

COMMITTEE REPORT

2/24/76

SENATE

Mr. President:

Date _____

The Committee on FINANCE has had SB 632 relating to teacher retirement credit for unused sick leave 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

COMMITTEE REPORT

2/10/76

SENATE **Finance***

Mr. President:

Date 2-23-76

The Committee on Health, Education & Social Services has had SB 632 relating to teacher retirement credit for unused sick leave under consideration. A Majority of the members of the Committee

- () recomenas 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:

Ferguson _____

Heide Chance _____

Brad Bradley _____

Colletta _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Ferguson Chairman

A M E N D M E N T

OFFERED IN THE SENATE:

By: _____

To: _____ SENATE BILL No. 632

HOUSE BILL No. _____

PAGE: 1

LINE: 23-24

Delete "Applications for the unused sick leave credit must be received by the administrator no less than 90 days before the date of retirement.", and add "This service credit cannot be used until minimum vesting has been established."

Introduced: 2/10/76
Referred: Health, Education, and
Social Services and Finance

BY RAY, CROFT, KERTTULA, HUBER,
MILLER AND CHANCE

1 IN THE SENATE

2 SENATE BILL NO. 632

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 credit for un-
7 used sick leave."

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

9 * Section 1. AS 14.25 is amended by adding a new section to read:

10 Sec. 14.25.125. UNUSED SICK LEAVE CREDIT. (a) A teacher may elect
11 to apply his unused sick leave in computing the total number of years of
12 creditable service under sec. 120(c)(1) of this chapter. The additional
13 years, or fraction of a year, of creditable service shall be computed
14 by dividing the number of days of unused sick leave by 172.

15 (b) If the teacher elects to receive the credit, an additional
16 contribution to the fund shall be paid by the teacher and his last em-
17 ployer. The additional contributions payable by the teacher and his
18 employer shall be computed by multiplying the number of years of credit-
19 able service realized under (a) of this section times the base period
20 contributions made under secs. 50 and 70 of this chapter by the teacher
21 and employer, respectively, for the last full year of the teacher's
22 employment.

23 (c) Applications for the unused sick leave credit must be received
24 by the administrator no less than 90 days before the date of retirement.
25

26
27
28
29
COMMITTEE COPY

ALASKA STATE LEGISLATURE

...NINTH Legislature SECOND Session

SENATE BILL..... NO. 632.....
 By RAY, CROFT, KERTTULA, HUBER
 MILLER AND CHANCE

"An Act relating to teacher retirement credit for unused sick leave."

teacher retirement credit

Introduced in the Senate 2/10/1976

HISTORY IN THE SENATE

19 76	Read first time and referred to Committee on
2 10	Health, Education and Social Services and Finance
2 24	Reported back with <i>Hess</i> recommendation that <i>do pass w/amends to Finance</i>
	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 President
	Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

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
	Nays Nays
	Absent Absent
	Excused Excused
	Reconsideration
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reported correctly engrossed
	Signed by Speaker
	Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	Received from House
	Reported correctly enrolled
	Sent to Governor
 By Governor
	Filed with Lt. Governor
	Chapter No.

from the desk of . . .

Representative Brenda Itta

Senator Ray-

We received this petition
in the mail and since SB 032
is in your Finance Committee,
thought you may like a copy.

Jamie Kelly
Secretary to Rep. Itta

Compliments of Alaska Legislative Report
four fifteen "L" Street Anchorage, Alaska 99501 (907)279-4531

Rm 423

415

Box 348
Bethel, Alaska 99559
22 March 1976

Brenda Itta
House Finance Committee
Alaska State Legislature
Juneau, Alaska 99801

Dear Ms Itta:

We urge your support of SB #652, an act relating to
teacher retirement credit for unused sick leave.

We believe that the entitlement should be 1½ retire-
ment credit days for each unused sick leave day.

