

HB

174

# COMMITTEE REPORT HOUSE

FURTHER: STATE AFFAIRS

February 12, 1979

Date: 5 Mar 79

Mr. Speaker:

The Committee on C&RA has had HB 174

"An Act relating to the participation of elected officials and former elected officials in the public employees' retirement system."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 174  same title  
 new title
- and recommends do not pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

Bill Pugh

Thurgood Marshall

Charles Pugh

Frank J. ...

Kathleen O'Connell

Ray ...

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Bill Pugh  
CHAIRMAN

AMENDED TITLE:

AN ACT RELATING TO THE PARTICIPATION OF ELECTED OFFICIALS  
AND FORMER ELECTED OFFICIALS IN THE PUBLIC  
EMPLOYEES' RETIREMENT SYSTEM.

\$13,500 (F. NOTE)

PRIME SPONSORS: HOUSE STATE AFF COMMITTEE.

CO-SPONSORS:

CURRENT STATUS: 3/15/79 IN (H) RULES

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/12/79	01	0204	FIRST READING -- COMMITTEE REPORTS
03/06/79	02	0456	CRA -- CS07
03/15/79	03	0501	FIN -- CRA CS05, NR04
03/14/79	04	0564	FISCAL NOTE-HSE SUPPL #27
03/15/79	05	0594	FIN -- CS05, NR04
03/15/79	06	0595	FISCAL NOTE-HSE SUPPL #28
			STATE AFF.
			RULES
****	**	**	*** *** ***



# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V  
State Capitol  
Juneau, Alaska 99811

Official Business

DATE: 3/5/79

BILL NUMBER AND TITLE: HB 174 Participation of elected officials and former elected officials in the Public Employees' Retirement System

ORIGINAL SPONSOR : State Affairs Committee OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: *State Affairs*

MEMBERS PRESENT:

Carney  
Metcalf  
Zharoff  
O'Connell

Parr  
Branson  
Parker

MEMBERS ABSENT:

None

INDIVIDUALS CONTACTED:

Lee Sharp ,City Baro Juneau Attorney  
M. Miller  
P. Arnoldt , Director Div. of Retirement

WITNESSES TESTIFYING:

Mike Miller -- Committee Substitute for HB 174 takes a new approach having all people automatically in program when they become elected officials.

Lee Sharp -- Cited problems which led to drafting of bill. Juneau Assemblyman wanted to opt into program. Fbks. employee also had problem.

Arnoldt -- From an actuary standpoint, the CS HB 174 is a great improvement. You can identify who is out there and start setting aside benefits. More sound than original bill.

Suggests the following amendments which were accepted as part of the Committee Substitute:

1. P. 1 Line 17, 24 Change "Commissioner of Administration" to "administrator"
2. P. 2 Lines throughout -- remove references to "interest"
3. P. 2 Line 16 Change date to Jan. 31

Members signing DO PASS CS HB 174

Parker	
Branson (as amended)	O'Connell
Carney	Metcalf
Parr	
Zharoff	

COMMITTEE ACTION: Committee recommended DO PASS of CS174 as amended. CS being prepared.

TAPE # 3 SIDE 1

Sections 1896-2100



# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Peuch V  
State Capitol  
Juneau, Alaska 99811

Official Business

DATE: 2/19/79 .

BILL NUMBER AND TITLE: HB 174 relating to the participation of elected officials and former elected officials in the public employees' retirement system

ORIGINAL SPONSOR : State Affairs Committee OTHER SPONSORS:

RECEIVED FROM: FURTHER REFERRALS: State Affairs

MEMBERS PRESENT: Parker Parr MEMBERS ABSENT: Metcalfe  
Zharoff Carney  
O'Connell

INDIVIDUALS CONTACTED: Branson  
Lee Sharp Mike Miller Talked with Bruce Cummings, Div. of Retirement  
Marilyn Miller Paul Arnoldt (Fiscal Note) also.

WITNESSES TESTIFYING:

Rep. Mike Miller -- Basically explained what the bill would do.  
Rep. O'Connell discussed his personal problem with p. 2 lines 10-13 as a teacher/legislator and felt that the wording might preclude his option of being able to go in and out of the PERS when serving as a legislator for half the year.

COMMITTEE ACTION: Held over until Rep. Miller has answers to questions.

