

Offered: 5/13/83
Referred: Finance

Original sponsor: Kerttula

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 277 (L&C) am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to benefits under the public em-
7 ployees' retirement system; and providing for an
8 effective date."

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

10 * Section 1. AS 39.35 is amended by adding a new section to read:

11 Sec. 39.35.527. ELECTION TO TERMINATE COVERAGE AS A PEACE OFFI-
12 CER OR FIREMAN. (a) Any active member may elect to irrevocably
13 relinquish peace officer or fireman status with the system and to
14 retain all credited service as if it had been acquired as a member
15 other than a peace officer or fireman.

16 (b) In order to relinquish peace officer or fireman status with
17 the system, a person must be an active member and must file a written
18 request with the administrator by July 1, 1984, or within six months
19 after employment as a peace officer or fireman, whichever occurs
20 later. No person has more than one opportunity to exercise this
21 option.

22 (c) As soon as possible after the relinquishment, the adminis-
23 trator shall refund to a person who relinquishes peace officer or
24 fireman status under this section a refund equal to the amount by
25 which the balance of the person's accumulated mandatory contributions
26 plus interest exceeds the balance which would exist if all service
27 credit had been acquired as a member other than a peace officer or
28 fireman.

29 (d) A written request to relinquish peace officer or fireman

1 status is irrevocable upon filing with the administrator.

2 * Sec. 2. AS 39.35.680(27) is amended to read:

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7 * Sec. 3. AS 39.35.680(32) is repealed.

8 * Sec. 4. A person holding a position as a "qualified employee of the
9 Department of Fish and Game" on the effective date of this Act, continues
10 to accrue service credit as a peace officer under AS 39.35 until

11 (1) that person's employment is terminated with the Department
12 of Fish and Game; or

13 (2) that person elects to irrevocably relinquish peace officer
14 status under AS 39.35.527.

15 * Sec. 5. A person who has not elected to relinquish peace officer
16 status under AS 39.35.527 retains all accrued credit as a peace officer for
17 retirement purposes and accrues retirement credit if employed as a peace
18 officer under AS 39.35.680(27) after the effective date of this Act.

19 * Sec. 6. This Act takes effect immediately in accordance with
20 AS 01.10.070(c).

State of Alaska

Fiscal Note

CSSSSB 277 (L&C)

IV. Analysis:

In this Fiscal Note, with an immediate effective date on the bill, it is assumed that it would affect 300 vacancies for FY 84.

The present value of the projected savings to the State over the next 17 years is \$30 million.

Note:

If there were 400 vacancies affected, the cost savings (in thousands) would be as follows:

<u>FY 84</u>	<u>FY85</u>	<u>FY80</u>	<u>FY87</u>	<u>FY88</u>
\$1031.0	\$1369.0	\$1759.0	\$2209.0	\$2725.0

SENATE LETTER OF INTENT

on CSSSSB 277(L&C) am

The intent of the committee in passing out SSSB 277 is to contain retirement system costs by preventing further proliferation of the police and fire coverage in the Public Employees Retirement System. The additional benefits provided to employees with peace officer coverage, a 20-and-out provision and an enhanced benefit multiplier after ten years of service, do not squarely address the issue of hazardous duty. The 20-and-out provision encourages employees to leave state service earlier and defeats one of the primary objectives of a retirement system. The current peace officer occupational death and disability benefits are the same as for all other employees.

In removing peace officer coverage for future employees of the Department of Fish and Game, this committee does not intend that these employees be deprived of reasonable compensation for hazards undergone in the line of duty. The committee is relying on assurances that the administration will bargain for hazard pay in good faith for all employees, regardless of department, at the table. Additional compensation should be paid only for the time hazard is actually present.

By the Senate Finance Committee.

Adopted in the Senate, May 23, 1983.

