

S B

121

SECTIONAL ANALYSIS OF SB 827

- Sections 1 and 2 would prevent abuse of the TRS by amending AS 14.20.345 (d) and (f) so that LWOP would not be creditable unless certified by the school district as being for educational purposes. This results in no measurable change in costs since the teacher will continue to pay the same portion of the cost (based on when the payment is made) to fund the attendant benefits.
- Sections 3-5 would amend AS 14.25.020, 14.25.022, and 14.25.035 to state clearly the role of the Teachers' Retirement Board in the adoption and promulgation of regulations. The change makes the role of the TRS Board in this area identical to that of the Public Employees' Retirement Board. Under the existing language, the system administrator functions in this capacity without any clear mandate that he consult the board.
- Sections 6, 15-16 and 19-21 would alter the death/survivor benefit provisions of the TRS. Specifically, the supplemental contributions provision would be eliminated for all teachers hired on or after July 1, 1982, open enrollment for the supplemental contributions provision would be eliminated, and equitable occupational and nonoccupational death benefits and joint and survivor options, such as currently exist in the PERS, would be created. The change works no impairment of accrued rights since it affects only those who first join the system on or after July 1, 1982. In addition, Section 21 creates a procedure for the designation of beneficiaries under the TRS which is identical to that in the PERS. This should substantially reduce uncertainty as to entitlement in the event of the death of a member.
- Section 7 would amend the manner of discharging indebtedness under the TRS to bring it into conformity with the PERS.
- Sections 8 and 57 would ensure that, in accordance with the Alaska Constitution, accrued benefits under the TRS and PERS may not be diminished by claiming service credit.
- Section 9 would bring the statutes into conformity with current practice. The sentence in question was inadvertently omitted when the TRS statutes were amended by Chapter 13, SLA 1980.
- Section 10 corrects statutory references. These references should have been changed at the time the TRS statutes were amended by Chapter 13, SLA 1980.
- Section 11 would amend the provisions for Conditional Service Retirement Benefits to allow a member (1) to use his PERS salary if it is higher than his TRS salary, and (2) to figure his conditional service benefit based on all credited service rather than just membership service.

Section 12 would amend AS 14.25.130(a) to streamline the disability retirement application procedure. It provides a definite starting point in the procedure by setting as the first step the termination of employment due to the disability. Additionally, it resolves an existing inequity wherein a member has enough years of membership service to qualify for disability but is over 55 and does not qualify for normal retirement. Under present law, such an individual would be in a "Catch-22" situation -- disabled and unable to work, but needing to work to gain the necessary credit to qualify for normal retirement and being too old to qualify for disability.

Sections 13 and 51 would correct drafting errors in AS 14.25.143(b) and AS 39.35.475(b) committed two years ago. In the ceiling formula for pension adjustments, it changes "greater" to "lesser." This is not a substantive change in the law since it has always been within the administrator's discretion to grant as small an increase as fiscal prudence dictates.

Sections 14 and 27 would amend the refund provisions of the TRS to conform with current practice and allow for the refunding of interest paid on an indebtedness. "Member contribution account" is defined to include all of the other accounts.

Section 17 would amend AS 14.25.160(b)(1) to agree with the changes in Sections 14 and 27 of this bill.

Section 18 would eliminate an existing inequity by amending AS 14.25.162(b)(1) to allow a dependent child to interrupt his schooling without permanently losing his survivor's allowance payment.

Sections 22, 32, and 56 would conform the statutes to the longstanding practice of providing major medical insurance coverage to spouses and dependent children of retirees, as well as retirees themselves in the TRS, the PERS and the contributory and noncontributory Judicial Retirement Systems.

Section 23 adds the appropriate statutory references to AS 14.25.169 to be in agreement with the death/survivor benefit changes in Sections 6, 15-16 and 19-21 of this bill. In addition, Section 23 puts into law three previously unwritten principles of equity which have been at the heart of the TRS since its inception: a teacher may not receive 1) duplicate TRS credit for the same period of service; 2) more than one year of credit during a school year; or 3) benefits while accruing service credit except as provided in AS 14.25.169.

Sections 24 and 54 amend AS 14.25.175(a) and AS 39.35.522(a), respectively, to eliminate arbitrary, potentially detrimental requirements which must be met by persons wishing to appeal before the TRS or PERS Board.

Sections 25 and 62 would clarify what is and is not included in "compensation" for purposes of retirement in the TRS and PERS. This language is consistent with longstanding practice and does not constitute a change.

Section 26 expands the definition of "credited service" to include "territorial employment" as provided under AS 14.25.105 which should have been done in 1980 when AS 14.25.105 was passed.

Section 28 defines "territorial employment" as it is used in Section 26.

Section 29 exempts insurance premiums paid by the State from the tax levied under AS 21.09.210. This does not have any ultimate fiscal impact since the premium taxes are passed on. It will serve to increase competition among insurance carriers.

Sections 30-31 and 33-34 would add new sections to AS 22.25 and AS 26.05. The sections, which should have been added when the statutes were amended by Chapter 146, SLA 1980, set up accounting systems for the Judicial Retirement System and the Alaska National Guard Retirement System which are now on an actuarially funded basis. The sections are modeled after the one in place in the PERS, AS 39.35.100. The money in the funds may be invested in the same manner as money in the PERS, AS 39.35.110.

Section 35 would clarify the direction in AS 39.30 to the Department of Administration to include retired persons in the group insurance program. Also clarifies AS 39.30.090(9) in two respects: first, it deletes the provision for major medical insurance coverage for retirees since such coverage is now provided elsewhere; second, it provides that retirees under age 65 may continue the life insurance they have in force at the time of termination of their employment.

Section 36 would create a group insurance fund. It is included at the urging of the State's benefit consultants. The existence of a fund will provide the flexibility needed to negotiate for and procure more favorable terms from insurance companies. Our consultants inform us that such added flexibility has led to substantial savings in other systems. Any surplus in the fund may be invested by the Commissioner of Revenue under AS 39.35.110. Section 36 also accomplishes a badly needed reform of disability evaluation procedures by creating an expert board to evaluate claims and the claimant's ability to perform other work.

Section 37 removes outdated, irrelevant language from the PERS statutes.

Sections 38 and 39 would make minor changes in AS 39.35.100. The first change recognizes that actuarial calculations and transfers from individual retirement accounts to the retirement reserve account can be accomplished more effectively on an aggregate, annual basis. This will not delay the actual payment of benefits

to retirees. The second change allocates a portion of the investment income to the reserve account. This is considered appropriate since a substantial portion of the principal invested comes from the reserve account.

Sections 40, 60, 61 and 64 would amend the refund provisions of the PERS to allow for the refunding of interest paid on an indebtedness. In addition, Section 40 would also amend AS 39.35.200(b) to eliminate a "Catch-22" situation. Currently, persons who terminate their employment having less than five years credited service and less than \$1,000 in their employee account must be given a refund of retirement contributions even if they intend to retire later; when they do retire at a later date, they must repay the refunded contributions with interest. This proposed change would allow the employee the option of leaving the employee contributions in the individual account.

Section 41 would entitle an additional group of surviving spouses to an increased benefit based on the deceased spouse's military service. Currently, surviving spouses receiving a monthly benefit from the system under AS 39.35.440 or 39.35.450 are entitled to this additional benefit. However, surviving spouses of members who die as a proximate result of an injury sustained or a hazard undergone while on the job (AS 39.35.430) are not. This section would correct this oversight and extend the additional benefit to this group of surviving spouses.

Section 42 would amend AS 39.35.350(c) to bring it into conformity with the rest of the PERS statutes regarding the manner of discharging an indebtedness.

Section 43 clarifies AS 39.35.360(b) to ensure that pre-1961 service credit is granted free of charge only to those employees who qualify under AS 39.35.360(a). This is consistent with current practice.

Section 44 clarifies AS 39.35.385 to ensure that the provision allowing reinstatement without reemployment applies only to paragraphs (a) and (b) and not to, for example, paragraph (f) which was added after the fact. This is not viewed as a substantive change.

Section 45 would amend Conditional Service Retirement Benefits to allow a member to use his TRS salary if it is higher than his PERS salary.

Section 46 would change the benefit reference in AS 39.35.420(b) because the description of the benefit is now found in subsection (c) of the section instead of in subsection (a). The amount of the benefit is not changed. In addition, Sections 46-48 would clarify the entitlement to death benefits when there is no surviving spouse or when a beneficiary other than the spouse has been designated. It would provide for the benefit to be paid to the deceased member's designated beneficiary.

- Section 49 would conform AS 39.35.440(b) to division practice. As the current law reads, a surviving spouse of a deceased, disabled employee is entitled to a benefit equal to 40 percent of the decedent's monthly compensation. It was not anyone's intent that the surviving spouse receive 40 percent of the relatively low disability benefit; it was intended that the surviving spouse receive 40 percent of the decedent's compensation before the disability. The amendment clarifies this. Section 49 would also provide for the disposition of death benefits in the event that a deceased member has no surviving spouse or dependent children, in which case a death benefit is paid to the designated beneficiary.
- Section 50 would clarify the administration of the level income option under AS 39.35.460. In practice, it is not possible to predict exactly the amount of the eventual social security benefit or to make the income precisely level.
- Section 52 removes outdated statutory references from AS 39.35.485(a) and adds appropriate statutory references to bring the law into conformity with current practice. This is not viewed as a substantive change.
- Section 53 updates incomplete statutory references; the designation of a beneficiary or beneficiaries is applicable to all benefits throughout the chapter.
- Section 55 puts into law three previously unwritten principles of equity which have been at the heart of the PERS since its inception: an employee may not receive 1) duplicate PERS credit for the same period of service; 2) more than one year of credit during a calendar year; or 3) benefits while accruing service credit except as provided in AS 39.35.530.
- Section 58 would delete from AS 39.35.560 a definitional reference to "public organization." That term is now defined in Section 67 of this bill, AS 39.35.620(39).
- Section 59 amends AS 39.35.615(a) to codify the procedure for amendment of participation agreements with political subdivisions. Its terms are consistent with the opinion of the Attorney General that, since the original participation agreement must be endorsed by the governing body of the political subdivision, amendments to it must also be approved by that body.
- Section 63 clarifies the definition of "early retirement" and includes the appropriate statutory references.
- Section 65 excludes EPORS members from membership in the PERS.
- Section 66 clarifies the definition of "normal retirement" and includes the appropriate statutory references.

Section 67 defines "public organization."

Section 68 repeals obsolete laws.

Section 69 provides an effective date.

- ① TERS and PERS Disability Review Bd -
2 Physicians - } Review Disability Claims -
- ② Tightening up LWOP - About 1/2 of Administrative
} Leave not being used for educational purposes -
- ③ Joint Survivor Option under TRS similar to
what is in PERS -
- ④ Terminating employees -
- ⑤ Just Housekeeping -

SENATE COMMITTEE ON STATE AFFAIRS

Hearing on Senate Bills Dealing with Retirement
March 18, 1982

Mr. Chairman:

My name is E. Robert Haag and today I am representing the 15 Chapters of the Alaska State Firefighters' Association and also the Alaska Fire Chiefs' Association.

We wish to speak in favor of Senate Bill No. 121 which is now before your committee.

S.B. 121 was introduced by Senator Bill Ray during the last session of the Legislature. This bill would authorize credited service under the public employees' retirement system for certain firemen. The bill would amend the existing Alaska Statute 39.35.360(a) which now provides in part that an employee employed before January 1, 1980 who completes three years of credited service with the State after January 1, 1961 and who make contributions to the system as required by law, is entitled to credited service for service rendered "(3) after January 1, 1961, as a peace officer or correctional officer of a participating political subdivision of the State is an employee is vested and is an active peace officer, in the system as of July 1, 1980".

Senator Ray's bill would add the words "or firemen" (note lines 18 and 20 of the bill) to the Statute. It is assumed that firemen were overlooked when A.S. 39.35.360(a) became law. Other sections in the existing Public Employees' Retirement System, where applicable, contain the words "peace officer, correctional officer, or fireman".

We respectfully request your committee put a due pass on this bill and then support it through the rest of the Legislative procedure to become law.

Mr. Chairman, for your information and that of your committee, I understand, subject to being corrected, that there are about six employees in State employment who would be benefited by this bill. Since they individually would have to make contributions to the retirement system for such service, there would be no expense to the State at this time.

Thank you, Mr. Chairman and members of the committee for allowing us this time out of your busy schedule to testify in support of this bill.



Alaska Court System

State of Alaska

FRANK RAYE
Personnel Director

OFFICE OF ADMINISTRATIVE DIRECTOR

303 K Street
Anchorage, Alaska 99501

October 12, 1981

The Honorable Victor Fischer, Chair
Senate Affairs Committee
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

In response to your memorandum of September 29, 1981, I have read the 16 bills concerning retirement now being considered by your committee.

The main reason I am commenting on these proposals is to urge re-writing of Chapter 35 of Title 39 to eliminate present discriminatory provisions. I also wish to speak against discriminatory provisions contained in SB 557, 143, 402 and 394 as well as supporting SB 196.

SB 557:

First I would like to point out that SB 557 is an effort to make some housekeeping corrections to ease administrative oversights. In that effort, the bill has some merit. The problem is that all of Chapter 35 of Title 39 needs to be re-written to comply with the state constitution and with Title 18 protections against discrimination on the basis of sex, marital status, and parenthood.

SB 557 proposes on page 15 to re-write AS 39.35.535 to give medical benefits only to retired employees, their spouses or children. Single retired persons are thereby precluded from naming a beneficiary of their own. Yet single employees pay into the retirement system at the same rate as married employees.

At this time, AS 39.35 provides married state employees and their spouses an opportunity to choose a type of financial security called a joint survivor option. However, single employees and their beneficiaries do not have this choice. Under AS 39.35.420 and 440, married employees may choose the joint survivor option once they have been employed for five years and have thereby "vested". However, single employees with five years of service are denied that choice.

Specifically, a single employee is not permitted to have his or her beneficiary receive that employee's retirement money through a joint survivor option. Only married employees have that choice under AS 39.35.420 and 440. However, AS 39.35.450 allows "a dependent approved by the administrator" to also be a beneficiary. Such restrictions are based on a false assumption that only spouses and dependent children can develop an economically dependent relationship. Yet both single and married employees pay into the retirement system at the same rate and do not have the same benefits. It is my position that denying single employees an option granted only to married employees is a form of discrimination violating AS 18.80.220 which states in part:

"It is unlawful for an employer to refuse employment to a person or to . . . discriminate against him in compensation or in a term, condition, or privilege of employment because of his . . . sex, marital status . . . or parenthood;"

Since retirement is a compensation, term, condition and privilege of employment, the retirement statutes as now constituted are, in my opinion, illegal.

Furthermore, the Division of Retirement and Benefits' procedures used to determine the amount of money given to employees' spouses under the joint survivor option, are based on outdated, separate male and female mortality tables which have been held illegally discriminatory in many recent court cases. See, for example, City of Los Angeles v. Manhart, 435 US 702 (1978). This discrimination on the basis of sex, in my opinion, is also a violation of Title 18 as quoted above.

Also under SB 557, a new section, AS 39.30.095, is proposed which gives the commissioner of administration complete power and authority over a newly established fund for health and life insurance benefits. Why is it necessary to establish this fund and why is there no check on the commissioner's control over this fund? Why is there no provision for input from affected persons?

SB 143:

SB 143 proposes to grant some state employees credit for unused sick leave upon retirement. On the face of it, there appears

The Honorable Victor Fischer
October 12, 1981
page 3

to be nothing wrong with this amendment to AS 39.35.315. The problem is that all state employees would not benefit from this proposed change. Several years ago AS 39.20.310 established a separate group of state employees who no longer have leave. Under Chapter 20, sick and annual leave were done away with and combined into personal leave with a "sick leave bank" established for emergency illnesses. SB 143 fails to speak to those employees, their personal leave and their sick leave bank. Therefore, passage of SB 143 in its present form would discriminate against about 3,000 of the 9,000 state employees who no longer have sick leave. In other words, this bill affects only about two thirds of permanent state employees and leaves the other one third without comparable benefits.

In order to avoid this discrimination, SB 143 should either not be passed out of committee or should be re-written to include employees who have personal leave and a sick leave bank.

SB 402:

Presently state employees who are veterans may buy back up to five years of their military service as credited time for state retirement. However, under present law this buy back cannot take place until the employee is vested or has worked for the state at least five years. SB 402 proposes to eliminate the requirement that an employee must work five years for the state (or be vested) before buying back the military time.

I oppose this bill because it would allow new employees who are veterans to vest their retirement immediately after being employed in state service. All other employees cannot vest until they have had five years of state service.

Furthermore, the formula which establishes the cost of buying back five years of military time amounts to about one third of the employee's annual salary at the time of his or her eligibility to buy back. That means that those veterans who have already bought back their time under this law, after having worked five years for the state, have paid more than a new employee would pay under this proposed law. The reason for this discrepancy is that a five year employee will earn more than a new employee because of annual step pay increases, and the greater probability of promotion.