TAPE # 2 SIDE 1

Sections 2010-2165

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Received from \_\_\_\_\_

BILL NO. HB 174 re participation of elected officials and former elected officials in

Original Sponsor Mike Miller the public retirement system Fiscal Note Requested - Div. of Retirement

Contacts: State Affairs Committee

LAA Legal Research contact: McKenzie

Lee Sharp  
Marilyn Miller 1325  
Mike Miller 4964

4626

Bruce Cummings - Div. of Retirement Employer would not have contributed to system so the bill creates a problem.

McKenzie thinks employer contributions are covered under 39.35.250 (a) Discusses employee contribution rate. It appears that 39.35.125 (d) would only cover state contributions to system rather than municipal. The state may need to put in the retroactive am't to cover for the municipalities' contributions. (PERS-Public Employee Retirement System)

Last section of bill drafted to deal with problem of state employee who retires from state employment and who is an elected official in local gov't in Fbks.

39.35.250 Calculated employer's contrib. rate effected by HB 174.

Paul Arnoldt (4460)

Problems with the bill. 1. Won't know who is out there to come in under coverage. 2. Retroactivity as problem.

Miller, Sharp, McKenzie working on this to come up with a CS. Would include following concepts: 1. Employee would have to come into system but could waive coverage. If waived could not come back into service.

2. One year period any former official can come into service 3. Teacher problem. Statutes says that if you are covered under teacher's system, you are not under PERS.

Bob Van Houte (6-3090) See HB 260 (referred to HSS)

*Contacted re Hearing 3/28/79*

*✓ M. Miller*

*✓ L. Sharp*

*✓ McKenzie*

*CS will be available for 2/28 but fiscal note & note*

*Not heard 2/28 - rescheduled for 3/5/79*



A M E N D M E N T

OFFERED IN THE HOUSE:

By: Community & Regional Affairs

To: State Affairs HOUSE BILL No. HB 174 (CS work draft)

SENATE BILL No. \_\_\_\_\_

PAGE: \_\_\_\_\_

LINE: \_\_\_\_\_

*Changes made in CS work draft*

p. 1 Line 17 Eliminate "Commissioner of Administration" and replace with "administrator".

p. 1 Line 23 Eliminate "commissioner of administration" and replace with "administrator"

p. 2 Lines 2-3 Eliminate "together with interest as prescribed by regulations"

p. 2 Lines 5-6 Eliminate "Interest accrues retroactively from the date each contribution would have been made."

p. 2 Line 9 Eliminate "together with interest"

p. 2 Line 16 Change January 1 to January 31

McKenzie  
4/6/26

HB 200

Bob Van Houte 6-3090 NOW

Learn - Absence - pay all benefits (employee + state contrib.)

He is not working in District, state would assume role - School district employee. State would pay in for teacher

State pays matching S.S. for him - wouldn't pay in for  
4 1/2 % PERS  
Social Security 6 %

State worker - S.S. deducted in check  
State puts into SS  
State puts into 4 1/2 % PERS  
16 % as public employee  
7 % to retirement as teacher  
14 % to

Combined contrib

Ray H. Houghton  
Vassar Hospital  
Beacon Hill

financial institution until the delinquency is reduced to less than one-half of one per cent.

(g) Notwithstanding any other provisions, the pension fund may purchase any assets of the retirement system of any participating municipality as of the effective date of participation in any amount mutually agreed upon by the participating municipalities and the commissioner of revenue. (§ 37 ch 143 SLA 1960; am § 1 ch 129 SLA 1961; am § 1 ch 150 SLA 1962; am § 2 ch 4 SLA 1964; am §§ 1 — 3 ch 80 SLA 1964; am § 1 ch 111 SLA 1964; am § 1 ch 56 SLA 1967; am § 4 ch 73 SLA 1969; am §§ 3, 4 ch 17 SLA 1970; am § 2 ch 112 SLA 1972; am §§ 3, 4 ch 25 SLA 1974)

**Effect of amendments.** — The 1972 amendment added paragraph (9) in subsection (a).

The 1974 amendment added paragraphs (10)—(15) in subsection (a) and added subsections (e)—(g).

**Legislative committee reports.** — For report on ch. 73, SLA 1969 (CSHB 278 am), see 1969 House Journal, p. 745. For report on ch. 25, SLA 1974 (CSHB 253 [Jud] am S), see 1974 House Journal, p. 481.

