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Referred: Labor & Commerce & Finance

5-0191L

Original sponsors: Duncan, Halford,
Szymanski and Kerttula

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SENATE BILL NO. 42 (State Affairs)
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 the retirement incentive program;
7 use of the working reserve account; and providing for
8 an effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. Section 5(a), ch. 26, SLA 1986, is amended to read:
11 (a) The administrator shall accept the application of an eli-
12 gible vested member if
13 (1) the member will be qualified to retire under AS 14.25.-
14 110 or AS 39.35.370 after receipt of the retirement incentive and will
15 be appointed to retirement on or before
16 (A) October 1, 1987, if the member is an employee of
17 the state other than the University of Alaska [, OR A MEMBER OF
18 THE TEACHERS' RETIREMENT SYSTEM OTHER THAN AN EMPLOYEE OF THE
19 UNIVERSITY OF ALASKA];
20 (B) January 1, 1988, if the member is an employee of
21 the University of Alaska or a member of the Teachers' Retirement
22 System not employed by the state;
23 (C) April 1, 1988, for all other members of the Public
24 Employees' Retirement System; and
25 (2) the member's agency or the employer under AS 14.25 or
26 AS 39.35.550 - 39.35.650 has signed a reimbursement agreement that
27 (A) requires the agency or employer to reimburse the
28 system for each member who is retired within three years after
29 the end of the fiscal year in which the member is appointed to

1 retirement in an amount equal to
2 (i) the actuarial equivalent of the difference
3 between the benefits the member receives after the addition
4 of the retirement incentive under this section and the
5 amount the member would have received without the incentive
6 less the amount the participant has paid on the indebtedness
7 determined under (c) of this section; and
8 (ii) an appropriate share of the administrative
9 costs of the program; and
10 (B) provides that contributions from the agency or
11 employer to the system under this section take priority over
12 other obligations of the agency or employer to the maximum extent
13 permitted by law.

14 * Sec. 2. Section 5(b), ch. 26, SLA 1986, is repealed and reenacted to
15 read:

16 (b) Except as provided in (f) of this section, in determining
17 whether a member will qualify to retire under (a) of this section,

18 (1) for members of the Public Retirement System, only
19 service credit for employment rendered to an employer under AS 39.35
20 may be used;

21 (2) for members of the Teachers' Retirement System, credit-
22 ed service may include service credit for employment rendered to an
23 employer, territorial service under AS 14.25.105, Alaska BIA service
24 under AS 14.25.107, and outside service under AS 14.25.060.

25 * Sec. 3. Section 5(e), ch. 26, SLA 1986, is amended to read:

26 (e) A member who wishes to participate shall apply on a form
27 provided by the administrator. A member may not apply for participa-
28 tion in the retirement incentive program unless the member is employed
29 in a position in a designated organizational unit. A state employee

1 other than an employee of the University of Alaska [, OR A MEMBER OF
2 THE TEACHERS' RETIREMENT SYSTEM OTHER THAN AN EMPLOYEE OF THE UNIVER-
3 SITY OF ALASKA,] may apply for participation in the program until
4 June 30, 1987. A member of the Teachers' Retirement System other than
5 an employee of the University of Alaska or of the state may apply for
6 participation in the program until September 30, 1987. An employee of
7 the University of Alaska may apply for participation in the program
8 between October 1, 1986, and September 30, 1987. Other members of the
9 Public Employees' Retirement System may apply for participation in the
10 program between January 1, 1987, and December 31, 1987.

11 * Sec. 4. AS 37.05.152(a) is amended to read:

12 (a) There is established in the general fund a working reserve
13 account. The working reserve account consists of amounts appropriated
14 to state agencies for

- 15 (1) cash payment of accrued leave;
16 (2) cash payment of terminal leave;
17 (3) payment of the employer's contribution for unemployment
18 benefits of former employees; [AND]

19 (4) payment of claims for workers' compensation and general
20 liability;

21 (5) payment of amounts owed to the Public Employees' Re-
22 tirement System (AS 39.35) and the Teachers' Retirement System
23 (AS 14.25) under the retirement incentive program (ch. 126, SLA 1986,
24 as amended).

25 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).