

"An Act relating to credit for military service in computing retirement benefits for state employees; and providing for an effective date."

COMMITTEE REPORT

3/22/76

HOUSE

Mr. Speaker:

Date 2-25-76

The Committee on FINANCE has had HB 108

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH ^{Finance} CS FOR HB 198 AND THAT

^{Finance} CS FOR HB 198 DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
 Second Session - Ninth Legislature

I. REQUEST

Bill No. FCCS CSHB 198
 Title: An act relating to the Public Employees' Retirement System
 Requested by: Free Conference Committee Date: May 14, 1976
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: PERS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: All

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	38.6	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	13.0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC..	0	0	0	0	0	0
100 BENEFITS	0	126.0	141.0	Increase	@ 12% per annum	
TOTAL	0	177.6	141.0	Increase	@ 12% per annum	

B. FUNDING: (Thousands of dollars)

GENERAL FUND	80%	0	100.8	112.9	Increase	@ 12% per annum
FEDERAL FUNDS	17%	0	21.4	24.0	Increase	@ 12% per annum
OTHER	3%	0	3.8	4.2	Increase	@ 12% per annum
PERS		0	51.6	0	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 3	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 30	0 / 0	0 / 0	0 / 0	0 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. Estimated covered State payroll for FY 77 is \$180,000,000.
2. Increase in employers contribution rate is .07%.
3. Assume that State payroll will increase at 12% per annum.

IV. ATTACHMENTS

Appendix I

V. DATE: 5/17/76 PREPARED BY: Robert S. Gates

Robert S. Gates, Director
 Division of Retirement & Benefits

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

APPENDIX I

Passage of CS for House Bill #198 would require modification to a number of programs in the PERS data processing system. In addition, it would necessitate a substantial manual effort to input military service information and establish indebtedness accounts on existing members and to recalculate benefits for those already on retirement. The fiscal impact will be as follows:

1. One Temporary Position - Clerk III - Range 8 for 1 year

Monthly Salary	957 x 12 =	\$11,484
plus 7 ¼% benefits	=	<u>833</u>
Sub-total		<u>\$12,317</u>

One Temporary Position - Benefit Field Representative -
Range 16 for 6 months

Monthly Salary	1,630 x 6 =	\$ 9,780
plus 7 ¼% benefits	=	<u>709</u>
Sub-total		<u>\$10,489</u>

One Temporary Position - Accountant I - Range 12 for
one year

Monthly salary	1,231 x 12 =	\$14,772
plus 7 ¼% benefits		<u>1,071</u>
Sub-total		<u>\$15,843</u>
Total		<u>\$38,649</u>

2. Modifications Required to Data Processing Systems = \$13,000

This will be a one time only charge to modify the systems to accept and retain military service history on present and future employees.

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
 Second Session - Ninth Legislature

HB 198

I. REQUEST

Bill No. FCCS CSHB 198
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600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
100 BENEFITS	0	126.0	141.6	Increase @ 12% per annum		
TOTAL	0	177.6	141.6	Increase @ 12% per annum		

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FEDERAL FUNDS	17%	0	21.4	24.0	Increase @ 12% per annum
OTHER	3%	0	3.8	4.2	Increase @ 12% per annum
PERS		0	51.6	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 3	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 30	0 / 0	0 / 0	0 / 0	0 / 0

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V. DATE: 5/17/76 PREPARED BY: Robert S. Gates

Robert S. Gates, Director
 Division of Retirement & Benefits

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

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This will be a one time only charge to modify the systems to accept and retain military service history on present and future employees.

DEPARTMENT OF ALASKA
VETERANS OF FOREIGN WARS

DEPARTMENT HEADQUARTERS
P.O. BOX 670, JUNEAU, ALASKA 99801



DEPARTMENT SERVICE OFFICE
FEDERAL BUILDING
PHONE 586-7460

STATEMENT OF
LOUIS F. FIORELLA, ADJUTANT
DEPARTMENT OF ALASKA
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

FINANCE COMMITTEE
ALASKA HOUSE OF REPRESENTATIVES

WITH RESPECT TO H.R. 198 GIVING CREDIT FOR MILITARY SERVICE IN COMPUTING RETIREMENT
BENEFITS FOR STATE EMPLOYEES

JUNEAU, AK.

