

Introduced: 2/14/78  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY DUNCAN

2 HOUSE BILL NO. 841

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

10 Sec. 39.35.157. RIGHT OF ELECTED MUNICIPAL OFFICIALS TO CREDIT FOR  
11 SERVICE PERFORMED BEFORE MUNICIPALITY'S PARTICIPATION. (a) An elected  
12 official of a municipality who elects, under sec. 125 of this chapter,  
13 to be included in the system is entitled to service credit for the  
14 period of service as an elected official of the municipality which  
15 occurred before the effective date of the municipality's participation.  
16 Benefits are not payable on this service credit unless the elected  
17 official makes a retroactive contribution to the system for the period  
18 that service credit is claimed. The retroactive contribution is the  
19 amount an employee would have contributed for the period of service at  
20 the time it occurred.

21 (b) To obtain service credit under this section, an elected offi-  
22 cial must make an election to do so and must verify his period of  
23 service under this section before July 1, 1979 or within one year  
24 following the effective date of the municipality's participation, which-  
25 ever is later. When eligibility for service credit under this section  
26 has been established, an indebtedness shall be determined as provided in  
27 (a) of this section. Interest as prescribed by regulation accrues on  
28 that indebtedness commencing July 1, 1979 or one year following the  
29 effective date of the municipality's participation, whichever is later.

1 Any outstanding indebtedness which exists at the time the election  
2 official is appointed to retirement will necessitate an actuarial adjust-  
3 ment to the benefits payable under this section.

4 (c) A person who, on July 1, 1978, is receiving retirement benefits  
5 under this chapter for service as an elected official of a municipality  
6 is eligible to receive increased benefits as granted under (a) of this  
7 section. To obtain service credit under this section, a retired person  
8 must verify his period of service under this section before July 1,  
9 1979. When eligibility for service credit under this section has been  
10 established, the retired person is entitled to receive an increased  
11 benefit which shall be actuarially adjusted to reflect his indebtedness  
12 for the credit. The indebtedness shall be calculated under (b) of this  
13 section. The effective date of this increased benefit is the first day  
14 of the month following the month in which eligibility is established.

15 (d) As used in this section, "municipality" includes a former  
16 municipality which has lost its separate legal identity but whose terri-  
17 tory is included within a successor municipality.

18 Sec. 39.35.158. RIGHT OF FORMER ELECTED MUNICIPAL OFFICIALS TO  
19 RETROACTIVE PARTICIPATION IN THE SYSTEM. (a) This section applies to a  
20 former elected official of a municipality which participates in the  
21 system but which may or may not have participated during the time the  
22 former elected official served. This section does not apply to a person  
23 entitled, at any time, to claim service credit under sec. 157 of this  
24 chapter.

25 (b) A former elected official to whom this section applies is  
26 entitled to service credit for the period of service as an elected  
27 official of the municipality, regardless of when the service occurred.  
28 Benefits are not payable on this service credit unless the former  
29 elected official makes a retroactive contribution to the system for the

1 period that service credit is claimed. The retroactive contribution is  
2 the amount an employee would have contributed for the period of service  
3 at the time it occurred.

4 (c) To obtain service credit under this section, a former elected  
5 official must verify his period of service under this section before  
6 July 1, 1979 or within one year following the effective date of the  
7 municipality's participation, whichever is later. When eligibility for  
8 service credit under this section has been established, an indebtedness  
9 shall be determined as provided in (b) of this section. Interest as  
10 prescribed by regulation accrues on that indebtedness commencing July 1,  
11 1979 or one year following the effective date of the municipality's  
12 participation, whichever is later. Any outstanding indebtedness which  
13 exists at the time the former elected official is appointed to retire-  
14 ment will necessitate an actuarial adjustment to the benefits payable  
15 under this section.

16 (d) A former elected official to whom this section applies who, on  
17 July 1, 1978, is receiving retirement benefits under this chapter is  
18 eligible to receive increased benefits as granted under (b) of this  
19 section. To obtain service credit under this section, a retired person  
20 must verify his period of service under this section before July 1,  
21 1979. When eligibility for service credit under this section has been  
22 established, the retired person is entitled to receive an increased  
23 benefit which shall be actuarially adjusted to reflect his indebtedness  
24 for the credit. The indebtedness shall be calculated under (c) of  
25 this section. The effective date of this increased benefit is the  
26 first day of the month following the month in which eligibility is  
27 established.

28 (e) As used in this section, "municipality" includes a former  
29 municipality which has lost its separate legal identity but whose

territory is included within a successor municipality.

\* Sec. 2. This Act takes effect July 1, 1978.

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