~~Noomi Honaker~~
Laurie Jones

~~M. J.~~

James F. Zuehl
Darrell Wilson

Al Hazelton

Lino Seifried

William Walker

Archie F. Gross

Jay Smully

Bonnie Winters

Ken Bellegue

Marcia Indick

Don Drummer

Marilyn Starling

A. Burton Jones

Bonnie Noyes

Allan Winters

Carol L. Hooker

Carol Hasselman

D. Chan

Sincerely,

George Gair
Doris Johnson

Debra Quinn

Raymond Jordan

Karen W. Bellegue

Judi Kronberg

John P. Sandgrass

James A. Yather

Mary Helen Brown

John Wallace Jr

Birdella Mundy

Evelyn Hazelton

Laurie Jones

Sue Angstrom

Sally J. Myers

Glenna Lyner

Russell Tyler

Darrell K. Off

Estancia Sauterini (over)

M. J.

Edward T. Ruyter
Eleanor Murphy
Sharon Reich
Wilmington, N.C.

SB 632

California - 1975

war with a foreign power exists: (a) peace has not been formally restored; (b) in active military operations against the United Nations, in actions involving the international peace and security.

credit for time during which he serves in any branch of such military service of the Congress of the United States of California, or in the full-time paid service of the United States government, if he was in such service for a period of one year prior to entering such service.

is considered as served in the state in which he was in such service. (Amended by Chapter 1293, Stats. 1974)

shall not receive credit for time served in any other retirement system and membership in this system or its membership in any other retirement system and becomes a member of such system and redeposit withdrawn contributions in any other retirement system.

excused from performance of his duties during such time, and for disability from any insurance carrier on a full-time basis. For purposes of sabbatical leave as provided under this section, time spent on such leave, after July 1, 1956, providing the member pays to the system additional contributions based on the compensation, which is the difference between compensation earned and the compensation earnable during the period of sabbatical leave, in the amount of:

July 1, 1956, providing the member pays to the system additional contributions based on the compensation, which is the difference between compensation earned and the compensation earnable during the period of sabbatical leave, in the amount of:

(a) Eight percent of such compensation as employer and state cost of granting service credit, and

(b) The member's regular contribution rate as applied to such compensation. Regular interest shall be due on all contributions required under this section from the end of the school year during which the sabbatical leave was taken until date of payment of such contributions.

The employing school district may pay the amount required as employer and state costs in subdivision (a). (Amended by Ch. 1293, Stats. 1974)

Out-of-State Service

13998. Except as otherwise specifically provided in this article no member shall receive credit for service outside this state.

13999. Every person who was a member or retirant of the California State Teachers' Retirement System on June 30, 1944, may receive credit for time served outside this state prior to July 1, 1944, as follows:

(a) Credit for time served in a position which in this state requires membership, in other states of the United States and its territories and possessions and in Canada.

(b) Credit for time served in teaching positions in publicly supported and publicly administered universities or colleges in the United States and its territories and possessions and in Canada.

(c) Credit for time served in teaching positions in schools supported and administered by the United States government.

(d) Credit for time served as a physiotherapist during World War I in the Medical Department of the United States Army; provided, he was employed in a position requiring membership in this system within one year prior to entering such service.

(e) Credit for time served in publicly supported residential schools for the deaf and blind outside this state and credit for time served in the California School for the Deaf or the California School for the Blind, or in special classes maintained by the public schools of this state for the instruction of the deaf, the hard of hearing, the blind, or the semisighted. (Amended by Ch. 1293, Stats. 1974)

14004. A member shall be credited at his retirement with credit for each day of accumulated and unused leave of absence for illness or injury for which full salary is allowed to which the member was entitled on the final day he rendered service to the school district or other employing agency by which he was last employed in a position requiring membership in this system. The number of years of service credit to be granted shall be the product of a factor and the number of days of accumulated and unused leave of absence for illness or injury. The factor shall be determined by dividing the number 1 by the number of days of service required by the member's contract of employment during his final year of service in a position requiring membership in this system. When the member has made application for retirement pursuant to Section 14210, the school district or other employing agency shall certify to the Teachers' Retirement Board the number of days of accumulated and unused leave of absence for illness or injury to which the employee is entitled on his final day of employment. (Added by Ch. 89, Stats. 1974)

14004.1. The employing school district or other employing agency shall pay the present value of the service credit awarded in Section 14004 to the Teachers' Retirement Fund. The present value shall be determined by the board, an

over

approximate average figure based upon broad salary ranges and the experience in the prior school year, including any projected increases for the current year. The board shall determine the present value annually and publish same as a rule of the board.

