

COMMITTEE REPORT  
HOUSE

(11)

FURTHER:

2/27/84

Date: 3-6-84

The Committee on finan <sup>FINANCE</sup> financ has had HB 586

"An Act relating to benefits for elected officials under the public employees' retirement system; and providing for an effective date."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title
- and recommends \_\_\_\_\_  new title
- AND attaches a "Letter of Intent"  New Fiscal Note 47.0
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*Paul O. ...*

*William ...*

*...*

*...*

*...*

*...*

*...*

*...*

*...*

*...*

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*...*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*...*

CHAIRMAN

Introduced: 2/8/84  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY ZHAROFF

2

HOUSE BILL NO. 586

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to benefits for elected officials  
under the public employees' retirement system; and  
providing for an effective date."

7

8

9

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

10

\* Section 1. AS 39.35.125(b) is amended to read:

11

(b) Service as an elected official before January 1, 1981, with

12

an employer may be included retroactively as credited service with the

13

system if the elected official or former elected official makes retro-

14

active contributions equal to what would have been made if the elected

15

official or former elected official had been included in the system

16

when the oath of office as an elected official was taken, plus accrued

17

interest from July 1, 1984. The rate used to calculate the retroac-

18

tive contributions may not be less than the rate in effect on Jan-

19

uary 1, 1961. [AN ELECTED OFFICIAL OR FORMER ELECTED OFFICIAL MUST

20

CLAIM PRIOR SERVICE AND MAKE RETROACTIVE CONTRIBUTIONS BEFORE FEB-

21

RUARY 1, 1983]. An elected official or former elected official may

22

not receive credited service under this subsection for any period in

23

which the elected official or former elected official was receiving a

24

retirement benefit from the system. An elected official or former

25

elected official receiving a retirement benefit from the system on

26

January 1, 1981, is not eligible to claim credited service under this

27

subsection unless the elected official or former elected official is

28

reemployed as an active member [AND CLAIMS THE CREDITED SERVICE BEFORE

29

FEBRUARY 1, 1983]. Service as an elected official with an employer

1        constitutes employment as an active member as [SO] long as a [NO]  
2        waiver of coverage under (a) of this section is not in effect.  
3        \* Sec. 2. This Act takes effect July 1, 1984.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

HB 586

Revision Date: \_\_\_\_\_

(Page 1 of 2)

REQUEST

Bill/Resolution No.: HB 586  
Title: "An Act relating to PERS"

FISCAL DETAIL

Agency Affected: All State Agencies  
Program Category Affected: PERS

Sponsor: Zharoff  
Requestor: \_\_\_\_\_  
Date of Request: \_\_\_\_\_

BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
Operating						
100 Personal Svcs						
100 Rtmnt & Bnfts	-0-	47.0	50.7	54.8	59.2	63.9
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	47.0	50.7	54.8	59.2	63.9

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

General Fund	42.5	45.9	49.6	53.5	57.8
Federal Funds	2.2	2.4	2.6	2.8	3.0
Other	2.3	2.4	2.6	2.9	3.1
Total	47.0	50.7	54.8	59.2	63.9

POSITIONS:

Full-Time					
Part-Time					
Temporary					

SOURCE OF FUNDS TO OFFSET IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: J.K. Humphreys, Director Phone: 465-4460  
Division: Retirement & Benefits Date: 2-22-84

Approved by Commissioner: Lisa Rudd Date: 2/22/84  
Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

House Bill 586  
Fiscal Note Analysis  
Prepared by the Division of Retirement & Benefits  
Department of Administration

February 17, 1984

IV Analysis: Passage of this bill would remove the time limit for elected officials to claim service as an elected official prior to January 1, 1981 under the Public Employees' Retirement System (PERS). This bill would also impose a date when interest would begin accruing on the cost of that service.

There are currently 20 eligible members who have applied for service after the current deadline and we estimate that there are an additional 20 eligible members who have not yet applied. This is estimated to result in a .01% increase in the PERS employer contribution rate. The PERS state salaries are estimated to be \$469,898,512.00 for FY 85.

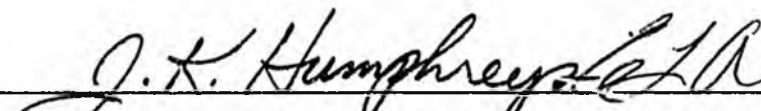
The present value of this benefit increase is \$1,260,00; this would produce a .1% decrease in the PERS funding ratio.

