

- Bill -

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS PUBLIC EMPLOYEES' &
TEACHERS' RETIREMENT SYSTEMS, HEALTH INSURANCE, DEFERRED
COMPENSATION, GOVERNMENT SOCIAL SECURITY PROGRAM

POUCH CR - JUNEAU 99811
PHONE (907) 465-4410

March 23, 1976

Honorable Bill Ray
Chairman
Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Ray:

I have reviewed the provisions of HCS CSSB #547 and there are several recommendations which I would like to offer. On lines 11 and 21 the word "fractional" be changed to "partial year service". Also on line 22 the new language reading July 30, 1969 should be changed to July 1, 1969 otherwise there will be a one month gap in coverage. The reason for suggesting partial year service credit rather than fractional service credit is to more clearly reflect the intent of the law.

If you have any questions I would appreciate hearing from you.

Sincerely,



Robert S. Gates, Director
Division of Retirement & Benefits

RSG/jb

COMMITTEE REPORT

1/19/76

SENATE

Mr. President:

Date January 27 1976

The Committee on FINANCE has had SB 547
teacher retirement fractional credit and retirement credit for military service
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 SB 547 AND THAT
CS FOR SB 547 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:

Bill Ray Chairman

Introduced: 1/19/76
Referred: Finance

1 IN THE SENATE

BY CROFT

2 SENATE BILL NO. 547

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 teacher retirement fractional
7 credit and retirement credit for military service; and
8 providing for an effective date."

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

10 * Section 1. AS 14.25.220(16) is amended to read:

11 (16) "year of service" means membership service during the
12 dates set for a school term under AS 14.03.030; fractional credit shall
13 be given for membership service before July 1, 1969, during any school
14 year as follows: (A) less than 20 days, no credit; (B) 20 days or more
15 but less than 35 days, 0.2 years; (C) 35 days or more but less than 49
16 days, 0.3 years; (D) 49 days or more but less than 63 days, 0.4 years;
17 (E) 63 days or more but less than 77 days, 0.5 years; (F) 77 days or
18 more but less than 91 days, 0.6 years; (G) 91 days or more but less than
19 105 days, 0.7 years; (H) 105 days or more but less than 119 days, 0.8
20 years; (I) 119 days or more but less than 133 days, 0.9 years; (J) 133
21 days or more, 1.0 years; fractional credit shall be given for membership
22 service after July 30, 1969 [JULY 1, 1967], during any school year as
23 follows: (A) less than nine days, no credit; (B) nine days or more but
24 less than 27 days, 0.1 years; (C) 27 days or more but less than 45 days,
25 0.2 years; (D) 45 days or more but less than 63 days, 0.3 years; (E) 63
26 days or more but less than 81 days, 0.4 years; (F) 81 days or more but
27 less than 100 days, 0.5 years; (G) 100 days or more but less than 118
28 days, 0.6 years; (H) 118 days or more but less than 136 days, 0.7 years;
29 (I) 136 days or more but less than 154 days, 0.8 years; (J) 154 days or

1 more but less than 172 days, 0.9 years; (K) 172 days or more, 1.0 years;
2 if service is performed on a part-time basis, one-half credit shall be
3 given for each day of service;

4 * Sec. 2. AS 14.25.100(a) is repealed and re-enacted to read:

5 (a) A teacher who served as an active member of the armed forces
6 of the United States after December 31, 1939, may receive creditable
7 service under this retirement system up to a maximum of five years. Each
8 12 months of military service equals one school year, and lesser mili-
9 tary periods are determined for credit purposes in a proportionate
10 ratio to a year. To receive creditable service under this section, the
11 teacher must have received a discharge other than dishonorable. Credit
12 for service in the armed forces shall be granted only if the teacher
13 makes contributions for the service in the same manner as required for
14 outside service under sec. 60 of this chapter. The military service
15 credited under this section shall be included in the 10-year limitation
16 on outside service as specified in sec. 60 of this chapter. However,
17 if entry into the armed forces is immediately preceded by Alaska member-
18 ship service and, following discharge, is continued by Alaska member-
19 ship service within one year after discharge, service may not be
20 counted for purposes of determining the applicability of the 10-year
21 limitation on outside service.

22 * Sec. 3. AS 14.25.220(6) is amended to read:

23 (6) "military service" means active duty service in the
24 armed forces of the United States after December 31, 1939 [JANUARY 1,
25 1940];

26 * Sec. 4. AS 14.25.100(c) and (d) are repealed.