This amount is due and payable to the Teacher's Retirement Fund within 30 days following the effective date of the member's retirement, and is delinquent thereafter. The board may assess a penalty on delinquent payments in accordance with the provisions affecting payment of employee and employer contributions. (Added by Ch. 89, Stats. 1974)

20603. Title 5, Cal. Adm. Code Present Value Factor. In compliance with Education Code section 14004.1 the Board determines the present value factor to be .254640, effective March 21, 1974 through June 30, 1975.

Note: Authority cited: Sections 13872, 13878, 13879, 13885 and 13896, Chapter 4, Division 10, Education Code. Reference: Section 14004.1, Education Code.

History: 1. New section filed 8-14-74; effective thirtieth day thereafter (Register 74, No. 33).

14004.2. The benefits accorded pursuant to Section 14004 shall not be used in the calculation of final compensation under this system. (Added by Ch. 89, Stats. 1974)

14005. Except as provided in Section 14004, no credit toward retirement shall be granted for any payment made for accumulated sick leave upon transfer from one district to another, upon termination of service, upon death, or retirement. No contributions shall be taken from such payments. Payments for accumulated sick leave shall not be included in any payroll warrant paid the teacher but shall be paid by separate warrant. Such payments shall not be included in the computation for the purposes of determining "final compensation". No continued leave of absence shall be granted a member solely for the purpose of allowing the member to receive compensation for accumulated sick leave for which the member could otherwise have elected to receive payment. (Amended by Ch. 89, Stats. 1974)

20526. Title 5, Cal. Adm. Code Required Days of Service for Sick Leave Credit. The number of days of service required to calculate sick leave credit shall be the total number of days of service the member would be required to perform if employed full time the entire final year of service. The number of days shall not include school and legal holidays. In no event shall the number of days be less than 175.

For members employed less than full time, 175 days or 1,050 hours will be considered as the minimum full-time equivalent.

The final year of service is the last school year in which any membership service is performed.

Note: Authority cited: Section 13872, 13878, 13879, 13885 and 13896, Chapter 4, Division 10, Education Code. Reference: Section 14004.1, Education Code.

History: 1. New section filed 8-14-74; effective thirtieth day thereafter (Register 74, No. 33). For history of former section see Register 73, No. 27.

14006. A member shall receive full service credit for time on and after July 1, 1972, during which he serves as an elected officer of any local, state or national educational organization provided that:

(a) The member is excused by his employing agency from performing the duties requiring membership in this system.

(b) The member makes the member contribution prescribed by Section 14026 with respect to any salary actually received from the employing agency and in addition pays monthly to the employing agency for transmission to the Teachers' Retirement Fund an amount equivalent to 16 percent of the salary that he would have earned, including any increases and other adjustments, had he not been excused from performance of his duties and pays regular interest on any contributions paid for time prior to the effective date of this section.

(c) The member is actively engaged as an elected and compensated officer of the educational organization during the period of absence.

(d) The member was employed in a position requiring membership in this system in the month prior to commencement of the absence from regular duties

and returns to a position requiring membership in this system at the conclusion of the term of office.

(e) The maximum amount of credit shall not exceed four calendar years.

(f) In the event that service prior to July 1, 1972, is not creditable, final compensation for purposes of this section shall be based upon the salary that the member would have received in a position requiring membership in this system. (Amended by Ch. 1382, Stats. 1974)

14009. Notwithstanding any other provision to the contrary, a member employed on a part-time basis shall be entitled to the same benefits as a member employed on a full-time basis and shall be entitled to the same other benefits that he is entitled to receive if he would have received if employed on a full-time basis. If he elects to contribute to the Teachers' Retirement Fund, he shall be entitled to the same benefits as a member who has been contributed if the member's final compensation section shall be applicable only to a member who is not older than 65 years and is living on a full-time basis. The employer shall maintain a record of each employee receiving credit for service. (Amended by Ch. 1382, Stats. 1974)

Article 9.

