

**HOUSE BILL NO. 172**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVE GATTIS**

**Introduced: 4/1/15**

**Referred: Labor and Commerce**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to reemployment of persons who retire under the defined benefit plan**  
2 **of the teachers' retirement system."**

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

4 **\* Section 1.** AS 14.20 is amended by adding a new section to read:

5 **Sec. 14.20.136. Reemployment of member of teachers' retirement system.**

6 A school district may reemploy a member of the teachers' retirement system who  
7 retired under AS 14.25.110(a) if the member has been retired at least three months  
8 before being reemployed by the school district. In this section,

9 (1) "member" has the meaning given in AS 14.25.220;

10 (2) "school district" has the meaning given in AS 14.30.350.

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

12 (a) **Except as provided in (f) of this section, if** [IF] a retired member again  
13 becomes an active member, benefit payments may not be made during the period of  
14 reemployment. [THE RETIREMENT BENEFIT MUST BE SUSPENDED FOR THE

1 ENTIRE SCHOOL YEAR IF THE TEACHER IS REEMPLOYED AS AN ACTIVE  
 2 TEACHER FOR A PERIOD EQUIVALENT TO A YEAR OF SERVICE.] During  
 3 the period of reemployment, deductions from the member's salary will be made in  
 4 accordance with AS 14.25.050.

5 \* **Sec. 3.** AS 14.25.043(c) is amended to read:

6 (c) **Except as provided in (f) of this section, upon** [UPON] subsequent  
 7 retirement, the retired member is entitled to receive an additional benefit based on the  
 8 credited service and the average base salary during the period of reemployment in  
 9 accordance with AS 14.25.110. If the initial benefit payments to which the retired  
 10 member is eligible have been actuarially reduced because the member retired early  
 11 under AS 14.25.110(b), the member shall also receive an incremental benefit based on  
 12 the amount of the actuarial reduction imposed by AS 14.25.110(j) on the first benefit  
 13 and the length of time that the employee was reemployed and not receiving retirement  
 14 benefits. The amount of the incremental benefit is equal to the difference between the  
 15 normal retirement benefit to which the member would have been entitled had the  
 16 member taken a normal retirement and the early retirement benefit that the member  
 17 has been receiving based on the member's initial period of employment multiplied by  
 18 the total number of months that the member did not receive retirement benefits  
 19 because of reemployment and that amount actuarially adjusted to be paid over the  
 20 expected lifetime of the member.

21 \* **Sec. 4.** AS 14.25.043 is amended by adding a new subsection to read:

22 (f) If a member who retired under AS 14.25.110(a) is reemployed by a school  
 23 district under AS 14.20.136,

24 (1) the member does not become an active member;

25 (2) the member shall continue to receive retirement benefits as though  
 26 the member were not reemployed by the school district;

27 (3) deductions from the member's salary may not be made under  
 28 AS 14.25.050; and

29 (4) the member may not receive credited service in the plan during the  
 30 period of reemployment.

31 \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 APPLICABILITY. AS 14.20.136, enacted by sec. 1 of this Act, AS 14.25.043(a), as  
3 amended by sec. 2 of this Act, AS 14.25.043(c), as amended by sec. 3 of this Act, and  
4 AS 14.25.043(f), enacted by sec. 4 of this Act, apply to contracts made on or after the  
5 effective date of this Act for the reemployment of a member who is receiving benefits under  
6 AS 14.25.110(a). In this section, "member" has the meaning given in AS 14.25.220.