

1 IN THE HOUSE

BY MILLER AND DUNCAN

2 HOUSE BILL NO. 7

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to service credit under the public  
7 employees' retirement system."

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

9 \* Section 1. AS 39.35 is amended by adding a new section to read:

10 Sec. 39.35.155. TEMPORARY SERVICE CREDIT. (a) An employee who  
11 completes five years of credited service with the state is entitled to  
12 service credit for periods in which the employee regularly rendered  
13 full-time personal service to the state but was not qualified to parti-  
14 cipate in the system because of the exclusion of temporary service as  
15 described in sec. 680(5)(C)(ii) of this chapter. Benefits are not pay-  
16 able on this service credit unless the employee makes retroactive con-  
17 tributions to the system for the period of time that service credit is  
18 claimed. The retroactive contribution is the amount the employee would  
19 have contributed for the period of service if the service had been  
20 included in the system during the period the service was performed.

21 (b) In order to obtain service credit under this section, an  
22 employee shall make an election to do so and shall verify his period of  
23 temporary service before July 1, 1978 or within one year following the  
24 date when the employee becomes vested under this chapter, if later.  
25 When eligibility for temporary service credit has been established, an  
26 indebtedness shall be determined as provided in (a) of this section.  
27 Interest as prescribed by regulation accrues on that indebtedness com-  
28 mencing on July 1, 1978 or one year following the date a person first  
29 becomes vested, whichever is later. Any outstanding indebtedness which

1 exists at the time a person is appointed to retirement will necessitate  
2 an actuarial adjustment to the benefits payable based upon the temporary  
3 service.

4 (c) A person receiving retirement benefits under this chapter on  
5 the effective date of this Act is eligible to receive increased benefits  
6 as described in (a) of this section. To receive temporary service  
7 credit, a retired person must verify his temporary service before July  
8 1, 1978. When that service has been verified for a retired person to  
9 receive temporary service credit, he is entitled to receive an increased  
10 benefit which shall be actuarially adjusted to reflect his indebtedness  
11 for the credit. The indebtedness shall be calculated in the same manner  
12 as described in (b) of this section. The effective date of this in-  
13 creased benefit is the beginning of the month following that in which  
14 eligibility has been established.

15 (d) The service credit granted under this section may not count as  
16 years of service for the purpose of satisfying eligibility for normal  
17 retirement or as eligibility for normal retirement before reaching  
18 normal retirement age under this chapter.  
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