14020. Contributions made by members shall be accounted by the board. (Amended by Ch. 1382, Stats. 1974)

14021. Acceptance of employment by a member in this system is consent to have deducted contributions from his salary.

14021.5. All members who are required to contribute to the system shall submit to the system proof of their credited service. This proof shall be in the form of a procedure to establish record of service and shall be by the Department of Health.

Members of the system prior to July 1, 1972, shall submit proof of date of birth if the birth date is not consistent during the period of membership. If a member elects an optional form of retirement with a beneficiary, proof of date of birth is required.

Persons required to furnish proof of date in the retirement record shall submit such proof has been received and recorded. (Stats. 1974)

Contributions for Nonmembership

14023. Any person to whom membership was granted on or after January 1, 1914, is credited and a member of the system or its provisions if he or she is not a member because of being a member of another system or position requiring membership in this system. If a person becomes subject to its provisions of this system, Section 14022 for each year of creditable service either outside the state or while employed in a position requiring regular interest on the amount of creditable service as a member of the system when the

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

I. REQUEST

Bill Identification: Senate Bill #632
 Title: An act relating to the use of unused sick leave under TRS
 Requested by: Senate Finance Date: 2/11/76
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: D of E, U of A, and Teachers Match

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	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	291.3	326.3			
100 BENEFITS	0	59.1	66.2	Will increase @ 12% per annum		
TOTAL	0	365.4	392.5	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	350.4	392.5			
FEDERAL FUNDS	0	0	0	Will increase @ 12% per annum		
OTHER	0	0	0			
TRS		15.0	0			

C. POSITIONS:

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

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

- Estimated covered payroll for FY 77 is \$153,340,3000.
- Contribution rate for employer - State will increase .38% of covered pay
- Estimated that salaries will increase @ 12% per annum.
- It is assumed that an individual will receive 8 days of unused sick leave for each year of membership service.

IV. ATTACHMENTS

Appendix I

V. DATE: March 1, 1976

PREPARED BY: *Robert J. [Signature]*

Director
Division of Retirement & Benefits

Original: Legislative Finance
 cc: Budget and Management (2)
~~Prime Sponsor (First Legislator Named)~~
 SENATE FINANCE
 OFFICE of the Commissioner

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300
Increase in state - employer contribution rate = .38%

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 .19%	\$ 4,940
University of Alaska	22,000,000	x .19%	\$ 54,150
Total TRS Payroll	153,340,300	x .19%	<u>\$291,347</u>
Total Cost to State			\$350,437

Distribution of Appropriation

1. Department of Education - - - \$ 4,940 to their budget
2. University of Alaska - - - \$ 54,150 to their budget
3. State Matching Contribution - \$291,347 to TRS MATCH
4. Regular TRS Budget - - - - \$ 15,000 to contractual services.

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

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

I. REQUEST

Bill Identification: Senate Bill #632
 Title: An act relating to the use of unused sick leave under TRS
 Requested by: Senate Finance Date: 2/11/76
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: D of E, U of A, and Teachers Match
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	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	291.3	326.3			
100 BENEFITS	0	59.1	66.2	Will increase @ 12%		per annum
TOTAL	0	365.4	392.5	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	350.4	392.5			
FEDERAL FUNDS	0	0	0	Will increase @ 12%		per annum
OTHER	0	0	0			
TRS		15.0	0			

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 0	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 \$153,340,3000.
2. Contribution rate for employer - State will increase .38% of covered pay
3. Estimated that salaries will increase @ 2% per annum.
4. It is assumed that an individual will receive 8 days of unused sick leave for each year of membership service.

