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and Finance

6-0163A

1 IN THE SENATE

BY DUNCAN

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SENATE BILL NO. 163

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to credit for part-time service in
the public employees' retirement system and the
teachers' 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 14.25.040 is amended by adding a new subsection to
read:

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(d) A person who is employed at least half-time in the system
during the same period that the person is employed at least half-time
in a position in the public employees' retirement system under AS 39.-
35 shall receive credited service under each system for half-time
employment. However, the amount of credited service a person receives
under the public employees' retirement system during a school year may
not exceed the amount necessary, when added to the amount of credited
service earned during the school year under the system, to equal one
year of credited service.

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* Sec. 2. AS 39.35 is amended by adding a new section to read:

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Sec. 39.35.131. MEMBERSHIP IN TEACHERS' AND PUBLIC EMPLOYEES'
RETIREMENT SYSTEMS. A person who is employed at least half-time in
the system during the same period that the person is employed at least
half-time in a position in the teachers' retirement system under
AS 14.25 shall receive credited service under each system for half-
time employment. However, the amount of credited service a person
receives under the system during a school year may not exceed the

1 amount necessary, when added to the amount of credited service earned
2 during the school year under the teachers' retirement system, to equal
3 one year of credited service.

4 * Sec. 3. AS 39.35.680(21) is amended to read:

5 (21) "member" or "employee"

6 (A) means a person eligible to participate in the
7 system and who is covered by the system;

8 (B) includes

9 (i) active member;

10 (ii) inactive member;

11 (iii) vested member;

12 (iv) deferred vested member;

13 (v) non-vested member;

14 (vi) disabled member;

15 (vii) retired member;

16 (C) does not include

17 (i) former members;

18 (ii) persons compensated on a contractual or fee
19 basis;

20 (iii) casual or emergency workers or nonpermanent
21 employees as defined in AS 39.25.200;

22 (iv) persons covered by the Alaska Teachers'
23 Retirement System except as provided under AS 39.35.131;

24 (v) employees of the division of marine transpor-
25 tation engaged in operating the state ferry system who are
26 covered by a union or group retirement system to which the
27 state makes contributions;

28 (vi) justices of the supreme court or judges of
29 the court of appeals or of the superior or district courts

1 of Alaska;

2 (vii) the administrative director of courts ap-
3 pointed under art. IV, sec. 16 of the state constitution
4 unless the director becomes a member under AS 39.35.158; and

5 (viii) members of the elected public officers'
6 retirement system (former AS 39.37);

7 (D) may include employees of the division of marine
8 transportation excluded under (C)(v) of this paragraph provided
9 that

10 (i) the State of Alaska formally agrees to their
11 inclusion through the process of collective bargaining; and

12 (ii) no collective bargaining agreement has the
13 effect of obligating contributions made by the state under
14 AS 39.30.150 in the event the state resumes participation in
15 the federal social security system;

16 * Sec. 4. A person who was employed after January 15, 1988, at least
17 half-time in a position in the public employees' retirement system under
18 AS 39.35 in the same period that the person was employed at least half-time
19 in a position in the teachers' retirement system under AS 14.25 may elect
20 to receive credited service in both systems under AS 14.25.040(d) and
21 AS 39.35.131, as enacted by secs. 1 and 2 of this Act, for employment from
22 January 16, 1988, to the effective date of this Act. To obtain credited
23 service under this section, the person shall elect to do so and verify the
24 period of half-time service before July 1, 1990. When eligibility for
25 half-time service credit has been established, an indebtedness shall be
26 determined to the retirement system in which the person did not partici-
27 pate. The amount of the indebtedness is the full actuarial cost of provid-
28 ing benefits for the credited service claimed. Interest as prescribed by
29 regulation accrues on that indebtedness beginning July 1, 1990. Any

1 outstanding indebtedness existing at the time the person retires will
2 require an actuarial adjustment to the benefits payable based on that
3 service.

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