

SENATE BILL NO. 187

IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR LITTLE

Introduced: 4/7/93  
Referred: STA, HES, JUD, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to credited service and contributions of noncertificated employees  
2 of public schools in the public employees' retirement system."

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

4 \* Section 1. AS 39.35.160(a) is amended to read:

5 (a) Beginning January 1, 1987, each peace officer or fire fighter shall  
6 contribute to the system an amount equal to seven and one-half percent of the peace  
7 officer's or fire fighter's compensation. Except as provided in (c) of this section,  
8 beginning [BEGINNING] January 1, 1987, each other employee shall contribute to the  
9 system an amount equal to six and three-quarters percent of the employee's  
10 compensation. The contributions shall be deducted by the employer at the end of each  
11 payroll period. The contributions shall be deducted from employee compensation  
12 before computation of applicable federal taxes, and the contributions shall be treated  
13 as employer contributions under 26 U.S.C. 414(h)(2).

14 \* Sec. 2. AS 39.35.160 is amended by adding a new subsection to read:

1 (c) A noncertificated employee of the state boarding school or of a school  
2 district or regional educational attendance area who first joined the system on or after  
3 the effective date of this Act, or who first joined the system before that date and who  
4 elects to receive credited service under AS 39.35.300(d) or 39.35.310(d) shall  
5 contribute to the system an amount equal to 7.35 percent of the employee's  
6 compensation.

7 \* Sec. 3. AS 39.35.300 is amended by adding new subsections to read:

8 (c) In calculating the credited service of a noncertificated employee of the state  
9 boarding school who first joined the system on or after the effective date of this Act,  
10 a year of service shall be determined using the formula set out in the definition of  
11 "year of service" in AS 14.25.220.

12 (d) A noncertificated employee of the state boarding school who first joined  
13 the system before January 1, 1993, may elect to have the employee's credited service  
14 determined using the formula set out in the definition of "year of service" in  
15 AS 14.25.220. The election must be made in writing, is irrevocable, takes effect on  
16 the first day of the month following receipt of election by the administrator, and  
17 applies to service earned on or after that date. An employee who makes this election  
18 shall contribute to the system as provided in AS 39.35.160(c) and have average  
19 monthly compensation for service earned on or after the effective date of the election  
20 calculated as provided in AS 39.35.370(g).

21 \* Sec. 4. AS 39.35.310 is amended by adding new subsections to read:

22 (c) In calculating the credited service of a noncertificated employee of a school  
23 district or regional educational attendance area who first joined the system on or after  
24 the effective date of this Act, a year of service shall be determined using the formula  
25 set out in the definition of "year of service" in AS 14.25.220.

26 (d) A noncertificated employee of a school district or regional educational  
27 attendance area who first joined the system before the effective date of this Act, may  
28 elect to have the employee's credited service determined using the formula set out in  
29 the definition of "year of service" in AS 14.25.220. The election must be made in  
30 writing, is irrevocable, takes effect on the first day of the month following receipt of  
31 election by the administrator, and applies to service earned on or after that date. An

1 employee who makes this election shall contribute to the system as provided in  
2 AS 39.35.160(c) and have average monthly compensation for service earned on or after  
3 the effective date of the election calculated as provided in AS 39.35.370(g).

4 \* Sec. 5. AS 39.35.370 is amended by adding a new subsection to read:

5 (g) For an employee receiving credited service under AS 39.35.300(c) or (d)  
6 or AS 39.35.310(c) or (d), the number of months used in determining average monthly  
7 compensation, as set out in AS 39.35.680, shall be determined using the formula set  
8 out in AS 14.25.220.