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SYNOPSIS OF SENATE BILL NO. 62

SECTION 1

A terminated employee who is re-employed within three years of termination, would be allowed to reinstate his/her banked medical leave.

SECTION 2

Section (a) An employee, upon retirement, shall receive retirement service credit for all accrued medical leave, at the same rate of pay as his salary upon retirement.

Section (b) A vested employee (5 years of service), upon termination for reasons other than retirement, shall receive retirement service credit for all accrued medical leave.

SECTION 3

An employee, upon retirement, may elect to receive retirement service credit for accrued medical leave.

BACKGROUND MATERIAL

SECTION 1 applies only to those employees not represented by a collective bargaining agreement. A personal leave system covers these employees. At the time of conversion from the annual leave system to the personal leave system 60 percent of the employee's accrued medical leave was banked for his/her use in the event of a serious illness. Banked medical leave can only be used if the employee does not have accrued personal leave and he/she has a medical disability exceeding 10

consecutive working days or a medical disability exceeding 30 consecutive working days.

SECTION 2 is a non-negotiable item as the AG's office maintains that retirement is a non-negotiable item and may only be addressed by the legislature.

APEA's interest in this bill is a two-fold one that would prove beneficial to the state, as well as the employee:

1. Many employees retire with hundreds of hours of accrued medical leave left on the books to their credit. It is manifest then that the employee has been conscientious in the usage of medical leave. When this type of employee retires, he/she has garnered a working record of high productivity. It follows that productivity would increase and absenteeism would decrease if all employees received retirement service credit for accrued medical leave. Additionally, it would certainly serve as a retirement incentive goal to accrue as many medical leave hours as possible.
2. Under the present system, there exists a real temptation for some employees close to retirement, to abuse the use of medical leave. Passage of this bill would eliminate all possibility of this eventuality.

I: REQUEST
 Bill/Resolution No. Senate Bill No. 62
 Title An Act Relating to Medical and Personal Leave
 Requested by _____ 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		28.3	30.0	31.8	33.8	35.9
200 TRAVEL						
300 CONTRACTUAL		22.7				
400 COMMODITIES		0.2	0.2	0.2	0.2	0.2
500 EQUIPMENT		1.8				
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		796.4	876.0	963.6	1,060.0	1,166.0
TOTAL	-0-	849.4	906.2	995.6	1,094.0	1,202.0

FUNDING (Thousands of Dollars)

GENERAL FUND	652.2	717.3	789.3	868.1	955.0
FEDERAL FUNDS	36.6	40.3	44.3	48.8	53.6
VETERAN'S FUND	1.6	1.8	1.9	2.1	2.3
FISH & GAME FUND	4.8	5.3	5.8	6.4	7.0
HIGHWAY FUND	10.4	11.4	12.5	13.8	15.2
AIRPORT FUND	23.1	25.4	27.9	30.7	33.8
CAPITAL FUND	67.7	74.5	81.9	90.1	99.1
PERS	53.0	30.2	32.0	34.0	36.0
TRS					

POSITIONS

FULL TIME	1	1	1	1	1
PART TIME					
TEMPORARY					

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

1. Assumes current retirees will not be affected by this bill.
2. Estimate that the average State employee will receive an additional 4.7 days (unused medical leave) of service credit for each year of employment under PERS.
3. Estimate that 82% of State employees are covered under medical/annual leave and the remaining 18% are covered under personal leave.
4. Estimate FY 82 State covered payroll to be \$296,614,000; increasing 10% annually.
5. Increase in State contribution rate would be .2685% of covered payroll.
6. Estimate Personal Services to increase at 6% per year.
7. Estimate costs for data processing system modifications (one time only) to be \$20.0.
8. The costs to political subdivisions is estimated to be \$683.8 in FY 82 increasing at 10% each year thereafter.

IV. DATE 2/25/81 PREPARED BY Paul R. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

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

1	POSITION TITLE Retirement & Benefits Technician				RANGE/STEP 12/B	BARG. UNIT. G	LOCATION Juneau	GOV.	APPROV.	DISAP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY \$1,814/month		\$21,768
5	BENEFITS 15.79%		3,437
6	SBS 6.13%		1,334
7	HEALTH INS \$150/month		1,800
8	TOTAL PERSONAL SERVICES		\$28,339
9	TRAVEL		
10	CONTRACTUAL Lease Space Costs		2,700
11	COMMODITIES		200
12	EQUIPMENT		1,800
13	OTHER		
14	TOTAL COST		\$33,039

JUSTIFICATION:

This employee will be responsible for verifying and recording the additional credited service granted for unused sick leave, for calculating the additional benefit, and for handling correspondence.

It is estimated that approximately 30% or 9,600 member of the entire current PERS membership will ultimately retire and will require crediting of unused sick leave under this bill.

	CODE	FUNDING SOURCE	
15		FED RCPTS	
16		GF MATCH	
17		GEN. FUND	
18		I-A RCPTS	
19		PGM RCPTS	
20		OTHER PERS	\$33,039

21	CONTINUATION	
22	ADDITION	FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Administration PROGRAM Labor Services

BRU Retirement & Benefits

COMPONENT PERS

13 REQUEST FOR NEW POSITION.

FY 82