**Article 2. Membership.**

**Section**

- 120. Commencement of participation
- 125. Participation of elected officials
- 130. Termination of participation
- 140. Re-employment of former employees

**Section**

- 150. Re-employment of retired employees
- 153. Army and air national guard employees

**Sec. 39.35.120. Commencement of participation.** (a) An employee of the state shall be included in this system upon commencement of his employment with the state, or on January 1, 1961, whichever is later. An employee of a political subdivision or public or quasi-public organization which becomes an employer shall be included in the system on the effective date of the employer's participation or the date of the employee's commencement of employment with the employer, whichever is later.

(b) Inclusion in the system is a condition of employment for an employee except an elected official. (§ 4 ch 143 SLA 1960; am § 1 ch 155 SLA 1966)

**Sec. 39.35.125. Participation of elected officials.** (a) An elected official may be included in the system if, within 60 days after taking the oath of his office or within 60 days after May 12, 1966

(1) he directs his employer in writing to make the necessary deductions from his salary and to pay into the system the contributions required by and for an employee under this chapter and

(2) notice is given the commissioner of administration in writing.

(b) After an elected official has elected to be included in the system he and his employer are liable for contributions whenever he is a qualified elected official of a participating employer.

(c) An elected official may be included retroactively in the system if he makes retroactive contributions equal to what he would have made if he had elected to be included when he became eligible under (a) of this section. (§ 2 ch 155 SLA 1966; am § 3 ch 159 SLA 1972)

**Effect of amendment.** — The 1972 amendment added subsection (c).

**Legislative committee report.** — For report on ch. 159, SLA 1972 (FCCS HCS CSSB 264), see 1972 House Journal, p. 924.

**Sec. 39.35.130. Termination of participation.** An employee shall be excluded from the system upon termination of his employment with the employer, unless he is eligible for a retirement benefit at that time. If the employee does not receive a refund of his contributions at the time of his termination, his contribution accounts, including voluntary contributions shall continue to be held in the system, earn interest at the prescribed rate and according to the prescribed method of allocation under § 100 of this chapter, and are available to the employee, his beneficiary, or his estate in one of the alternative settlement options under § 220 of this chapter within 60 days of an application for their withdrawal. (§ 5 ch 143 SLA 1960)

**Sec. 39.35.140. Re-employment of former employees.** If an employee's employment is terminated before the employee becomes eligible for a retirement benefit and the employee is subsequently re-employed by an employer, he is considered a new employee and may not receive credit for a prior period of employment, except as provided in § 350 of this chapter. (§ 6 ch 143 SLA 1960)

**Sec. 39.35.150. Re-employment of retired employees.** (a) If a retired employee is re-employed on a regular full-time basis by an employer, no pension payments may be made during the period of re-employment. During the period of re-employment, deductions from salary may be made at the option of the retired employee for contributions to the retirement fund as provided in § 160 of this chapter. Upon the subsequent retirement of the retired employee, he is entitled to receive a pension based on his credited service and compensation before the date of his previous retirement. If a previously retired employee makes contributions to the fund during his re-employment, his additional credited service and compensation during the period of re-employment shall be included to determine his final retirement benefit.

(b) In the case of re-employment of an employee who retires under § 370(c) or 380 of this chapter, the pension payable upon the employee's subsequent retirement shall be reduced by the actuarial equivalent of early retirement benefits previously received by the employee. (§ 7 ch

(16) bonds, debentures, notes, or other obligations issued, guaranteed, or assumed as to both principal and interest by the government of the Dominion of Canada, or by any province of Canada, or by any municipality of Canada which has a population of not less than 150,000, if (A) the full faith and credit of the issuer, guarantor, or assumer of the bonds, debentures, notes, or other obligations is pledged for the payment of principal and interest on them, (B) the principal and interest on them is payable in United States currency, either unconditionally or at the option of the holder, and (C) these obligations are rated A or an equivalent quality by a nationally recognized rating organization;

(17) bankers' acceptances which are eligible for discount at the Federal Reserve Bank and negotiable time certificates of deposit issued by commercial banks.  
(am 55 3, 4 ch 59 SLA 1977)

**Effect of amendments.**

The 1977 amendment, in subsection (a), inserted "private mortgage insurance" in paragraph (11), added the language beginning "however, (A) no mortgage

insurance is necessary" to the end of the paragraph, and added paragraphs (16) and (17).

As the rest of the section was not affected by the amendment, it is not set out.

