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1 IN THE HOUSE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR HOUSE BILL NO. 260

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 retirement and benefits; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 14.25.040 is amended by adding new subsections to read:

10 (b) A state legislator who was an active member of this system
11 under other sections of this chapter within the 12 months immediately
12 preceding his election to office may elect to be an active member of
13 this system for as long as he serves continuously as a state legislator,
14 subject to the requirements of (c) of this section, if, within 90 days
15 after taking the oath of his office,

16 (1) he directs his employer in writing to

17 (A) pay into this system the employer contributions
18 required for a member under this chapter; and

19 (B) deduct from his salary and pay into this system

20 (i) the employee contributions required for a
21 member under this chapter; and

22 (ii) an amount equal to the difference between the
23 total employer and state contributions required for a member
24 under this chapter and the employer contributions which would
25 be required under the public employees' retirement system
26 (AS 39.35) if the legislator were covered under that system;
27 and

28 (2) notice is given the administrator in writing.

29 (c) A state legislator is not entitled to elect membership under

1 (b) of this section if he is covered for the same period of service
2 under the public employees' retirement system (AS 39.35). An election
3 of membership under (b) of this section is retroactive to the date the
4 state legislator took the oath of his office. A state legislator may
5 not receive membership credit under (b) of this section for legislative
6 service performed before the legislative session during which he elected
7 membership under (b) of this section. In order to continue in member-
8 ship service under (b) of this section, the state legislator must earn
9 at least 0.3 years of membership service under other sections of this
10 chapter during each five-year period.

11 * Sec. 2. AS 14.25.142(b) is amended to read:

12 (b) A person receiving a cost-of-living allowance under this
13 section shall notify the administrator when he expects to be absent from
14 the state for a continuous period that exceeds 90 [60] days. After that
15 notification, the person is no longer entitled to receive the monthly
16 cost-of-living allowance, except that a person may be absent from the
17 state for not more than six months without loss of the cost-of-living
18 allowance if the absence is the result of illness and required by order
19 of a licensed physician. Upon his return to the state, and upon noti-
20 fication to the administrator, the person is again entitled to receive
21 the monthly cost-of-living allowance, commencing with the first monthly
22 benefit payment made after notification of the person's return.

23 * Sec. 3. AS 14.25.142(c) is amended to read:

24 (c) For purposes of this section, "residing in the state" means
25 domiciled and physically present in the State of Alaska. Being absent
26 from the state for a continuous period of 90 [60] days or less or six
27 months or less when ordered by a physician does not change a person's
28 status as "residing in the state".

29 * Sec. 4. AS 14.25.220(2) is amended to read:

1 (2) "base salary" or "basic salary"

2 (A) means any remuneration accrued under a contract to a
3 teacher for professional services rendered during any school year;
4 for purposes of AS 14.25.050, base salary accrued includes any pay-
5 ments made after June 30 of a school year for services rendered
6 before the end of the school year;

7 (B) has the same meaning as "compensation" under AS 39.-
8 35.680(8) when applied to a state legislator who elects membership
9 under AS 14.25.040(b);

10 * Sec. 5. AS 14.25.220(4) is amended to read:

11 (4) "employer" means a public school district, the Board of
12 Regents of the University of Alaska, [OR] the Department of Education,
13 or the state legislature with respect to a state legislator who elects
14 membership under AS 14.25.040(b);

15 * Sec. 6. AS 14.25.220(5) is amended to read:

16 (5) "membership service" means

17 (A) service as a teacher in a public school within the
18 Territory or State of Alaska, or both, under the supervision and
19 control of the Territorial Board of Education, [OR] the Department
20 of Education, the school board of any city or borough school dis-
21 trict, or the Board of Regents of the University of Alaska; [, OR]

22 (B) any period during which the teacher is on an ap-
23 proved sabbatical leave granted in accordance with AS 14.20.310 or
24 is receiving a disability retirement salary; or

25 (C) continuous service as a state legislator when per-
26 formed by a state legislator who elects membership under AS 14.25.-
27 040(b), subject to the requirements of AS 14.25.040(c);

28 * Sec. 7. AS 14.25.220(15) is amended to read:

29 (15) "teacher" or "member" means a certified teacher, certi-

1 fied school nurse, principal, supervisor, or superintendent employed on
2 a full-time or a part-time basis in a position having duties which
3 normally require a year of service in the public schools of the state,
4 the commissioner of education, supervisors within the Department of
5 Education, [AND] all full-time resident professional and administrative
6 personnel of the University of Alaska, and a state legislator who elects
7 membership under AS 14.25.040(b); in case of doubt, the administrator
8 shall finally determine whether or not a person is a teacher as defined
9 in this chapter;

10 * Sec. 8. AS 39.35.125(a) is amended to read:

11 (a) An elected official, other than a state legislator who is an
12 active member of the teachers' retirement system, may be included in the
13 system if, within 60 days after taking the oath of his office or within
14 60 days after May 12, 1966

15 (1) he directs his employer in writing to make the necessary
16 deductions from his salary and to pay into the system the contributions
17 required by and for an employee under this chapter and

18 (2) notice is given the commissioner of administration in
19 writing.