APRIL 12, 1975

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Thank you for the privilege of appearing before this most important committee to present the views of the Department of Alaska, Veterans of Foreign Wars - U.S.

My name is Louis F. Fiorella and my title is Department Adjutant and Service Officer.

The present membership of the V.F.W. and Auxiliary in Alaska is just under three thousand members.

The V.F.W. is proud of its record of leadership in gaining Congressional approval of so many rights and benefits available to veterans and their families. The V.F.W. in Alaska is attempting to accomplish the same ends on the State level.

At our Department Convention, held in Sitka in 1973, the Veterans of Foreign Wars put its 'stamp of approval' on H.R. 238 - an act that would have included honorable war-time military service in computing retirement benefits for State Employees. As you are all aware, this bill failed to pass in the Eighth Legislature. However - a somewhat similar bill, granting service-time toward retirement for teachers, did pass and became law. Now - it hardly seem fair that one group of state employees (teachers) should receive this benefit and not the other.

In February of this year, our Council of Administration, the Department's

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ruling authority between conventions, went on record supporting H.R. 198 which would give credit for military service in computing retirement - by unanimously passing Resolution No. 75-3. With your permission, Mr. Chairman, I will read the Resolved clause: "BE IT RESOLVED by the Veterans of Foreign Wars, Department of Alaska, that we endorse the concept of credit for time spent in the military in computing retirement benefits after the veteran employee of the State has become vested in the retirement program."

There are those who claim the program is too costly. Nothing could be further from the truth. The cost factor - ~~if any~~ - would be so insignificant to the total budget that consideration should be given to the overall affect on morale. ^{Our} thinking is along the same lines as ^{the former Director of D.V.A.} those who believe that the State ^{MAY} will actually save money by filling in positions with men or women with less tenure.]

Mr. Chairman, the V.F.W. is dedicated to helping our fellow comrades and their dependents, regardless of their affiliation with our organization.

We therefore urge you, and the members of this Committee, to - not only approve ^{with whatever amendments are proposed -} but to use every means at your command - to successfully guide this Bill through both the House and the Senate to insure its passage.

Mr. Chairman - these are the views of the Veterans of Foreign Wars in Alaska. I wish to thank you again for the privilege of presenting them to this most distinguished committee."

Louis F. Fiorella
Adjutant-Service Officer

COMMENTS ON COST PROVISIO OF CSHB-198

We believe the right to buy credit for active military service should be granted to all employees covered by PERS. In 1974, teachers were granted the right to buy active military service time.

The following are examples of several ways the cost to employees could be figured. These are offered as the bill has the highest possible cost to the employee which is not in line with the normal costs that he has been paying for his regular PERS service credit.

The first four examples are for a current employee who is in his 30th year of service. Prior to working for Alaska, he had 47 months of active military service during World War II and would like to purchase credit for such time.

EXAMPLE #1

In this I have shown the amount due after 5 years Territorial service (point when employee would have become vested if there had been a PERS program at that time).

\$6,315.00	=	Annual Salary
X .0425	=	(current PERS Contribution Rate)
<hr/>		
\$ 268.39	=	one year's contribution

OR

\$ 22.37	=	per month
X 47	=	months military service
<hr/>		
\$1,051.39	=	amount for military service
plus 2,680.00	=	24 years interest for the period of 1951 to 1975
<hr/>		
\$3,731.39	=	Total amount due PERS for military service

EXAMPLE #2

Another payment computation is to take the person's July salary of each year worked, add together and divide the total by number of Julys to get the average monthly salary of the person. Then multiply by .0425 to get mo. PERS rate to be charged for each month of military service to be purchased by employee.

Starting salary for July 1946 was \$228.00 and has steadily increased to July 1975 of \$2,999.00. Total of July salaries is \$32,903.50 divided by

$$\begin{array}{rcl} 30 \text{ years} = & \$1,096.78 & = \text{Average monthly salary} \\ & \times .0425 & = \text{PERS rate} \\ & \hline & \$ 46.61 & = \text{PERS monthly rate} \\ & \times 47 & = \text{Months military service} \\ & \hline & \$2,190.67 & = \text{Amount due PERS for military service} \end{array}$$

EXAMPLE #3

Use only the person's first months salary and present monthly salary and obtain an average salary by dividing by two.

$$\begin{array}{rcl} \text{start} & \$ 160.00 & \\ \text{present} & 2,999.00 & \\ & \hline & \$3,159.00 & \text{divided by 2} = \$1,579.50 = \text{average salary} \\ & & \times .0425 & = \text{PERS rate} \\ & & \hline & \$ 67.13 & = \text{monthly rate} \\ & & \times 47 & = \text{months military service} \\ & & \hline & \$3,155.11 & = \text{Amount due PERS for} \\ & & & \text{military service.} \end{array}$$

EXAMPLE #4

In July 1968 PERS was separated from Social Security (FICA) Contributions and a straight percentage rate for PERS was established.

