

CS FOR SENATE BILL NO. 51 (STATE AFFAIRS)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 3/26/91  
Referred: Finance

Sponsor(s): SENATOR DUNCAN

A BILL

FOR AN ACT ENTITLED

1 "An Act creating a public service benefit in the public employees' retirement system."

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

3 \* Section 1. AS 14.25.200(a) is amended to read:

4 (a) Member contributions and other amounts held in the system on behalf of a member  
5 or other person who is or may become eligible for benefits under the system are exempt from  
6 Alaska state and municipal taxes and are not subject to anticipation, alienation, sale, transfer,  
7 assignment, pledge, encumbrance, or charge of any kind, either voluntary or involuntary, before  
8 they are received by the person entitled to the amount under the terms of the system, and any  
9 attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise  
10 dispose of any right to amounts accrued in the system is void. However, a member's right to  
11 receive benefits may be assigned under a qualified domestic relations order and may be claimed  
12 under AS 39.35.355.

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

14 Sec. 39.35.355. PUBLIC SERVICE BENEFIT. (a) An active or inactive member who

1 has never been vested in this system or in the teachers' retirement system under AS 14.25, who  
2 has at least two years of credited service in this system, and who has membership service in the  
3 teachers' retirement system may claim credited service in this system in an amount equal to the  
4 membership service the member has in the teachers' retirement system. The claimed credited  
5 service may be added to service earned under this chapter to enable the member to qualify for  
6 a public service benefit under this section. The member may not claim credited service for  
7 membership service for which the member has received a refund under AS 14.25.150 unless the  
8 member fully pays the indebtedness as established under AS 14.25.063. The member may not  
9 claim credited service in this system based on unused sick leave under AS 14.25.115.

10 (b) To claim credited service under this section, the member shall file a written request  
11 with the administrator when the member applies to retire. The administrator shall determine the  
12 full actuarial cost of benefits based on the member's total credited service and shall transfer from  
13 the teachers' retirement system to this system an amount equal to the member contribution  
14 account in the teachers' retirement system. If the amount to be transferred, when combined with  
15 the amount in the employee contribution account in this system, is less than the full actuarial cost  
16 computed under this subsection, an indebtedness to the system equal to the amount of the  
17 difference is established. Interest as prescribed by regulation accrues on the indebtedness. Any  
18 outstanding indebtedness existing at the time the member applies for retirement must be paid in  
19 full before the member is appointed to retirement under this section.

20 (c) A member is entitled to receive a public service benefit under this section if the  
21 member has at least a total of five years credited service under this chapter and credited service  
22 from the teachers' retirement system claimed under this section. A public service benefit shall  
23 be calculated using the higher of the average monthly compensation for service in this system  
24 or the average base salary for service in the teachers' retirement system. If the member has more  
25 than 10 years of total credited service, benefits for the part of the credited service over 10 years  
26 earned on and after the effective date of this Act shall be calculated under AS 39.35.370(c) using  
27 a multiplier of two and one-quarter percent.

28 (d) Credited service earned under either this system or the teachers' retirement system  
29 that has been claimed for a public service benefit under this section may not be used for any  
30 other purpose. A member who claims credited service under this section loses all rights to  
31 benefits under AS 14.25 based on the claimed credited service. A member may not claim

1 credited service under this section unless the member claims all of the membership service the  
2 member has in the teachers' retirement system. A public service benefit does not constitute a  
3 normal or early retirement benefit for purposes of qualifying for a conditional service retirement  
4 benefit under AS 14.25.125 or AS 39.35.385.

5 (e) A member whose rights to benefits under AS 14.25 are subject to a qualified  
6 domestic relations order may claim credited service under this section. However, the credited  
7 service claimed remains subject to the terms of the order.

8 (f) Notwithstanding AS 14.25.063 and AS 39.35.350, a former member of the teachers'  
9 retirement system who is an active member or inactive member of this system may reinstate,  
10 under this section, membership service earned under AS 14.25 for which the member received  
11 a refund of contributions.

12 (g) If a member retires under this section and subsequently returns to work for an  
13 employer under this system or the teachers' retirement system, benefits under this section shall  
14 cease during the period of reemployment and shall recommence when the reemployment is ended.  
15 The credited service earned during the period of reemployment may not be added to the credited  
16 service claimed for a public service benefit under this section. If a member vests and meets the  
17 other eligibility requirements under this system or the teachers' retirement system during the  
18 reemployment, the member is entitled to a benefit under AS 14.25 or AS 39.35, as appropriate.