

Introduced: 1/16/79  
Referred: Labor & Management  
and Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 26

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

1 exists at the time an employee retires will require an actuarial adjust-  
2 ment to the benefits payable based on the temporary service.

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

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

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