Starting August 1968, employee paid \$50.82 per month to PERS. The amount has increased due to rate changes and larger salaries so the current amount paid for December 1964 was \$122.57. Amount paid into PERS during this 77 month period (including interest credited) was:

$$\begin{array}{rcl} \$6,894.85 \text{ divided by } 77 & = & \$ 89.54 = \text{average per month} \\ & \times & 47 = \text{months military service} \\ & \hline & & \$4,208.38 = \text{Amount due PERS for} \\ & & & \text{military service.} \end{array}$$

EXAMPLE #5

This will show the cost of buying military service time by three different employees based on using the average rate for their current high 3 years of earnings VERSUS the use of only the 1975 rate as specified in CSHB-198.

Employee "A"

PERS Contribution

1973	Annual	\$1,008.05	or	\$ 84.00	monthly PERS
1974	"	1,206.81	or	\$100.55	"
1975	"	1,707.78	or	\$142.32	"
		<u>\$3,922.64</u>		<u>\$326.87</u>	
	divided by 3 =	1,307.55	or	\$108.96	"
47 months military service	X	\$142.32	=	\$6,689.04	cost per CSHB-198
47 " " " "	X	\$108.96	=	<u>5,121.12</u>	cost on 3 year average
				<u>\$1,567.92</u>	difference

Employee "B" has 28 years of State Employment and 44 months military

1973	Annual	\$ 866.49	or	\$ 72.21	monthly PERS
1974	"	1,041.40	or	\$ 86.78	"
1975	"	1,464.85	or	\$122.07	"
		<u>\$3,372.74</u>		<u>\$281.06</u>	
	divided by 3 =	\$1,124.25	or	\$ 93.69	"
44 months military service	X	\$122.07	=	\$5,371.08	cost per CSHB-198
44 " " " "	X	\$ 93.69	=	<u>4,122.36</u>	cost on 3 year average
				<u>\$1,248.72</u>	difference

Employee "C" has 20 years of State Employment and 38 months military

1973	Annual	\$ 802.82	or	\$ 66.90	monthly PERS
1974	"	975.44	or	81.29	"
1975	"	1,178.91	or	98.24	"
		<u>\$2,957.17</u>		<u>\$246.43</u>	
	divided by 3 =	\$ 985.72	or	\$ 82.14	"
38 months military service	X	\$ 98.24	=	\$3,733.12	cost per CSHB-198
38 " " " "	X	82.14	=	<u>3,121.32</u>	cost on 3 year average
				<u>\$ 611.80</u>	difference

If funding of this credit for military service time is required to be made at the new all-time high rate (due to salary increases) for 1975, then it is requested that CSHB-198 be amended to state that such service credit shall be considered as if earned in the PERS including the computation of "average monthly compensation" in A.S. 39.35.680(2). Perhaps such an amendment could be inserted as a new sentence to start on page one, line 22, after the word "claimed".

There are several people that I know of who plan to retire within the next year and would find this payment to be quite costly at this late date. However, I believe they would buy the service time at the "high-rate" if it could also help raise their monthly rate. Some people might argue that this is changing the formula for figuring the "average monthly compensation" by not using 3 different years. However, it should be noted that the employee will be paying the high PERS rate for calendar year 1975, plus the same rate for as many more years of military service for which he purchases the credit. In the foregoing example, 5 A, the person would be paying nearly 5 times his 1975 PERS for the credit of calendar year 1975 plus 4 years military service. So the allowance of three years at this 1975 rate is no different than a person who might get the same salary for 5 different calendar years and only uses 3 years in his average monthly computation. It should be noted that most of these people are Veterans from World War II, many of whom saw plenty of active combat fighting for their country and Alaska.

All of the cost figures I have shown are based on the present rate of 4½% of earnings. If HB-64 is passed, it will not only increase benefits, but will also raise the employee rate to 5¼% so you can see the high cost rate is of major concern and would change the rate charged in the purchase of military service credit.