**Article 2. Membership.**

<b>Section</b>	<b>Section</b>
125. Participation of elected officials	154. North Pacific Fishery Management Council employees
130. [Repealed]	155. Former magistrates
140. [Repealed]	
150. Re-employment of retired employees	

**Sec. 39.35.125. Participation of elected officials.**

(b) After an elected official has elected to be included in the system he and his employer are liable for contributions whenever he is a qualified elected official of an employer.

(d) A former elected state official whose latest term of office expired before May 12, 1966 may be included retroactively in the system and receive credit for time previously served as an elected state official if he makes retroactive contributions equal to what he would have made if he had been eligible for membership in the system.

(e) Former elected state officials whose latest term of office expired before May 12, 1966 must claim prior legislative service and make retroactive contributions before July 1, 1977.

(am § 1 ch 254 SLA 1976; am § 19 ch 128 SLA 1977)

**Effect of amendments.**

The 1976 amendment, effective July 1, 1976, added subsections (d) and (e).

The 1977 amendment, effective July 1, 1977, substituted "an employer" for "a

participating employer" at the end of subsection (b).

As the rest of the section was not affected by the amendments, it is not set out.

Original sponsor: State Affairs Committee

1 IN THE HOUSE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 174

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the participation of elected  
7 officials and former elected officials in the public  
8 employees' retirement system; and providing for an  
9 effective date."

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

11 \* Section 1. AS 39.35.120(b) is amended to read:

12 (b) Inclusion in the system is a condition of employment for an  
13 employee except as otherwise provided for an elected official.

14 \* Sec. 2. AS 39.35.125 is repealed and re-enacted to read:

15 Sec. 39.35.125. PARTICIPATION OF ELECTED OFFICIALS. (a) An  
16 elected official is included in the system unless he files a written  
17 waiver of coverage with the ~~commissioner of administration~~<sup>on</sup>. A waiver  
18 under this subsection waives coverage of future employment as an elected  
19 official, regardless of any change of employer. An elected official may  
20 file a waiver under this subsection at any time after his election to  
21 office, including the period before he takes the oath of his office. A  
22 elected official may revoke a waiver under this subsection by filing a  
23 written revocation with the ~~commissioner of administration~~<sup>on</sup>. A revoca-  
24 tion under this subsection operates prospectively only, and the elected  
25 official may not receive credited service for service as an elected  
26 official while the waiver was in effect. There is no limit on the  
27 number of times an elected official may file a waiver or revocation  
28 under this subsection.

29 (b) Service as an elected official before January 1, 1980 with an

1 employer may be included retroactively if the elected official or former  
 2 elected official makes retroactive contributions, ~~together with interest~~  
 3 ~~as prescribed by regulation~~, equal to what he would have made if he had  
 4 been included when he took the oath of his office as an elected official.  
 5 ~~Interest accrues retroactively from the date each contribution would~~  
 6 ~~have been made.~~ The rate used to calculate the retroactive contribu-  
 7 tions may not be less than the rate in effect on January 1, 1961. An  
 8 elected official or former elected official must claim prior service and  
 9 make retroactive contributions, ~~together with interest~~, before <sup>Feb 1</sup> January 31  
 10 1981. An elected official or former elected official may not receive  
 11 credited service under this subsection for any period in which he was  
 12 receiving a retirement benefit from the system. An elected official or  
 13 former elected official receiving a retirement benefit from the system  
 14 on <sup>Jan 1, 1980</sup> ~~January 31, 1980~~ is not eligible to claim credited service under this  
 15 subsection unless he is reemployed as an active member and claims the  
 16 credited service before <sup>Feb 1, 1981</sup> ~~January 1, 1981~~. Service as an elected official  
 17 with an employer constitutes employment as an active member so long as  
 18 no waiver of coverage under (a) of this section is in effect.

19 (c) An elected official included in the system and his employer  
 20 are liable for contributions whenever he is an elected official unless  
 21 waiver of coverage under (a) of this section is in effect.

22 \* Sec. 3. AS 39.35.680(14) is amended to read:

23 (14) "elected official" means a person [MEMBER] whose com-  
 24 pensation results from personal services rendered to an employer as an  
 25 elected representative [AND WHO ELECTS COVERAGE UNDER AS 39.35.125];

26 \* Sec. 4. AS 39.35.360(c) is repealed.

