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Referred: State Affairs, Health,
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Finance

BY TAYLOR, GRUENBERG AND
JENKINS

1 IN THE HOUSE

2

HOUSE BILL NO. 83

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to employee benefits under the
7 Public Employees' Retirement System and the Teachers'
8 Retirement System; and providing for an effective
9 date."

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

11 * Section 1. AS 14.25.043 is repealed and reenacted to read:

12 Sec. 14.25.043. REEMPLOYMENT OF RETIRED MEMBERS. (a) If a
13 retired member subsequently becomes an active member, benefit payments
14 may not be made during the period of reemployment. The retirement
15 benefit shall be suspended for the entire school year if the member is
16 reemployed as an active member for a period equivalent to a year of
17 service. During the period of reemployment, deductions from the
18 member's salary shall be made in accordance with AS 14.25.050. Upon
19 subsequent retirement, the retired member's original benefit payments
20 shall resume and the member shall receive an additional pension
21 calculated under (b) of this section.

22 (b) An additional pension for periods of reemployment after
23 retirement is equal to the formula benefit for the member's total
24 credited service, including the period of reemployment, less the
25 formula benefit for credited service before the period of reemploy-
26 ment, including any post-retirement pension adjustments that may have
27 been granted under AS 14.25.143, plus, in the case of a member who
28 retires and is reemployed before the normal retirement age, an
29 actuarially determined increase to reflect the effect of the cessation

1 of benefits during the period of reemployment.

2 (c) An actuarial adjustment to an additional pension under (b) of
3 this section shall be made in the case of an early retirement.

4 (d) In this section, "formula benefit" means a retirement bene-
5 fit computed under AS 14.25.110(d) without adjustment for early re-
6 tirement.

7 * Sec. 2. AS 14.25.167(e) is amended to read:

8 (e) If either the member or contingent beneficiary dies before
9 the member is appointed to retirement, the election becomes inopera-
10 tive. Once the member is appointed to retirement, the election is
11 irrevocable, even if the retired member is reemployed. Any additional
12 retirement benefit to which the reemployed member may become entitled
13 will be paid in accordance with AS 14.25.043 [THE INITIAL ELECTION
14 MADE UNDER THIS SECTION, UNLESS THE CONTINGENT BENEFICIARY IS
15 DECEASED. IF THE CONTINGENT BENEFICIARY IS DECEASED, THE BENEFITS
16 EARNED DURING THE PERIOD OF REEMPLOYMENT ARE SUBJECT TO AS 14.25.110,]
17 or this section [IF ANOTHER CONTINGENT BENEFICIARY WAS DESIGNATED
18 DURING THE PERIOD OF REEMPLOYMENT]. All other benefits earned during
19 previous periods of employment are subject to the election at the time
20 the member was appointed to retirement. If death occurs during the
21 period of reemployment and the proximate cause of death is not a
22 bodily injury sustained or hazard undergone while in the performance
23 and within the scope of the member's duties of employment, those
24 benefits earned while reemployed are subject to AS 14.25.155(c). [ALL
25 OTHER BENEFITS EARNED DURING PREVIOUS PERIODS OF EMPLOYMENT ARE
26 SUBJECT TO THE ELECTION AT THE TIME THE MEMBER WAS APPOINTED TO
27 RETIREMENT.] If death occurs during the period of reemployment and
28 the proximate cause of death is a bodily injury sustained or hazard
29 undergone while in the performance and within the scope of the

1 member's duties of employment and the injury or hazard is not the
2 proximate result of wilful negligence on the part of the member, all
3 benefits earned during all periods of employment are subject to
4 AS 14.25.157.

5 * Sec. 3. AS 39.35.150 is repealed and reenacted to read:

6 Sec. 39.35.150. REEMPLOYMENT OF RETIRED EMPLOYEES. (a) If a
7 retired employee subsequently becomes an active member, benefit pay-
8 ments may not be made during the period of reemployment. During the
9 period of reemployment, deductions from the employee's salary shall be
10 made in accordance with AS 39.35.160. Upon subsequent retirement, the
11 employee's original benefit payments shall resume and the employee
12 shall receive an additional pension calculated under (b) of this
13 section.

14 (b) An additional pension for periods of reemployment after
15 retirement is equal to the formula benefit for the employee's total
16 credited service, including the period of reemployment, less the
17 formula benefit for credited service before the period of reemploy-
18 ment, including any post-retirement pension adjustments that may have
19 been granted under AS 39.35.475, plus, in the case of an employee who
20 retires and is reemployed before the normal retirement age or an
21 employee who selects a level income option under AS 39.35.460 and is
22 reemployed before age 65, an actuarially determined increase to re-
23 flect the effect of the cessation of benefits during the period of
24 reemployment.

25 (c) An actuarial adjustment to an additional pension under (b) of
26 this section shall be made in the case of an early retirement.

27 (d) In this section, "formula benefit" means a retirement bene-
28 fit computed under AS 39.35.370(c) without adjustment for early re-
29 tirement.

1 * Sec. 4. AS 39.35.450(e) is amended to read:

2 (e) If either the employee or contingent beneficiary dies before
3 the employee is appointed to retirement, the election becomes inopera-
4 tive. Once the employee is appointed to retirement, the election is
5 irrevocable. If a retired employee is reemployed and is subsequently
6 reappointed to retirement, those benefits earned during the period of
7 reemployment are subject to AS 39.35.150 [THE INITIAL ELECTION MADE
8 UNDER THIS SECTION, UNLESS THE CONTINGENT BENEFICIARY IS DECEASED. IF
9 THE CONTINGENT BENEFICIARY IS DECEASED, THE BENEFITS EARNED DURING THE
10 PERIOD OF REEMPLOYMENT ARE SUBJECT TO AS 39.35.370] or this section
11 [IF ANOTHER CONTINGENT BENEFICIARY WAS ELECTED DURING THE PERIOD OF
12 REEMPLOYMENT]. All other benefits earned during prior periods of
13 employment are subject to the election at the time the employee was
14 appointed to retirement. If death occurs from nonoccupational causes
15 during the period of reemployment, those benefits earned while reem-
16 ployed are subject to AS 39.35.420(b). [ALL OTHER BENEFITS EARNED
17 DURING PRIOR PERIODS OF EMPLOYMENT ARE SUBJECT TO THE ELECTION AT THE
18 TIME THE EMPLOYEE WAS APPOINTED TO RETIREMENT.] If death occurs from
19 occupational causes during the period of reemployment, all benefits
20 earned during all periods of employment are subject to AS 39.35.430(b)
21 and (c).

22 * Sec. 5. This Act takes effect July 1, 1985.