With regard to persons who have already retired prior to 1975, I believe they should be given this additional time at No Cost if they had worked 20 years or more for employers covered by PERS and if employed less than 20 years, they should only pay 50% of the amount prescribed in the present wording of CSHB-198. Again, you are talking about our senior citizens who are mostly Veterans of World War II. Also, do you know how few or many they are and how much of a burden would be placed on the system to grant them a break?

Original sponsor: Miller and Duncan

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 198 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to credit for military service in
7 computing retirement benefits for state employees; and
8 providing for an effective date."

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

10 * Section 1. AS 39.35.340 is repealed and re-enacted to read:

11 Sec. 39.35.340. MILITARY SERVICE. (a) An employee is entitled to
12 service credit for active military service in the armed forces of the
13 United States, either by enlistment or induction, if the employee did
14 not receive a dishonorable discharge. The service credit allowed may
15 not exceed an aggregate period of five years. No service credit for
16 military service may be granted under this section if the employee is
17 entitled to a pension benefit for the same service from the federal
18 government. The service credit available to the employee under this
19 section may not be granted until the employee becomes vested in the
20 retirement system. Benefits are not payable on military service credit
21 unless the employee makes retroactive contributions to the system for
22 the period of time that service credit is claimed. However, if the
23 employee was in the employ of an employer on the date of entry into the
24 armed forces and returned to the employ of an employer within 90 days
25 after the date of his discharge from military service, he is not re-
26 quired to make retroactive contributions under this system for the
27 period of service credit.

28 (b) In order to obtain service credit under this section, an
29 employee shall make an election to do so and shall verify his period of

1 military service before July 1, 1977 or within one year following the
2 date when the employee becomes vested under this chapter, if later.
3 When eligibility for military service credit has been established, an
4 indebtedness shall be determined as follows: (1) the employee's actual
5 compensation, or the calculated annual compensation for those employees
6 working less than 12 months, during the calendar year 1976 or the year
7 in which an employee first becomes vested under this chapter, whichever
8 is later, multiplied by (2) the rate of employee contributions under
9 sec. 160(a) of this chapter in effect at the date his military service
10 is verified, such product multiplied by (3) the number of years of
11 military service credited under this section. Interest as prescribed by
12 regulation accrues on such indebtedness commencing on July 1, 1977 or
13 one year following the date a person first becomes vested, whichever is
14 later. Any outstanding indebtedness which exists at the time a person
15 is appointed to retirement will necessitate an actuarial adjustment to
16 the benefits payable based upon such military service.

17 (c) A person receiving retirement benefits under this chapter on
18 the effective date of this Act is eligible to receive increased benefits
19 based upon military service as described in (a) of this section. To
20 receive military service credit, a retired person must verify his mili-
21 tary service before July 1, 1977. When such service has been verified
22 for a retired person to receive military service credit, he is entitled
23 to receive an increased benefit which shall be actuarially adjusted to
24 reflect his indebtedness for such credit. The indebtedness shall be
25 calculated in the same manner as described in (b) of this section except
26 that it shall be based on the average monthly compensation used in
27 calculating the retirement benefit. The effective date of this in-
28 creased benefit is the beginning of the month following that in which
29 eligibility has been established.

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* Sec. 2. This Act takes effect on July 1, 1976.

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THE ATTACHED PROPOSED COMMITTEE SUBSTITUTE FOR CSMB 198 IS
THE PRODUCT OF COMBINING TWO BILLS:

- (1) CSMB 198, relating to credit for military service in computing retirement benefits for state employees (e.d.)
- (2) HB 36 - relating to early service credit under the public employees' retirement system (e.d.)

THE ONLY CHANGES WHICH HAVE BEEN MADE IN THE TWO BILLS
ARE:

- (a) DATES (out-of-date)
- (b) REFERENCE TO "Region X, Department of Public Works, United States Employment Service and War Manpower Commission".
- (c) TITLE (to prevent a double-subject, the title must be changed; it is suggested LAA insert the correct title.)