27 \* Sec. 5. AS 39.35.125(a), as re-enacted in sec. 1 of this Act, applic-  
 28 to an elected official holding office on or after January 1, 1980, even  
 29 though he may have assumed office before that date.

1 \* Sec.. 6. This Act takes effect January 1, 1980.  
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THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 174  
Title Participation of Elected Officials and Former Elected Officials in the PERS  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Retirement and Benefits (PERS)

BRU, Program, or Subprogram(s) Affected J2-96-8-01-01

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		53.5	58.9	64.8	71.3	78.4
TOTAL		53.5	58.9	64.8	71.3	78.4

FUNDING (Thousands of Dollars)

GENERAL FUND	43.8	48.2	53.1	58.4	64.1
FEDERAL FUNDS	2.5	2.7	3.0	3.3	3.7
VETERAN'S FUND	0.1	0.1	0.1	0.2	0.2
FISH & GAME FUND	0.3	0.4	0.4	0.4	0.5
HIGHWAY FUND	0.7	0.8	0.8	0.9	1.0
AIRPORT FUND	1.6	1.7	1.9	2.1	2.3
CAPITAL FUND	4.5	5.0	5.5	6.1	6.7
PERS					
TRS					

POSITIONS NONE

FULL TIME					
PART TIME					
TEMPORARY					

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

- Of the identified 60 former elected State officials who did not participate in the PERS, it is estimated that 20 will elect participation under this bill. Proportionate similar elections are anticipated for future "former elected" State officials.
- Estimate FY 80 covered State payroll to be \$241,000,000.
- Estimate future State payrolls will increase at 10% annually.
- Increase in State employer contribution rate would be .0222% of covered payroll.

IV. DATE 3/02/79

PREPARED BY Paul B. Arnoldt, Director  
AGENCY Division of Retirement & Benefits  
PHONE 465-4460

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)  
Office of the Governor (Keith Spucking)

33-001 (Rev. 12/78)

financial institution until the delinquency is reduced to less than one-half of one per cent.

(g) Notwithstanding any other provisions, the pension fund may purchase any assets of the retirement system of any participating municipality as of the effective date of participation in any amount mutually agreed upon by the participating municipalities and the commissioner of revenue. (§ 37 ch 143 SLA 1960; am § 1 ch 129 SLA 1961; am § 1 ch 150 SLA 1962; am § 2 ch 4 SLA 1964; am §§ 1 — 3 ch 80 SLA 1964; am § 1 ch 111 SLA 1964; am § 1 ch 56 SLA 1967; am § 4 ch 73 SLA 1969; am §§ 3, 4 ch 17 SLA 1970; am § 2 ch 112 SLA 1972; am §§ 3, 4 ch 25 SLA 1974)

**Effect of amendments.** — The 1973 amendment added paragraph (9) in subsection (a).

The 1974 amendment added paragraphs (10)—(15) in subsection (a) and added subsections (e)—(g).

**Legislative committee reports.** — For report on ch. 73, SLA 1969 (CSHB 278 am), see 1969 House Journal, p. 745. For report on ch. 25, SLA 1974 (CSHB 253 [Jud] am S), see 1974 House Journal, p. 481.

**Article 2. Membership.**

<b>Section</b>	<b>Section</b>
120. Commencement of participation	150. Re-employment of retired employees
125. Participation of elected officials	153. Army and air national guard employees
130. Termination of participation	
140. Re-employment of former employees	

**Sec. 39.35.120. Commencement of participation.** (a) An employee of the state shall be included in this system upon commencement of his employment with the state, or on January 1, 1961, whichever is later. An employee of a political subdivision or public or quasi-public organization which becomes an employer shall be included in the system on the effective date of the employer's participation or the date of the employee's commencement of employment with the employer, whichever is later.

(b) Inclusion in the system is a condition of employment for an employee except an elected official. (§ 4 ch 143 SLA 1960; am § 1 ch 155 SLA 1966)

**Sec. 39.35.125. Participation of elected officials.** (a) An elected official may be included in the system if, within 60 days after taking the oath of his office or within 60 days after May 12, 1966

(1) he directs his employer in writing to make the necessary deductions from his salary and to pay into the system the contributions required by and for an employee under this chapter and

(2) notice is given the commissioner of administration in writing.

(b) After an elected official has elected to be included in the system he and his employer are liable for contributions whenever he is a qualified elected official of a participating employer.

