

Introduced: 1/24/79
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY MILLER AND DUNCAN

2 HOUSE BILL NO. 27

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to credited service under the public
7 employees' retirement system; and providing for an
8 effective date."

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

10 * Section 1. AS 39.35 is amended by adding a new section to article 2 to
11 read:

12 Sec. 39.35.156. TEMPORARY SERVICE CREDIT. (a) A vested employee
13 is entitled to credited service for periods in which he regularly ren-
14 dered full-time personal service to an employer but was not qualified to
15 participate in the system because of the exclusion of temporary workers
16 as described in AS 39.35.680(21)(C)(iii). Benefits are not payable on
17 this credited service unless the employee makes retroactive contribu-
18 tions to the system for the period of time that credited service is
19 claimed. The retroactive contribution is the full actuarial cost of
20 providing benefits for the credited service claimed.

21 (b) To obtain credited service under this section, an employee
22 must make an election to do so and must verify his period of temporary
23 service before July 1, 1980 or within one year following the date when
24 the employee first becomes vested under this chapter, if later. When
25 eligibility for temporary service credit has been established, an in-
26 debtedness shall be determined as provided in (a) of this section.
27 Interest as prescribed by regulation accrues on that indebtedness com-
28 mencing July 1, 1980 or one year following the date an employee first
29 becomes vested, whichever is later. Any outstanding indebtedness which

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exists at the time an employee retires will require an actuarial adjustment to the benefits payable based on the temporary service.

(c) A deferred vested employee on July 1, 1979 is eligible to claim credited service under (a) of this section. To obtain credited service under this section, a deferred vested employee must make an election to do so and must verify his period of temporary service before July 1, 1980. When eligibility for temporary service credit has been established, an indebtedness shall be determined as provided in (a) of this section. Interest as prescribed by regulation accrues on that indebtedness commencing July 1, 1980. Any outstanding indebtedness which exists at the time a person is appointed to retirement will necessitate an actuarial adjustment to the benefits payable based upon the temporary service.

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

* Sec. 2. This Act takes effect July 1, 1979.