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Synopsis Senate Bill No. 63

Section 1

(3) A terminated employee is eligible for a normal retirement benefit with at least 20 years of special credited service.

Section 2

An employee may contribute to his/her employee contribution account a percentage of his/her compensation towards a 20-year special credited service retirement plan. The administrator will determine the compensation percentage to be contributed by the employee. The employee may terminate his participation in special credit service at any time and the amount contributed will be treated as a voluntary contribution.

Background Material

This provides the 30-year employee with an option of 20-year retirement, under a special credited service plan, whereby he/she, in addition to regular retirement contributions, may contribute to the special account, an amount determined by the administrator.

I. REQUEST

Bill/Resolution No. Senate Bill No. 63

Title An Act creating a 20-year retirement option for Public Employees

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		39.8	30.0	31.8	33.8	35.8
200 TRAVEL						
300 CONTRACTUAL		52.7				
400 COMMODITIES		0.4	0.2	0.2	0.2	0.2
500 EQUIPMENT		1.8				
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
800 BENEFITS						
TOTAL	-0-	94.7	30.2	32.0	34.0	36.0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS		94.7	30.2	32.0	34.0	36.0
TRS						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY		6 mo.				

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

1. Estimate that approximately 10,000 members could potentially qualify for benefits under this bill.
2. The cost to modify our new Data Processing System to provide for contributions and indebtedness payments for the Special Credited Service is estimated to be approximately \$50,000.
3. The cost of the benefits provided under this bill would be paid by the members' contributions to the Special Credited Service Account.
4. One project employee (6 months) to initialize the program and one full-time employee to maintain the program will be required.
5. Personal Services for the full-time employee increase at 6% per annum.

IV. DATE 2/24/81

PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) 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.	DISAPP.
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:		
5	SALARY	\$1,814/month	\$21,768
6	BENEFITS	15.79%	3,437
6	SBS	6.13%	1,334
7	HEALTH INS.	\$150/month	1,800
8	TOTAL PERSONAL SERVICES	01	\$28,339
9	TRAVEL	02	
10	CONTRACTUAL LEASE SPACE COSTS		2,700
11	COMMODITIES	04	200
12	EQUIPMENT	05	1,800
13	OTHER		
14	TOTAL COST		\$33,039

JUSTIFICATION:
 This employee will be responsible for implementing the Special Credited Service program. This will involve ensuring that the data processing programs are established for record keeping, that past service indebtednesses are calculated, that future service contribution rates for individuals are established, and that members are informed and counseled regarding the Special Credited Service program.

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	
18		I-A RCPTS. 1005	
19		PGM RCPTS 1008	
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 and Benefits

13 REQUEST FOR NEW POSITION.

COMPONENT PERS

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REVISED DATE _____

FY 82

1	POSITION TITLE Retirement & Benefits Technician			RANGE/STEP 12/A	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV	DISAPP.					
2	TYPE OF POSITION Project	STAFF MONTHS 6	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG						
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:								
	1	2	3											
4	PERSONAL SERVICES: SALARY \$1,761/month		\$10,566		<p>This employee will assist the full-time Retirement and Benefit Technician during the initial 6 months while this program is being implemented.</p> <p>The employee will assist in answering questions regarding the Special Credited Services benefit, will calculate indebtednesses for past service eligible for credit under the Special Credited Services Account, and will establish the contribution rate for future service for individual members.</p>									
5	BENEFITS 2.10%		222											
6	SBS 6.13%		648											
7	HEALTH INS.													
8	TOTAL PERSONAL SERVICES 01		\$11,436											
9	TRAVEL 02													
10	CONTRACTUAL 03													
11	COMMODITIES 04		200											
12	EQUIPMENT 05													
13	OTHER													
14	TOTAL COST		\$11,636											
15	CODE	FUNDING SOURCE												
16		FED RCPTS. 1002												
17		GF MATCH. 1003												
18		GEN. FUND 1001												
19		I-A RCPTS. 1005												
20		PGM RCPTS 1028												
21		OTHER PERS		\$11,636										
22	CONTINUATION	ADDITION		FOR B&M USE ONLY										
4A KEY NUMBER				COLUMN NO.										

AGENCY Administration PROGRAM Labor Services

BRID Retirement & Benefits

COMPONENT PERS

13 REQUEST FOR NEW POSITION.

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