The following individuals may testify on SB 277:

Ken Humphries, Director, Division of Retirement &
Benefits, Department of Administration

FISCAL NOTE

REQUEST

Bill/Resolution No.: SSSB 277
 Title: An Act Relating to Benefits Under PERS
 Sponsor: Senator Kerttula
 Requestor: _____

II. FISCAL DETAIL

Agency Affected: Fish & Game
 Program Category Affected: _____
 BRU, Program of Subprogram(s) Affected _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		(232.0)	(510.5)	(842.3)	(1,175.4)	(1698.7)
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		(232.0)	(510.5)	(842.3)	(1235.4)	(1698.7)
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	(180.3)	(396.7)	(654.5)	(959.9)	(1319.9)
FEDERAL FUNDS	(31.5)	(69.4)	(114.5)	(168.0)	(231.0)
OTHER (Specify Source) (Fish & Game Fund)	(20.2)	(44.4)	(73.3)	(107.5)	(147.8)

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

The present value of the projected savings to

ANALYSIS: the State over the next 17 years is \$25 million.

Prepared By: J.K. Humphreys, Director Phone: 465-4460
 Division: Retirement & Benefits Date: 5-5-83

Approved by Commissioner: Lisa Rudd, Commissioner Date: 5-5-83
 Department: Administration

STATE OF ALASKA
FISCAL NOTE

Revision Date 1983

I. REQUEST

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 Sponsor: Senator Kerttula
 Requestor: _____

II. FISCAL DETAIL

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 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		(773.0)	(1090.0)	(1458.0)	(1884.0)	(2374.0)
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		(773.0)	(1090.0)	(1458.0)	(1884.0)	(2374.0)
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	(600.6)	(846.9)	(1132.9)	(1463.9)	(1844.6)
FEDERAL FUNDS	(105.1)	(148.3)	(198.3)	(256.2)	(322.9)
OTHER (Specify Source) (Fish & Game Fund)	(67.3)	(94.8)	(126.8)	(163.9)	(206.5)

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: J.K. Humphreys, Director
 Division: Retirement & Benefits

Phone: 465-4460
 Date: 5-5-83

Approved by Commissioner: Lisa Rudd, Commissioner
 Department: Administration

Date: 5-5-83

Distribution:

- Original: to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

State of Alaska

Fiscal Note

CSSSB 277 (L&C)

IV. Analysis:

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The present value of the projected savings to the State over the next 17 years is \$30 million.

Note:

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STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

POUCH C (MS 0200)
JUNEAU, ALASKA 99811
PHONE: (907) 465-2200

OFFICE OF THE COMMISSIONER

(907) 465-2200

May 13, 1983

Honorable Ramona Barnes
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Barnes:

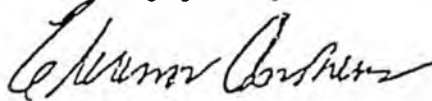
This is in reply to your letter of May 1 regarding peace officer retirement for employees of the Department of Fish and Game.

As you know, two bills (SB 277 and HB 394) have been introduced this session which would foreclose peace officer coverage for future fish and game employees. The Sheffield administration strongly supports these bills and feels that we should close the door on special retirement coverage on the basis of hazardous duty, regardless of the degree of exposure. Hazard pay which is negotiated and monitored continuously along with insurance coverage addresses this situation more appropriately than early retirement with an inducement to leave state service.

The Department of Administration intends to amend the regulation if the legislature does not pass a bill which settles the question. However, even if standards under the regulation were raised drastically it would still leave the question of applying those standards to employees in other departments and granting peace officer coverage in new areas.

I appreciate your concern and ask that you support the bills introduced by Representative Hayes and Senator Kerttula.

Sincerely yours,


for
Lisa Rudd
Commissioner

LR/jb
cc: Representative Joe Hayes
Speaker of the House

SENATE LETTER OF INTENT

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By the Senate Finance Committee.

Adopted in the Senate, May 23, 1983.

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16 (b) In order to relinquish peace officer or fireman status with
17 the system, a person must be an active member and must file a written
18 request with the administrator by July 1, 1984, or within six months
19 after employment as a peace officer or fireman, whichever occurs
20 later. No person has more than one opportunity to exercise this
21 option.

22 (c) As soon as possible after the relinquishment, the adminis-
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24 fireman status under this section a refund equal to the amount by
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9 Department of Fish and Game" on the effective date of this Act, continues
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Introduced: 4/30/83
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and Finance

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