SB 394

SB 394 proposes to give retirement credit to teachers only who have served in the peace corps. The philosophical base to this proposal is arguable when compared to preference for veterans

The Honorable Victor Fischer
October 12, 1981
page 4

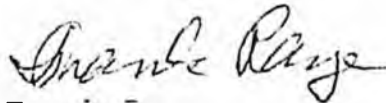
who have risked their lives for their country. What is not arguable is the gross inequity of the proposition to give retirement credit to one group of state employees (here teachers) and not to other state employees. This clearly discriminatory bill should not be passed out of committee.

SB 196:

I support SB 196 to mandate that at least one member of the retirement board be a retired person. It is a logical and equitable proposal since the greatest impact of decisions made by the board will be with regard to retired persons.

If you have any questions on the points raised in this letter, I'll be glad to answer them. Thank you for taking the time to consider these issues.

Sincerely,



Frank Raye
Personnel Director

FR/jb

Alaska Fire Chiefs' Association



TELECONFERENCE TESTIMONY 10-12-81:

The Alaska Fire Chief's Assn became aware of a problem in the PERS at the 1980 conference in Juneau.

One of our members made note that there had been a change made in the Police/Fire section of PERS wherein various police officers were allowed PERS credit for pre-statehood service. Obviously this was of concern to our members.

The Assn passed a unanimous resolution to work toward a change or an amendment to the Act to also include members of the fire service that had served the State in the pre-statehood days. Since the retirement system serves both the police and fire officers of the state, our members were sure that the makers of the 1980 changes left the fire service members out through an oversight only.

This oversight was pointed out to Senator Ray, who sponsored the 1980 change, and he agreed to sponsor the bill to include firefighters -- the result was SB 121.

The only change to the 1980 bill was the inclusion of the words "or fireman" in two places where those people qualified were listed. The 1980 Bill was not changed or amended in any other way.

Our Assn feels very strongly that the legislature agrees that the members of the fire service in Alaska are an important part of the protection services of this State, and are certainly equally entitled to the provisions of the police/fire retirement sections of PERS.

To do otherwise would relegate firemen to a lesser class of employee than the others in the PERS police/fire section. I'm sure that this is not now, or ever in the past, the intent of the Alaska legislature.

If there are any questions that I can answer at this time I will be happy to do so, and as always, our Association places itself at your disposal for assistance, advise, or resource, in this or any other fire and life safety matter.



JAMES R. EVANS, President



Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954
Interim Office: 511 West 4th Ave., Suite 5
Anchorage, Ak. 99501 Phone: 278-3654/3655

Official Business

M E M O R A N D U M

TO: Senate State Affairs Committee Members

FROM: Nancy Groszek
Committee Aide

DATE: October 5, 1981

RE: Retirement Hearings

Enclosed please find materials relating to retirement legislation in the Senate State Affairs Committee. I hope that you will have the time to review the bills and accompanying back-up information prior to the teleconference scheduled for October 12.

If I can be of assistance to you in any way, please call me at 278-3654. Thank you.

NOTE: Please bring this packet with you to the hearing.



Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

PUBLIC SERVICE ANNOUNCEMENT *** PUBLIC SERVICE ANNOUNCEMENT *** PUBLIC SERVICE ANNOUNCEMENT

DATE: 24 September 1981

FROM: Senator Vic Fischer *V.F.*

CONTACT: Nancy Groszek, 278-3654

SUBJECT: Senate State Affairs Hearings regarding Retirement.

LEGISLATION CONCERNING THE PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) AND THE TEACHERS RETIREMENT SYSTEM (TRS) WILL BE THE SUBJECT OF AN ALL-SITES TELECONFERENCE BEFORE THE SENATE STATE AFFAIRS COMMITTEE, CHAIRED BY SENATOR VIC FISCHER.

THE ALL-SITES TELECONFERENCE WILL BE HELD FROM 1:00 to 5:00 P.M. ON MONDAY, OCTOBER 12, 1981. ANCHORAGE TESTIMONY WILL BE HEARD FROM 6:00 to 8:00 P.M. AT THE ANCHORAGE LEGISLATIVE INFORMATION OFFICE, 1024 West 6th AVE. (Alaska Standard Time)

THE PUBLIC IS INVITED TO COMMENT ON RETIREMENT LEGISLATION AND ON ANY PROBLEMS THAT THEY'VE ENCOUNTERED WITH EITHER THE TRS OR PERS SYSTEMS. COPIES OF THE BILLS CAN BE OBTAINED FROM YOUR LOCAL LEGISLATIVE INFORMATION OFFICE.

WRITTEN COMMENTS CAN BE SUBMITTED TO SENATOR VIC FISCHER, 511 W 4TH AVE., SUITE 5, ANCHORAGE, 99501. FOR FURTHER INFORMATION PLEASE CONTACT NANCY GROSZEK AT 278-3654 OR YOUR NEAREST LIO OFFICE. THANK YOU

THE BILLS TO BE CONSIDERED BY THE SENATE STATE AFFAIRS COMMITTEE INCLUDE: SB121, 143, 195, 196, 197, 262, 356, 360, 361, 394, 402, 471, 472, 557, 568, 589.

SENATE COMMITTEE ON STATE AFFAIRS

Hearing on Senate Bills Dealing with Retirement
March 18, 1982

Mr. Chairman:

My name is E. Robert Haag and today I am representing the 15 Chapters of the Alaska State Firefighters' Association and also the Alaska Fire Chiefs' Association.

We wish to speak in favor of Senate Bill . 121 which is now before your committee.

S.B. 121 was introduced by Senator Bill Ray during the last session of the Legislature. This bill would authorize credited service under the public employees' retirement system for certain firemen. The bill would amend the existing Alaska Statute 39.35.360(a) which now provides in part that an employee employed before January 1, 1980 who completes three years of credited service with the State after January 1, 1961 and who make contributions to the system as required by law, is entitled to credited service for service rendered "(3) after January 1, 1961, as a peace officer or correctional officer of a participating political subdivision of the State is an employee is vested and is an active peace officer, in the system as of July 1, 1980".

Senator Ray's bill would add the words "or fireman:" (note lines 18 and 20 of the bill) to the Statute. It is assumed that firemen were overlooked when A.S. 39.35.360(a) became law. Other sections in the existing Public Employees' Retirement System, where applicable, contain the words "peace officer, correctional officer, or fireman".

We respectfully request your committee put a due pass on this bill and then support it through the rest of the legislative procedure to become law.

Mr. Chairman, for your information and that of your committee, I understand, subject to being corrected, that there are about six employees in State employment who would be benefited by this bill. Since they individually would have to make contributions to the retirement system for such service, there would be no expense to the State at this time.

Thank you, Mr. Chairman and members of the committee for allowing us this time out of your busy schedule to testify in support of this bill.

COMPARISONS

14-9-81
Fred Miller

	<u>PERS</u>		<u>TRS</u>
Employee Contributions	4 1/4%		7%
Employer Contributions	13.66% (3/4)		15.74% (State pays half) (2/3)
Earnings on Contributions	4 1/2%		4 1/2%
Other Creditable Service	Military (5 yr max), Territorial (No max) & Certain Temporary (No max)	}	Outside Service (10 yr max)*; Military (5 yr max)*, Alaska BIA (15 or 5 yr max)* & Territorial (5 yr max) <u>MAX 15 yrs TOT</u>
Salary Used to Compute Indebtedness for Military	5th Year Salary**	x	Entrance Salary
Vest (Membership Service)	5 Years (paid-up)	x	8 Years (paid-up)(can be 3 yrs BIA)
Retirement Age	50 Early & 55 Normal	=	50 Early & 55 Normal
	Exceptions:		Exceptions:
	(1) 20 yrs Peace Officers- any age	x	(1) 20 yrs membership service-any age
	(2) 30 yrs PERS-any age	x	(2) 25 yrs combined membership and outside service-any age
Benefit Formula	2% x Years of Service***	=	2% x Years of Service
Benefit is Based on a % of	Average of <u>Three Highest Consecutive Calendar Years</u>	~	Average of the <u>Three Highest Contract Salaries</u>
Additional Benefits	Free Medical (80%) plus Optional Audio-Dental-Visual	=	Free Medical (80%) plus Optional Audio-Dental-Visual
Cost of Living Adjustments	Ad Hoc PRPA's (max 4%)	=	Ad Hoc PRPA's (max 4%)
Year of Service Credit	365 Days	~	172 Days
Funded	Actuarially	=	Actuarially

NEW ON FULL ACTUARIAL COST

* Total of these cannot exceed 15 years
 ** Must be vested to claim
 *** Peace officers receive 2 1/2% x all service over 10 years

	<u>PERS</u>	<u>TRS</u>
Number of People on Retirement	2,688	1,374
Average Monthly Benefit	\$620.00	\$1130.00
Eligibility for Disability	5 Years of Membership	1 School Year (172 Days)
Reduced Benefits for Indebtedness	Yes	Yes
Credit for Unused Sick Leave	No	Yes
Survivor Benefits	75, 66, 50% with a reduced benefit	Pay 1% of earnings--full benefit and spouse receives 50%

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 262

Title Alaska National Guard and Naval Militia Benefits

Requested by Senators Bradley, Hohman, and Kelley Date April 13, 1981

II. FISCAL DETAIL

Agency Affected Administration, Division of Retirement and Military Affairs

Program Category Affected Public Protection

BRU, Program, or Subprogram(s) Affected _____

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	N/A	9.0	13.5	18.0	22.5	22.5
TOTAL		9.0	13.5	18.0	22.5	22.5

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		9.0	13.5	18.0	22.5	22.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

(Section 7 only)

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

Total tuition, fees, and books is \$900.00 per year, per student. Assuming 10 students the first year and 5 additional students each year for the next 3 years. Then sustain 25 students per year there after.

IV. DATE 13 Apr 1981

PREPARED BY LTC Henry A. Compton

AGENCY Military Affairs

PHONE 243-0656

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

THURSDAY APRIL 9 BEHRENS BUILDING, FIRST FLOOR
1:30 p.m.

WED eve

Terry Cramer
Cherie Shelley
Fred Muller
John Logan

SENATE BILL 121---Hearing
"An Act authorizing credited service under the public employees' retirement system for certain firemen."

SENATE BILL 143---Hearing
"An Act allowing retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the public employees' retirement system."

Merritt Olson
(Retirement Bd.)
SB 195, 360, 361

SENATE BILL 195---Hearing
"An Act limiting the adjustment of retirement benefits; and providing for an effective date."

Col. Compton
SSSB 262

SENATE BILL 196---Hearing
"An Act relating to the membership of the Public Employees Retirement Board."

SENATE BILL 197---Hearing
"An Act applying the Administrative Procedures Act (AS 44.62) to the adoption of regulations by state retirement systems."

Cherie Smith
(Guardianship)
SSSB 262

SENATE BILL 356---Hearing
"An Act relating to temporary service credit with the public employees' retirement system; and providing for an effective date."

Bob Cooksey
(NEN)
SB 195, 394,
SSSB 262

SENATE BILL 360---Hearing
"An Act relating to the investment of the public employees' and teachers' retirement funds; and providing for an effective date."

SENATE BILL 361---Hearing
"An Act making a special appropriation to the Dept. of Administration for payment of liabilities of the public employees' and teachers' retirement funds; and providing for an effective date."

SENATE BILL 262-(Sponsor Substitute)---Hearing
"An Act relating to the Alaska National Guard and Alaska Naval Militia; and providing for an effective date."

SENATE BILL 394---Hearing
"An Act allowing service credit under the teachers' retirement system for service in the Peace Corps."

SB 400---hearing---*Marine Transp.*
SATURDAY APRIL 11 102 CAPITOL
9:00 -- 1:30

HEARINGS ON THE STATUS OF SCIENCE AND TECHNOLOGY IN ALASKA BEFORE THE HOUSE AND SENATE STATE AFFAIRS COMMITTEES.

IF YOU HAVE QUESTIONS PLEASE CALL SENATOR FISCHER'S OFFICE (465-4954, 4955). THANK YOU.

SB 402 - active military service

Tom Williams (Sen. Parr) Sen. Williams
Dave Rose SENATE STATE AFFAIRS COMMITTEE SCHEDULE
Terry Cramer SB 143

360-61
Fred Muller
(Ken Humphries)
Tate Logan

APRIL 6 -- APRIL 12

TUESDAY

April 7
1:30 p.m.

SENATE BILL 121---Hearing
"An Act authorizing credited service under the public employees' retirement system for certain fireman."

Sen. Parr

SENATE BILL 143---Hearing
"An Act allowing retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the public employees' retirement system."

SENATE BILL 195---Hearing
"An Act limiting the adjustment of retirement benefits; and providing for an effective date."

SENATE BILL 196---Hearing
"An Act relating to the membership of the Public Employees Retirement Board."

SENATE BILL 197---Hearing
"An Act applying the Administrative Procedures Act (AS 44.62) to the adoption of regulations by state retirement systems."

SENATE BILL 356---Hearing
"An Act relating to temporary service credit with the public employees' retirement system; and providing for an effective date."

SENATE BILL 360---Hearing
"An Act relating to the investment of the public employees' and teachers' retirement funds; and providing for an effective date."

Hold this version - Governor?

SENATE BILL 361---Hearing
"An Act making a special appropriation to the Dept. of Administration for payment of liabilities of the public employees' and teachers' retirement funds; and providing for an effective date."

SB 394 - Forest Corps.

TUESDAY

7:00 p.m. *****

SENATE BILL 393---Hearing
"An Act making a supplemental appropriation to the Dept. of Public Safety to pay Bristol Bay charter and operations costs; and providing for an effective date."

THURSDAY

April 9
1:30 p.m.

RETIREMENT PACKAGE AS LISTED FOR APRIL 7: SB 121, SB 143, SB 195, SB 196, SB 197, SB 356, SB 360 & 361

SATURDAY

April 11
9:00 a.m. --- 1:00 p.m.

HEARINGS ON THE ROLE AND STATUS OF SCIENCE AND TECHNOLOGY IN ALASKA BEFORE THE SENATE AND HOUSE STATE AFFAIRS COMMITTEES. TO BE CONDUCTED IN HOUSE STATE AFFAIRS, 102 CAP.

ALL HEARINGS WILL BE CONDUCTED IN THE SENATE STATE AFFAIRS COMMITTEE ROOM, BEHRENS BLDG., FIRST FLOOR. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SENATOR FISCHER'S OFFICE (465-4954). THANK YOU.

SENATE STATE AFFAIRS

COMMITTEE SCHEDULE

4/11---4/17

SATURDAY

APRIL 11

9:00 a.m. -- 1:30 p.m.

Hearings on the status of science and technology in Alaska before the House and Senate State Affairs Committees.

102 CAPITOL

TUESDAY

APRIL 14

1:30 p.m.

SB 362---Hearing

Supplemental appropriation to Office of the Governor, State Commission for Human Rights

SB 405---Hearing

Special appropriation DOE, Alaska State Council on the Arts, for grants for Alaska culture and arts programs and projects

SB 408---Hearing

Relating to the Alaska State Housing Authority

SB 409---Hearing

Directing Dept. of Community and Regional Affairs to conduct a study of housing needs

SB 410---Hearing

Special appropriation to C & RA for housing study

The committee will also take up previously considered housing bills SB 231, 232, 234, 235, 311, & 312 concerning housing for senior citizens, families and the handicapped

TUESDAY

APRIL 14

7:00 p.m.

Continuation of hearings on retirement legislation

SB 121---Credited service under PERS for certain firemen

SB 143---Retirement credit for unused sick leave PERS

SB 195---Limiting adjustment of retirement benefits

SB 196---Relating to membership of Public Employees Retirement Board

SB 197---Applying Administrative Procedures Act to adoption of regulations by state retirement systems

STATE AFFAIRS SCHEDULE

TUESDAY APRIL 14

7:00 p.m. (continued from page 1)

SB 356---Temporary service credit under PERS

SB 360---Investment of PERS and TRS retirement funds

SB 361---Special appropriation for payment of liabilities
of PERS and TRS

SSSB 262-Relating to Alaska National Guard and Alaska
Naval Militia

SB 394---Service credit under TRS for Peace Corps service

SB 400---Relating to retirement credit for service with
Dept. of Marine Transportation under PERS

SB 402---Relating to credited service under PERS for
active military service

THURSDAY APRIL 16

1:00 p.m. - 3:00 p.m.

HEARING: ALL SITES TELECONFERENCE ON LOCAL AND MINORITY
BIDDERS' PREFERENCE AND CONTRACTORS BONDING

SB 414---Establishing a surety bonding corporation
for small contractors

SB 415---Local and minority bidders' preference

SB 45 ---Bonds of contractors for public buildings or works

ALASKA STATE SENATE

• SENATOR TIM KELLY, CHAIRMAN
SENATOR ED BANKWORTH, VICE-CHAIRMAN
SENATOR JALMAR KERTTULA
SENATOR ROBERT ZIEGLER
SENATOR FRANK FERGUSON



VICTOR

PROCESSED
JUNE 11, ALASKA 99511
(907) 465-3770
(907) 465-3822

RULES COMMITTEE

SB 121

TO: All Senators

FROM: Senator Kelly *TK*
Senate Rules

DATE: May 6, 1981

RE: CSSB 121 (Rules)

Attached is a sectional analysis of CSSB 121 (Rules), which is on the Senate Calendar for tomorrow, May 7.