IV. ATTACHMENTS

Appendix I

V. DATE: March 1, 1976

PREPARED BY: *Robert J. Smith*

Director
 Division of Retirement & Benefits

Original: Legislative Finance
 Budget and Management (2)
 cc: ~~Prime Sponsor (First Legislator Named)~~
 SENATE FINANCE
 OFFICE of the Commissioner

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300
Increase in state - employer contribution rate = .38%

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 .19%	\$ 4,940
University of Alaska	22,000,000	x .19%	\$ 54,150
Total TRS Payroll	153,340,300	x .19%	<u>\$291,347</u>
Total Cost to State			\$350,437

Distribution of Appropriation

1. Department of Education - - - \$ 4,940 to their budget
2. University of Alaska - - - \$ 54,150 to their budget
3. State Matching Contribution - \$291,347 to TRS MATCH
4. Regular TRS Budget - - - - - \$ 15,000 to contractual services.

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

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

I. REQUEST

Bill Identification: Senate Bill #632
 Title: An act relating to the use of unused sick leave under TRS
 Requested by: Senate Finance Date: 2/11/76
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: D of E, U of A, and Teachers Match
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	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	291.3	326.3			
100 BENEFITS	0	59.1	66.2	Will increase @ 12%		per annum
TOTAL	0	365.4	392.5	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	350.4	392.5			
FEDERAL FUNDS	0	0	0	Will increase @ 12%		per annum
OTHER	0	0	0			
TRS		15.0	0			

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 0	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 \$153,340,3000.
2. Contribution rate for employer - State will increase .38% of covered pay
3. Estimated that salaries will increase @ 12% per annum.
4. It is assumed that an individual will receive 8 days of unused sick leave for each year of membership service.

IV. ATTACHMENTS

Appendix I

V. DATE: March 1, 1976

PREPARED BY: *Robert J. Smith*

Director
 Division of Retirement & Benefits

Original: Legislative Finance
 Budget and Management (2)
 cc: ~~Prime Sponsor (First Legislator Named)~~
 Senate Finance
 Office of the Commissioner

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300
Increase in state - employer contribution rate = .38%

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 .19%	\$ 4,940
University of Alaska	22,000,000	x .19%	\$ 54,150
Total TRS Payroll	153,340,300	x .19%	<u>\$291,347</u>
Total Cost to State			\$350,437

Distribution of Appropriation

1. Department of Education - - - \$ 4,940 to their budget
2. University of Alaska - - - \$ 54,150 to their budget
3. State Matching Contribution - \$291,347 to TRS MATCH
4. Regular TRS Budget - - - - \$ 15,000 to contractual services.

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

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 1, 1976

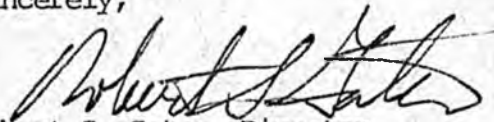
The Honorable Bill Ray
Chairman
Senate Finance Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Ray:

I have reviewed the provisions of Senate Bill #632 and would like to suggest that an amendment be considered. I would suggest on line 17 and 18 the language "and his employer" be eliminated. You will notice on the enclosed fiscal note that the costs shown contemplate a fixed percentage employer contribution rate which is applied to the entire payroll. This is the normal approach that the employer uses in funding new benefit provisions. To collect a separate employer contribution each time a teacher receives credit for sick leave would be extremely cumbersome and contrary to the manner in which we fund all other benefits.

If the above mentioned amendment is made then we would merely collect a contribution from the employee at the time of retirement and the employer contribution would be made in the same manner as we collect all employer contributions. If you have any questions on this matter I would appreciate hearing from you.

