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Referred: State Affairs
and Finance

5-0434A

1 IN THE SENATE

BY DUNCAN AND SZYMANSKI

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SENATE BILL NO. 121

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FIFTEENTH LEGISLATURE - FIRST SESSION

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A BILL

6 For an Act entitled: "An Act relating to retirement credited service for

7

temporary service."

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

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* Section 1. AS 39.35.345(b) is amended to read:

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(b) To obtain credited service under this section, an employee

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must elect to do so and must verify the period of temporary service

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[BEFORE JULY 1, 1981, OR WITHIN ONE YEAR FOLLOWING THE DATE WHEN THE

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EMPLOYEE FIRST BECOMES VESTED UNDER THIS CHAPTER, IF LATER]. When

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eligibility for temporary service credit has been established, an

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indebtedness shall be determined as provided in (a) of this section.

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[INTEREST AS PRESCRIBED BY REGULATION ACCRUES ON THAT INDEBTEDNESS

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BEGINNING JULY 1, 1981, OR ONE YEAR FOLLOWING THE DATE AN EMPLOYEE

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FIRST BECOMES VESTED, WHICHEVER IS LATER.] Any outstanding indebted-

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ness existing at the time an employee retires will require an actuari-

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al adjustment to the benefits payable based on the temporary service.

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Interest as prescribed by regulation accrues on the indebtedness

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beginning

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(1) July 1, 1981, or one year following the date the em-

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ployee first becomes vested, whichever is later, for an employee who

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claims temporary service credit no more than one year after the em-

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ployee becomes vested;

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(2) the date of vesting, for an employee who becomes vested

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after June 30, 1980, who is claiming temporary service credit more

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than one year after vesting for service performed before the employee

1 vested;

2 (3) July 1, 1980, for an employee who became vested before
3 July 1, 1980, who is claiming temporary service credit after June 30,
4 1981, for service performed before July 1, 1980;

5 (4) one year after completing the temporary service, for an
6 employee who was vested on the last day of employment as a temporary
7 employee and who claims the temporary service no more than one year
8 after completing the service;

9 (5) on the date of completing the temporary service, for an
10 employee who was vested on the last day of employment as a temporary
11 employee and who claims temporary service more than one year after
12 completing the service.

13 * Sec. 2. AS 39.35.345(c) is amended to read:

14 (c) A deferred vested employee on July 1, 1980, is eligible to
15 claim credited service under (a) of this section. To obtain credited
16 service under this section, a deferred vested employee must elect to
17 do so and must verify the period of temporary service [BEFORE JULY 1,
18 1981]. When eligibility for temporary service credit has been estab-
19 lished, an indebtedness shall be determined as provided in (a) of this
20 section. Interest as prescribed by regulation accrues on that indebt-
21 edness beginning July 1, 1981. Any outstanding indebtedness existing
22 at the time a deferred vested employee retires will require an actu-
23 arial adjustment to the benefits payable based on the temporary ser-
24 vice.