

Introduced: 3/13/85
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY FULLER BY REQUEST

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HOUSE BILL NO. 282

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - FIRST SESSION

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A BILL

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

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

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* Section 1. AS 39.35.345 is amended to read:

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

(b) To obtain credited service under this section, an employee must elect to do so and must verify the period of temporary service before July 1, 1986 [1981], or within one year following the date when

1 the employee first becomes vested under this chapter, if later. When
2 eligibility for temporary service credit has been established, an
3 indebtedness shall be determined as provided in (a) of this section.
4 Interest as prescribed by regulation accrues on that indebtedness
5 beginning July 1, 1986 [1981], or one year following the date an
6 employee first becomes vested, whichever is later. Any outstanding
7 indebtedness existing at the time an employee retires will require an
8 actuarial adjustment to the benefits payable based on the temporary
9 service.

10 (c) A deferred vested employee on July 1, 1985 [1980], is eligi-
11 ble to claim credited service under (a) of this section. To obtain
12 credited service under this section, a deferred vested employee must
13 elect to do so and must verify the period of temporary service before
14 July 1, 1986 [1981]. When eligibility for temporary service credit
15 has been established, an indebtedness shall be determined as provided
16 in (a) of this section. Interest as prescribed by regulation accrues
17 on that indebtedness beginning July 1, 1986 [1981]. Any outstanding
18 indebtedness existing at the time a deferred vested employee retires
19 will require an actuarial adjustment to the benefits payable based on
20 the temporary service.

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

24 * Sec. 2. The department shall recompute the indebtedness of an em-
25 ployee who claimed retroactive credited service under AS 39.35.345 after
26 June 30, 1980, and before the effective date of this Act. The department
27 shall refund any overpayment of retroactive contributions and interest paid
28 on the indebtedness to the employee.

29 * Sec. 3. This Act takes effect June 30, 1985.