Sincerely,



Robert S. Gates, Director
Division of Retirement & Benefits

RSG/jb
cc: Frank Ferguson
Chairman
Senate IESS

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

I. REQUEST

Bill Identification: Senate Bill #632
 Title: An act relating to the use of unused sick leave under TRS
 Requested by: Senate Finance Date: 2/11/76
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: D of E, U of A, and Teachers Match

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	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	291.3	326.3			
100 BENEFITS	0	59.1	66.2	Will increase @ 12%		per annum
TOTAL	0	365.4	392.5	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	350.4	392.5			
FEDERAL FUNDS	0	0	0	Will increase @ 12%		per annum
OTHER	0	0	0			
TRS		15.0	0			

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 0	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 \$153,340,3000.
2. Contribution rate for employer - State will increase .38% of covered pay
3. Estimated that salaries will increase @ 12% per annum.
4. It is assumed that an individual will receive 8 days of unused sick leave for each year of membership service.

IV. ATTACHMENTS

Appendix I

V. DATE: March 1, 1976

PREPARED BY: 

Director
 Division of Retirement & Benefits

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

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300
Increase in state - employer contribution rate = .38%

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 .19%	\$ 4,940
University of Alaska	22,000,000	x .19%	\$ 54,150
Total TRS Payroll	153,340,300	x .19%	<u>\$291,347</u>
Total Cost to State			\$350,437

Distribution of Appropriation

1. Department of Education - - - \$ 4,940 to their budget
2. University of Alaska - - - \$ 54,150 to their budget
3. State Matching Contribution - \$291,347 to TRS MATCH
4. Regular TRS Budget - - - - - \$ 15,000 to contractual services.

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

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

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

JAY S. HAMMOND, GOVERNOR

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

March 1, 1976


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

Dear Senator Ray:

I have reviewed the provisions of Senate Bill #632 and would like to suggest that an amendment be considered. I would suggest on line 17 and 18 the language "and his employer" be eliminated. You will notice on the enclosed fiscal note that the costs shown contemplate a fixed percentage employer contribution rate which is applied to the entire payroll. This is the normal approach that the employer uses in funding new benefit provisions. To collect a separate employer contribution each time a teacher receives credit for sick leave would be extremely cumbersome and contrary to the manner in which we fund all other benefits.

If the above mentioned amendment is made then we would merely collect a contribution from the employee at the time of retirement and the employer contribution would be made in the same manner as we collect all employer contributions. If you have any questions on this matter I would appreciate hearing from you.

Sincerely,



Robert S. Gates, Director
Division of Retirement & Benefits

RSG/jb
cc: Frank Ferguson
Chairman
Senate HESS

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

I. REQUEST

Bill Identification: Senate Bill #632
 Title: An act relating to the use of unused sick leave under TPS
 Requested by: Senate Finance Date: 2/11/76
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: D of E, U of A, and Teachers Match

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	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	291.3	326.3			
100 BENEFITS	0	59.1	66.2	Will increase @ 12%		per annum
TOTAL	0	365.4	392.5	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	350.4	392.5			
FEDERAL FUNDS	0	0	0	Will increase @ 12%		per annum
OTHER	0	0	0			
TRS		15.0	0			

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 0	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 \$153,340,3000.
2. Contribution rate for employer - State will increase .38% of covered pay
3. Estimated that salaries will increase @ 12% per annum.
4. It is assumed that an individual will receive 8 days of unused sick leave for each year of membership service.

IV. ATTACHMENTS

Appendix I

V. DATE: March 1, 1976

PREPARED BY: *Robert J. [Signature]*

Director
Division of Retirement & Benefits

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

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300
Increase in state - employer contribution rate = .38%

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 .19%	\$ 4,940 .
University of Alaska	22,000,000	x .19%	\$ 54,150 .
Total TRS Payroll	153,340,300	x .19%	<u>\$291,347</u>
Total Cost to State			<u>\$350,437</u>

Distribution of Appropriation

1. Department of Education - - - \$ 4,940 to their budget
2. University of Alaska - - - \$ 54,150 to their budget
3. State Matching Contribution - \$291,347 to TRS MATCH
4. Regular TRS Budget - - - - - \$ 15,000 to contractual services.