20 * Sec. 9. AS 39.35.125(c) is amended to read:

21 (c) An elected official, other than a state legislator who is an
22 active member of the teachers' retirement system, may be included retro-
23 actively in the system if he makes retroactive contributions equal to
24 what he would have made if he had elected to be included when he became
25 eligible under (a) of this section.

26 * Sec. 10. AS 39.35.360 is amended by adding a new subsection to read:

27 (g) An employee is eligible to receive up to 10 years of credited
28 service for service rendered before July 1, 1979 as a temporary employee
29 of the legislature of the state or territory during legislative ses-

1 sions. To receive retroactive credited service under this subsection,
2 an employee must claim the service before July 1, 1980. When the
3 employee claims the service, an indebtedness of the employee to the
4 system shall be established. The amount of this indebtedness is equal
5 to the contributions the employee would have made if he had been eli-
6 gible for membership in the system. The rate used to calculate these
7 contributions may not be less than the rate in effect on January 1,
8 1961. Interest as prescribed by regulation accrues on this indebtedness
9 beginning July 1, 1980. Any outstanding indebtedness which exists at
10 the time the employee retires will require an actuarial adjustment to
11 the benefits which are based upon retroactive credited service under
12 this subsection.

13 * Sec. 11. AS 39.35.385 is amended by adding a new subsection to read:

14 (f) An employee is eligible for a normal retirement benefit at age
15 55 or an early retirement benefit at age 50 if he has at least 60 days
16 of credited service as a temporary employee of the legislature during
17 each of five legislative sessions.

18 * Sec. 12. AS 39.35.480(b) is amended to read:

19 (b) A person receiving a cost-of-living allowance under this
20 section shall notify the administrator when he expects to be absent from
21 the state for a continuous period that exceeds 90 [60] days. After that
22 notification, the person is no longer entitled to receive the monthly
23 cost-of-living allowance, except that a person may be absent from the
24 state for not more than six months without loss of the cost-of-living
25 allowance if the absence is the result of illness and required by order
26 of a licensed physician. Upon his return to the state, and upon notifi-
27 cation to the administrator, the person is again entitled to receive the
28 monthly cost-of-living allowance, commencing with the first monthly
29 benefit payment made after notification of the person's return.

1 * Sec. 13. AS 39.35.480(d) is amended to read:

2 (d) For purposes of this section, "residing in the state" means
3 domiciled and physically present in the State of Alaska. Being absent
4 from the state for a continuous period of 90 [60] days or less or six
5 months or less when ordered by a physician does not change a person's
6 status as "residing in the state."

7 * Sec. 14. AS 39.35.680(35) is amended to read:

8 (35) "seasonal" refers to an employee who is occupying a
9 position for less than 12 months each year where it is anticipated that
10 the same employee will return to the position when needed and includes
11 a temporary employee of the legislature if part of the service for the
12 legislature during each calendar year is performed during a legisla-
13 tive session;

14 * Sec. 15. Sections 10, 11 and 14 of this Act apply to a temporary em-
15 ployee of the Eleventh Legislature, First Session, even though he may not be
16 an employee under the public employees' retirement system on July 1, 1979.

17 * Sec. 16. A qualified member of the Eleventh State Legislature is eli-
18 gible to elect membership under AS 14.25.040(b), enacted in sec. 1 of this
19 Act, if he complies with the requirements for electing membership within 30
20 days after the effective date of that subsection.

21 * Sec. 17. A person receiving benefits under AS 14.25 on July 1, 1979 is
22 eligible for any increase in benefits resulting from the amendments to
23 AS 14.25 enacted in secs. 2 and 3 of this Act.

24 * Sec. 18. A person receiving benefits under AS 39.35 on July 1, 1979 is
25 eligible for any increase in benefits resulting from the amendments to
26 AS 39.35 enacted in secs. 12 and 13 of this Act.

27 * Sec. 19. Sections 2, 3, 10 - 14, 17, and 18 of this Act take effect
28 July 1, 1979. Sections 1, 4 - 9, 15, 16, and 19 of this Act take effect
29 immediately in accordance with AS 01.10.070(c).