

Introduced: 1/9/78
Referred: State Affairs,
Health, Education & Social
Services and Finance

1 IN THE HOUSE

BY BRADLEY, GRUENING AND
PHILLIPS

2 HOUSE BILL NO. 576

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act granting service credit in the public employees'
7 retirement system or the teachers' retirement system
8 for employment at Alaska Methodist University; and
9 providing for an effective date."

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

11 * Section 1. AS 14.25 is amended by adding a new section to read:

12 Sec. 14.25.105. CREDIT FOR EMPLOYMENT AT ALASKA METHODIST UNIVER-
13 SITY. (a) A teacher who had been employed at Alaska Methodist Univer-
14 sity for a total of at least five years on a full-time basis on July 1,
15 1976 may receive creditable service under this retirement system up to a
16 maximum of five years. Credit for Alaska Methodist University employ-
17 ment shall be granted only if the teacher makes contributions for that
18 employment in the same manner as required for outside service under sec.
19 60 of this chapter. The Alaska Methodist University employment credited
20 under this section shall be included in the 10-year limitation of out-
21 side service as specified in sec. 60 of this chapter.

22 (b) A teacher may not be credited with Alaska Methodist University
23 employment under this section if credit for that employment was granted
24 under the public employees' retirement system (AS 39.35).

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

26 Sec. 39.35.345. CREDIT FOR ALASKA METHODIST UNIVERSITY EMPLOYMENT.
27 (a) A vested employee is entitled to credited service for employment at
28 Alaska Methodist University if the employee had been employed for a
29 total of at least five years on a full-time basis at Alaska Methodist

1 University on July 1, 1976. The credited service allowed may not exceed
2 an aggregate period of five years. Benefits are not payable on credited
3 service for Alaska Methodist University employment service unless the
4 employee makes retroactive contributions to the system for the period of
5 time that service credit is claimed.

6 (b) In order to obtain credited service under this section, an
7 employee shall make an election to do so and shall verify his period of
8 employment at Alaska Methodist University before July 1, 1979 or within
9 one year following the date when the employee first becomes vested under
10 this chapter, if later. When eligibility for credited service for
11 Alaska Methodist University employment has been established, an indebted-
12 ness shall be determined as follows: (1) the employee's actual compen-
13 sation, or the calculated annual compensation for those employees
14 working less than 12 months, during the calendar year 1978 or the year
15 in which an employee first becomes vested under this chapter, whichever
16 is later, multiplied by (2) six per cent, this product multiplied by (3)
17 the number of years of Alaska Methodist University employment credited
18 under this section. Interest as prescribed by regulation accrues on
19 this indebtedness commencing on July 1, 1979 or one year following the
20 date a person first becomes vested, whichever is later. Any outstanding
21 indebtedness which exists at the time a person is appointed to retire-
22 ment will necessitate an actuarial adjustment to the benefits payable
23 based upon that Alaska Methodist University employment service.

24 (c) A retired employee on July 1, 1978 is eligible to receive
25 increased benefits based upon Alaska Methodist University employment as
26 described in (a) of this section. To receive credited service for
27 Alaska Methodist University employment, a retired employee must verify
28 that employment before July 1, 1979. When verified, a retired employee
29 is entitled to receive an increased benefit which shall be actuarially

1 adjusted to reflect his indebtedness for such credit. The indebtedness
2 shall be calculated in the same manner as described in (b) of this
3 section except that it shall be based on the average monthly compensa-
4 tion used in calculating the benefit. The effective date of this
5 increased benefit is the beginning of the month following that in which
6 eligibility has been established.

7 (d) The credited service granted under this section may not be
8 used to satisfy the credited service requirements for normal retirement.

9 (e) A deferred vested employee on July 1, 1978 is eligible to
10 claim credited service under (a) of this section. In order to obtain
11 credited service under this section, such an employee must make an
12 election to do so and must verify his period of Alaska Methodist Univer-
13 sity employment before July 1, 1980. When eligibility for that employ-
14 ment credit has been established, an indebtedness shall be determined as
15 follows: the employee's actual compensation, or the calculated annual
16 compensation for those employees working less than 12 months, during the
17 calendar year the employee terminated, shall be multiplied by six per
18 cent; this product shall then be multiplied by the number of years of
19 Alaska Methodist University employment credit under this section.
20 Interest as prescribed by regulation accrues on this indebtedness com-
21 mencing July 1, 1980. Any outstanding indebtedness which exists at the
22 time a person is appointed to retirement will necessitate an actuarial
23 adjustment to the benefits payable based upon that Alaska Methodist
24 University employment.

25 (f) An employee may not receive Alaska Methodist University
26 employment credit under this section if credit for that employment was
27 granted under AS 14.25.

28 * Sec. 3. This Act takes effect July 1, 1978.

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