

Introduced: 1/23/76  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY PARR

2 HOUSE BILL NO. 643

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 the minimum and maximum amounts  
7 payable to retired teachers and state employees."

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

9 \* Section 1. AS 14.25.142(a) is amended to read:

10 (a) A teacher who resides in the state after his retirement shall  
11 receive a cost of living allowance in addition to his retirement salary.  
12 The amount of this allowance is determined by applying the measure of  
13 difference of the cost of living in Alaska as compared with other states  
14 determined by the Public Employees Retirement Board under AS 39.35.480(c),  
15 but in no case may the allowance exceed 25 per cent of the retirement  
16 salary or be less than \$100 [MULTIPLYING THE TEACHER'S RETIREMENT SALARY  
17 BY A PERCENTAGE DETERMINED BY THE ADMINISTRATOR NOT TO EXCEED 10 PER  
18 CENT OF THE RETIREMENT SALARY]. The administrator shall implement this  
19 section by regulations.

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

I. REQUEST

Bill Identification: House Bill 643  
 Title: An act relating to minimum and maximum amounts payable under TRS & PERS  
 Requested by: House Finance Date: January 30, 1976  
 Return Date Requested: ASAP  
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: U of A, DOE and TRS Match

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	9.2	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	15.0	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	1,242.0	1,391.0	1,557.9	1,744.8	1,954.2
100 BENEFITS	0	252.2	282.2	316.1	354.0	396.5
TOTAL	0	1,518.2	1,673.2	1,874.0	2,098.8	2,350.7

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	1,494.0	will increase @ 12% per year.			
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TRS	0	24.2	0	0	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 2	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 8	0 / 0	0 / 0	0 / 0	0 / 0

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

1. Estimated covered payroll for FY 77 is \$153,340,300.
2. Contribution rate for Employer - State will increase 1.62% of covered pay.
3. Estimated that salaries will increase 12% per annum.
4. It will cost approximately \$15,000 (one time only) to develop data processing systems to automatically calculate and recalculate the ongoing benefit changes required by this legislation.
5. In the first year, benefits will have to be recalculated manually.

IV. ATTACHMENTS

Appendix I

V. DATE: 02/11/76

PREPARED BY: 

Robert S. Gates, Director  
 Division of Retirement & Benefits

Original: Legislative Finance (1)  
 cc: Budget and Management (2)  
 Prime Sponsor (First Legislator Named) Rep. Pava (1), Asst. Dir. Rm 102  
 Commissioners office (1)

## APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300

Increase in state - employer contribution rate = 1.62%

Breakdown of Payroll and Costs

<u>Employer</u>	<u>Payroll</u>		<u>Rate</u>	<u>Cost to State</u>
Department of Education	2,600,000	x	.81	\$ 21,061
University of Alaska	28,500,000	x	.81	\$ 230,850
Total TRS Payroll	153,340,300	x	.81	\$1,242,054
Total Cost to State				\$1,493,965

Distribution of Appropriation

1. Department of Education - - - \$ 21,061 to their budget
2. University of Alaska - - - \$ 230,850 to their budget
3. State Matching Contribution - \$1,242,054 to TRS MATCH
4. Regular TRS Budget - - - - - \$ 24,200 to contractual and personal services

Estimated costs for data processing system modification are \$15,000. This would be a one time only expenditure.

Associated with the implementation of HB 643 will require an increase in funds for personal services in the TRS operating budget during FY 1977. These estimates are shown below.

One temporary position - Retirement and Benefits Technician (Range 12) for a four month period.

Monthly salary	1,207	x	4	=	\$4,828
plus 7¼% benefits					350
					<u>\$5,178</u>

Once temporary position - Clerk III (Range 8) for a four month period.

Monthly salary	938	x	4	=	\$3,752
plus 7¼% benefits					272
					<u>\$4,024</u>

Total personal services				=	<u>\$9,202</u>
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The Legislature of the State of Alaska  
 FISCAL NOTE  
 Second Session - Eighth Legislature

I. REQUEST

Bill Identification: House Bill 643  
 Title: An act relating to minimum and maximum amounts payable under PERS & TRS.  
 Requested by: House Finance Date: January 30, 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	9.2	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	15.0	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 PERSONAL SERVICES	0	2,520.0	2,822.4	3,161.1	3,540.4	3,965.2
TOTAL	0	2,544.2	2,822.4	3,161.0	3,540.4	3,965.2

B. FUNDING: (Thousands of dollars)

GENERAL FUND	80%	0	2,015.0	will increase @ 12% per year.
FEDERAL FUNDS	17%	0	428.4	will increase @ 12% per year.
OTHER	3%	0	75.6	will increase @ 12% per year.
PERS		0	24.2	0 0 0 0

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 2	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 8	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. Required increase in employer contribution is 1.40%.
3. Estimated that salaries will increase by 12% per annum.
4. It will cost approximately \$15,000 (one time only) to develop data processing system to automatically calculate and recalculate the ongoing benefit changes required by this legislation.
5. In the first year benefits will have to be recalculated manually.

IV. ATTACHMENTS

Appendix II

V. DATE: 02/11/76

PREPARED BY: 

Robert S. Gates, Director  
 Division of Retirement & Benefits

Original: Legislative Finance (1)  
 cc: Budget and Management (2)  
 Prime Sponsor (First Legislator Named) Rep. Paine (1), Asst. Dir. RMI02  
 Commissioners Office

## Appendix II

Associated with the implementation of HB 643 will require an increase in funds for personal services in the PERS operating budget during FY 1977. These estimates are shown below.

One temporary position - Retirement and Benefits Technician (Range 12) for a four month period.

Monthly salary	\$1,207	x	4	=	\$4,828
plus 7 $\frac{1}{4}$ % benefits					350
					<u>\$5,178</u>

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Total personal services				=	<u>\$9,202</u>
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"An Act relating to the minimum and maximum amounts payable to retired teachers and state employees."

## COMMITTEE REPORT

4/1/76

HOUSE

Mr. Speaker:

Date \_\_\_\_\_

The Committee on FINANCE has had HB 643

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 CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_  
Chairman

"An Act relating to the minimum and maximum amounts payable to retired teachers and state employees."

# COMMITTEE REPORT

1/23/76

HOUSE

FINANCE

Mr. Speaker:

Date 4-1-76

The Committee on STATE AFFAIRS has had HB 643

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 CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITH <sup>INDIVIDUAL</sup> ~~THE~~ RECOMMENDATIONS

( ) "other":

Members signing the Majority report:

<u>Mr. Kuller</u>	<u>- DO PASS</u>	_____
<u>Jim Paul</u>	<u>" "</u>	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

<u>Helen Benson</u>	recommends: <u>No Rec</u>
<u>James Wallis</u>	recommends: <u>No Rec</u>
<u>Joe McKinnon</u>	recommends: <u>No Rec</u>
_____	recommends:
_____	recommends:

Joe McKinnon Chairman

1765

Guthrie

Introduced: 1/23/76  
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ALASKA STATE LEGISLATURE

..... Legislature .....

..... Session

HOUSE ..... NO. ....

By .....

"An Act relating to the minimum and maximum amounts payable to retired teachers and state employees."

et. teachers & state empl. amts payable

Introduced in the House ....., 19..

HISTORY IN THE HOUSE

19 76

Jan 22

Read first time and referred to Committee on

State Affairs and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reported correctly engrossed  
Signed by Speaker  
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
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Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reported correctly engrossed  
Signed by President  
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No. ....