

Introduced: 2/14/78
Referred: Health, Education
& Social Services and
Finance

1 IN THE SENATE

BY RODEY AND KERTTULA

2 SENATE BILL NO. 512

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for service credit under the public
7 employees' retirement system for former employees of
8 the Alaska State Housing Authority; and providing for
9 an effective date."

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

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

12 Sec. 39.35.346. SERVICE CREDIT FOR FORMER EMPLOYEES OF THE ALASKA
13 STATE HOUSING AUTHORITY. (a) A vested employee is entitled to service
14 credit for past employment with the Alaska State Housing Authority.
15 The credited service allowed under this section may not exceed an aggre-
16 gate period of 10 years. Benefits are not payable on past service with
17 the Alaska State Housing Authority unless the employee makes retroactive
18 contributions to the system for the period of time that service credit
19 is claimed.

20 (b) In order to obtain credited service under this section, an
21 employee shall make an election to do so and shall verify his period of
22 service with the Alaska State Housing Authority before July 1, 1979 or
23 within one year following the date when the employee first becomes
24 vested under this chapter, if later. When eligibility for that credited
25 service has been established, an indebtedness shall be determined as
26 follows: (1) the employee's actual compensation, or the calculated
27 annual compensation for those employees working less than 12 months,
28 during the calendar year 1978 or the year in which an employee first
29 becomes vested under this chapter, whichever is later, multiplied by

1 (2) six per cent, this product multiplied by (3) the number of years of
2 service credited under this section. Interest as prescribed by regula-
3 tion accrues on this indebtedness commencing on July 1, 1979 or one year
4 following the date a person first becomes vested, whichever is later.
5 Any outstanding indebtedness which exists at the time a person is ap-
6 pointed to retirement will necessitate an actuarial adjustment to the
7 benefits payable based upon that past service with the Alaska State
8 Housing Authority.

9 (c) A retired employee on July 1, 1978 is eligible to receive in-
10 creased benefits based upon service described in (a) of this section.
11 To receive that service credit, a retired employee must verify his past
12 service with the Alaska State Housing Authority before July 1, 1979.
13 When that service has been verified, a retired employee is entitled to
14 receive an increased benefit which shall be actuarially adjusted to re-
15 flect his indebtedness for the credit. The indebtedness shall be cal-
16 culated in the same manner as described in (b) of this section except
17 that it shall be based on the average monthly compensation used in cal-
18 culating the benefit. The effective date of this increased benefit is
19 the beginning of the month following that in which eligibility has been
20 established.

21 (d) The credited service granted under this section may not be
22 used to satisfy the credited service requirement for normal retirement.

23 (e) A deferred vested employee on July 1, 1978 is eligible to
24 claim credited service under (a) of this section. In order to obtain
25 credited service under this section, that employee must make an election
26 to do so and must verify his period of past service with the Alaska
27 State Housing Authority before July 1, 1979. When eligibility for that
28 service has been established, an indebtedness shall be determined as
29 follows: the employee's actual compensation, or the calculated annual

1 compensation for those employees working less than 12 months, during the
2 calendar year the employee terminated, shall be multiplied by six per
3 cent; this product shall then be multiplied by the number of years of
4 service credit under this section. Interest as prescribed by regulation
5 accrues on this indebtedness commencing July 1, 1979. Any outstanding
6 indebtedness which exists at the time a person is appointed to retire-
7 ment will necessitate an actuarial adjustment to the benefits payable
8 based upon that service.

9 (f) No service credit for past employment with the Alaska State
10 Housing Authority may be granted to an employee under this section if
11 credit for that service was granted under a retirement system funded
12 entirely or in part by the Alaska State Housing Authority.

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