Draft

Original sponsor: Miller and Duncan

Offered: 4/1/75
Referred: Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE
~~BY THE STATE AFFAIRS COMMITTEE~~

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CS FOR HOUSE BILL NO. 198

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to ~~credit for military service in~~ ~~Legislative Affairs Agency~~ ~~computing retirement benefits for state employees;~~ and providing for an effective date." (correct title will be provided by)

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

* Section 1. AS 39.35.340 is repealed and re-enacted to read:

Sec. 39.35.340. MILITARY SERVICE. (a) An employee is entitled to service credit for active military service in the armed forces of the United States, either by enlistment or induction, if the employee did not receive a dishonorable discharge. The service credit allowed may not exceed an aggregate period of five years. No service credit for military service may be granted under this section if the employee is entitled to a pension benefit for the same service from the federal government. The service credit available to the employee under this section may not be granted until the employee becomes vested in the retirement system. Benefits are not payable on military service credit unless the employee makes retroactive contributions to the system for the period of time that service credit is claimed. However, if the employee was in the employ of an employer on the date of entry into the armed forces and returned to the employ of an employer within 90 days after the date of his discharge from military service, he is not required to make retroactive contributions under this system for the period of service credit.

(b) In order to obtain service credit under this section, an employee shall make an election to do so and shall verify his period of

1977

1 military service before July 1, ~~1976~~ or within one year following the
2 date when the employee becomes vested under this chapter, if later. **

3 When eligibility for military service credit has been established, an
4 indebtedness shall be determined as follows: (1) the employee's actual
5 compensation, or the calculated annual compensation for those employees
6 working less than 12 months, during the calendar year ¹⁹⁷⁶~~1975~~ or the year **
7 in which an employee first becomes vested under this chapter, whichever
8 is later, multiplied by (2) the rate of employee contributions under
9 sec. 160(a) of this chapter in effect at the date his military service
10 is verified, such product multiplied by (3) the number of years of
11 military service credited under this section. Interest as prescribed by
12 regulation accrues on such indebtedness commencing on July 1, ¹⁹⁷⁷~~1976~~ or **
13 one year following the date a person first becomes vested, whichever is
14 later. Any outstanding indebtedness which exists at the time a person
15 is appointed to retirement will necessitate an actuarial adjustment to
16 the benefits payable based upon such military service.

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18 the effective date of this Act is eligible to receive increased benefits
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20 receive military service credit, a retired person must verify his mili-
21 tary service before July 1, ¹⁹⁷⁷~~1976~~. When such service has been verified **
22 for a retired person to receive military service credit, he is entitled
23 to receive an increased benefit which shall be actuarially adjusted to
24 reflect his indebtedness for such credit. The indebtedness shall be
25 calculated in the same manner as described in (b) of this section except
26 that it shall be based on the average monthly compensation used in
27 calculating the retirement benefit. The effective date of this in-
28 creased benefit is the beginning of the month following that in which
29 eligibility has been established.

**

~~* Sec. 2. -- This Act takes effect on July 1, 1975. --~~

**

* Section ²~~1~~. AS 39.35.360(a) is amended to read:

(a) An employee who completes three years of service with the state after January 1, 1961, for which he makes contributions required by this chapter is entitled to service credit for employment rendered to the State and former Territory of Alaska before January 1, 1961, regardless of the office, department, division, or agency of the state or territory in which he was employed, including service as a commissioned officer of the United States Public Health Service, the United States District Court and the United States Commissioner's Court serving the Territory and State of Alaska succeeded to by the Alaska court system, and persons employed as United States marshals, United States deputy marshals, and Civil Aeronautics Administration security guards, and persons employed by the former Alaska Road Commission, and

**

~~Bureau of Public Roads, Region 10, Department of Public Works, United~~

**

~~States Employment Service and War Manpower Commission.~~ The retirement benefits payable to an employee under this section which are attributable to employment rendered to the State and former Territory of Alaska before January 1, 1961, shall be reduced by the amount of the retirement pension benefits paid to him by the United States government for the same period of prior service.

**

July 1, 1976.

