.

This no-cost result, however, requires the amendment of AS 39.35.541 so that in the event the claimed service credit would reduce their retirement benefit below what it would have been without the claimed service credit, members can pay for the cost of the access to medical care through actuarial reduction of their retirement benefit.

Without such amendment, under AS 39.35.541, the member would have to pay in full for the medical care cost at the time of retirement.