

(CORRECTED LIMITED RUN SHOWING ALL ADDITIONAL SPONSORSHIPS)

CS FOR SENATE BILL NO. 185(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE EDUCATION COMMITTEE

Offered: 3/14/18

Referred: Finance

Sponsor(s): SENATORS MICCICHE, Stevens, Bishop, Stedman, Costello, von Imhof, Meyer, Hoffman, Olson, Kelly

REPRESENTATIVES Johnston, Thompson, Grenn, Wilson, Kopp, Lincoln, Tarr, Kawasaki, Josephson, Zulkosky, Drummond, Stutes

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to reemployment of persons who retire under the teachers' retirement
2 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) Subject to (b) - (d) of this section, a school district may reemploy a member who is
7 retired under a retirement plan established in AS 14.25.009 - 14.25.220, or a member
8 who is retired under a retirement plan established in AS 14.25.310 - 14.25.590. In this
9 subsection, "school district" has the meaning given in AS 14.30.350.

10 (b) A member who is retired under AS 14.25.110(a) may not be reemployed
11 under (a) of this section unless the member

12 (1) certifies that the member and the school district did not arrange
13 before the member retired from the school district for the member to be reemployed
14 by the school district after the member retired; and

1 (2) has been retired for at least

2 (A) 60 days if the member is at least 62 years of age; or

3 (B) six months if the member is less than 62 years of age.

4 (c) Before reemploying a retired member under (a) of this section to fill a
5 position, a school district shall

6 (1) by resolution, adopt a policy that describes the circumstances of a
7 shortage or anticipated shortage of applicants, other than retired members, who are
8 qualified for particular positions and permits rehiring that complies with the
9 requirements of this section; and

10 (2) publicly advertise the position for 10 business days and actively
11 recruit to fill the position by hiring a person other than a member who is retired.

12 (d) A contract for reemployment under (a) of this section may not exceed 12
13 consecutive months.

14 (e) A school district that reemploys a member under this section who is retired
15 under the defined benefit retirement plan established in AS 14.25.009 - 14.25.220 is
16 required to

17 (1) provide the administrator with

18 (A) a copy of the resolution and policy adopted under (c) of
19 this section; and

20 (B) for every retired member that is rehired, a report
21 identifying the member by name and describing the

22 (i) circumstances of the shortage that necessitated the
23 rehire; and

24 (ii) actions taken by the school district to comply with
25 school district policy adopted under (c) of this section and the
26 requirements of this section; and

27 (2) make contributions under AS 14.25.070.

28 (f) The requirements of (c), (d), and (e)(1) of this section do not apply to the
29 rehire of a member who is eligible for restoration of tenure rights under AS 14.20.165.

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

31 (a) **Except as provided in (f) of this section, if** [IF] a retired member again

1 becomes an active member, benefit payments may not be made during the period of
 2 reemployment. [THE RETIREMENT BENEFIT MUST BE SUSPENDED FOR THE
 3 ENTIRE SCHOOL YEAR IF THE TEACHER IS REEMPLOYED AS AN ACTIVE
 4 TEACHER FOR A PERIOD EQUIVALENT TO A YEAR OF SERVICE.] During
 5 the period of reemployment, deductions from the member's salary will be made in
 6 accordance with AS 14.25.050.

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

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

23 * **Sec. 4.** AS 14.25.043 is amended by adding new subsections to read:

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

- 26 (1) the member does not become an active member;
 27 (2) the member shall continue to receive retirement benefits from the
 28 plan as though the member were not reemployed by the school district;
 29 (3) deductions from the member's salary may not be made under
 30 AS 14.25.050; and
 31 (4) the member may not receive credited service in the plan during the

1 period of reemployment.

2 (g) Notwithstanding (f) of this section, a member who is retired under
3 AS 14.25.110(a) and reemployed by a school district under AS 14.20.136 is eligible to
4 receive the group health plan coverage provided to active members employed by that
5 school district.

6 * **Sec. 5.** AS 14.25.070(a) is amended to read:

7 (a) Each employer shall contribute to the system every payroll period an
8 amount calculated by applying a rate of 12.56 percent to the total of all base salaries
9 paid by the employer to active members of the system **and to members who are**
10 **retired from the plan and reemployed under AS 14.20.136**, including any
11 adjustments to contributions required by AS 14.25.173(a).

12 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 **APPLICABILITY.** This Act applies to contracts made on or after the effective date of
15 this Act.