

Introduced: 3/31/81  
Referred: State Affairs and  
Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 356

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

10 \* Section 1. AS 39.35.345 is amended to read:

11 Sec. 39.35.345. TEMPORARY SERVICE CREDIT. (a) A vested employee  
12 is entitled to credited service for periods in which he regularly  
13 rendered full-time personal service to an employer but was not quali-  
14 fied to participate in the system because of the exclusion of temporary  
15 workers as described in AS 39.35.680(21)(C)(iii). If an employee  
16 claims retroactive credited service under this section, he becomes  
17 indebted to the system. The amount of indebtedness is equal to the  
18 contributions the employee would have made during the periods of  
19 employment for which the credited service is claimed if he had been  
20 a member of the system during those periods. Benefits are not payable  
21 on [THIS] credited service claimed under this section unless the  
22 employee makes retroactive contributions to the system to discharge  
23 his indebtedness for the period of time that credited service is  
24 claimed. [THE RETROACTIVE CONTRIBUTION IS THE FULL ACTUARIAL COST OF  
25 PROVIDING BENEFITS FOR THE CREDITED SERVICE CLAIMED.]

26 (b) To obtain credited service under this section, an employee  
27 must elect to do so and must verify his period of temporary service  
28 before July 1, 1982 [1981], or within one year following the date when  
29 the employee first becomes vested under this chapter, if later. When

1 eligibility for temporary service credit has been established, an  
2 indebtedness shall be determined as provided in (a) of this section.  
3 Interest as prescribed by regulation accrues on that indebtedness  
4 beginning July 1, 1982 [1981], or one year following the date an  
5 employee first becomes vested, whichever is later. Any outstanding  
6 indebtedness existing at the time an employee retires will require an  
7 actuarial adjustment to the benefits payable based on the temporary  
8 service.

9 (c) A deferred vested employee on July 1, 1981 [1980], is eligible  
10 to claim credited service under (a) of this section. To obtain credited  
11 service under this section, a deferred vested employee must elect to do  
12 so and must verify his period of temporary service before July 1, 1982  
13 [1981]. When eligibility for temporary service credit has been estab-  
14 lished, an indebtedness shall be determined as provided in (a) of this  
15 section. Interest as prescribed by regulation accrues on that indebted-  
16 ness beginning July 1, 1982 [1981]. Any outstanding indebtedness  
17 existing at the time a deferred vested employee retires will require an  
18 actuarial adjustment to the benefits payable based on the temporary  
19 service.

20 (d) The credited service granted under this section may [NOT] be  
21 used to satisfy the credited service requirements for normal or early  
22 retirement.

23 \* Sec. 2. This Act takes effect June 30, 1981.  
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