

Introduced: 1/19/87
 Referred: State Affairs, Health,
 Education & Social Services and
 Finance

1 IN THE HOUSE

BY LARSON AND MENARD

2

HOUSE BILL NO. 12

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to limiting certain kinds of cred-
 7 ited service in the Teachers' Retirement System; and
 8 providing for an effective date."

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

10 * Section 1. AS 14.25.060(b) is amended to read:

11 (b) If a member joins the system on or after July 1, 1978, and
 12 has creditable outside service, the member may claim this service in
 13 accordance with (c) of this section. If claimed, the member is in-
 14 debted to the retirement fund as follows:

15 (1) The arrearage indebtedness is the full actuarial cost
 16 of providing benefits for the service being claimed. Compound inter-
 17 est at the rate prescribed by regulation shall be added to the arrear-
 18 age indebtedness beginning the date the actuarial cost is established
 19 to the date of payment or the date of retirement, whichever occurs
 20 first.

21 (2) If a member terminates from the system and is subse-
 22 quently reemployed as a member, the arrearage indebtedness for outside
 23 service during the interim is the full actuarial cost of providing
 24 benefits for the interim service being claimed. Compound interest at
 25 the rate prescribed by regulation shall be added to the arrearage
 26 indebtedness beginning the date the actuarial cost is established to
 27 the date of payment or the date of retirement, whichever occurs first.

28 [(3) REPEALED]

29 * Sec. 2. AS 14.25.060(c) is amended to read:

1 (c) For a member who first joined the system before July 1,
2 1987, the [THE] total military service claimed may not exceed five
3 years. For a member who first joined the system before July 1, 1987,
4 the [THE] combined total of outside and military service may not
5 exceed 10 years, except that, if entry into the armed forces is imme-
6 diately preceded by membership service and within one year after
7 discharge is continued by membership service, that service will not be
8 counted for purposes of determining the applicability of the 10-year
9 limitation on the combined total of outside and military service. For
10 a member who first joins the system on or after July 1, 1987, the
11 total combined territorial service, military service, outside service,
12 and Alaska BIA service claimed may not exceed three years.

13 * Sec. 3. AS 14.25.100(a) is amended to read:

14 (a) A member who served as an active member of the armed forces
15 of the United States and who first joined the system before July 1,
16 1987, may receive credited service under this system up to a maximum
17 of five years. A member who served as an active member of the armed
18 forces of the United States and who first joins the system on or after
19 July 1, 1987, may receive a maximum of three years of credited service
20 for combined military service, territorial service, outside service
21 and Alaska BIA service. Each 12 months of military service equals one
22 school year, and lesser military periods will be determined for credit
23 purposes in a proportionate ratio to a year. To receive credited
24 service under this section, the member must have received a discharge
25 other than dishonorable. Credit for service in the armed forces shall
26 be granted only if the member makes contributions for the service in
27 the same manner as required for outside service under AS 14.25.060.
28 For a member who first joined the system before July 1, 1987, the
29 [THE] military service credited under this section shall be included

1 in the 10-year limitation of outside service as specified in AS 14.-
2 25.060, except if entry into the armed forces is immediately preceded
3 by Alaska membership service and following discharge is continued by
4 Alaska membership service within one year thereafter, service may not
5 be counted for purposes of determining the applicability of the 10-
6 year limitation on outside service.

7 * Sec. 4. AS 14.25.105(a) is amended to read:

8 (a) A teacher who completes 15 years of membership service under
9 this chapter may elect to receive credited service for employment
10 rendered to the Territory of Alaska before January 3, 1959, regardless
11 of the office, department, division or agency of the territory in
12 which employed. For a teacher who first joined the system before
13 July 1, 1987, credited [CREDITED] service allowed under this section
14 may not exceed five years. A teacher who first joins the system on or
15 after July 1, 1987, may receive credited service for a maximum of
16 three years of combined territorial service, outside service, military
17 service, and Alaska BIA service.

18 * Sec. 5. AS 14.25.107 is amended to read:

19 Sec. 14.25.107. CREDIT FOR ALASKA BIA SERVICE. A member who
20 joins the system on or after July 1, 1978, and before July 1, 1987,
21 who has Alaska BIA service may claim all of that service as credited
22 service. A member who joins the system on or after July 1, 1987, who
23 has Alaska BIA service may claim a maximum of three years of combined
24 Alaska BIA service, territorial service, outside service, and military
25 service as credited service. A retirement benefit payable under this
26 chapter for Alaska BIA service shall be reduced by an amount equal to
27 the retirement benefits paid to the member by the United States gov-
28 ernment for the same service.

29 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).