(c) An elected official may be included retroactively in the system if he makes retroactive contributions equal to what he would have made if he had elected to be included when he became eligible under (a) of this section. (§ 2 ch 155 SLA 1966; am § 3 ch 159 SLA 1972)

Effect of amendment. — The 1972 amendment added subsection (c).

Legislative committee report. — For report on ch. 159, SLA 1972 (FCUS HCS CSSB 264), see 1972 House Journal, p. 923.

**Sec. 39.35.130. Termination of participation.** An employee shall be excluded from the system upon termination of his employment with the employer, unless he is eligible for a retirement benefit at that time. If the employee does not receive a refund of his contributions at the time of his termination, his contribution accounts, including voluntary contributions shall continue to be held in the system, earn interest at the prescribed rate and according to the prescribed method of allocation under § 100 of this chapter, and are available to the employee, his beneficiary, or his estate in one of the alternative settlement options under § 220 of this chapter within 60 days of an application for their withdrawal. (§ 5 ch 143 SLA 1960)

**Sec. 39.35.140. Re-employment of former employees.** If an employee's employment is terminated before the employee becomes eligible for a retirement benefit and the employee is subsequently re-employed by an employer, he is considered a new employee and may not receive credit for a prior period of employment, except as provided in § 350 of this chapter. (§ 6 ch 143 SLA 1960)

**Sec. 39.35.150. Re-employment of retired employees.** (a) If a retired employee is re-employed on a regular full-time basis by an employer, no pension payments may be made during the period of re-employment. During the period of re-employment, deductions from salary may be made at the option of the retired employee for contributions to the retirement fund as provided in § 160 of this chapter. Upon the subsequent retirement of the retired employee, he is entitled to receive a pension based on his credited service and compensation before the date of his previous retirement. If a previously retired employee makes contributions to the fund during his re-employment, his additional credited service and compensation during the period of re-employment shall be included to determine his final retirement benefit.

(b) In the case of re-employment of an employee who retires under § 370(c) or 380 of this chapter, the pension payable upon the employee's subsequent retirement shall be reduced by the actuarial equivalent of early retirement benefits previously received by the employee. (§ 7 ch

(16) bonds, debentures, notes, or other obligations issued, guaranteed, or assumed as to both principal and interest by the government of the Dominion of Canada, or by any province of Canada, or by any municipality of Canada which has a population of not less than 150,000, if (A) the full faith and credit of the issuer, guarantor, or assumer of the bonds, debentures, notes, or other obligations is pledged for the payment of principal and interest on them, (B) the principal and interest on them is payable in United States currency, either unconditionally or at the option of the holder, and (C) these obligations are rated A or an equivalent quality by a nationally recognized rating organization;

(17) bankers' acceptances which are eligible for discount at the Federal Reserve Bank and negotiable time certificates of deposit issued by commercial banks.

(am §§ 3, 4 ch 59 SLA 1977)

**Effect of amendments.**

The 1977 amendment, in subsection (a), inserted "private mortgage insurance" in paragraph (11), added the language beginning "however, (A) no mortgage

insurance is necessary" to the end of that paragraph, and added paragraphs (16) and (17).

As the rest of the section was not affected by the amendment, it is not set out.

**Article 2. Membership.**

<p><b>Section</b>                  125. Participation of elected officials                  130. [Repealed]                  140. [Repealed]                  150. Re-employment of retired employees</p>	<p><b>Section</b>                  154. North Pacific Fishery Management Council employees                  155. Former magistrates</p>
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**Sec. 39.35.125. Participation of elected officials.**

(b) After an elected official has elected to be included in the system he and his employer are liable for contributions whenever he is a qualified elected official of an employer.

(d) A former elected state official whose latest term of office expired before May 12, 1966 may be included retroactively in the system and receive credit for time previously served as an elected state official if he makes retroactive contributions equal to what he would have made if he had been eligible for membership in the system.

(e) Former elected state officials whose latest term of office expired before May 12, 1966 must claim prior legislative service and make retroactive contributions before July 1, 1977.

(am § 1 ch 254 SLA 1976; am § 19 ch 128 SLA 1977)

**Effect of amendments.**

The 1976 amendment, effective July 1, 1976, added subsections (d) and (e).

The 1977 amendment, effective July 1, 1977, substituted "an employer" for "a

participating employer" at the end of subsection (b).

As the rest of the section was not affected by the amendments, it is not set out.