5-6-82
Rules
(Finance)

SECTIONAL ANALYSIS OF CS FOR SENATE BILL 121

Sections 1-3 would amend AS 14.25.020, 14.25.022, and 14.25.035 to state clearly the role of the Teachers' Retirement Board in the adoption and promulgation of regulations. The change makes the role of the TRS Board in this area identical to that of the Public Employees' Retirement Board. Under the existing language, the system administrator functions in this capacity without any clear mandate that he consult the Board.

Sections 4, 13-14 and 17-19 would alter the death/survivor benefit provisions of the TRS. Specifically, the supplemental contributions provision would be eliminated for all teachers hired on or after July 1, 1982, open enrollment for the supplemental contributions provision would be eliminated, and equitable occupational and non-occupational death benefits and joint and survivor options, such as currently exist in the PERS, would be created. The change works no impairment of accrued rights since it affects only those who first join the system on or after July 1, 1982. In addition, Section 19 creates a procedure for the designation of beneficiaries under the TRS which is identical to that in the PERS. This should substantially reduce uncertainty as to entitlement in the event of the death of a member.

Section 5 would amend the manner of discharging indebtedness under the TRS to bring it into conformity with the PERS.

Sections 6 and 59 would ensure that, in accordance with the Alaska Constitution, accrued benefits under the TRS and PERS may not be diminished by claiming service credit.

Section 7 would bring the statutes into conformity with current practice. The sentence in question was inadvertently omitted when the TRS statutes were amended by Chapter 13, SLA 1980.

Section 8 corrects statutory references. These references should have been changed at the time the TRS statutes were amended by Chapter 13, SLA 1980.

Section 9 would amend the provisions for Conditional Service Retirement Benefits to allow a member (1) to use his PERS salary if it is higher than his TRS salary, and (2) to figure his conditional service benefit based on all credited service rather than just membership service.

Section 10 would amend AS 14.25.130(a) to streamline the disability retirement application procedure. It provides a definite starting point in the procedure by setting as the first step the termination of employment due to the disability. Additionally, it resolves an existing inequity wherein a member has enough years of membership service to qualify for disability but is over 55 and does not qualify

for normal retirement. Under present law, such an individual would be in a "Catch-22" situation -- disabled and unable to work, but needing to work to gain the necessary credit to qualify for normal retirement and being too old to qualify for disability.

Sections 11 and 53 would correct drafting errors in AS 14.25.143(b) and AS 39.35.475(b) committed two years ago. In the ceiling formula for pension adjustments, it changes "greater" to "lesser." This is not a substantive change in the law since it has always been within the administrator's discretion to grant as small an increase as fiscal prudence dictates.

Sections 12 and 25 would amend the refund provisions of the TRS to conform with current practice and allow for the refunding of interest paid on an indebtedness. "Member contribution account" is defined to include all of the other accounts.

Section 15 would amend AS 14.25.160(b)(1) to agree with the changes in Sections 12 and 25 of this bill.

Section 16 would eliminate an existing inequity by amending AS 14.25.162(b)(1) to allow a dependent child to interrupt his schooling without permanently losing his survivor's allowance payment.

Sections 20, 30, and 58 would conform the statutes to the longstanding practice of providing major medical insurance coverage to spouses and dependent children of retirees, as well as retirees themselves in the TRS, the PERS and the contributory and noncontributory Judicial Retirement Systems.

Section 21 adds the appropriate statutory references to AS 14.25.169 to be in agreement with the death/survivor benefit changes in Sections 4, 13-14 and 17-19 of this bill. In addition, Section 21 puts into law three previously unwritten principles of equity which have been at the heart of the TRS since its inception: a teacher may not receive 1) duplicate TRS credit for the same period of service; 2) more than one year of credit during a school year; or 3) benefits while accruing service credit except as provided in AS 14.25.169.

Sections 22 and 56 amend AS 14.25.175(a) and AS 39.35.522(a), respectively, to eliminate arbitrary, potentially detrimental requirements which must be met by persons wishing to appeal before the TRS or PERS Board.

Sections 23 and 64 would clarify what is and is not included in "compensation" for purposes of retirement in the TRS and PERS. This language is consistent with longstanding practice and does not constitute a change.

Section 24 expands the definition of "credited service" to include "territorial employment" as provided under AS 14.25.105 which should have been done in 1980 when AS 14.25.105 was passed.

- Section 26 defines "territorial employment" as it is used in Section 24.
- Section 27 exempts insurance premiums paid by the State from the tax levied under AS 21.09.210. This does not have any ultimate fiscal impact since the premium taxes are passed on. It will serve to increase competition among insurance carriers.
- Sections 28, 29, 33 and 34 would add new sections to AS 22.25 and AS 26.05. The sections, which should have been added when the statutes were amended by Chapter 146, SLA 1980, set up accounting systems for the Judicial Retirement System and the Alaska National Guard Retirement System which are now on an actuarially funded basis. The sections are modeled after the one in place in the PERS, AS 39.35.100. The money in the funds may be invested in the same manner as money in the PERS, AS 39.35.110.
- Sections 31 and 32 would change the title of the Alaska National Guard Retirement System to the Alaska National Guard and Alaska Naval Militia Retirement System.
- Section 35 would clarify the direction in AS 39.30 to the Department of Administration to include retired persons in the group insurance program. Also clarifies AS 39.30.090(9) in two respects: first, it deletes the provision for major medical insurance coverage for retirees since such coverage is now provided elsewhere; second, it provides that retirees under age 65 may continue the life insurance they have in force at the time of termination of their employment.
- Section 36 would create a group insurance fund. It is included at the urging of the State's benefit consultants. The existence of a fund will provide the flexibility needed to negotiate for and procure more favorable terms from insurance companies. Our consultants inform us that such added flexibility has led to substantial savings in other systems. Any surplus in the fund may be invested by the Commissioner of Revenue under AS 39.35.110.
- Section 37 accomplishes a badly needed reform of disability evaluation procedures by creating an expert board to evaluate claims and the claimant's ability to perform other work.
- Section 38 removes outdated, irrelevant language from the PERS statutes.
- Sections 39 and 40 would make minor changes in AS 39.35.100. The first change recognizes that actuarial calculations and transfers from individual retirement accounts to the retirement reserve account can be accomplished more effectively on an aggregate, annual basis. This will not delay the actual payment of benefits to retirees. The second change allocates a portion of the investment income to the reserve account. This is considered appropriate since a substantial portion of the principal invested comes from the reserve account.

Sections 41, 62, 63 and 66 would amend the refund provisions of the PERS to allow for the refunding of interest paid on an indebtedness. In addition, Section 41 would also amend AS 39.35.200(b) to eliminate a "Catch-22" situation. Currently, persons who terminate their employment having less than five years credited service and less than \$1,000 in their employee account must be given a refund of retirement contributions even if they intend to retire later; when they do retire at a later date, they must repay the refunded contributions with interest. This proposed change would allow the employee the option of leaving the employee contributions in the individual account.

Section 42 would entitle an additional group of surviving spouses to an increased benefit based on the deceased spouse's military service. Currently, surviving spouses receiving a monthly benefit from the system under AS 39.35.440 or 39.35.450 are entitled to this additional benefit. However, surviving spouses of members who die as a proximate result of an injury sustained or a hazard undergone while on the job (AS 39.35.430) are not. This section would correct this oversight and extend the additional benefit to this group of surviving spouses.

Section 43 would amend AS 39.35.350(c) to bring it into conformity with the rest of the PERS statutes regarding the manner of discharging an indebtedness.

Section 44 allows vested PERS members to receive credit for their employment as a fireman with a participating political subdivision after January 1, 1961.

Section 45 clarifies AS 39.35.360(b) to ensure that pre-1961 service credit is granted free of charge only to those employees who qualify under AS 39.35.360(a). This is consistent with current practice.

Section 46 clarifies AS 39.35.385 to ensure that the provision allowing reinstatement without reemployment applies only to paragraphs (a) and (b) and not to, for example, paragraph (f) which was added after the fact. This is not viewed as a substantive change.

Section 47 would amend Conditional Service Retirement Benefits to allow a member to use his TRS salary if it is higher than his PERS salary.

Sections 48-50 would clarify the entitlement to death benefits when there is no surviving spouse or when a beneficiary other than the spouse has been designated. It would provide for the benefit to be paid to the deceased member's designated beneficiary. In addition, Section 48 would change the benefit reference in AS 39.35.420(b) because the description of the benefit is now found in subsection (c) of the section instead of in subsection (a). The amount of the benefit is not changed.

Section 51 would conform AS 39.35.440(b) to division practice. As the

current law reads, a surviving spouse of a deceased, disabled employee is entitled to a benefit equal to 40 percent of the decedent's monthly compensation. It was not anyone's intent that the surviving spouse receive 40 percent of the relatively low disability benefit; it was intended that the surviving spouse receive 40 percent of the decedent's compensation before the disability. The amendment clarifies this. Section 51 would also provide for the disposition of death benefits in the event that a deceased member has no surviving spouse or dependent children, in which case a death benefit is paid to the designated beneficiary.

Section 52 would clarify the administration of the level income option under AS 39.35.460. In practice, it is not possible to predict exactly the amount of the eventual social security benefit or to make the income precisely level.

Section 54 removes outdated statutory references from AS 39.35.485(a) and adds appropriate statutory references to bring the law into conformity with current practice. This is not viewed as a substantive change.

Section 55 updates incomplete statutory references; the designation of a beneficiary or beneficiaries is applicable to all benefits throughout the chapter.

Section 57 puts into law three previously unwritten principles of equity which have been at the heart of the PERS since its inception: an employee may not receive 1) duplicate PERS credit for the same period of service; 2) more than one year of credit during a calendar year; or 3) benefits while accruing service credit except as provided in AS 39.35.530.

Section 60 would delete from AS 39.35.560 a definitional reference to "public organization." That term is now defined in Section 69 of this bill, AS 39.35.680(39).

Section 61 amends AS 39.35.615(a) to codify the procedure for amendment of participation agreements with political subdivisions. Its terms are consistent with the opinion of the Attorney General that, since the original participation agreement must be endorsed by the governing body of the political subdivision, amendments to it must also be approved by that body.

Section 65 clarifies the definition of "early retirement" and includes the appropriate statutory references.

Section 67 excludes EPORS members from membership in the PERS.

Section 68 clarifies the definition of "normal retirement" and includes the appropriate statutory references.

Section 69 defines "public organization."

(Contents of HB 862)

Section 70 - would allow up to 10 people (the # who would qualify) to draw their spouses benefits.

Section 72 provides an effective date.

Alaska Fire Chiefs' Association

RESOLUTION #80-13

WHEREAS: The Public Employees Retirement System provides that certain territorial and municipal employees receive credited time for the years employed by the territory or municipalities prior to statehood, and

WHEREAS: Firefighters have been inequitably excluded from this service credit while Public Health Service Officers, employees of the U.S. District Court and U.S. Commissioners Court, U.S. Marshal's, U.S. Deputy Marshals, CAA security guards, U.S. Corps of Engineers security guards, employees of Alaska jail system of the U.S. Department of Justice, CAA radio operators and heavy equipment operators, employees of the U.S. Fish and Wildlife Service, employees of the Alaska Road Commission and Bureau of Public Roads, employees of ACS and peace officers of the territory, or of a political subdivision of the territory, who are employees of the state or a participating political subdivision of the state on July 1, 1978, U.S. Corps of Engineers Civil Service personnel and U.S. Navy Civil Service personnel all receive credit for employment rendered to the State and former Territory of Alaska before January 1, 1961, now therefore be it

RESOLVED: That this membership go on record as stating that municipal firefighters, employed by the territory or subdivision thereof prior to January 1, 1961, should receive credit for such time served under the provisions of the Public Employees Retirement System.

APPROVED IN CONFERENCE
October 31, 1980


PRESIDENT



LAWS OF ALASKA

1980

Source

Chapter No.

FCCSSB 26

146

AN ACT

Relating to public employee benefit program; amending the duties of the Public Employees Retirement Board; relating to earlier service credit under the teachers' retirement system and the public employees' retirement system; establishing minimum retirement benefits; relating to participation in the state program of supplemental employee benefits; relating to the deferred compensation program; repealing the Legislative Board of Retirement Benefits; creating the Alaska National Guard retirement system; relating to the judicial retirement system; increasing the benefits paid under the territorial public employees' retirement system; relating to retirement benefit eligibility for disabled peace officers and firemen; relating to retirement benefits of the administrative director of courts; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 23

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 30, 1980

Actual Effective Date: Sections 1, 3 - 7, 18, 19, 22, 24 - 26, 29 - 34, 37, 38, 40, 43, 44(2) and (3), 45 and 47 - 57 take effect July 1, 1980 with section 43 retroactive to January 1, 1978; sections 16, 17, 20, 21, 23 and 39 take effect September 28, 1980 and are retroactive to January 1, 1980; sections 2, 27, 28, 35, 36, 41, 44(1) take effect January 1, 1981; sections 8 - 15 and 42 take effect July 1, 1981.

1621 West 15th Avenue
Anchorage, Alaska 99501
March 6, 1981

The Honorable Thelma Buchholdt
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Buchholdt:

I am writing in reference to Senate Bill 121 by Ray.

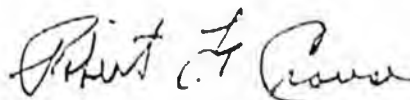
I support the concept of granting firemen the same credit for prior service with municipalities that is already granted to peace officers and correctional officers.

However, under the amendments in this bill, those of us who served with municipal fire departments prior to January 1, 1961, still are unable to receive credit for time served.

I served with the City of Anchorage as a fireman and officer from April 6, 1953 until September 15, 1959, and would like to have the January 1, 1961 date on line 17 of SB 121 moved back to at least April 6, 1953, so the time I served could be credited to my retirement. I would otherwise qualify under AS 39.35.360(a), having served as State Fire Marshal from September 15, 1959 until October 3, 1967, and as Fire Protection Engineer for the Division of Fire Prevention from March 26, 1975 until December 31, 1980.

When the Fire Marshal Office was established, all firemen were required to assist the State Fire Marshal in enforcing the State Fire Safety Code without compensation from the state, as the word "shall" was used, making it mandatory for those of us serving on municipal fire departments to do so.

Sincerely,



Robert F. Crouse

cc: Ronald A. Hendrie
State Fire Marshal

Introduced: 1/30/81
Referred: State Affairs and
Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 121

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing credited service under the public
7 employees' retirement system for certain firemen."

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

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

10 (a) An employee employed before January 1, 1980, who completes
11 three years of credited service with the state after January 1, 1961,
12 for which the employee makes contributions required by this chapter is
13 entitled to credited service for service rendered (1) before January
14 1, 1961, as an employee of the state and former Territory of Alaska;
15 (2) before January 1, 1961, as an employee of the United States govern-
16 ment in Alaska, excluding service in the armed forces of the United
17 States; or (3) after January 1, 1961, as a peace officer, [OR] correc-
18 tional officer, or fireman of a participating political subdivision of
19 the state if the employee is vested and is an active peace officer, or
20 correctional officer, or fireman in the system as of July 1, 1980. The
21 retirement benefits payable to an employee under this section shall be
22 reduced by the amount of the retirement pension benefits paid to him by
23 the United States government for the same period of service.

24
25 *State rather than munic. picks up liability*
26 *there is a procedure*
27 *Admin. - there's mechanism to bring them in*
28 *if munic. agrees & pays* — NO
29

Alaska Fire Chiefs' Association:



TELECONFERENCE TESTIMONY 10-12-81:

The Alaska Fire Chief's Assn became aware of a problem in the PERS at the 1980 conference in Juneau.

One of our members made note that there had been a change made in the Police/Fire section of PERS wherein various police officers were allowed PERS credit for pre-statehood service. Obviously this was of concern to our members.

The Assn passed a unanimous resolution to work toward a change or an amendment to the Act to also include members of the fire service that had served the State in the pre-statehood days. Since the retirement system serves both the police and fire officers of the state, our members were sure that the makers of the 1980 changes left the fire service members out through an oversight only.

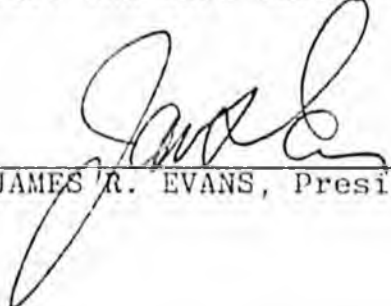
This oversight was pointed out to Senator Ray, who sponsored the 1980 change, and he agreed to sponsor the bill to include firefighters -- the result was SB 121.

