

Introduced: 3/9/79
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY MCKINNON AND BUCHHOLDT

2 HOUSE BILL NO. 366

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for credited service 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. 39.35.345. CREDITED SERVICE FOR FORMER EMPLOYEES OF THE
13 ALASKA STATE HOUSING AUTHORITY. (a) A vested employee is entitled to
14 credited service for past employment with the Alaska State Housing
15 Authority. The credited service allowed under this section may not
16 exceed an aggregate period of 10 years. Benefits are not payable on
17 past service with the Alaska State Housing Authority unless the employee
18 makes retroactive contributions to the system for the period of time for
19 which credited service 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, before July 1, 1980
22 or within one year following the date when he first becomes vested under
23 this chapter, if later, verify his period of service with the Alaska
24 State Housing Authority. When eligibility for that credited service has
25 been established, an indebtedness shall be determined as follows: (1)
26 the employee's actual compensation, or the calculated annual compensa-
27 tion for an employee working less than 12 months, during the calendar
28 year 1979 or the year in which he first becomes vested under this chap-
29 ter, if later, multiplied by (2) six per cent, this product multiplied

1 by (3) the number of years of service credited under this section.
2 Interest as prescribed by regulation accrues on this indebtedness begin-
3 ning on July 1, 1980 or one year following the date an employee first
4 becomes vested, whichever is later. Any outstanding indebtedness which
5 exists at the time an employee retires will require an actuarial adjust-
6 ment to the benefits payable based upon that credited service.

7 (c) A retired employee on July 1, 1979 is eligible to receive in-
8 creased benefits based upon service described in (a) of this section.
9 To receive that credited service, a retired employee must, before
10 July 1, 1980, verify his past service with the Alaska State Housing
11 Authority. When that service has been verified, a retired employee is
12 entitled to receive an increased benefit which shall be actuarially
13 adjusted to reflect his indebtedness for the credited service. The
14 indebtedness shall be calculated in the same manner as described in (b)
15 of this section except that it shall be based on the average monthly
16 compensation used in calculating the benefit. The effective date of
17 this increased benefit is the beginning of the month following that in
18 which eligibility has been established.

19 (d) A deferred vested employee on July 1, 1979 is eligible to
20 claim credited service under (a) of this section. In order to obtain
21 credited service under this section, that employee must make an election
22 to do so and must, before July 1, 1980, verify his period of past ser-
23 vice with the Alaska State Housing Authority. When eligibility for that
24 credited service has been established, an indebtedness shall be deter-
25 mined as follows: (1) the employee's actual compensation, or the cal-
26 culated annual compensation for an employee working less than 12 months,
27 during the calendar year the employee terminated, multiplied by (2) six
28 per cent, this product multiplied by (3) the number of years of service
29 credited under this section. Interest as prescribed by regulation

1 accrues on this indebtedness beginning July 1, 1980. Any outstanding
2 indebtedness which exists at the time an employee retires will require
3 an actuarial adjustment to the benefits payable based upon that credited
4 service.

5 (e) The credited service granted under this section may not be
6 used to satisfy the credited service requirements for normal retirement.

7 (f) No credited service for past employment with the Alaska State
8 Housing Authority may be granted to an employee under this section if
9 credit for that service is in effect under a retirement system funded
10 entirely or in part by the Alaska State Housing Authority. If an em-
11 ployee who has received credited service under this section later
12 receives credit for that service under a retirement system funded
13 entirely or in part by the Alaska State Housing Authority, he shall
14 forfeit that credited service under this system and repay to this system
15 any benefits received attributable to that credited service, together
16 with interest as prescribed by regulation.

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