

Offered: 5/25/84
Referred: Rules

Original sponsors: Sackett and Ferguson

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 469 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND 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 39.35.125(b) is amended to read:
11 (b) Service as an elected official before January 1, 1981, with
12 an employer may be included retroactively as credited service with the
13 system if the elected official or former elected official makes retro-
14 active contributions equal to what would have been made if the elected
15 official or former elected official had been included in the system
16 when the oath of office as an elected official was taken, plus accrued
17 interest from July 1, 1984. The rate used to calculate the retroac-
18 tive contributions may not be less than the rate in effect on Jan-
19 uary 1, 1961. [AN ELECTED OFFICIAL OR FORMER ELECTED OFFICIAL MUST
20 CLAIM PRIOR SERVICE AND MAKE RETROACTIVE CONTRIBUTIONS BEFORE FEB-
21 RUARY 1, 1983]. An elected official or former elected official may
22 not receive credited service under this subsection for any period in
23 which the elected official or former elected official was receiving a
24 retirement benefit from the system. An elected official or former
25 elected official receiving a retirement benefit from the system on
26 January 1, 1981, is not eligible to claim credited service under this
27 subsection unless the elected official or former elected official is
28 reemployed as an active member [AND CLAIMS THE CREDITED SERVICE BEFORE
29 FEBRUARY 1, 1983]. Service as an elected official with an employer

1 constitutes employment as an active member as [SO] long as a [NO]
2 waiver of coverage under (a) of this section is not in effect.

3 * Sec. 2. AS 39.35.360 is amended by adding new subsections to read:

4 (i) An employee who completes three years of credited service
5 with an employer, for which the employee makes contributions required
6 by this chapter, is entitled to credited service on a year-for-year
7 basis for service credited in the Civil Service Retirement System,
8 rendered as an employee of an Alaska Bureau of Indian Affairs (BIA)
9 school, other than service as a teacher. Retroactive credited service
10 under this section must be claimed before the employee retires. When
11 eligibility for retroactive credited service under this section has
12 been established, an indebtedness of the employee to the system shall
13 be established. The amount of this indebtedness is determined by
14 multiplying six percent of the employee's actual annual compensation,
15 or the calculated annual compensation for an employee who works fewer
16 than 12 months, for the most recent calendar year in which service is
17 rendered to an employer before the calendar year in which the employee
18 first becomes eligible to claim service under this subsection, by the
19 number of years of service in Alaska BIA schools that is credited
20 under this subsection. Interest as prescribed by regulation accrues
21 on the indebtedness beginning on the date the employee may first claim
22 the retroactive credited service. Any outstanding indebtedness that
23 exists at the time the employee retires requires an actuarial adjust-
24 ment to the benefits that are based on retroactive credited service
25 under this section. Service may not be claimed under this subsection
26 and benefits may not be paid for service claimed under this subsection
27 if the employee has, at any point in time, enough service credit in
28 the Civil Service Retirement System to be eligible for a retirement
29 benefit under that system.

1 (j) An employee who has not completed three years of credited
2 service with an employer may claim credited service as an employee of
3 an Alaska Bureau of Indian Affairs (BIA) school, other than service as
4 a teacher under (i) of this section if, on the date of transfer of the
5 Alaska BIA school to the state, the employee is employed at the school
6 and needs fewer than three additional years of continuous full-time
7 employment for normal retirement in the federal Civil Service Retirement
8 System, and the employee completes a period of service with an
9 employer, for which the employee makes contributions required by this
10 chapter, equal to the additional period of service that would have
11 been required for that employee's normal retirement under the federal
12 Civil Service Retirement System. An employee who claims credited
13 service under this subsection must provide federal government
14 verification of the employee's federal Civil Service Retirement System
15 status when the claim is filed.

16 * Sec. 3. Section 1 of this Act takes effect July 1, 1984.

17 * Sec. 4. Section 2 of this Act takes effect immediately in accordance
18 with AS 01.10.070(c).