

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE BILL NO. 174

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Public Employees'  
7 Retirement System of Alaska; and providing  
8 for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 39.35.120~~(6)~~ is amended to read:

11 (b) Inclusion in the system is a condition of employ-  
12 ment for an employee except an elected official.

13 \* Sec. 2. AS 39.35 is amended by adding a new section to read:

14 N Sec. 39.35.127. PARTICIPATION OF ELECTED OFFICIALS.

15 E (a) An elected official may be included in the system if,  
16 W within 60 days after taking the oath of his office,

17 (1) he directs his employer in writing to make  
18 the necessary deductions from his salary and to pay into the  
19 system the contributions required by and for an employee  
20 under this chapter and

21 M (2) notice is given the commissioner of  
22 A administration in writing.

23 T (b) After an elected official has elected to be in-  
24 T cluded in the system he and his employer are liable for  
25 E contributions whenever he is a qualified elected official  
26 R of a participating employer.

27 \* Sec. 3. AS 39.35.170 is amended to read:

28 Sec. 39.35.170. EMPLOYMENT CONTRIBUTIONS MANDATORY.

29 Contributions of employees [SHALL BE REQUIRED AS A CONDITION

1 OF EMPLOYMENT AND] shall be made by payroll deductions.  
2 Every included employee shall be considered to consent to  
3 payroll deductions. It is of no consequence that a payroll  
4 deduction may cause the compensation paid in cash to an  
5 employee to be reduced below the minimum required by law.  
6 Payment of an employee's compensation, less payroll deduc-  
7 tions, is a full and complete discharge and satisfaction of  
8 all claims and demands by the employee relating to remunera-  
9 tion of his services during the period covered by the payment,  
10 except with respect to the benefits provided under the system.

11 \* Sec. 4. AS 39.35.300 is amended to read:

12 Sec. 39.35.300. EMPLOYMENT WITH THE STATE. An employee  
13 is entitled to service credit for the entire period of unin-  
14 terrupted employment with the state for which he makes con-  
15 tributions required by this chapter beginning January 1, 1961,  
16 or the latest date the employee entered employment, whichever  
17 is later, and ending with the termination of his employment,  
18 regardless of the office, department, division, or agency of  
19 the state in which he was employed.

20 \* Sec. 5. AS 39.35.360(a) is amended to read:

21 (a) An employee who completes three years of service  
22 with the state after January 1, 1961, for which he makes  
23 contributions required by this chapter is entitled to service  
24 credit for employment rendered to the state and former  
25 territory of Alaska before January 1, 1961, regardless of  
26 the office, department, division, or agency of the state or  
27 territory in which he was employed.

28 \* Sec. 6. AS 39.35.360 is amended by adding a new subsection  
29 to read:

1           (c) An elected state official who elects to partici-  
2 pate in the system under sec. 125 of this chapter is  
3 entitled to service credit for service rendered to the  
4 state or territory before 1961 if

5           (1) he pays contributions with respect to all his  
6 service rendered to the state after January 1, 1961, and

7           (2) his service rendered to the state after  
8 January 1, 1961, totals three years or more.

9 \* Sec. 7. AS 39.35.370(a) is amended to read:

10           (a) An employee is eligible for a normal retirement  
11 pension if his employment is terminated on or after his  
12 normal retirement date and after he completes eight [10] or  
13 more years of credited service.

14 \* Sec. 8. AS 39.35.390(a) is amended to read:

15           (a) An employee is eligible for a deferred vested  
16 retirement benefit if his employment is terminated on or  
17 after attainment of age 50 and credited service of eight  
18 [15] years and he does not withdraw the balance in his  
19 employee contribution account.

20 \* Sec. 9. AS 39.35.400(a) is amended to read:

21           (a) An employee is eligible for a nonoccupational  
22 disability pension if his employment is terminated because  
23 of a nonoccupational disability before his normal retire-  
24 ment date and after eight [10] or more years of credited  
25 service.

26 \* Sec. 10. AS 39.35.680(5) is repealed and re-enacted to read

27           (5) "employee"

28           (A) means a person who receives remuneration  
29 for full-time personal services regularly rendered to

1 an employer or who would receive remuneration except  
2 for an authorized leave of absence;

3 (B) means an elected official who, within  
4 60 days after taking the oath of his office, elects to  
5 pay contributions required of an employee and to be  
6 included in the system under sec. 125 of this chapter;

7 (C) does not include

8 (i) persons compensated on a contractual  
9 or fee basis,

10 (ii) casual or part-time workers in a  
11 position having duties which will not permit at  
12 least six months of service during a calendar year,

13 (iii) persons covered by the Alaska  
14 teachers' retirement system,

15 (iv) employees of the division of  
16 marine transportation engaged in operating the  
17 state ferry system who are covered by a union or  
18 group retirement system to which the state makes  
19 contributions, and

20 (v) justices and judges of the supreme  
21 and superior courts of Alaska; for purposes of  
22 this subsection a state legislator is considered  
23 to be a full time elected official.

24 \* Sec. 11. This Act takes effect on the day after its passage  
25 and approval or on the day it becomes law without such approval.  
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