Position Paper

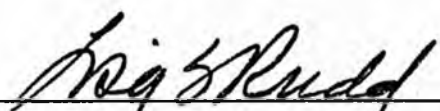
HB 586

This bill would remove the deadline of February, 1983 for elected officials to claim credit for service as an elected official prior to January 1, 1981.

The Division of Retirement and Benefits publicized the original change in the law which made it possible to claim such service but it was not possible to identify and positively notify all members who were eligible to claim credit before the deadline. There are currently 20 eligible members who have applied for service after the current deadline and we estimate that there are an additional 20 eligible members who have not yet applied . The department supports this bill.

  
\_\_\_\_\_  
J.K. Humphreys, Director, Division of Retirement & Benefits

2/22/84  
Date

  
\_\_\_\_\_  
Lisa Rudd, Commissioner, Department of Administration

2/22/84  
Date

**Fred C. Brechan**

BOX 1275  
KODIAK, ALASKA 99615  
(907) 486-3215

HB 580

January 26, 1984

Mr. Fred Zharoff  
State Representative for  
13th District  
Juneau, Alaska 99811

Dear Fred:

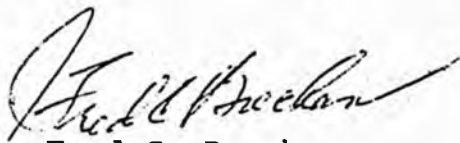
Enclosed is a copy of my most recent correspondence regarding the nine years service in Borough and City government.

I would have paid contributions and made my claim if I had ever been notified of my eligibility.

I feel that I am entitled to participate in the Public Employees Retirement program; or is this just a program for the chosen few.

I appreciate anything you can do in this regard.

Sincerely yours,



Fred C. Brechan

FCB:njm  
Enclosures

# STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION  
DIVISION OF RETIREMENT & BENEFITS  
POUCH CR  
JUNEAU, ALASKA 99811  
(907) 465-4463

*HH 580*  
Public Employees Retirement System  
Teachers' Retirement System  
Judicial Retirement System  
Elected Public Officers Retirement System  
National Guard Retirement System  
Territorial Retirement System  
Retirees' Voluntary Dental Vision Audio Plan  
Supplemental Benefits System  
Group Health/Life Insurance Benefits  
Deferred Compensation Plan  
Public Employers Social Security Contributions

*Bill Sheffield, Governor*

January 24, 1984

Mr. Fred Brechan  
P.O. Box 1275  
Kodiak, AK 99615

Dear Mr. Brechan:

This is in reply to your request for information on claiming your nine prior years service as an elected official with Kodiak Island Borough and the Kodiak City Council before January of 1974.

At this time, the PERS statutes do not allow retroactive credit for service prior to January 1, 1981. This was possible if you had made your claim and paid the contributions prior to February 1, 1983. Unfortunately, you missed that deadline and prior elected official service is not currently creditable.

Sincerely,



Sue Palmer  
Retirement Field Representative

SF/je  
20/601/0123-01  
Enclosure

Fred C. Brechan  
BOX 1275  
KODIAK, ALASKA 99615  
(907) 486-3215

HB 580

December 23, 1983

State of Alaska  
Dept. of Administration  
Division of Retirement Benefits  
Pouch CR  
Juneau, Alaska 99811


Attention: Ms. Sue Palmer

Dear Ms. Palmer:

To answer your letter of December 19, 1983, I am not an elected official at present. I am interested in prior service. Enclosed are letters pertaining to my years of service in Borough and City government.

I served two three-year terms on the City Council and one three-year term on Kodiak Island Borough.

Sincerely yours,



Fred C. Brechan  
SS#557-10-0239

FCB:njm  
Enclosure

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16 when the oath of office as an elected official was taken, plus accrued  
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22 not receive credited service under this subsection for any period in  
23 which the elected official or former elected official was receiving a  
24 retirement benefit from the system. An elected official or former  
25 elected official receiving a retirement benefit from the system on  
26 January 1, 1981, is not eligible to claim credited service under this  
27 subsection unless the elected official or former elected official is  
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29 FEBRUARY 1, 1983]. Service as an elected official with an employer

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