* Sec. ³~~2~~. This Act takes effect ~~/immediately in accordance with AS 01.01.0~~

~~070(r).~~

The Legislature of the State of Alaska
 FISCAL NOTE
 Second Session - Eighth Legislature

I. REQUEST

Bill Identification: CS for House Bill #198
 Title: An act relating to credit for military service in computing retirement benefits
 Requested by: House Finance Date: 2/25/76
 Return Date Requested: 2/25/76
 Agency: Administration - Retirement Program: PERS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: ALL

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	32.7	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	10.0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
100 BENEFITS	0	540.0	604.8	Increase @ 12% per year		
TOTAL	0	582.7	604.8			

B. FUNDING: (Thousands of dollars)

GENERAL FUND	80%	0	432.0			
FEDERAL FUNDS	17%	0	91.8	Increase @ 12% per year		
OTHER	3%	0	16.2			
PERS			42.7			

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 3	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 27	0 / 0	0 / 0	0 / 0	0 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. It is assumed that the State Payroll will increase 12% per annum.
2. The estimated state payroll for FY 77 is \$180,000,000.
3. The mandatory employee contribution will remain at current levels.
4. The required increase in the employer contribution rate will be .30% of covered payroll.

IV. ATTACHMENTS

Appendix I

V. DATE: 2/25/76

PREPARED BY: 

Director

Division of Retirement & Benefits

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. FCCS CSHB 198
 Title: An act relating to the Public Employees' Retirement System
 Requested by: Free Conference Committee Date: May 14, 1976
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: PERS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: All

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	38.6	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	13.0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
100 BENEFITS	0	126.0	141.0	Increase @ 12% per annum		
TOTAL	0	177.6	141.0	Increase @ 12% per annum		

B. FUNDING: (Thousands of dollars)

GENERAL FUND	80%	0	100.8	112.9	Increase @ 12% per annum
FEDERAL FUNDS	17%	0	21.4	24.0	Increase @ 12% per annum
OTHER	3%	0	3.8	4.2	Increase @ 12% per annum
PERS		0	51.6	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 3	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 30	0 / 0	0 / 0	0 / 0	0 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. Estimated covered State payroll for FY 77 is \$180,000,000.
2. Increase in employers contribution rate is .07%.
3. Assume that State payroll will increase at 12% per annum.

IV. ATTACHMENTS

Appendix I

V. DATE: 5/17/76 PREPARED BY: Robert S. Gates

Robert S. Gates, Director
Division of Retirement & Benefits

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

APPENDIX I

Passage of CS for House Bill #198 would require modification to a number of programs in the PERS data processing system. In addition, it would necessitate a substantial manual effort to input military service information and establish indebtedness accounts on existing members and to recalculate benefits for those already on retirement. The fiscal impact will be as follows:

1. One Temporary Position - Clerk III - Range 8 for 1 year

Monthly Salary	957 x 12 =	\$11,484
plus 7 ¼% benefits	=	<u>833</u>
Sub-total		<u>\$12,317</u>

One Temporary Position - Benefit Field Representative -
Range 16 for 6 months

Monthly Salary	1,630 x 6 =	\$ 9,780
plus 7 ¼% benefits	=	<u>709</u>
Sub-total		<u>\$10,489</u>

One Temporary Position - Accountant I - Range 12 for
one year

Monthly salary	1,231 x 12 =	\$14,772
plus 7 ¼% benefits		<u>1,071</u>
Sub-total		<u>\$15,843</u>
Total		<u>\$38,649</u>

2. Modifications Required to Data Processing Systems = \$13,000

This will be a one time only charge to modify the systems to accept and retain military service history on present and future employees.

APPENDIX I

Passage of CS for House Bill # 198 would require modification to a number of programs in the PERS data processing system. In addition, it would necessitate a substantial manual effort to input military service information and establish indebtedness accounts on existing members and to recalculate benefits for those already on retirement. The fiscal impact will be as follows:

1. One Temporary Position - Clerk III - Range 8 for 1 year

Monthly Salary 938 x 12 =	\$11,256
plus 7 1/4% benefits =	<u>816</u>
Sub-total	<u>\$12,072</u>

One Temporary Position - Benefit Field Representative -
Range 16 for 3 months

Monthly Salary 1,598 x 3 =	\$ 4,794
plus 7 1/4% benefits =	<u>348</u>
Sub-total	<u>\$ 5,142</u>

One Temporary Position - Accountant I
Range 12 for one year

Monthly salary 1,207-x-12 =	\$14,484
plus 7 1/4% benefits	<u>1,050</u>
Sub-total	<u>\$15,534</u>

Total	<u>\$32,748</u>
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2. Modifications Required to Data Processing Systems - \$10,000

for HB 198 file

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. House Bill #198 and Sponsor Substitute for Senate Bill #252

Title: An act relating to credit for military service in computing retirement benefits