The only change to the 1980 bill was the inclusion of the words "or fireman" in two places where those people qualified were listed. The 1980 Bill was not changed or amended in any other way.

Our Assn feels very strongly that the legislature agrees that the members of the fire service in Alaska are an important part of the protection services of this State, and are certainly equally entitled to the provisions of the police/fire retirement sections of PERS.

To do otherwise would relegate firemen to a lesser class of employee than the others in the PERS police/fire section. I'm sure that this is not now, or ever in the past, the intent of the Alaska legislature.

If there are any questions that I can answer at this time I will be happy to do so, and as always, our Association places itself at your disposal for assistance, advise, or resource, in this or any other fire and life safety matter.



JAMES R. EVANS, President

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 121
 Title An Act Authorizing Credited Service Under PERS for Certain Firemen
 Requested by Senator Vic Fischer Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Labor Services
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01 (PERS)
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS	-0-	16.9	18.6	20.4	22.5	24.7
TOTAL	-0-	16.9	18.6	20.4	22.5	24.7

FUNDING (Thousands of Dollars)

GENERAL FUND		13.9	15.2	16.7	18.4	20.2
FEDERAL FUNDS		.3	.2	.2	1.0	1.1
VETERAN'S FUND		.1	.1	.1	.1	.1
FISH & GAME FUND		.1	.1	.1	.1	.1
HIGHWAY FUND		.2	.2	.3	.3	.3
AIRPORT FUND		.5	.5	.6	.7	.7
CAPITAL FUND		1.4	1.5	1.7	1.7	2.1
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate that approximately 18 members could qualify for benefits under this bill.
2. Estimate that these members will receive an average of two years additional service credit under this bill.
3. Estimate FY 82 State covered payroll to be \$296,614,000; increasing 10% annually.
4. Increase in State contribution rate would be .0057% of covered payroll.

IV. DATE April 7, 1981 PREPARED BY John A. Logan *(Signature)*
 AGENCY Division of Retirement & Benefits
 PHONE 365-4460
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Senator Ray
 Office of the Governor (Keith Specking)

The State Affairs Committee considered SENATE BILL NO. 168 (relating to earlier service retirement credit for territorial employees) and recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 168 and reports it back as follows: Senator Mulcahy, Chairman and Senators Ziegler, Kelly, Bradley and Rodey signed "do pass". The Committee further attaches a letter of intent.

SB
168

From
Dep - Comm
Ted
Muller
4-14-81

SENATE BILL NO. 168 was referred to the Finance Committee.

Letter of intent accompanying SENATE BILL NO. 168 follows:

FOR SENATE BILL NO. 168

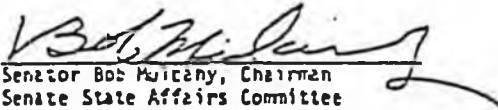
SB
126

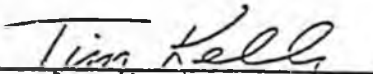
AS 39.35.360 provides that State employees may receive credited service in the Public Employees' Retirement System (PERS) for periods of employment prior to 1961 with the Territory of Alaska; however, it further provides that service in a variety of employment categories, primarily with federal agencies, may also be credited. Inasmuch as the employees receive this service credit for free, because no contributions of any type are required, the cost of providing benefits which are derived from this service must be borne entirely by additional State funds paid into the PERS.

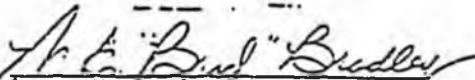
AS 39.35.010 states that the purpose of the PERS is to encourage qualified personnel to enter and remain in the service of the State. To fulfill the purpose of the PERS as established by the Legislature, this committee believes that any proposed modifications to the PERS which would increase costs to the State must be based on a demonstrated need to recruit or retain personnel, which would be served by amending the law. The members of this committee feel that after nearly twenty years of statehood, little, if any, need remains to recruit personnel from the pre-statehood era; most of those choosing to pursue a public service career are already in the employ of the State or local government. Permitting the crediting of additional service in the PERS, particularly at no cost to the employee, only encourages employees to retire earlier than they otherwise would.

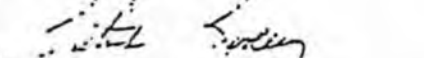
Therefore, it is the intent of the Senate State Affairs Committee that, following the enactment of SE 168 and SE 174, there be no further amendments to AS 39.35.360 which would have the effect of allowing service with agencies or in employment categories, other than those

SB 2 already enumerated therein, to be credited under the Public Employees' Retirement System. It is the determination of this Committee that the purpose of the chapter as stated in AS 39.35.010 will not be served by other agencies or employment categories being added to Sec. 360 by subsequent amendment.


 Senator Bob Mucichy, Chairman
 Senate State Affairs Committee


 Senator Tim Kelly, Vice-Chairman
 Senate State Affairs Committee


 Senator W. E. "Erad" Bradley, Member
 Senate State Affairs Committee


 Senator Patricia Kocoy, Member
 Senate State Affairs Committee


 Senator Robert Ziegler, Member
 Senate State Affairs Committee

SE 202 The Commerce Committee considered SENATE BILL NO. 202 (special appropriation from the International Airports Construction Fund to the Fairbanks International Airport) and reports it back as follows: Senator Bradley, Chairman and Senators Kelly, Stinson and Sturgulewski signed "do pass". The Committee further attaches a letter of intent.

SENATE BILL NO. 202 was referred to the Finance Committee.

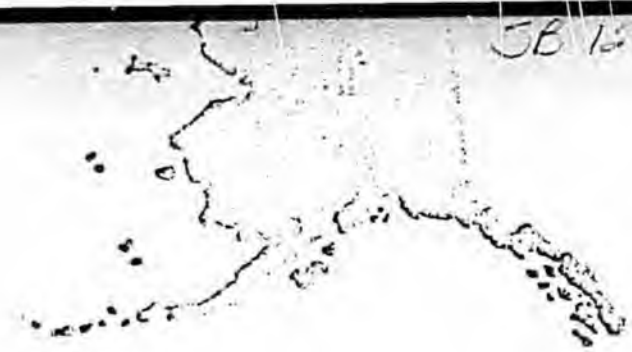
Letter of intent accompanying SENATE BILL NO. 202 follows:

LETTER OF INTENT

The Senate Commerce Committee has considered Senate Bill No. 202, "An Act making a special appropriation from the International Airports Construction Fund to the Fairbanks International Airport; and providing for an effective date," and a majority of the Committee reports it back with a recommendation of "Do Pass" with the following intent:

Alaska Fire Chiefs Association
1140 Airport Heights Rd.
Anchorage, Alaska 99504

58 121



January 11, 1981

Senator Bill Ray
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Ray:

During the 1980 legislative session various changes were made in the Public Employees Retirement Law. These changes, briefly, were to assure that certain people who worked in Public Safety before statehood were credited with the pre-statehood service-time.

As I'm sure you are aware the Public Employees Retirement Law also covers persons working for the various parts of the Fire Service of Alaska. However, the 1980 changes speak only to various police and correctional type officers, totally forgetting about the people who worked in the Fire Service.

I am sure that this was merely an oversight on the part of those who wrote the new language for the law.

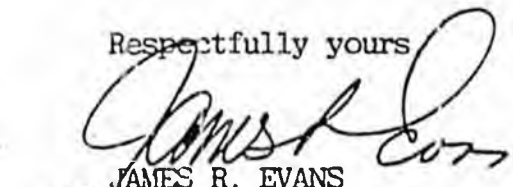
The Alaska Fire Chief's Association took note of this oversight at our annual conference in Juneau, and passed a Resolution to effect correction during the 1981 legislature. I have attached a copy of our Resolution, as well as the 1980 changes. I have also taken the liberty to enclose a draft of a proposed amendment to FCCSSB 26, Chapter 146, Laws of Alaska, 1980, to reflect our Association's suggested changes.

I know that you have always supported fair treatment of all of the public officers of this State, and I felt that you would be the proper sponsor of these changes.

If you have any questions regarding this proposal please feel free to contact me at anytime at my office, 278-4413, or at home, 337-1681.

Thank you in advance for your consideration, and best wishes for a totally productive 1981 session.

Respectfully yours



JAMES R. EVANS
President

Alaska Fire Chiefs' Association

RESOLUTION #80-13

WHEREAS: The Public Employees Retirement System provides that certain territorial and municipal employees receive credited time for the years employed by the territory or municipalities prior to Statehood, and

WHEREAS: Firefighters have been inequitably excluded from this service credit while Public Health Service Officers, employees of the U.S. District Court and U.S. Commissioners Court, U.S. Marshal's, U.S. Deputy Marshals, CAA security guards, U.S. Corps of Engineers security guards, employees of Alaska jail system of the U.S. Department of Justice, CAA radio operators and heavy equipment operators, employees of the U.S. Fish and Wildlife Service, employees of the Alaska Road Commission and Bureau of Public Roads, employees of ACS and peace officers of the territory, or of a political subdivision of the territory, who are employees of the state or a participating political subdivision of the state on July 1, 1978, U.S. Corps of Engineers Civil Service personnel and U.S. Navy Civil Service personnel all receive credit for employment rendered to the State and former Territory of Alaska before January 1, 1961, now therefore be it

RESOLVED: That this membership go on record as stating that municipal firefighters, employed by the territory or subdivision thereof prior to January 1, 1961, should receive credit for such time served under the provisions of the Public Employees Retirement System.

APPROVED IN CONFERENCE
October 31, 1980


PRESIDENT



LAWS OF ALASKA

1980

Source

Chapter No.

FCSSB 26

146

AN ACT

Relating to public employee benefit programs; amending the duties of the Public Employees Retirement Board; relating to earlier service credit under the teachers' retirement system and the public employees' retirement system; establishing minimum retirement benefits; relating to participation in the state program of supplemental employee benefits; relating to the deferred compensation program; repealing the Legislative Board of Retirement Benefits; creating the Alaska National Guard retirement system; relating to the judicial retirement system; increasing the benefits paid under the territorial public employees' retirement system; relating to retirement benefit eligibility for disabled peace officers and firemen; relating to retirement benefits of the administrative director of courts; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 23

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 30, 1980

Actual Effective Date: Sections 1, 3 - 7, 18, 19, 22, 24 - 26, 29 - 34, 37, 38, 40, 43, 44(2) and (3), 45 and 47 - 57 take effect July 1, 1980 with section 43 retroactive to January 1, 1978; sections 16, 17, 20, 21, 23 and 39 take effect September 25, 1980 and are retroactive to January 1, 1980; sections 2, 27, 28, 35, 36, 41, 44(1) take effect January 1, 1981; sections 8 - 15 and 42 take effect July 1, 1981.

Chapter 146

(2) any contributions for services as administrative Director refunded to him by the system at the time he became a member of the judicial retirement system.

* Sec. 31. AS 39.35.360(a) is repealed and re-enacted to read:

(a) An employee employed before January 1, 1980, who completes three years of credited service with the state after January 1, 1961, for which the employee makes contributions required by this chapter is entitled to credited service for service rendered (1) before January 1, 1961, as an employee of the State and former Territory of Alaska; (2) before January 1, 1961, as an employee of the United States government in Alaska, excluding service in the armed forces of the United States; or (3) after January 1, 1961, as a peace officer or correctional officer of a participating political subdivision of the state if the employee is vested and is an active peace officer in the system as of July 1, 1980. The retirement benefits payable to an employee under this section shall be reduced by the amount of the retirement pension benefits paid to him by the United States government for the same period of service.

* Sec. 32. AS 39.35.360 is amended by adding a new subsection to read:

(h) An employee of the state is eligible to receive credited service as provided under AS 39.35.300(b) for service rendered as a permanent part-time employee before January 1, 1976. To receive retroactive credited service under this subsection, the employee must claim the service before July 1, 1981. When the employee claims retroactive credited service, an indebtedness of the employee to the system shall be established. The amount of this indebtedness is equal to the contributions the employee would have made if he had been eligible for membership in the system. The rate used to calculate the contributions may not be less than the rate in effect on January 1, 1961. Interest as prescribed by regulation accrues on the indebtedness beginning July 1, 1981. Any

PROPOSED AMMENDMENT TO FCCSSB 26, CHAPTER 146, LAWS OF ALASKA, 1980

Amended to read as follows:

Sec. 31. AS 39.35.360(a) is repealed and re-enacted to read:

(a) An employee employed before January 1, 1980, who complete three years of credited service with the state after January 1, 1961, for which the employee makes contributions required by this chapter is entitled to credited service for service rendered (1) before January 1, 1961, as an employee of the State and former Territory of Alaska (2) before January 1, 1961, as an employee of the United States government in Alaska, excluding service in the armed forces of the United States; or (3) after January 1, 1961, as a peace officer, correctional officer or fireman of a participating political subdivision of the state if the employee is vested and is an active peace officer, correctional officer or fireman in the system as of July 1, 1980. The retirement benefits payable to an employee under this section shall be reduced by the amount of the retirement pension benefits paid to him by the United States government for the same period of service.

NOTE: Underlined text indicates proposed ammendment to Section 31 to include firemen.

It might be well to request a major revision of the entire reference to "firemen" in the text of Part II of the Alaska Public Employees' Retirement System (that is the special provisions for Peace Officers and Firemen) to reflect the more appropriate term "firefighter".

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT



Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

3-11-82

Official Business

SENATE STATE AFFAIRS CALENDAR

TUESDAY

Mar. 16

1:30 pm

<u>HCR 50</u>	Girls' State
<u>HCR 57</u>	Boys' State
<u>HJR 30</u>	Military Maneuvers on State Land
<u>HB 154</u>	APOC/Financial Disclosure
<u>SB 183</u>	APOC/exempt physicians/Financial disclosure
<u>SJR 80</u>	National Policy in the Arctic

THURSDAY

Mar. 18

1:30 pm

BILLS IN STATE AFFAIRS DEALING WITH RETIREMENT

~~SB 121, SB 143, SB 145, SB 196, SB 297, SB 262, SB 356,~~
~~SB 260, SB 301, SB 394, SB 407, SB 471, SB 472, SB 537,~~
 SB 568, SB 589, SB 827

COMMITTEE MEETINGS WILL BE CONDUCTED IN ROOM 423 CAPITOL

Ph: 465-2200

November 19, 1981

Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Alaska State Legislature
221 East Seventh Avenue #204
Anchorage, AK 99501

Dear Senator Fischer:

This is in response to your request to John A. Logan, Deputy Director of the Division of Retirement and Benefits, during his visit to Anchorage on October 12, 1981. The enclosed sets forth the Department of Administration's position on retirement bills presently pending before the legislature.

Please let me know if you need additional information.

Respectfully,

W. R. Hudson
Commissioner

WRH/kg

Enclosure

cc: Paul D. Arnoldt ✓
Director
Division of Retirement & Benefits
Department of Administration
w/enclosures

PENDING RETIREMENT BILLS

1. Bill: HB 35, [Sb 61]
Subject: Increase in the Benefit Formula Multiplier
D.O.A. Position: Opposed
Rationale: We support an amended increase in the benefit formula multiplier as contained in SCS CSHB 121 (RIs) am S re-eng which we believe would better serve the purposes of the system at less cost.
2. Bill: CSSS HB 41 (Fin), [SB 417]
Subject: Health Insurance for Residents of the State
D.O.A. Position: No position
Rationale: In principle, we support the proposals. However, we have serious reservations about the cost and administrative difficulties.
3. Bill: SB 60
Subject: Automatic PRPAs under the PERS and TRS
D.O.A. Position: Opposed
Rationale: We support the automatic PRPA provisions contained in SCS CSHB 121 (RIs) am S re-eng which we believe would better serve the purposes of the system at less cost.
4. Bill: SB 61, [HB 35]
Subject: Increase in the Benefit Formula Multiplier
D.O.A. Position: Opposed
Rationale: We support an amended increase in the benefit formula multiplier as contained in SCS CSHB 121 (RIs) am S re-eng which we believe would better serve the purposes of the system at less cost.

5. Bill: SB 62, [SB 143, HB 172, HC 379]
Subject: Retirement Credit for Unused Sick Leave
D.O.A. Position: Opposed
Rationale: Leave is a negotiable working condition and should be addressed at the bargaining table. Individual employers should have the ability to deal with this through personal leave, cash-outs, or the like. We were opposed to its inclusion in the TRS, and we are opposed to its inclusion in the PERS.
6. Bill: SB 63, [HB 120]
Subject: Special Credited Service for 20-year PERS Retirement
D.O.A. Position: Opposed
Rationale: The department opposes any expansion of the 20-year retirement for public employees. Our goal is to retain these employees during their most productive years, not foster second careers outside State service. The "20 and out club" would be counter to State interests with the State paying increased benefit costs.
7. Bill: HCS SB 101 (HESS)
Subject: Would Grant the TRS Board the Authority to Adopt Regulations for the System
D.O.A. Position: Support, if amended.
Rationale: This bill would place TRS Regulations under the Administrative Procedure Act, and it would put the TRS Board on equal footing with the PERS Board which already has the authority to adopt regulations. In practice, all TRS regulations are now reviewed by the TRS Board before they are sent to the Commissioner for official approval and signature. Provisions granting the TRS Board this authority are contained in SCS CSMB 121 (R1s) am S re-eng.

