

**SENATE BILL NO. 237**

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR DUNCAN

Introduced: 4/5/91  
Referred: State Affairs, Finance

**A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to credited service under the public employees' retirement system and  
2 under the teachers' retirement system; increasing retirement benefits for certain territorial  
3 employees; and providing for an effective date."

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

5 \* Section 1. AS 14.25.060 is amended by adding a new subsection to read:

6 (e) For military service as a member of the United States Merchant Marine Service, the  
7 member's indebtedness shall be determined under (a) of this section except that the percentage  
8 multiplier is 8.65 percent.

9 \* Sec. 2. AS 14.25.100 is amended by adding a new subsection to read:

10 (f) Credited service under this section includes service as a member of the United States  
11 Merchant Marine Service from December 7, 1941, through September 30, 1945.

12 \* Sec. 3. AS 39.35.340(i) is amended to read:

13 (i) Credited service under (a) of this section includes service as a

14 (1) foreign service officer, a foreign service reserve officer, or a limited foreign

1 service reserve officer with the United States Department of State in Vietnam, Cambodia, or Laos  
2 from August 4, 1964, through November 7, 1975; [AND]

3 (2) member of the United States Merchant Marine Service from December 7,  
4 1941, through September 30, 1945;

5 (3) member of a unit of the national guard or the national guard reserve as  
6 provided in (j) of this section.

7 \* Sec. 4. AS 39.35.340 is amended by adding a new subsection to read:

8 (j) A vested member may claim credited service for active duty service in a unit of the  
9 national guard or national guard reserve if the member received a discharge under honorable  
10 conditions and is not entitled to receive retirement benefits from the United States government  
11 for the same service. To obtain credited service for national guard service, the member shall  
12 elect to do so and shall verify the periods of active duty service. When eligibility for credited  
13 service for national guard service has been established, an indebtedness shall be determined under  
14 (b) of this section, except that interest at the rate prescribed by regulation shall be added to the  
15 indebtedness beginning on the effective date of this Act or the date the member is first eligible  
16 to claim the service, whichever is later, and ending on the date of payment of the indebtedness  
17 or the date of retirement, whichever occurs first. However, if the member was in the employ of  
18 an employer on the date of entry into active duty service in the unit and returned to the employ  
19 of an employer within 90 days after the date of discharge from active duty service, the member  
20 is not required to make retroactive contributions under this subsection for the period of credited  
21 service. Any outstanding indebtedness that exists at the time a member is appointed to retirement  
22 will necessitate an actuarial adjustment to the benefits payable based upon that national guard  
23 service.

24 \* Sec. 5. AS 39.35.360 is amended by adding a new subsection to read:

25 (l) An active employee or former employee is eligible to receive credited service for  
26 services performed under a personal services contract in the capacity of a director of a division  
27 in the state Department of Health and Social Services before the Internal Revenue Service  
28 asserted that the service constituted employment. To receive retroactive credited service under  
29 this subsection, the employee must claim the service. When the employee claims retroactive  
30 credited service under this subsection, an indebtedness of the employee to the system shall be  
31 established. The amount of this indebtedness is the full actuarial cost of providing benefits based

1 upon the credited service claimed. Interest as established by regulation accrues on the  
2 indebtedness beginning January 1, 1992. Any outstanding indebtedness that exists at the time  
3 the employee retires will require an actuarial adjustment to the benefits that are based upon the  
4 retroactive credited service under this subsection.

5 \* Sec. 6. The benefits payable under sec. 1, ch. 102, SLA 1951, as increased by ch. 85, SLA 1970;  
6 ch. 134, SLA 1975; sec. 43, ch. 146, SLA 1980; and sec. 54, ch. 82, SLA 1986, are further increased  
7 by \$200 per month for each recipient.

8 \* Sec. 7. Notwithstanding AS 39.35.340(j), enacted by sec. 4 of this Act, a retired member of the  
9 public employees' retirement system who claims credited service for service in a unit of the national  
10 guard or the national guard reserve under AS 39.35.340(j), is entitled to benefits based on the national  
11 guard service beginning on the first day of the month after the division of retirement and benefits  
12 receives the member's application for inclusion of the service.

13 \* Sec. 8. Section 6 of this Act takes effect July 1, 1991.