27 * Sec. 5. This Act takes effect June 1, 1976.
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Introduced: 1/19/76
Referred: Finance

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10 ratio to a year. To receive creditable service under this section, the
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The Legislature of the State of Alaska
 FISCAL NOTE
 Second Session - Eighth Legislature

I. REQUEST

Bill Identification: Senate Bill 547
 Title: An act relating to teacher's retirement credit for military & fractional service
 Requested by: Senate Finance Date: January 19, 1976
 Return Date Requested: As soon as possible
 Agency: Administration-Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: TRS

A. EXPENDITURES: (Thousands of dollars)

| OBJECT | FY 76 | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | 0 | 5.4 | 0 | 0 | 0 | 0 |
| 200 TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| 300 CONTRACTUAL | 0 | 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 |
| TOTAL | 0 | 5.4 | 0 | 0 | 0 | 0 |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---------------|---|-----|---|---|---|---|
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 5.4 | 0 | 0 | 0 | 0 |

C. POSITIONS:

| | | | | | | |
|---------------------|-----|-----|-----|-----|-----|-----|
| PERMANENT/TEMPORARY | 0/0 | 0/1 | 0/0 | 0/0 | 0/0 | 0/0 |
| MAN MONTHS (P./T.) | 0/0 | 0/4 | 0/0 | 0/0 | 0/0 | 0/0 |

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

- If this Bill is passed it will necessitate additional administrative costs only.
- Personal services - one temporary position - Accountant II (Range 14) for a 4-month period:

Monthly salary \$1,265 x 4 = \$5,060
 Plus 7 1/4% benefits 367
 \$5,427

IV. ATTACHMENTS

V. DATE: January 19, 1976

PREPARED BY: 

Robert S. Gates, Director
 Division of Retirement & Benefits

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) CROFT
SENATE FINANCE (JIM FINNELL)
OFFICE of THE COMMISSIONER

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| OBJECT | FY 76 | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 |
|--------------------------|----------|------------|----------|----------|----------|----------|
| 100 PERSONAL SERVICES | 0 | 5.4 | 0 | 0 | 0 | 0 |
| 200 TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| 300 CONTRACTUAL | 0 | 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 |
| TOTAL | 0 | 5.4 | 0 | 0 | 0 | 0 |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---------------|---|-----|---|---|---|---|
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 5.4 | 0 | 0 | 0 | 0 |

C. POSITIONS:

| | | | | | | |
|---------------------|-----|-----|-----|-----|-----|-----|
| PERMANENT/TEMPORARY | 0/0 | 0/1 | 0/0 | 0/0 | 0/0 | 0/0 |
| MAN MONTHS (P./T.) | 0/0 | 0/4 | 0/0 | 0/0 | 0/0 | 0/0 |

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

1. If this Bill is passed it will necessitate additional administrative costs only.
2. Personal services - one temporary position - Accountant II (Range 14) for a 4-month period:

Monthly salary \$1,265 x 4 = \$5,060
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 Division of Retirement & Benefits

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 SENATE FINANCE (Jim Finnel)
 OFFICE of TRS Commission

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 Second Session - Eighth Legislature

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| 100 PERSONAL SERVICES | 0 | 5.4 | 0 | 0 | 0 | 0 |
| 200 TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| 300 CONTRACTUAL | 0 | 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 |
| TOTAL | 0 | 5.4 | 0 | 0 | 0 | 0 |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---------------|---|-----|---|---|---|---|
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 5.4 | 0 | 0 | 0 | 0 |

C. POSITIONS:

| | | | | | | |
|---------------------|-----|-----|-----|-----|-----|-----|
| PERMANENT/TEMPORARY | 0/0 | 0/1 | 0/0 | 0/0 | 0/0 | 0/0 |
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- If this Bill is passed it will necessitate additional administrative costs only.
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DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS PUBLIC EMPLOYEES' &
TEACHERS' RETIREMENT SYSTEMS, HEALTH INSURANCE, DEFERRED
COMPENSATION, GOVERNMENT SOCIAL SECURITY PROGRAM

POUCH CR - JUNEAU 99811
PHONE (907) 465-4410

January 22, 1976

The Honorable Chancy Croft
State Senate
Pouch V
Juneau, Alaska 99801

Dear Senator Croft:

I have reviewed the provisions of Senate Bill #547 relating to fractional service credit and military service under the Teacher's Retirement System.

The bill as drafted will resolve the technical errors and possible discriminatory language which was contained in Senate Bill #380 which was vetoed by the Governor last year. Attached is the fiscal note which indicates that the only costs involved are \$5,400 for administrative expense needed to implement this legislation.

If you have any further questions I would appreciate hearing from you.

Sincerely,



Robert S. Gates
Director
Division of Retirement & Benefits

RSG/jw

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A. EXPENDITURES: (Thousands of dollars)

| OBJECT | FY 76 | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 |
|--------------------------|----------|------------|----------|----------|----------|----------|
| 100 PERSONAL SERVICES | 0 | 5.4 | 0 | 0 | 0 | 0 |
| 200 TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| 300 CONTRACTUAL | 0 | 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 |
| TOTAL | 0 | 5.4 | 0 | 0 | 0 | 0 |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---------------|---|-----|---|---|---|---|
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 5.4 | 0 | 0 | 0 | 0 |

C. POSITIONS:

| | | | | | | |
|---------------------|-----|-----|-----|-----|-----|-----|
| PERMANENT/TEMPORARY | 0/0 | 0/1 | 0/0 | 0/0 | 0/0 | 0/0 |
| MAN MONTHS (P./T.) | 0/0 | 0/4 | 0/0 | 0/0 | 0/0 | 0/0 |

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