8. Bill: HB 118 (HESS), [SB 526]
Subject: Earlier Retirement in TRS
D.O.A. Position: Opposed
Rationale: This bill would allow teachers to retire with only 10 years teaching in Alaska when combined with 10 years teaching outside; contradicts the statutory purpose of the TRS by encouraging teachers to retire rather than remain in service.
9. Bill: HB 119, [(CSSB 144) (HESS)]
Subject: Extends TRS Coverage to Alaska Federation of Teachers and Alaska Association of School Boards
D.O.A. Position: Opposed
Rationale: The Attorney General has advised that including AFT employees is unconstitutional. No public purpose is served by this expansion of the TRS.
10. Bill: HB 120, [SB 63]
Subject: Special Credited Service for 20-year PERS Retirement
D.O.A. Position: Opposed
Rationale: The department opposes any expansion of the 20-year retirement for public employees. Our goal is to retain these employees during their most productive years, not foster second careers outside State service. The "20 and out club" would counter State interests with the State paying administrative costs.
11. Bill: SCS CSHB 121 (R1s) am S re-eng, [(CSSB 400(SA))]
Subject: Automatic PRPA's, Increase in the Benefit Formula Multiplier, Housekeeping and Other Provisions Affecting the PERS, TRS, JRS, EPORS, and National Guard Retirement Systems
D.O.A. Position: Support, if amended.

- Rationale: This bill is the result of extensive effort and compromise, and although there are some provisions which we would like to see changed, we believe it resolves the issue of PRPAs in a fiscally responsible manner.
12. Bill: SB 121
- Subject: PERS Service Credit for Political Subdivision Fireman Service
- D.O.A. Position: Opposed
- Rationale: This is apparently "special interest" legislation to expand the much-abused AS 39.35.360. It would provide credit for a special category of service at State expense in cases where the employer (political subdivision) has chosen not to credit the service.
13. Bill: HB 122
- Subject: Reduced Vesting for PERS Seasonal Employees
- D.O.A. Position: Opposed
- Rationale: This bill would provide a lifetime retirement benefit, including valuable major medical coverage, to seasonal employees with as little as 300 days service (60 days in each of 5 years). It is clearly patterned after the provision for legislative temporary employees which we believe was an unwarranted erosion of the five-year vesting requirement. The service is now creditable; if they are truly career employees, they can draw a benefit, after 5 years service, otherwise, they shouldn't. Additionally, this bill would remove the age requirements for normal and early retirement for this group of employees.
14. Bill: SB 143, [SB 62, HB 172, HB 379]
- Subject: Retirement Credit for Unused Sick Leave
- D.O.A. Position: Opposed
- Rationale: Leave is a negotiable working condition and should be addressed at the bargaining table. Individual employers should have the ability to deal with this through personal leave, cash-outs, or the like. It is not appropriate to include it in the PERS.

15. Bill: CS SB 144 (HESS), [HB 119]
Subject: Extends Coverage to Alaska Federation of Teachers and Alaska Association of School Boards
D.O.A. Position: Opposed
Rationale: The Attorney General has advised that including AFT employees is unconstitutional. No public purpose is served by this expansion of the TRS.
16. Bill: HB 172, [SB 62, SB 143, HB 379]
Subject: Retirement Credit for Unused Sick Leave
D.O.A. Position: Opposed
Rationale: Leave is a negotiable working condition and should be addressed at the bargaining table. Individual employers should have the ability to deal with this through personal leave, cash-outs, or the like. It is not appropriate to include it in the PERS.
17. Bill: SB 195
Subject: Two Year "Statute of Limitations" on Recovery of Overpayment of PERS and TRS Benefits
D.O.A. Position: Opposed
Rationale: We do not believe recovery should be arbitrarily limited without scrutiny and without regard for hardship, equity or the amount of the overpayment. AS 39.35.522 and 14.25.175 currently provide a mechanism for waivers of overpayments when warranted and we believe it is more equitable to do it in this manner.
18. Bill: SB 196
Subject: Alter Composition of PERS Board
D.O.A. Position: Opposed
Rationale: This bill would provide for four elected Board members and one appointed by the Governor. Currently, the three members of the Labor Relations Board serve ex officio with two elected members. The present Board has the balance required to function in a fiduciary and quasi-judicial capacity and to hear

member concerns. It doesn't make sense to make a potentially dangerous change when the present Board functions well.

19. Bill: SB 197
Subject: Placing PERS and TRS Regulations Under the Administrative Procedure Act
D.O.A. Position: Opposed
Rationale: Currently PERS and TRS regulations are specifically exempt from the A.P.A. because they deal with the internal management of a State agency and do not have broad, policy-setting implications. In response to suggestions by the Onbudsman, we have already agreed to a compromise which involves publicizing proposed regulations. The A.P.A. is so cumbersome that the delays involved in implementing technical regulations would often adversely impact members as well as the division's efficiency. Senate Bill 101 also contains a provision to place TRS regulations under the A.P.A.

20. Bill: SB 199
Subject: Removes Limit On Amount of Alaska BIA Service Which may be Credited Under the TRS
D.O.A. Position: Opposed
Rationale: This bill is contrary to the statutory purpose of the TRS which is to recruit and retain qualified teachers; it would enable teachers to retire with a smaller number of years of membership service, thus encouraging them to leave rather than remain in service. It is no longer necessary to entice teachers to membership service by offering them credit for service rendered outside the system.

21. Bill: SSSB 262, [CSHB 388 (SA)]
Subject: Crediting Alaska National Guard and Alaska Naval Militia Service
D.O.A. Position: Opposed

- Rationale: If it's necessary to improve benefits for the Alaska National Guard and Alaska Naval Militia then action should be taken to do so in their retirement system without disrupting the PERS and the TRS.
22. Bill: CSSB 286 (RIs)
- Subject: Dental-Vision-Audio Insurance Coverage for Judicial Retirement System and EPORS Benefit Recipients
- D.O.A. Position: No Position
- Rationale: Consideration of this bill is moot since the companion bill in the House, CSNB 354(SA), passed last session and was signed into law.
23. Bill: SB 356
- Subject: Altering the Indebtedness for Temporary Service Credit Under the PERS
- D.O.A. Position: Opposed
- Rationale: By definition, the system exists to recruit and retain long-term employees. This bill is aimed at short-term employees and would contradict the statutory purpose of the PERS by making it more desirable to leave rather than remain in service.
24. Bill: SB 360
- Subject: Investment of the PERS and TRS Retirement Funds in Alaska Housing Finance Corporation
- D.O.A. Position: Do not oppose
- Rationale: The above position is based on the assumption that such an investment gives at least the same return as is now being earned by the funds. We do have a concern that this may be the first with others to follow of a way to subsidize Alaska programs with retirement funds.
25. Bill: SB 361
- Subject: Special Appropriation to Pay Off Unfunded Liabilities of the PERS and the TRS
- D.O.A. Position: Opposed

- Rationale: If the unfunded liabilities are paid off, two things will happen: (1) as a result of the payoff, employer and state contributions rates will drop considerably - it will be followed by a rush to enhance benefits, the result of which will be a new increase in the employer/state contribution rate. The logic - "if we could afford X% last year, there's no reason why we can't afford it this year." And, (2) all employers do not pay the same past service rate, therefore, paying off the unfunded liability would be more beneficial to some employers and of little benefit to others.
26. Bill: HB 376
- Subject: Establishes Provisions Whereby LWOP may be Counted as Membership Service in the TRS
- D.O.A. Position: Opposed
- Rationale: This is contrary to the statutory purpose of the system in that it would provide an additional, unwarranted means for TRS members to retire earlier than they may now do.
27. Bill: HB 379, [SB 62, SB 143, HB 172]
- Subject: Retirement Credit for Unused Sick Leave
- D.O.A. Position: Opposed
- Rationale: Leave is a negotiable working condition and should be addressed at the bargaining table. Individual employers should have the ability to deal with this through personal leave.
28. Bill: CSHB 388 (SA), [SSSB 262]
- Subject: Crediting Alaska National Guard and Alaska Naval Militia Service
- D.O.A. Position: Opposed
- Rationale: If it's necessary to improve benefits for the Alaska National Guard and Alaska Naval Militia then action should be taken to do so in their retirement system without disrupting the PERS and the TRS.

29. Bill: SB 394
 Subject: TRS Credit for Service in the Peace Corps
 D.O.A. Position: Opposed
 Rationale: It is not necessary as a recruiting tool and it is contrary to the statutory purpose of the TRS in that it would encourage qualified teachers to leave rather than remain in service.
30. Bill: CSSB 400 (SA), [SCS CSHB 121 (R1s) am S re-eng]
 Subject: Automatic PRPAs, Increase in the Benefit Formula Multiplier, and Housekeeping and Other Provisions Affecting the PERS, TRS, JRS, EPORS, and National Guard Retirement Systems
 D.O.A. Position: Support, if amended
 Rationale: This bill is the Senate version of SCS CSHB 121 (R1s) am S re-eng.
31. Bill: HB 401
 Subject: Transfer of Magistrates from the PERS to the Judicial Retirement System at their Option
 D.O.A. Position: Opposed
 Rationale: Serves no useful public purpose; magistrates are presently provided adequate coverage in PERS. This appears to be special interest legislation.
32. Bill: SB 402
 Subject: Removes Vesting Requirement for Claiming Military Service Under the PERS
 D.O.A. Position: Opposed
 Rationale: Would allow public employees to receive additional credit at a much lower rate than now exists. No public purpose is served.
33. Bill: SB 417, [CSSS HB 41 (Fin)]
 Subject: Health Insurance for Residents of the State
 D.O.A. Position: No Position

- Rationale: In principal, we support this proposal. However, we also have reservations about cost and administrative difficulties.
34. Bill: SB 471
- Subject: Retroactive Service for Elected or Former Elected Officials
- D.O.A. Position: Opposed
- Rationale: This is "special interest" legislation and no public purpose is served.
35. Bill: SB 472
- Subject: Provisions to Allow Territorial Employees to retire under PERS
- D.O.A. Position: Opposed
- Rationale: This bill does not fit within the basic intent of the PERS statutes. If the intent is to reward certain Alaskan pioneers for their service to the territory and state, then it should be done without utilizing the PERS.
36. Bills: SB 526, [CSHB 118] (Hess)]
- Subject: Earlier Retirement in the TRS
- D.O.A. Position: Opposed
- Rationale: This bill would allow teachers to retire with only 10 years teaching in Alaska when combined with 10 years teaching outside. It serves no public purpose, and is contrary to the stated purpose of the system . . . "to retain."
37. Bill: SB 557
- Subject: Housekeeping in the PERS, TRS, JRS, EPORS and NGRS
- D.O.A. Position: Support
- Rationale: This bill contains the housekeeping provisions which are already contained in SCS CSHB 121 (Ris) am S re-eng and SB 400.

38. Bills: SB 568, [HB 584]
- Subject: Authorizes the American Legion, and the Department of Alaska Veterans of Foreign Wars of the United States to Participate in State Group Health/Life Insurance and the PERS
- D.O.A. Position: Opposed
- Rationale: This bill is contrary to the basic intent of the insurance and PERS statutes and serves no useful public purpose.
39. Bills: HB 584, [SB 568]
- Subject: Authorizes the American Legion, and the Department of Alaska Veterans of Foreign Wars of the United States to Participate in Group Health/Life Insurance and the PERS
- D.O.A. Position: Opposed
- Rationale: This bill is contrary to the basic intent of the insurance and PERS statutes and serves no useful public purpose.
40. Bill: SB 589
- Subject: Credit Under the PERS for Temporary Federal Service Prior to 1961
- D.O.A. Position: Opposed
- Rationale: Granting credit for temporary service is contrary to the purpose of the PERS which was created to recruit and retain long-term employees.

COMPARISONS

	<u>PERS</u>	<u>TRS</u>
Employee Contributions	4 1/4%	7%
Employer Contributions	13.66%	15.74% (State pays half)
Earnings on Contributions	4 1/2%	4 1/2%
Other Creditable Service	Military (5 yr max), Territorial (No max) & Certain Temporary (No max)	Outside Service (10 yr max)*, Military (5 yr max)*, Alaska BIA (15 or 5 yr max)* & Territorial (5 yr max)
Salary Used to Compute Indebtedness for Military	5th Year Salary**	Entrance Salary
Vest (Membership Service)	5 Years (paid-up)	8 Years (paid-up)(can be 3 yrs BIA)
Retirement Age	50 Early & 55 Normal Excptions: (1) 20 yrs Peace Officers- any age (2) 30 yrs PERS-any age	50 Early & 55 Normal Exceptions: (1) 20 yrs membership service-any age (2) 25 yrs combined membership and outside service-any age
Benefit Formula	2% x Years of Service***	2% x Years of Service
Benefit is Based on a % of	Average of Three Highest Consecutive Calendar Years	Average of the Three Highest Contract Salaries
Additional Benefits	Free Medical (80%) plus Optional Audio-Dental-Visual	Free Medical (80%) plus Optional Audio-Dental-Visual
Cost of Living Adjustments	Ad Hoc PRPA's (max 4%)	Ad Hoc PRPA's (max 4%)
Year of Service Credit	365 Days	172 Days
Funded	Actuarially	Actuarially

* Total of these cannot exceed 15 years

** Must be vested to claim

*** Peace officers receive 2 1/2% x all service over 10 years

	<u>PERS</u>	<u>TRS</u>
Number of People on Retirement	2,688	1,374
Average Monthly Benefit	\$620.00	\$1130.00
Eligibility for Disability	5 Years of Membership	1 School Year (172 Days)
Reduced Benefits for Indebtedness	Yes	Yes
Credit for Unused Sick Leave	No	Yes
Survivor Benefits	75, 66, 50% with a reduced benefit	Pay 1% of earnings--full benefit and spouse receives 50%



Box 1210 602 Railroad Avenue
Cordova, Alaska 99574
Phone: (907) 424-3237
or 424-3238

"The Friendly City"

James A. Poor
Mayor

Perry D. Lovett,
Manager

Donna M. Sherby,
Clerk / Treasurer

Council Members
Don Narrance
Jay Bynum
Richard Groff
R.J. Kopchak
Garry Purvis
Joe Gunderson

March 12, 1982

Senator Bob Mulcahy
Chairman Labor & Commerce Committee
Pouch V
Juneau, Alaska 99811

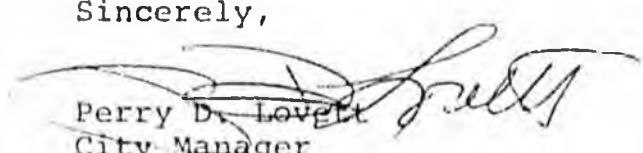
Re: SB 752,767,827

Dear Sir:

The City of Cordova desires to go on record as being opposed to any bill that will increase the cost to local government or school district for retirement and/or other employee benefits. The present employee retirement system provides a generous retirement for public employees.

The City is not opposed to any change in law that would permit the employee to pay for additional retirement benefits.

Sincerely,


Perry D. Lovett
City Manager

cc: Sen. Jay Kerttula
Rep. Betty Cato
Ginny Chitwood, Executive Director AML

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C

JUNEAU, ALASKA 99811

(907) 465-2200

March 15, 1982

Honorable Vic Fischer
Alaska State Legislature
Pouch V
Juneau, AK 99811

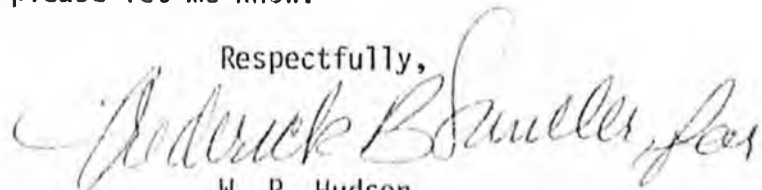
Dear Senator Fischer:

As you requested during your committee hearing of February 25, 1982, I am enclosing copies of the PERS and TRS statutes which provide for conditional service retirement benefits in the two retirement systems.

I am also providing you with a chart which shows the relative costs to the state, to other TRS/PERS employers, and to TRS/PERS employees (using various employee contributions) for the PRPA provision of Senate Bill 753.

If you have any questions, please let me know.

