

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

FISCAL DETAIL

Bill/Resolution No.: HCSSB 469 (Finance) Agency Affected: All State Agencies
Title: Allow BIA Service applied to PERS Program Category Affected: PERS

Sponsor: Sackett BRU, Program or Subprogram(s) Affected: _____
Requestor: House Finance _____
Date of Request: 5-25-84 _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		188.0				
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		188.0				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		174.5				
FEDERAL FUNDS		6.5				
OTHER		7.0				
TOTAL		188.0				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: M. Gifford Phone: x3753
Division: Legislative Finance Date: 5-25-84

Approved by Commissioner SENATOR Date: 5-25-84
Agency: Legislature

Distribution (by Agency preparing fiscal note):

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

12/1/83

Original sponsors: Sackett and Ferguson

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 469 (Finance)

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 credited service under the Public
7 Employees' 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 39.35.125(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 [KO]
2 waiver of coverage under (a) of this section is not in effect.

3 * Sec. 2. AS 39.35.360 is amended by adding new subsections to read:

4 (1) An employee who completes three years of credited service
5 with an employer, for which the employee makes contributions required
6 by this chapter, is entitled to credited service on a year-for-year
7 basis for service credited in the Civil Service Retirement System,
8 rendered as an employee of an Alaska Bureau of Indian Affairs (BIA)
9 school, other than service as a teacher. Retroactive credited service
10 under this section must be claimed before the employee retires. When
11 eligibility for retroactive credited service under this section has
12 been established, an indebtedness of the employee to the system shall
13 be established. The amount of this indebtedness is determined by
14 multiplying six percent of the employee's actual annual compensation,
15 or the calculated annual compensation for an employee who works fewer
16 than 12 months, for the most recent calendar year in which service is
17 rendered to an employer before the calendar year in which the employee
18 first becomes eligible to claim service under this subsection, by the
19 number of years of service in Alaska BIA schools that is credited
20 under this subsection. Interest as prescribed by regulation accrues
21 on the indebtedness beginning on the date the employee may first claim
22 the retroactive credited service. Any outstanding indebtedness that
23 exists at the time the employee retires requires an actuarial adjust-
24 ment to the benefits that are based on retroactive credited service
25 under this section. Service may not be claimed under this subsection
26 and benefits may not be paid for service claimed under this subsection
27 if the employee has, at any point in time, enough service credit in
28 the Civil Service Retirement System to be eligible for a retirement
29 benefit under that system.

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(j) An employee who has not completed three years of credited service with an employer may claim credited service as an employee of an Alaska Bureau of Indian Affairs (BIA) school, other than service as a teacher under (i) of this section if, on the date of transfer of the Alaska BIA school to the state, the employee is employed at the school and needs fewer than three additional years of continuous full-time employment for normal retirement in the federal Civil Service Retirement System, and the employee completes a period of service with an employer, for which the employee makes contributions required by this chapter, equal to the additional period of service that would have been required for that employee's normal retirement under the federal Civil Service Retirement System. An employee who claims credited service under this subsection must provide federal government verification of the employee's federal Civil Service Retirement System status when the claim is filed.

* Sec. 3. Section 1 of this Act takes effect July 1, 1984.

* Sec. 4. Section 2 of this Act takes effect immediately in accordance with AS 01.10.070(c).

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

(Page 1 of 2)

REQUEST

FISCAL DETAIL

Bill/Resolution No.: HCSSB 469 Agency Affected: All State Agencies

Title: "An Act allowing BIA service in PERS" Program Category Affected: PERS

Sponsor: Sackett

BRU, Program or Subprogram(s) Affected: _____

Requestor: _____

Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 Personal Svcs						
100 Rtmnt & Rfts	-0-	141.0	141.0	141.0	141.0	141.0
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	141.0	141.0	141.0	141.0	141.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