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

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 1, 1976


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

Dear Senator Ray:

I have reviewed the provisions of Senate Bill #632 and would like to suggest that an amendment be considered. I would suggest on line 17 and 18 the language "and his employer" be eliminated. You will notice on the enclosed fiscal note that the costs shown contemplate a fixed percentage employer contribution rate which is applied to the entire payroll. This is the normal approach that the employer uses in funding new benefit provisions. To collect a separate employer contribution each time a teacher receives credit for sick leave would be extremely cumbersome and contrary to the manner in which we fund all other benefits.

If the above mentioned amendment is made then we would merely collect a contribution from the employee at the time of retirement and the employer contribution would be made in the same manner as we collect all employer contributions. If you have any questions on this matter I would appreciate hearing from you.

Sincerely,



Robert S. Gates, Director
Division of Retirement & Benefits

RSG/jb
cc: Frank Ferguson
Chairman
Senate ISS

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

I. REQUEST

Bill Identification: Senate Bill #632
 Title: An act relating to the use of unused sick leave under TFS
 Requested by: Senate Finance Date: 2/11/76
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: D of E, U of A, and Teachers Match

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	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	291.3	326.3			
100 BENEFITS	0	59.1	66.2	Will increase @ 12%		per annum
TOTAL	0	365.4	392.5	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	350.4	392.5			
FEDERAL FUNDS	0	0	0	Will increase @ 12%		per annum
OTHER	0	0	0			
TRS		15.0	0			

C. POSITIONS:

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

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

- Estimated covered payroll for FY 77 is \$153,340,3000.
- Contribution rate for employer - State will increase .38% of covered pay
- Estimated that salaries will increase @ 12% per annum.
- It is assumed that an individual will receive 8 days of unused sick leave for each year of membership service.

IV. ATTACHMENTS

Appendix I

V. DATE: March 1, 1976

PREPARED BY: *Robert J. [Signature]*

Director
Division of Retirement & Benefits

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

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300
Increase in state - employer contribution rate = .38%

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 .19%	\$ 4,940 .
University of Alaska	22,000,000	x .19%	\$ 54,150 .
Total TRS Payroll	153,340,300	x .19%	<u>\$291,347</u>
			\$350,437
Total Cost to State			

Distribution of Appropriation

1. Department of Education - - - \$ 4,940 to their budget
2. University of Alaska - - - \$ 54,150 to their budget
3. State Matching Contribution - \$291,347 to TRS MATCH
4. Regular TRS Budget - - - - - \$ 15,000 to contractual services.

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

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 1, 1976

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

Dear Senator Ray:

I have reviewed the provisions of Senate Bill #632 and would like to suggest that an amendment be considered. I would suggest on line 17 and 18 the language "and his employer" be eliminated. You will notice on the enclosed fiscal note that the costs shown contemplate a fixed percentage employer contribution rate which is applied to the entire payroll. This is the normal approach that the employer uses in funding new benefit provisions. To collect a separate employer contribution each time a teacher receives credit for sick leave would be extremely cumbersome and contrary to the manner in which we fund all other benefits.

If the above mentioned amendment is made then we would merely collect a contribution from the employee at the time of retirement and the employer contribution would be made in the same manner as we collect all employer contributions. If you have any questions on this matter I would appreciate hearing from you.

Sincerely,



Robert S. Gates, Director
Division of Retirement & Benefits

RSG/jb
cc: Frank Ferguson
Chairman
Senate IEES

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

I. REQUEST

Bill Identification: Senate Bill #632
 Title: An act relating to the use of unused sick leave under TFS
 Requested by: Senate Finance Date: 2/11/76
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: D of E, U of A, and Teachers Match

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	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	291.3	326.3			
100 BENEFITS	0	59.1	66.2	Will increase @ 12% per annum		
TOTAL	0	365.4	392.5	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	350.4	392.5			
FEDERAL FUNDS	0	0	0	Will increase @ 12% per annum		
OTHER	0	0	0			
TRS		15.0	0			

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 0	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 \$153,340,3000.
2. Contribution rate for employer - State will increase .38% of covered pay
3. Estimated that salaries will increase @ 12% per annum.
4. It is assumed that an individual will receive 8 days of unused sick leave for each year of membership service.