Respectfully,



W. R. Hudson
Commissioner

WRH/1w
Enclosure

cc: Paul B. Arnoldt
Director
Division of Retirement & Benefits

SB 753

Costs in FY83 if the employee contribution rate is increased as indicated below:

<u>Employee Contribution Rate</u>	<u>Cost to All TRS/PERS Employees</u>	<u>Cost to State</u>	<u>Cost to All Other TRS/PERS Employers</u>
.5%	\$ 4,525.5	\$30,219.8	\$22,282.4
1.0%	\$ 7,051.0	\$28,133.1	\$20,751.6
1.5%	\$13,576.5	\$26,046.4	\$19,220.8
2.0%	\$18,102.0	\$23,959.7	\$17,690.1
2.5%	\$22,627.5	\$21,873.0	\$16,150.2
3.0%	\$27,153.0	\$19,786.3	\$14,620.4

Costs are in thousands of dollars

obtain service credit for unused sick leave, a teacher must apply to the administrator no later than one year after appointment to retirement. Unused sick leave shall be credited on a day-for-day basis in accordance with the table for service after July 1, 1969 contained in sec. 220 (16) of this chapter. No teacher contributions may be required for credited unused sick leave.

(b) A teacher appointed to retirement before July 1, 1978 who returns to membership service on or after July 1, 1978 and is subsequently reappointed to retirement is eligible for unused sick leave credit only with respect to sick leave accrued during membership service on or after July 1, 1978.

(c) Benefits payable under this section accrue from the first day of the month after which all the following requirements are met: (1) the teacher meets the eligibility requirements of this section; (2) the teacher's written application for unused sick leave credit is received and verified by the administrator; and (3) a period of time has elapsed since the date of appointment to retirement equal to the amount of verified unused sick leave. Benefits are payable on the last day of the month.

✓ Sec. 14.25.125. CONDITIONAL SERVICE RETIREMENT BENEFITS. (a) A member is eligible for a normal retirement salary at age 55 with at least two years membership service if the member also is eligible for a normal retirement benefit under the public employees' retirement system (AS 39.35).

(b) A member is eligible for an early retirement salary at age 50 with at least two years of membership service if the member also is eligible for an early retirement benefit under the public employees' retirement system (AS 39.35).

(c) Membership service for which contributions were refunded is not creditable under this section unless the refunded contributions have been repaid. For purposes

of this section, a member or former member does not have to be reemployed under this system in order to repay refunded contributions. Compound interest at the rate prescribed by regulation must be added to the reinstatement indebtedness from the date of the refund to the date of repayment.

(d) The monthly amount of a normal retirement salary is two percent of the average monthly compensation times the number of years of membership service. An actuarial adjustment of this amount must be made for an early retirement salary.

(e) Benefits payable under this section accrue from the first day of the month (1) in which the member meets the eligibility requirements of this section, (2) following the date of termination, and (3) following application for retirement, and are payable the last day of the month. If payment is delayed, a retroactive payment shall be made to cover the period of deferment. The last payment shall be made for the month in which the member dies or is no longer eligible for a benefit under this section.

Sec. 14.25.130. DISABILITY BENEFITS.

(a) A member who has become permanently disabled, as defined in AS 14.25.220, after July 1, 1966, before age 55 and who has five or more years of membership service may be retired by the administrator as of the first day of the month following the permanent disability. After a report of medical examination of the member, an application and other requested information has been submitted, the administrator shall determine if the member is physically or mentally incapacitated for further performance of duty, and if the incapacity is likely to be permanent and whether the member should receive disability benefits.

(b) Repealed.

(c) Once each year during the first five years following appointment to disability under this section, and

(a) and (c) of this section when he has completed 20 years of credited service.

✓ Sec. 39.35.385. CONDITIONAL SERVICE RETIREMENT BENEFITS.

(a) An employee is eligible for a normal retirement benefit at age 55 with at least two years of credited service if the employee also is eligible for a normal retirement salary under the teachers' retirement system (AS 14.25).

(b) An employee is eligible for an early retirement benefit at age 50 with at least two years of credited service if the employee also is eligible for an early retirement salary under the teachers' retirement system (AS 14.25).

(c) Credited service for which contributions were refunded is not creditable under this section unless the refunded contributions have been repaid. For purposes of this section, a member or former member does not have to be reemployed under this system in order to pay refunded contributions. Compound interest at the rate prescribed by regulation must be added to the reinstatement indebtedness from the date of the refund to the date of repayment.

(d) The monthly amount of a normal retirement benefit for a peace officer or fireman is two percent of the average monthly compensation times the years of service up through 10 years, plus two and one-half percent of the average monthly compensation times the years of service over 10 years. For all other employees it is two percent of the average monthly compensation times the number of years of service. An actuarial adjustment of this amount must be made for an early retirement benefit.

(e) Benefits payable under this section accrue from the first day of the month (1) in which the member meets the eligibility requirements of this section, (2) following the date of termination, and (3) following application for retirement, and are payable the last day of the month. If payment is delayed, a retroactive payment

shall be made to cover the period of deferment. The last payment shall be made for the month in which the member dies or is no longer eligible for a benefit under this section.

(f) An employee is eligible for a normal retirement benefit at age 55 or an early retirement benefit at age 50 if he has at least 60 days of credited service as a temporary employee of the legislature during each of five legislative sessions.

Sec. 39.35.395. VOLUNTARY CONTRIBUTION BENEFIT. The balance of the employee's savings account will be paid in one of the following options as elected by the employee: (1) a lump sum payment; or (2) a life annuity on a full cash refund or term-certain basis; or (3) installments over a designated period of time.

Sec. 39.35.400. NONOCCUPATIONAL DISABILITY PENSIONS.

(a) An employee is eligible for a nonoccupational disability pension if his employment is terminated because of a total and apparently permanent nonoccupational disability, as defined in sec. 680 of this chapter, before his normal retirement date and after five or more years of credited service.

(b) The nonoccupational disability benefits accrue beginning the first day of the month following termination of employment as a result of the disability and are payable the last day of the month. If a final determination granting the benefit is not made in time to pay the benefit when due, a retroactive payment shall be made to cover the period of deferment. Benefits shall be continued after one year from the date of appointment to nonoccupational disability only if the disabled employee fulfills the requirements set out in (e) of this section. The last payment shall be for (1) the month in which the death of the disabled employee occurs, or (2) the month in which the disabled employee recovers from disability, or (3) the month in which the disabled employee ceases to be eligible for disability benefits under the Social Security Act, or (4) the month in which the disabled employee reaches normal retirement age, whichever occurs first.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C

JUNEAU, ALASKA 99811

Ph: 465-2200

December 9, 1981

Honorable Vic Fischer
Alaska State Legislature
511 West 4th, Suite 5
Anchorage, AK 99501

Dear Senator Fischer:

Your request for information pertaining to the Alaska State Housing Authority and its dealings with the Public Employees' Retirement System has been conveyed to me by John Logan of the Division of Retirement and Benefits. The following is a brief history.

We responded to a request for information from Tolbert Elliot, Acting Executive Director of ASHA in July of 1975 with a letter describing the terms and conditions under which an entity such as ASHA may become a participating member of the PERS. There is no record of a response by ASHA.

On December 1, 1975, a similar letter was sent to Bill Miles, the new Executive Director of ASHA. Mr. Miles responded by letter, thanking us for the information and explaining that they were examining various plans.

In 1978, House bills 88 and 823 and Senate bill 512 were introduced in the legislature concerning ASHA service credit in the PERS. We requested data for the preparation of fiscal notes from Daisy Korpi, ASHA Accountant, and a description of the retirement plan currently in effect for ASHA employees.

A letter dated March 3, 1978 from Harry F. Goldbar, Executive Director of ASHA, asked for information regarding PERS and stated that ASHA might consider PERS membership on July 1, 1978. We responded on March 14, 1978, with an informational letter and requested that ASHA have an actuarial study performed to establish the proper employer contribution rate based on their needs and system requirements.

December 9, 1981

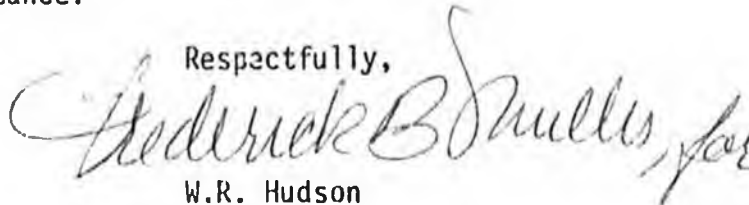
On April 28, 1978, the firm of William M. Mercer, Incorporated, provided ASHA with the actuarial study. On June 15, 1978, we wrote ASHA to inquire whether they had arrived at a decision concerning PERS membership. Harry F. Goldbar responded that a decision had not yet been made.

Legislation (HB 365) to allow former ASHA employees to purchase up to 10 years of ASHA service under the PERS was introduced in 1979. Only service for which the person did not receive credit under ASHA's private retirement system would have been allowed.

To date, no provision has been enacted into law that would allow ASHA service to be credited and purchased under PERS without ASHA first joining PERS. We would be opposed to any such legislation as no public purpose would be served by granting credit for past ASHA employment in PERS at the expense of the state. It would seem more appropriate for ASHA to join the PERS (which is already permissible under the PERS statutes), incur the liability for its employees' past service, and then such service could be granted under the PERS. We feel it would be unfair to other employers who are required to pay the costs of providing service credit for their employees to make an exception for ASHA. In effect, the state would have to pay the costs for ASHA service credit, while other employers must pay their own costs.

I hope this information is helpful to you. Please let me know if I may be of further assistance.

Respectfully,



W.R. Hudson
Commissioner

WRH/gb

cc: Paul B. Arnoldt
Director
Division of Retirement & Benefits

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

Public Em-
ployees
(retirement)
(firemen)

SENATE BILL NO. 121, by Senator Ray. Authorizes credited service under the public employees' retirement system for certain firemen. Amends AS 39.35.360(a) (Public Employees' Retirement System of Alaska. Earlier service) to read: "An employee employed before January 1, 1980, who completes three years of credited service with the state after January 1, 1961, for which the employee makes contributions required by this chapter is entitled to credited service for service rendered (1) before January 1, 1961, as an employee of the state and former Territory of Alaska; (2) before January 1, 1961, as an employee of the United States government in Alaska, excluding service in the armed forces of the United States; or (3) after January 1, 1961, as a peace officer, [OR] correctional officer, or fireman of a participating political subdivision of the state if the employee is vested and is an active peace officer, correctional officer, or fireman in the system as of July 1, 1980. The retirement benefits payable to an employee under this section shall be reduced by the amount of the retirement pension benefits paid to him by the United States government for the same period of service."
(Note: underlined language added, bracketed language deleted).
Does not provide for an effective date.

Introduced January 30 and referred to State Affairs, then to Finance.

Retirement
Credit
(unused sick
leave)

SENATE BILL NO. 143, by Senators Parr and Fahrenkamp. Allows retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the Public Employees' Retirement System (PERS). Employee must have been employed on or after July 1, 1980 and must have retired after July 1, 1981. Unused sick leave shall be credited on a day-for-day basis and employee contributions may not be required for credited unused sick leave.

An employee who retires before July 1, 1981, returns to membership service on or after July 1, 1981, and then subsequently retires is eligible for unused sick leave credit only with respect to sick leave accrued during membership service on or after July 1, 1981.

Benefits under new section accrue from the first day of the month after which: (1) the employee meets the eligibility requirements of the section; (2) the employee is terminated from covered employment; and (3) the employee's written election regarding unused sick leave is received and verified by the administrator.

Above provisions added to AS 39.35 under new Section 315, "Credit for Unused Sick Leave." Does not provide for effective date.

Introduced February 4 and referred to State Affairs and Finance.

Retirement
Benefits
Limiting
adjustments)

SENATE BILL NO. 195, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Adds new subsections to AS 14.25.173 (Adjustment of Teachers' Retirement Benefits) and AS 39.35.520 (Adjustment of Public Emp. Retirement Benefits) which state that an adjustment which requires repayment of benefits may not be made under the section if (1) the incorrect benefit was first paid two years or more before the member or teacher or beneficiary (employee or beneficiary) was notified of the change or error; (2) the change or error was not caused by the member or teacher or beneficiary (employee or beneficiary); and (3) in the case of Public Employees' Retirement System, the change or error relates to the employee's credited service with the state and not with another participating employer. Act is retroactive to July 1, 1979. Effective immediately.

Introduced February 20 and referred to State Affairs and Finance.

Public Emp.
Retirement
Board
(membership)

SENATE BILL NO. 196, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Changes the membership on the Public Employees' Retirement Board (AS 39.35.030). Currently, of the five members, three shall be members of the Personnel Board in the Dept. of Administration and the remaining two shall be members of the Public Employees' Retirement System, elected by members of the system. Bill changes composition of board so that one member is appointed by the Governor and the remaining four are members of the system, elected by the members of the system. Also adds a requirement that at least one of the elected board members be retired. Sec. 2 of bill states that a person serving on the Board on the effective date of Act who was from the Personnel Board of the Dept. of Admin. shall continue to serve until his successor is elected or appointed by the Governor. Does not provide for effective date.

Introduced February 20 and referred to State Affairs.

Regulations
(adoption of
by retire-
ment systems)

SENATE BILL NO. 197, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Amends law so that regulations adopted by the state retirement systems are subject to the provisions of the Administrative Procedure Act. Currently sections is AS 39.35 and AS 14.25 relating to the adoption of regulations by the systems state that the regulations relate to the internal management of state agencies and their adoption is not subject to the Admin. Procedure Act. (Bill repeals and re-enacts 39.35.042 and 14.25.022.) Does not provide for effective date. Introd. 2/20, ref. to State Affairs & Judiciary.

SB 259, (cont'd)

project for delivery of Public Health Nursing Services is still in the negotiation process. The section of nursing, division of public health, H&SS, is providing the nursing services until the contract is made final, presumably sometime soon.

Money for the four nursing positions was not included in the FY 81 appropriation to H&SS. If this appropriation is not received, other H&SS employees will have to be laid off in order to avoid an over-expenditure. This would seriously disrupt the delivery of public health nursing services.

Appropriation
(special)
(Lower Kuskokwim Coast Corporation)

~~SENATE BILL NO. 260, by Senator Hohman by Request. Makes a special appropriation of \$50,000 to the Dept. of Commerce and Economic Development for payment as a grant to the Lower Kuskokwim Coast Corporation for annual operating expenses of the corporation for the fiscal year ending June 30, 1982. Provides Act takes effect immediately.~~

~~Introduced March 10 and referred to Labor and Commerce, then to Finance.~~

Appropriation
(special)
(Aleut relocation, WW II)

~~SENATE BILL NO. 261, by Senator Mulcahy. Makes a special appropriation in the amount of \$165,500 from the general fund to the Department of Community and Regional Affairs for payment as a grant to the Aleutian/Pribilof Islands Association, Inc., for a research study and analysis of the relocation and involuntary detention of the Aleut people during World War II. Provides Act takes effect immediately. (See HB 291, p.460, ident.)~~

~~Introduced March 10 and referred to Community & Regional Affairs, then to Finance.~~

SB 262

AK National Guard & Naval Militia
(benefits)

SENATE BILL NO. 262, by Senators Bradley, Hohman and Kelly. Amends sections of the Military Code of Alaska (AS 26.05) relating to benefits:

--relating to commencement of participation in the system (sec. 223). States that a member of the Alaska National Guard or Alaska Naval Militia shall be included in the retirement system upon commencement of membership in the Guard or the Militia (the section presently states that a member shall be included in the system upon commencement of membership in the Guard, or on January 1, 1973, whichever is later, or upon commencement in the Militia or on July 1, 1980, whichever is later).

--relating to retirement benefits (sec. 224). Provides that a person who is a member of the Guard on or after January 1, 1971 (presently an "active" member "or a former member who was an active member" on or after 1/1/69), or a member of the Militia on or after July 1, 1979 (presently 7/1/80) is eligible for a retirement pension upon voluntary retirement from the Guard or Militia after a total of 20 years or more of service (deletes "satisfactory" service) in the Guard or Militia or active service (added) in the armed forces of the U.S. Deletes "armed forces reserves, or any combination of service in components if at least five years of the service is in the

SB 262, (cont'd)

Guard or Militia." Adds language which provides that in the case of voluntary retirement an eligible member or former member may elect to receive his pension beginning on the first day of the month following his 55th birthday or separation from the Guard or Militia, whichever is later. Provides that in the case of involuntary retirement because of federal standards eligible member or former member may receive pension on the first day of the first month after his separation from the Guard or Militia. (Section now states that an eligible member or former member may elect to receive his pension beginning on the first day of the month in which he becomes eligible for retirement or he may defer payment until a later date). Deletes language which states that deferred payments must be made monthly at the rate of \$100. Adds language which states that a death benefit shall be paid to members estate regardless of whether he filed an application for payment of benefits.

--relating to earlier service (sec. 225). States that a person who was a member of the Guard is entitled to credit for his service to the state and former territory of Alaska as a member of the Territorial Guard in determining eligibility benefits. (Deletes provision that person be a member on or after 1/1/69).

--relating to pay and allowances (sec. 260). Provides for payment to members of the Guard and Militia for each day of active service equal to pay and allowances provided by federal laws and regulations for members of like grades of the U.S. Army, Air Force and Navy, "plus compensation equivalent to the per diem allowance payable to state officers and employees for the locale at which the duty is being performed." Deletes language which states that no enlisted person shall receive pay and allowances of less than \$6 per day.

