

Introduced: 4/8/81  
Referred: State Affairs and  
Finance

1 IN THE SENATE

BY BRADLEY

2 SENATE BILL NO. 402

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 credited service under the public  
7 employees' retirement system for active military  
8 service."

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

10 \* Section 1. AS 39.35.340(a) is amended to read:

11 (a) An [A VESTED] employee is entitled to credited service for  
12 active military service in the armed forces of the United States,  
13 either by enlistment or induction, if the employee did not receive a  
14 dishonorable discharge. The credited service allowed may not exceed an  
15 aggregate period of five years. Benefits are not payable on credited  
16 service for military service unless the employee makes retroactive  
17 contributions to the system for the period of time that service credit  
18 is claimed. However, if the employee was in the employ of an employer  
19 on the date of entry into the armed forces and returned to the employ  
20 of an employer within 90 days after the date of his discharge from  
21 military service, he is not required to make retroactive contributions  
22 under this system for the period of credited service.

23 \* Sec. 2. AS 39.35.340(b) is amended to read:

24 (b) In order to obtain credited service under this section, an  
25 employee shall make an election to do so and shall verify his period of  
26 military service. When eligibility for credited service for military  
27 service has been established, an indebtedness shall be determined as  
28 follows: (1) the employee's actual compensation, or the calculated  
29 annual compensation for those employees working less than 12 months,

1 during the calendar year 1976 or the year in which an employee first  
2 becomes a member [VESTED] under this chapter, whichever is later,  
3 multiplied by (2) six percent, this product multiplied by (3) the  
4 number of years of military service credited under this section.  
5 Interest as prescribed by regulation accrues on this indebtedness  
6 commencing on July 1, 1977, or one year following the date a person  
7 first becomes a member [VESTED], whichever is later. Any outstanding  
8 indebtedness which exists at the time a person is appointed to retire-  
9 ment will necessitate an actuarial adjustment to the benefits payable  
10 based upon that military service.  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29