

SENATE BILL NO. 118

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR LEMAN

Introduced: 2/17/93
Referred: STA, HES, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act permitting certain public health service officers to receive credited service
2 in the public employees' retirement system."

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

4 * Section 1. AS 39.35.340(a) is amended to read:

5 (a) A vested employee is entitled to credited service for active military service
6 in the armed forces of the United States, either by enlistment or induction, including
7 service as a commissioned officer of the Regular or Reserve Corps of the United
8 States Public Health Service, if the employee received a discharge under honorable
9 conditions and is not entitled to receive retirement benefits from the United States
10 government for the same service. The credited service allowed may not exceed an
11 aggregate period of five years. Benefits are not payable on credited service for
12 military service, including service with the United States Public Health Service,
13 unless the employee makes retroactive contributions to the system for the period of
14 time that service credit is claimed. However, if the employee was in the employ of

1 an employer on the date of entry into the armed forces, other than the United States
2 Public Health Service, and returned to the employ of an employer within 90 days
3 after the date of discharge from military service, the employee is not required to make
4 retroactive contributions under this system for the period of credited service.

5 * Sec. 2. AS 39.35.340(b) is amended to read:

6 (b) In order to obtain credited service under this section other than credited
7 service for service with the United States Public Health Service, an employee shall
8 make an election to do so and shall verify the period of military service. When
9 eligibility for credited service for military service has been established, an indebtedness
10 shall be determined as follows: (1) the employee's actual compensation, or the
11 calculated annual compensation for those employees working less than 12 months,
12 during the calendar year 1976 or the year in which an employee first becomes vested
13 under this chapter, whichever is later, multiplied by (2) the number of years of military
14 service credited under this section, and this product multiplied by (3) six percent for
15 members who are first eligible to claim this military service before January 1, 1987,
16 or eight and one-half percent for members who are first eligible to claim this military
17 service on or after January 1, 1987. Interest as prescribed by regulation accrues on
18 this indebtedness beginning on July 1, 1977, or one year following the date a person
19 first becomes vested, whichever is later. Any outstanding indebtedness that exists at
20 the time a person is appointed to retirement will necessitate an actuarial adjustment to
21 the benefits payable based upon that military service.

22 * Sec. 3. AS 39.35.340(c) is amended to read:

23 (c) A retired employee on July 1, 1976, is eligible to receive increased benefits
24 based upon military service, other than service with the United States Public Health
25 Service, as described in (a) of this section. To receive credited service for military
26 service, a retired employee must verify the military service. When verified, a retired
27 employee is entitled to receive an increased benefit that shall be actuarially adjusted
28 to reflect the employee's indebtedness for that credit. The indebtedness shall be
29 calculated in the same manner as described in (b) of this section except that it shall
30 be based on the average monthly compensation used in calculating the benefit. The
31 effective date of this increased benefit is the beginning of the month following that in

1 which eligibility has been established.

2 * Sec. 4. AS 39.35.340(e) is amended to read:

3 (e) A deferred vested employee on July 1, 1976, is eligible to claim credited
4 service, other than service with the United States Public Health Service, under (a)
5 of this section. In order to obtain credited service under this section, such an
6 employee must make an election to do so and must verify the period of military
7 service. When eligibility for military service has been established, an indebtedness
8 shall be determined as follows: the employee's actual compensation, or the calculated
9 annual compensation for those employees working less than 12 months, during the
10 calendar year the employee terminated, shall be multiplied by six percent; this product
11 shall then be multiplied by the number of years of military service credit under this
12 section. Interest as prescribed by regulation accrues on this indebtedness commencing
13 July 1, 1978. Any outstanding indebtedness that exists at the time a person is
14 appointed to retirement will necessitate an actuarial adjustment to the benefits payable
15 based upon that military service.

16 * Sec. 5. AS 39.35.340(f) is amended to read:

17 (f) An employee cannot be credited with a period of active military service in
18 the armed forces of the United States or with the United States Public Health
19 Service under this section if credit for that military service was granted under
20 AS 14.25.

21 * Sec. 6. AS 39.35.340(g) is amended to read:

22 (g) A surviving spouse receiving or entitled to receive benefits under
23 AS 39.35.420(b), 39.35.430, or 39.35.440 or benefits under a joint and survivor option
24 filed under AS 39.35.450 is eligible to receive increased benefits based on military
25 service, other than service with the United States Public Health Service, as
26 described in (a) of this section. To receive credited service for military service, the
27 surviving spouse must verify the employee's military service. When verified, the
28 surviving spouse is entitled to receive an increased benefit which shall be actuarially
29 adjusted to reflect the indebtedness for that credit. The indebtedness shall be calculated
30 in the same manner as described in (b) of this section except that it shall be based on
31 the average monthly compensation used in calculating the benefit. Benefits payable

1 under this subsection are effective the first day of the month following that in which
2 eligibility has been established.

3 * Sec. 7. AS 39.35.340(i) is amended to read:

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

5 (1) foreign service officer, a foreign service reserve officer, or a limited
6 foreign service reserve officer with the United States Department of State in Vietnam,
7 Cambodia, or Laos from August 4, 1964, through November 7, 1975; [AND]

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

10 (3) commissioned officer of the Regular or Reserve Corps of the
11 United States Public Health Service.

12 * Sec. 8. AS 39.35.340 is amended by adding a new subsection to read:

13 (j) In order to obtain credited service for service with the United States Public
14 Health Service under this section, an employee shall make an election to do so and
15 shall verify the period of service. When eligibility for credited service for public
16 health service has been established, an indebtedness shall be determined. The amount
17 of the indebtedness is the full actuarial cost of providing benefits for the service and
18 an administrative fee for the cost of processing the request for the credited service.
19 The administrator shall determine the amount of the administrative fee. Interest as
20 prescribed by regulation accrues on this indebtedness beginning on the effective date
21 of this Act or one year following the date a person first becomes vested, whichever is
22 later. Any outstanding indebtedness that exists at the time a person is appointed to
23 retirement will require an actuarial adjustment to the benefits payable based upon that
24 public health service.