--Adds new section relating to pay and allowances which states that a member of the Guard or Militia who is injured or suffers a disability while on active duty, including transit to and from his home, is entitled to all compensation and benefits available under the Alaska Workers' Compensation Act for the injury or disability. Also provides member is entitled to receive death benefits allowed beneficiaries under that Act. Outlines payments to be received by beneficiary.

--Adds new section entitled "Alaska National Guard Senior ROTC Scholarship Program". Establishes within the Dept. of Military Affairs a Senior ROTC scholarship program under which eligible persons will receive a grant equivalent to the current costs of resident tuition, fees and books at the U of A. Provides eligibility requirements.

--Amends the Teachers' Retirement System (AS 14.25), credit for service in the armed forces (sec. 100) by addition of language which states that a member who served as an active member of the armed forces "after December 31, 1939" may receive credit-

SB 262, (cont'd)

able service under this system up to a maximum of five years. Deletes provision which states that military service credited under this section shall be included in the 10-year limitation of outside service, except if entry into the armed forces is immediately preceded by Alaska membership service and following discharge is continued by Alaska membership within one year thereafter, service may not be counted for purposes of determining the applicability of the 10-year limitation on outside service.

--Adds new subsection to sec. 100 stating that a member is not required to make contributions for credit for service in the armed forces if he is a member or former member of the Guard of Militia or former member of the Territorial Guard, with a total period of membership in those organizations of at least 20 years when added to the armed forces military claimed. Provides that such a member who has made contributions for military service credit is entitled to a refund of those contributions.

--Adds new section to AS 14.25 entitled "Credit for Membership in the Alaska National Guard and Alaska Naval Militia." Section provides that a teacher who is a member of the Guard or Militia may receive creditable service under this system for all or any part of his credited service under the Alaska National Guard retirement system by electing to forgo four months of credited service under the Guard system for each month of service to be credited under this system. Each 12 months of service credited under this section equals one school year, and lesser periods of service credit will be determined in a proportionate ratio to a year. Provides for former members of the Guard or Militia. Provides for contributions to the system.

--Amends section relating to arrearage indebtedness under the Teachers' Retirement System by including the Alaska National Guard and Naval Militia, stating that total military service claimed may not exceed five years.

--Amends the Public Employees Retirement System of Alaska (AS 39.35) by adding a new subsection stating that an employee is not required to make contributions for credited service for his service as a member or former member of the Alaska National Guard or Naval Militia, or a former member of the Territorial Guard, with a total period of membership of at least 20 years when added to the military service claimed. States that an employee who has made contributions for this service is entitled to a refund.

--Adds new section to the same (above) stating that a vested employee who is a member of the Guard or Militia may receive credited service for all or any part of his credited service under the Guard or Militia retirement plan by electing to forgo four months of credited service under that plan for each month of service to be credited under this system. Provides for former members of the Guard or Militia.

INTRODUCTION OF BILLS (Senate) (cont'd)

Commercial
Fishing &
Agric. Bank

SENATE BILL NO. 388, by enator Fahrenkamp. Identical to HB 413, page 592.

Introduced April 3 and referred to Resources and Finance.

Appropriation
(special)
(AK Hospital
& Med. Center
Loan)

SENATE BILL NO. 389, by the Finance Committee. Appropriates \$55 million from the general fund to the Dept. of Revenue for a loan to the board of trustees of the Alaska Hospital and Medical Center to refinance the outstanding mortgage of the Center and its related professional office building properties. Effective on the effective date of a version of an Act authorizing the Commissioner of Revenue to make the loan (SB 390, below)

Introduced April 3 and referred to Finance.

AK Hospital
& Med. Center
loan
(authorization)

SENATE BILL NO. 390, by the Finance Committee. Directs the Commissioner of Revenue to make a loan to the Board of Trustees of the Alaska Hospital and Medical Center to refinance the outstanding mortgage obligations of the Board. The agreement entered into with the Board of Trustees shall have a maximum term of 40 years and shall bear interest at a rate equal to the rate of interest received by the Alaska Medical Facility Auth. for the last mortgage loan agreement entered into by the Authority for the refinancing of a medical facility before the effective date of the bill. Provides for an immediate effective date.

Introduced April 3 and referred to Finance.

AK Nat'l Guard
& Naval Militia
(benefits)

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 262, (see page 429). Sponsor Substitute differently amends AS 26.05.224 relating to retirement benefits. Deletes amendments to subsections (b) and (c). Amendment in original bill to (b) deleted "satisfactory" from that subsection (see page 429, last paragraph). Amendments in original bill to (c) added language relating to the receipt of retirement benefits at age 55 (see page 430, paragraph 1) and deferred payments. Sponsor Substitute further amends (a) to state that "a member of the Alaska Naval Militia on or after July 1, 1979, with at least five years of service in the Alaska National Guard or Naval Militia" is eligible for a retirement pension (language relating to minimum five years of service added). Remainder of Sponsor Substitute is identical to original bill.

Introduced April 2 and referred to Home Affairs and Finance.

INTRODUCTION OF RESOLUTIONS (Senate)

Haines
(construction
of park visitor
center)

SENATE CONCURRENT RESOLUTION NO. 22, by Senator Ray. Requests the Governor to support the establishment of a state park visitor center in the City of Haines and to direct the Commissioner of Natural Resources to construct the center in the City of Haines.

Introduced April 2 and referred to Resources and Finance.

Alaska History
& Government
(study of in
schools)

SENATE CONCURRENT RESOLUTION NO. 23, by Senator Fischer. Requests the state Board of Education to adopt regulations requiring at least one unit of credit in the study of Alaska history and government for graduation from state high schools.

Introduced April 3 and referred to Health, Educ. & Social Services

Public
Employees'
Retirement
(temporary
service
credit)

SENATE BILL NO. 356, by Senator Ray. Allows vested and deferred vested employees to claim credited service for prior temporary employment, which was formerly not credited. If an employee claims this service he becomes indebted to the system in the amount equal to contributions he would have made during that period. Employee must make retroactive contributions to discharge his indebtedness for that time period in order to qualify for benefits.

Outlines steps to be taken by vested and deferred vested employees to claim credited service under this Act. Credited service granted in this Act may be used to satisfy the credited service requirements for normal or early retirement.

Provides Act takes effect June 30, 1961.

Introduced March 31 and referred to State Affairs, then to Finance.

Public Employee & Teacher Retirement Funds (investment of)

SENATE BILL NO. 360, by Senators Stinson, Sturgulewski, Gilman and Hohman. Amends AS 39.35.110 (Public Employees' Retirement System. Investments) and AS 14.25.180 (Teachers' Retirement. Custody and Investments) by addition of new subsections allowing the Commissioner of Revenue to invest an amount of each pension fund equal to the amounts appropriated to each pension fund by the legislature, or as much of that amount as the Commissioner of Administration considers proper. Investments to be made in bonds and bond anticipation notes of the Alaska Housing Finance Corporation. Such investments may be made only at competitive market rates of interest for taxable securities. Provides Act takes effect July 1, 1981.

Introduced March 31 and referred to State Affairs, then to Finance.

Appropriation (special) (public employees' and teachers' retirement funds)

SENATE BILL NO. 361, by Senators Stinson, Sturgulewski, Gilman and Hohman. Makes a special appropriation to the Department of Administration for payment of liabilities of the public employees' and teachers' retirement funds. Appropriates \$136,400,000 from the general fund for payment to the pension fund for unfunded benefit liabilities of the public employees' retirement system accrued to January 1, 1980. Appropriates \$154,300,000 from the general fund for payment to the retirement fund for unfunded benefit liabilities of the teachers' retirement system accrued to June 30, 1980. Provides Act takes effect on the effective date of SB 360.

Introduced March 31 and referred to Community and Regional Affairs, State Affairs, then to Finance. 4/2, C&RA waived.

Teachers' Retirement
(credit for Peace Corps service)

SENATE BILL NO. 394, by Senators Stimson and Rodey. Amends statutes relating to teachers' retirement to allow a member who has served in the Peace Corps to receive creditable service for that service up to a maximum of five years. States that each 12 months of Peace Corps service equals one school year, and lesser periods of service will be determined for credit purposes in a proportionate ratio to a year. States that, "Credit for service in the Peace Corps shall be granted only if the member makes contributions for the service in the same manner as required for outside service under AS 14.25.060. Service in the Peace Corps credited under this section shall be included in the 10-year limitation of outside service as specified in AS 14.25.060, except that if entry into the Peace Corps is immediately preceded by Alaska membership service and termination from the Peace Corps is followed by Alaska membership service within one year, the service in the Peace Corps may not be included in the 10-year limitation on outside service." Act does not provide for an effective date. + PERS

Introduced April 7 and referred to State Affairs, then to Finance.

REAA'S
(governing of)

SENATE BILL NO. 395, by Senator Ferguson. Amends statutes relating to education in the unorganized borough by adding a new section (program planning and evaluation) which states that the legislature finds that responsibility for administration of education in the unorganized borough is best lodged with regional school boards and that it is state policy that the discretion of regional boards with respect to program planning and evaluation for schools within their respective jurisdictions "be subject to a minimum of constraint from other branches or levels of government." Also states that, "Any state, regulation, directive, policy, or other source of law other than policies of the respective regional boards, which purports to specify the manner in which rural educational attendance areas shall perform educational planning and evaluation functions for schools and programs within their jurisdiction, including specifically, 4AAC 05-070, or any similar provision, now or hereafter enacted is disapproved and annulled." Provides an immediate effective date.

Introduced April 7 and referred to Health, Education and Social Services, then to Community and Regional Affairs.

Appropriation
(special)
(Anchorage headquarters library)

SENATE BILL NO. 396, by Senators Sturgulewski, Bradley, Colletta, Dankworth, Fischer, Rodey and Stimson. Makes an appropriation in the amount of \$18,422,500 from the general fund to the Department of Education, Division of state libraries, for payment as a grant to the Municipality of Anchorage for the construction and equipping of the headquarters library in Anchorage. Provides for an immediate effective date.

Introduced April 7 and referred to Health, Education and Social Services, then to Finance.

Fishery Industrial tech.
center

SENATE BILL NO. 397, by Senators Mulcahy and Fahnenkamp. Identical to HB 262, pages 401 and 667, except for the makeup of the eleven member Fishery Industrial Technical Policy Council. This bill specifies that it shall include four members appointed from the seafood processing industry; four members who are fishermen; and three public members. HB 262 does not specify council makeup.

INTRODUCTION OF BILLS (Senate) (cont'd)

SB 399, (cont'd)

and the information provided by a natural parent under (a)(1) of this section shall be attached to the birth certificate of the adopted person.

Repeals AS 20.15.150(c) (Confidential nature of hearings and records in adoption proceedings).

Provides Act takes effect January 1, 1982.

Introduced April 7 and referred to Health, Education and Social Services, then to Judiciary.

Public Empl.
Retirement
(credited service/ferry workers)

SENATE BILL NO. 400, by Senator Ray. Adds a new section to AS 39.35 which allows a public employee to receive credited service in the public employees' retirement system for periods of employment with the Div. of Marine Transportation for which he has been credited with service under a marine retirement trust. If the person has received a refund of contributions from the trust, he is not entitled to credited service in PERS for the period of employment for which the refund was made unless the amount is paid to the Public Employees Retirement System. Amends AS 39.35.370 (Retirement Benefits) by adding a new subsection which prohibits a former ferry employee who received credited service in PERS from receiving benefits "if he is receiving retirement benefits from a marine retirement trust based on the same period of employment." Does not provide for effective date.

Introduced April 8 and referred to State Affairs and Finance.

Fair Assoc.
(cancelling certain claims)

SENATE BILL NO. 401, by Senator Hohman. Cancels certain claims for reimbursement of state money granted to fair associations as state aid to fairs. "FINDINGS" section states: "Before July 1, 1980, AS 03.20.020(a) did not allow the value of donated labor and materials to be used as a match for state aid to fairs granted under that section. However, before that date the division of agriculture, Department of Natural Resources, had advised fair associations that donated labor and materials could be used to meet the matching requirement. Some fair associations therefore claimed the value of donated labor and materials for the purpose of matching money and the state now seeks reimbursement. The legislature finds that since the fair association relied in good faith on the representations of state officials it is unfair that those associations should be required to reimburse the state." Also states that, "Any state claim for reimbursement resulting from a fair association claiming the value of labor and materials donated before July 1, 1980, as matching money for state aid to fairs under AS 03.02.020 is canceled." Act provides for an immediate effective date.

SB 402

Introduced April 8 and referred to Resources, then to Finance.

Public Empl.
Retirement
(credited service/active military service)

SENATE BILL NO. 402, by Senator Bradley. Amends statutes relating to credited service in public employees' retirement system for active military service. Changes requirement of being vested in the system to simply being "a member" of the system in order to claim credited

INTRODUCTION OF BILLS (Senate) (cont'd)

SB 402, (cont'd)

service for active military service. Act does not provide for an effective date.

Introduced April 8 and referred to State Affairs, then to Finance.

Appropriation SENATE BILL NO. 403, by Senator Bradley. Makes a special appropriation of \$298,000 from the general fund to the Department of Education, (special) division of vocational rehabilitation, for payment as a grant to the (veterans outreach prog.) Vet Center for a veterans outreach program. Provides for an immediate effective date.

Introduced April 8 and referred to Health, Education and Social Services, then to Finance.

Ak. Indust. Senate Bill No. 404, by the Rules Committee by request of the Governor. Dev. Auth. Identical to HB 487, page 703. (amendments)

Introduced April 8 and referred to Labor and Commerce, then to Finance.

Appropriation SENATE BILL NO. 405, by Senators Fischer, Colletta, Fahrenkamp, Ferguson, Kelly, Rodey, Stimson and Sturgulewski. Makes a special appropriation of \$3,425,000 from the general fund to the Department of (special) Education, Alaska State Council on the Arts, for grants for Alaskan (Ak. culture & arts progs.) culture and arts programs and projects. Provides for an immediate effective date.

Introduced April 8 and referred to State Affairs, then to Finance.

Film and SENATE BILL NO. 406, by Senators Fahrenkamp, Mulcahy, Ziegler, Stimson Television and Sturgulewski. Identical to HB 483, page 702. Section

Introduced April 9 and referred to Labor and Commerce, then to Finance.

Appropriation SENATE BILL NO. 407, by Senator Fischer. Makes a special appropriation (special) of \$900,000 from the general fund to the Alaska Capital City Development (Ak. Capital Corporation, Department of Community and Regional Affairs, for the City Dev. preparation of the general development plan for the capital city area Corp.) required by AS 44.07.120 (Alaska Capital City Development Corporation. Formulation and procedure for obtaining approval of development plans).

Provides Act takes effect on the effective date of an Act entitled "An Act relating to the relocation of the state capital; and providing for an effective date." in which the provisions of AS 44.07 are made effective on or before October 1, 1981. (See SB 112, p. 82)

Introduced April 9 and referred to State Affairs, then to Finance.

Ak. State SENATE BILL NO. 408, by Senator Fischer. Repeals and reenacts Housing Auth. AS 18.55.020 (Alaska State Housing Authority) to read, "There is (transferring authority) established in the Department of Community and Regional Affairs the Alaska State Housing Authority. The authority is governed by a seven-member board of directors, consisting of the commissioner of community and regional affairs, the commissioner of commerce and economic

INTRODUCTION OF BILLS (Senate) (cont'd)

Appropriation SENATE BILL NO. 468, by Senator Hohman. Makes a special appropriation
(special) of \$320,000 from the general fund for payment as a grant to the Bristol
(Bristol Bay Bay Borough for bulk fuel storage for the following communities:
Borough bulk Igiugik (\$80,000), Kokhanok (\$60,000), Levelok (\$60,000), Newhalen
fuel storage) (\$60,000), Nondalton (\$60,000). Provides for an immediate effective
date.

Introduced April 20 and referred to Community and Regional Affairs,
then to Finance.

Appropriation SENATE BILL NO. 469, by Senator Hohman. Makes a special appropriation
(special) of \$500,000 from the general fund for payment as a grant to the City of
(Akiachak so- Akiachak for construction of a solid waste disposal facility. Provides
lid waste for an immediate effective date.
disposal fac.)

Introduced April 20 and referred to Community and Regional Affairs,
then to Finance.

Appropriation SENATE BILL NO. 470, by Senator Hohman. Makes a special appropriation
(special) of \$3,000,000 from the general fund for payment as a grant to the City
(Akiachak fish of Akiachak for construction of a fish processing plant. Provides for
processing an immediate effective date.
plant)

Introduced April 20 and referred to Resources, Community and Regional
Affairs, then to Finance.