Requested by: Legislative Finance Date: 4/17/75

Return Date Requested: As soon as possible

Agency: Administration - Retirement Program: PERS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: ALL

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	0	27.0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	10.0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
100 BENEFITS	0	280.0	296.8	314.6	333.5	355.1
TOTAL	0	317.0	296.8	314.6	333.5	355.1

B. FUNDING: (Thousands of dollars)

GENERAL FUND	80%	0	253.6	237.4	251.7	266.8	284.1
FEDERAL FUNDS	17%	0	53.9	50.5	53.5	56.7	60.4
OTHER	3%	0	9.5	8.9	7.4	10.0	10.6

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 3	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 21	0 / 0	0 / 0	0 / 0	0 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. It is assumed that the State payroll will increase 6% per annum.
2. The estimated State payroll is \$140,000,000 for FY 76.
3. The required increase in the employers contributions rate will be .20% of covered payroll.

IV. ATTACHMENTS

V. DATE: 4/25/75

PREPARED BY: Robert S. Gates

Robert S. Gates, Director
Division of Retirement & Benefits

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

APPENDIX I

Passage of House Bill #198 or SS for Senate Bill #252 would require modification to a number of programs in the PERS data processing system. In addition, it would necessitate a substantial manual effort to input military service information and establish indebtedness accounts on existing members and to recalculate benefits for those already on retirement. The fiscal impact will be as follows:

1. One Temporary Position - Clerk III - Range 8 for 1 year

Monthly Salary 760 x 12 =	\$9,120
plus 7 1/4% benefits =	<u>661</u>
Sub-total	\$9,781

One Temporary Position - Benefit Field Representative -
Range 16 for 3 months

Monthly Salary 1,293 x 3 =	\$3,879
plus 7 1/4% benefits =	<u>291</u>
Sub-total	\$4,160

One Temporary Position - Accountant I
Range 12 for one year

Monthly salary 1,016 x 12 =	\$12,192
plus 7 1/4% benefits	<u>884</u>
Sub-total	<u>\$13,076</u>
Total	<u>\$27,017</u>

2. Modifications Required to Data Processing Systems -

\$10,000

Am HB 198 2/22

The Legislature of the State of Alaska
FISCAL NOTE
First Session - Ninth Legislature

I. REQUEST

Bill No. House Bill #198 and Sponsor Substitute for Senate Bill #252
 Title: An act relating to credit for military service in computing retirement benefits
 Requested by: Legislative Finance Date: 4/17/75
 Return Date Requested: As soon as possible
 Agency: Administration - Retirement Program: PERS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: ALL

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	0	27.0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	10.0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
100 BENEFITS	0	280.0	296.8	314.6	333.5	355.1
TOTAL	0	317.0	296.8	314.6	333.5	355.1

B. FUNDING: (Thousands of dollars)

GENERAL FUND	80%	0	253.6	237.4	251.7	266.8	284.1
FEDERAL FUNDS	17%	0	53.9	50.5	53.5	50.7	60.4
OTHER	3%	0	9.5	8.9	7.4	10.0	10.6

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 3	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 27	0 / 0	0 / 0	0 / 0	0 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. It is assumed that the State payroll will increase 6% per-annum.
2. The estimated State payroll is \$140,000,000 for FY 76.
3. The required increase in the employers contributions rate will be .20% of covered payroll.

IV. ATTACHMENTS

V. DATE: 4/17/75

PREPARED BY: Robert S. Gates

Robert S. Gates, Director
Division of Retirement & Benefits

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

APPENDIX I

Passage of House Bill #198 or SS for Senate Bill #252 would require modification to a number of programs in the PERS data processing system. In addition, it would necessitate a substantial manual effort to input military service information and establish indebtedness accounts on existing members and to recalculate benefits for those already on retirement. The fiscal impact will be as follows:

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Sub-total	\$9,781

One Temporary Position - Benefit Field Representative -
Range 16 for 3 months

Monthly Salary 1,293 x 3 =	\$3,879
plus 7 1/4% benefits =	<u>291</u>
Sub-total	\$4,160

One Temporary Position Accountant I
Range 12 for one year

Monthly salary 1,016 x 12 =	\$12,192
plus 7 1/4% benefits	<u>884</u>
Sub-total	<u>\$13,076</u>
Total	<u>\$27,017</u>

2. Modifications Required to Data Processing Systems -

\$10,000