

Offered: 2/20/85  
Referred: Finance

Original sponsors: Taylor, Gruenberg  
and Jenkins

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 83 (HESS)

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 AS 14.25.043 is repealed and reenacted to read: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 cal-  
21 culated 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 actu-  
29 arially determined increase to reflect the effect of the cessation of

1 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 DE-  
15 CEASED. 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 SUB-  
26 JECT TO THE ELECTION AT THE TIME THE MEMBER WAS APPOINTED TO RETIRE-  
27 MENT.] If death occurs during the period of reemployment and the  
28 proximate cause of death is a bodily injury sustained or hazard under-  
29 gone while in the performance and within the scope of the member's

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

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 AS 39.35.150 is repealed and reenacted to read:

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

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

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

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

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

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

21 \* Sec. 5. Sections 1 - 4 of this Act are retroactive to January 1,  
22 1985.

23 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
24 10.070(c).