^{SB}
Pub. Emp. SENATE BILL NO. 471, by Senator Kerttula by request. Amends statutes
Retire Sys. relating to participation by public officials in the public employees
(retroactive contrib.) retirement system. Adds, "However, if the elected or former elected
official was employed by or elected to office in a municipality his
retroactive contributions shall be computed on the basis of the com-
pensation as compensation was defined by ordinance of the municipality
during his period of service, including, if the ordinance allows, per
diem and expense allowances paid by the municipality. For all other
elected officials and former elected officials the rate used to calcu-
late the retroactive contributions may not be less than the rate in
effect on January 1, 1961." (Underlined material added). Provides for
an immediate effective date.

Introduced April 20 and referred to State Affairs, Judiciary, then to
Finance.

^{SB 472}
Pub. Emp. SENATE BILL NO. 472, by Senator Kerttula by request. Adds new sections
Retire Sys. to statutes relating to the Public Employees Retirement System to allow
(credit for territorial persons who were employed by the Territory of Alaska for 10 years or
service) more who have not been employed by the state after January 1, 1961, to
claim credited service for those years worked. States that such persons
are indebted to the system and must contribute to receive credit. States
that the amount of indebtedness is 4.25 percent of salary received dur-
ing time of employment. Adds, "territorial service member" to the
definition of "member" or "employee" who is eligible to participate in
the system and who is covered by the system. Adds definition of "ter-
ritorial service member" to the definitions section. Adds a new section
which states that a territorial service member is eligible for benefits
at age 55 with at least 10 years of credited service. Provides for an
immediate effective date.

Introduced April 20 and referred to State Affairs, Judiciary, and then
to Finance.

LEGISLATIVE REPORTING SERVICE

ANN GARDINER METCALFE

KIMBERLY M. HELMAR

510 KENNEDY STREET
JUNEAU, ALASKA 99801

(907) 586-6672

May 18, 1981

REPORT NO. 18

IN THE SENATE: Honorable Jalmar Kerttula, President

Senator Rodey, Majority Leader
Senator Bradley, Whip

SB557

INTRODUCTION OF BILLS (Senate)

Public Emp.
Benefits

SENATE BILL NO. 557, by Senator Fischer. Makes amendments to statutes regarding teachers', public employees', judicial, and national guard benefits. Similar to CSHB 121(SA) offered by House State Affairs last week (see page 88!). Does not include: sections increasing the amount of retirement contributions to be made by teachers and public employees; section which would allow a peace officer or fireman to irrevocably relinquish his peace officer or fireman status; section revising monthly amounts of retirement benefits for members of PERS; and section excluding certain Fish & Game employees from receiving peace officer & fireman retirement benefits.

Bill would limit increases in post retirement pensions for teachers and public employees to "the lesser of (1) the increase in the cost of living since the date of retirement; or (2) four percent of the retirement benefit compounded for each year of retirement." (Currently increases are limited to the "greater" of these two factors.) Amends AS 14.25.143(b) and AS 39.35.475(b).

Rewrites definitions of "compensation" for purposes of teachers' and public employees' retirement (amends AS 14.25.220(9) and AS 39.35.680(8)). Makes other miscellaneous amendments to AS 14.25, and AS 39.35. Provides Act effective July 1, 1981.

Introduced May 11 and referred to State Affairs, Health, Education & Social Services and Finance.

Prisoners
(care & confinement of)

SENATE BILL NO. 558, by the Health, Education & Social Services Committee. Amends AS 33.30.060(a) (Commissioner May Contract for Care & Confinement of Prisoners) to allow the Commissioner of Health & Social Services to "enter into an agreement with appropriate public or private agencies [THE PROPER AUTHORITIES OF THE UNITED STATES, ANOTHER STATE, OR A POLITICAL SUBDIVISION OF THIS STATE] to provide for the safekeeping, care, subsistence, proper government, discipline

INTRODUCTION OF BILLS (Senate) (cont'd)

SB 565, (cont'd)

Adds a new subsection to AHFC statutes relating to collateral for loans to allow the corporation to make a loan secured by a subordinate lien if the loan does not exceed the difference between the balance of the first mortgage and 90% of the appraised value of the property. Amends statutes relating to eligibility for veterans' interest rates to change the amount of time that must have been served in the armed forces in order to be eligible for a loan from 90 days or more to 180 days or more. Allows widows or widowers of eligible veterans to be eligible for veterans' interest rates under certain conditions. Act also adds as eligible for veterans' interest rates, "a person who has served a total of five years in a national guard or reserve unit of the United States armed forces which required as a minimum one weekend each month of duty and 15 consecutive days of active duty training each year if the person has been a resident of the state for at least one year at the time of the loan application and has been a resident of the territory or state at least five years and whose discharge was under honorable conditions." Amends veterans' loans statutes to allow AHFC loans made to veterans to be transferable under the same circumstances for which veterans' loans are transferable. This applies to all veterans' loans and AHFC loans to eligible veterans which were made before or after June 21, 1980. Provides Act takes effect July 1, 1981.

Introduced May 14 and referred to State Affairs, Labor and Commerce, and Finance.

Acquitted
Defendants
(costs & attorney fees)

SENATE BILL NO. 566, by Senator Hohman. Identical to HB 232, page 356.

Introduced May 15 and referred to Judiciary, then to Finance.

Alaska Industrial Development Authority
(amendments)

SENATE BILL NO. 567, by Senator Bradley. Similar to SB 404, page 682, and HB 487, page 703. Makes miscellaneous amendments to statutes relating to the Alaska Industrial Development Authority. Adds "timber, agricultural, multi-family dwellings" to the list of enterprises for which the Authority is responsible for providing various means of financing. Does not provide for an effective date.

Introduced May 15 and referred to Labor and Commerce, then to Finance.

SB 568
Group Insurance/P.E.R.S.
(participation by certain groups)

SENATE BILL NO. 568, by Senator Eliason. Amends statutes relating to insurance and supplemental benefits, procurement of group insurance, to allow employers other than the state to participate under a group policy under certain conditions. Defines "employer" to mean "a governmental unit, the American Legion, Department of Alaska, Inc., and the Department of Alaska Veterans of Foreign Wars of the United States." Adds a new section to statutes relating to ~~Public Employees Retirement System (PERS)~~ to include ~~employees of the American Legion, Department of Alaska, Inc., and the Department of Alaska Veterans of Foreign Wars of the United States~~ in the system if they pay the employers contributions for their respective employees. Act does not provide for an effective date.

Introduced May 15 and referred to State Affairs, Health, Education and Social Services, and Finance.

SB 588, (cont'd)

OF NOTICE THAT THE LOCATION HAS BEEN MADE ON LANDS OPEN ONLY FOR LEASING]. A lease application may [SHALL] be filed with the director by the locator at any time [WITHIN 90 DAYS] after receipt of the application form. . . Minerals may [NOT] be mined and marketed from the proposed leasehold at any time after a lease is applied for [OR USED UNTIL A LEASE IS ISSUED, EXCEPT FOR LIMITED AMOUNTS NECESSARY FOR SAMPLING OR TESTING]." (underlined language added, bracketed language deleted).

States the provisions of AS 38.05.305 do not apply to a lease issued under AS 38.05.205 (Mining Leasing). Sec. 305 states: "Notice and Review. (a) No land or interest in land within the boundaries or within six linear miles of the boundaries of a general law, home rule or unified municipality, as defined under AS 29, may be classified, reclassified, sold or leased, or otherwise disposed of, including the renewal of a lease entered into after September 22, 1976, unless the following procedures have been complied with: . . .".

States the provisions of AS 38.05.345 do not apply to a lease issued under AS 38.05.205 (Mining Leasing). Sec. 345 relates to public notice of a sale, lease or other disposal of land or interest in it.

Section 5 of the bill states: "Notwithstanding the provisions of AS 38.05.205(a) amended in sec. 2 of this Act, until June 30, 1984, minerals may be mined, marketed, or used on land tentatively approved or patented to the state under section 6(a) or 6(b) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 399, as amended) upon discovery, location, and recording in accordance with AS 38.05.195 [Mining Claims]."

Provides Act takes effect immediately.

Introduced June 5 and referred to Resources, then to Finance.

SB
589
Public Em-
ployees Re-
tirement
(credit for
earlier svc)

SENATE BILL NO. 589, by Senator Ray. Amends the Public Employees Retirement System (PERS), section relating to earlier service (AS 39.35.360(a)) to allow credited service to "a temporary or permanent" employee of the U.S. government in Alaska (presently to "an employee") who meets certain qualifications. Provides an employee who is a retired members of PERS on the effective date of this Act is entitled to receive increased benefits based on U.S. government service granted under the amended section. Provides Act takes effect immediately.

Introduced June 5 and referred to State Affairs, then to Finance.

AHFC
(revolving
loan fund)

SENATE BILL NO. 590, by Senators Bennett, Fahrenkamp and Parr. Establishes a revolving loan fund in the Alaska Housing Finance Corporation (AHFC) to make or purchase loans. States the fund consists of appropriations made to the fund by the legislature and repayments of principal and interest on loans made or purchased with money from the fund. The corporation may use money in the Alaska housing revolving loan fund to make or purchase any of the loans which can be made or purchased by the corporation under the provisions of AS 18.56 (AHFC). Provides Act takes effect immediately.

Introduced June 5 and referred to Labor & Commerce, then to Finance.

Terry Cramer

Retirement
Benefits

SENATE BILL NO. 195, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Adds new subsections to AS 14.25.173 (Adjustment of Teachers' Retirement Benefits) and AS 39.35.520 (Adjustment of Public Emp. Retirement Benefits) which state that an adjustment which requires repayment of benefits may not be made under the section if (1) the incorrect benefit was first paid two years or more before the member or teacher or beneficiary (employee or beneficiary) was notified of the change or error; (2) the change or error was not caused by the member or teacher or beneficiary (employee or beneficiary); and (3) in the case of Public Employees' Retirement System, the change or error relates to the employee's credited service with the state and not with another participating employer. Act is retroactive to July 1, 1979. Effective immediately.

Introduced February 20 and referred to State Affairs and Finance.


Public Emp.
Retirement
Board

SENATE BILL NO. 196, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Changes the membership on the Public Employees' Retirement Board (AS 39.35.030). Currently, of the five members, three shall be members of the Personnel Board in the Dept. of Administration and the remaining two shall be members of the Public Employees' Retirement System, elected by members of the system. Bill changes composition of board so that one member is appointed by the Governor and four are members of the Personnel Board. Also adds a requirement that at least one of the elected board members be a member of the Public Employees' Retirement System. Sec. 2 of bill states that a person serving on the Board on the effective date of Act who was from the Personnel Board of the Dept. of Admin. shall continue to serve until his successor is elected or appointed by the Governor. Does not provide for effective date.

Introduced February 20 and referred to State Affairs.

Regulations

SENATE BILL NO. 197, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Amends law so that regulations adopted by the state retirement systems are subject to the Administrative Procedure Act. Currently sections is AS 39.35 and AS 14.25 relating to the adoption of regulations by the systems state that the regulations relate to the internal management of state agencies and their adoption is not subject to the Admin. Procedure Act. (Bill repeals and re-enacts 39.35.042 and 14.25.022.) Does not provide for effective date. Introd. 2/20, ref. to State Affairs & Judiciary.



SENATE BILL NO. 356, by Senator Ray. Allows vested and deferred vested employees to claim credited service for prior temporary employment, which was formerly not credited. If an employee claims this service he becomes indebted to the system in the amount equal to contributions he would have made during that period. Employee must make retroactive contributions to discharge his indebtedness for that time period in order to qualify for benefits.

Outlines steps to be taken by vested and deferred vested employees to claim credited service under this Act. Credited service granted in this Act may be used to satisfy the credited service requirements for normal or early retirement.

Provides Act takes effect June 30, 1981.

Introduced March 31 and referred to State Affairs, then to Finance.

INCh. All PUBL. EMPLOY.

classified employees of school districts

Retirement

Credit

(unused sick
leave)

SENATE BILL NO. 143, by Senators Parr and Fahrenkamp. Allows retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the Public Employees' Retirement System (PERS). Employee must have been employed on or after July 1, 1980 and must have retired after July 1, 1981. Unused sick leave shall be credited on a day-for-day basis and employee contributions may not be required for credited unused sick leave.

An employee who retires before July 1, 1981, returns to membership service on or after July 1, 1981, and then subsequently retires is eligible for unused sick leave credit only with respect to sick leave accrued during membership service on or after July 1, 1981.

Benefits under new section accrue from the first day of the month after which: (1) the employee meets the eligibility requirements of the section; (2) the employee is terminated from covered employment; and (3) the employee's written election regarding unused sick leave is received and verified by the administrator.

Above provisions added to AS 39.35 under new Section 315, "Credit for Unused Sick Leave." Does not provide for effective date.

Introduced February 4 and referred to State Affairs and Finance.

Public Em-
ployees
(retirement)

SENATE BILL NO. 121, by Senator Ray. Authorizes credited service under the public employees' retirement system for certain firemen. Amends AS 39.35.360(a) (Public Employees' Retirement System of Alaska. Earlier service) to read: "An employee employed before January 1, 1980, who completes three years of credited service with the state after January 1, 1961, for which the employee makes contributions required by this chapter is entitled to credited service for service rendered (1) before January 1, 1961, as an employee of the state and former Territory of Alaska; (2) before January 1, 1961, as an employee of the United States government in Alaska, excluding service in the armed forces of the United States; or (3) after January 1, 1967, ~~as a~~ as a peace officer, [OR] correctional officer, or fireman, a participating political subdivision of the state if the employee is vested and is an active peace officer, correctional officer, or fireman in the system as of July 1, 1980. The retirement benefits payable to an employee under this section shall be reduced by the amount of the retirement pension benefits paid to him by the United States government for the same period of service."

(Note: underlined language added, bracketed language deleted). Does not provide for an effective date.

Introduced January 30 and referred to State Affairs, then to Finance.

affects 18 people

SENATE BILL NO. 63, by Senator Ray. Bill creates a 20-year retire-
ment option for public employees. Repeals and reenacts AS 39.35-
.370(a) (Retirement Benefits) to provide that a terminated employee
is eligible for a normal retirement ". . . (3) with at least 20
years of special credited service, as provided in AS 39.35.355(c)
..."

Adds new section to AS 39.35 defining "Special Credit Service."
Allows an employee to contribute to his employee contribution
account a percentage of his pay determined by the Administrator
of the retirement fund. The percentage as determined by the
Administrator shall be an amount sufficient to finance special
credited service retirement. Credited service for which addition-
al contributions are made is special credited service. Employee
may consider credited service as a peace officer or fireman as
special credited service. Employee may terminate his participa-
tion at any time and upon termination the amounts contributed
shall be treated as voluntary contributions. Does not provide
for effective date.

Introduced January 13 and referred to Labor & Commerce and Finance.

Public
Employees

SENATE BILL NO. 62, by Senator Ray. Amends statutes relating to banked medical and personal leave of public employees. Adds a new subsection to AS 39.20.256 (Transfer of Accrued Medical Leave) to read: "If an employee is terminated before he is eligible for a retirement benefit under AS 39.35 and the employee is reemployed within three years by the same employer, the banked medical leave accumulated by the employee at the time of his last termination shall be reinstated."

Adds new sections to AS 39.35 which allow public employees, upon retirement, to receive credited service for accumulated medical and personal leave. For the purposes of determining credited service, the employee's accumulated medical and personal leave shall be computed as credited service at the same rate of pay as his salary on retirement. Also stipulates that "a vested employee whose employment is terminated for any reason except retirement is entitled to credited service for his accumulated medical leave." Does not provide for effective date.

Introduced January 13 and referred to Labor & Commerce and Finance.

Public
Employees
(retirement)

SENATE BILL NO. 61, by Senator Ray. Increases retirement benefits paid to peace officers, firemen and other public employees.

Amends AS 39.35.370(c) by increasing the monthly amount of a retirement benefit for a peace officer to 2% of the average monthly compensation times the years of service up through 10 years, plus 2% (increased from 1%) of the average monthly compensation times the years of service over 10 years. Raises benefit for all other public employees to 2% (currently 1%) of the average monthly compensation times the years of service. Makes identical amendment to AS 39.35.385(d) (Conditional Service Retirement Benefits). Act applies to all employees receiving benefits under AS 39.35 on the effective date of Act. Does not provide for effective date.

Introduced January 13 and referred to Labor & Commerce and Finance.

— TRS ?

SENATE BILL NO. 60, by Senator Ray. ~~Increases in retirement~~
~~benefits paid to teachers and public employees to the increase in~~
~~the Consumer Price Index for Anchorage. Amends AS 14.25.143(a) &~~
(b) and AS 39.35.475(a) & (b). Currently the benefits are increased
"when the administrator determines that the cost of living has
increased and that the financial condition of the retirement fund
permits" an increase in benefits. Bill seeks to make increases
mandatory and independent of the financial condition of the funds.
Currently the increases may not exceed the greater of (1) the cost
of living increase since retirement; or (2) 4% of retirement com-
pounded for each year of retirement. Provides Act effective
July 1, 1981.

Introduced January 13 and referred to Labor & Commerce and to
Finance.