IV. ATTACHMENTS

Appendix I

V. DATE: March 1, 1976

PREPARED BY: *Robert L. Guter*

Director

Division of Retirement & Benefits

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

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300
Increase in state - employer contribution rate = .38%

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 .19%	\$ 4,940 .
University of Alaska	22,000,000	x .19%	\$ 54,150 .
Total TRS Payroll	153,340,300	x .19%	<u>\$291,347</u>
			<u>\$350,437</u>

Total Cost to State

Distribution of Appropriation

1. Department of Education - - - \$ 4,940 to their budget
2. University of Alaska - - - \$ 54,150 to their budget
3. State Matching Contribution - \$291,347 to TRS MATCH
4. Regular TRS Budget - - - - - \$ 15,000 to contractual services.

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

Introduced: 2/10/76
Referred: Health, Education, and
Social Services and Finance

BY RAY, CROFT, KERTTULA, HUBER,
MILLER AND CHANCE

1 IN THE SENATE

2 SENATE BILL NO. 632

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 credit for un-
7 used sick leave."

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

9 * Section 1. AS 14.25 is amended by adding a new section to read:

10 Sec. 14.25.125. UNUSED SICK LEAVE CREDIT. (a) A teacher may elect
11 to apply his unused sick leave in computing the total number of years of
12 creditable service under sec. 120(c)(1) of this chapter. The additional
13 years, or fraction of a year, of creditable service shall be computed
14 by dividing the number of days of unused sick leave by 172.

15 (b) If the teacher elects to receive the credit, an additional
16 contribution to the fund shall be paid by the teacher and his last em-
17 ployer. The additional contributions payable by the teacher and his
18 employer shall be computed by multiplying the number of years of credit-
19 able service realized under (a) of this section times the base period
20 contributions made under secs. 50 and 70 of this chapter by the teacher
21 and employer, respectively, for the last full year of the teacher's
22 employment.

23 (c) Applications for the unused sick leave credit must be received
24 by the administrator no less than 90 days before the date of retirement.
25
26
27
28
29

A M E N D M E N T

OFFERED IN THE SENATE:

By: _____

To: _____ SENATE BILL No. 632

HOUSE BILL No. _____

PAGE: 1

LINE: 23-24

Delete "Applications for the unused sick leave credit must be received by the administrator no less than 90 days before the date of retirement.", and add "This service credit cannot be used until minimum vesting has been established."

Introduced: 2/10/76
Referred: Health, Education, and
Social Services and Finance

BY RAY, CROFT, KERTTULA, HUBER,
MILLER AND CHANCE

1 IN THE SENATE

2 SENATE BILL NO. 632

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 credit for un-
7 used sick leave."

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

9 * Section 1. AS 14.25 is amended by adding a new section to read:

10 Sec. 14.25.125. UNUSED SICK LEAVE CREDIT. (a) A teacher may elect
11 to apply his unused sick leave in computing the total number of years of
12 creditable service under sec. 120(c)(1) of this chapter. The additional
13 years, or fraction of a year, of creditable service shall be computed
14 by dividing the number of days of unused sick leave by 172.

15 (b) If the teacher elects to receive the credit, an additional
16 contribution to the fund shall be paid by the teacher and his last em-
17 ployer. The additional contributions payable by the teacher and his
18 employer shall be computed by multiplying the number of years of credit-
19 able service realized under (a) of this section times the base period
20 contributions made under secs. 50 and 70 of this chapter by the teacher
21 and employer, respectively, for the last full year of the teacher's
22 employment.

23 (c) Applications for the unused sick leave credit must be received
24 by the administrator no less than 90 days before the date of retirement.
25
26
27
28
29

#

A M E N D M E N T

OFFERED IN THE SENATE:

By: _____

To: _____ SENATE BILL No. 632

HOUSE BILL No. _____

PAGE: 1

LINE: 23-24

Delete "Applications for the unused sick leave credit must be received by the administrator no less than 90 days before the date of retirement.", and add "This service credit cannot be used until minimum vesting has been established."