General Fund		127.5	127.5	127.5	127.5	127.5
Federal Funds		6.5	6.5	6.5	6.5	6.5
Other		7.0	7.0	7.0	7.0	7.0
Total		141.0	141.0	141.0	141.0	141.0

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 *J. K. Humphreys* Phone: 465-4460
Division: Retirement & Benefits Date: 3-27-84

Approved by Commissioner: Lisa Rudd *L. Rudd* Date: 3/28/84
Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

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

CSSB 469
Fiscal Note Analysis
Prepared by the Division of Retirement & Benefits
Department of Administration

March 27, 1984

IV Analysis: This bill would allow all PERS members who complete 3 years of credited service to claim credit for service rendered as an uncertified employee of BIA schools provided they have never had sufficient service credit in the Federal Civil Service Retirement System to be eligible to receive a benefit in that system. Eligible BIA school employees who were within 3 years of normal retirement in the federal system could claim federal service with less than 3 years of credited service.

The cost of this bill will be borne by all PERS employers, Political Subdivisions as well as the State. The individual employer contribution will increase on an average of .03%. The total cost to the Political Subdivision employers is estimated be as follows:

<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>
100.3	100.3	100.3	100.3	100.3

The total present value of the costs of this bill to all employers is \$2.5 million.

This bill would reduce the PERS funding ratio by .3%.

Alaska State Legislature

SENATOR
John C. Sackett

CO-CHAIRMAN
SENATE FINANCE COMMITTEE

MEMBER
COMMUNITY & REGIONAL AFFAIRS COMMITTEE
LABOR & COMMERCE COMMITTEE
BUDGET & AUDIT COMMITTEE
REGULATION REVIEW COMMITTEE



Senate

HOME ADDRESS
P.O. BOX 11
RUBY, ALASKA 99768

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
TELEPHONE 465-3753

Wednesday, May 16, 1984

MEMORANDUM

TO: All Members of the Senate

FROM: Senator John Sackett *JCS*

Re: CSSB-469 (State Affairs) an Act relating to credited service under the Public Employees' Retirement System; and providing for an effective date.

Attached are:

- 1) bill analysis
- 2) DOA/Retirement and Benefits Position Paper Supporting CSSB-469 (St. Affairs)
- 3) Memo from Sen. Sackett to Sen. Rules with brief explanation of bill
- 4) CSSB-469(SA) FISCAL NOTE and department analysis
- 5) copy of AS 39.35.360, Public Officers and Employees, Earlier Service (SB-469 adds new subsections (i) and (j) to statutes
- 6) memo from Sen. Vic Fischer to members of Sen. Finance explaining State Affairs CS for SB-469, and detailing NEW FISCAL NOTE of \$141.0 t

In short, this bill permits BIA non-certificated employees who transfer into the PERS program, as a result of the BIA school transfers into the public school system, to credit their BIA service after three years under PERS if they are not eligible for civil service retirement.

SB-469

BILL ANALYSIS

CSSB 469 (State Affairs),

BIA credited service under PERS.

Original Sponsor: Senators Sackett and Ferguson

Fiscal Note: \$141,000

(of which \$127,500 are from the general fund)

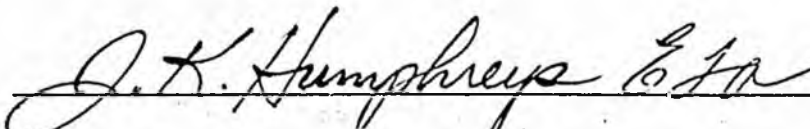
(The total cost to all PERS political subdivision employees is estimated at \$100,300 per year)

Former BIA teachers who transfer to state employment when the schools transfer are already provided for. This bill addresses the non-teachers who are not eligible for a Civil Service Retirement. - If they are not eligible for federal retirement and have paid into PERS for 3 years they can have their BIA years credited to PERS under the formula of 6% times the most recent 12 months times the number of BIA years of service. If such an employee is closer to normal retirement than 3 years, he does not have to meet the 3 year test.

Position Paper


CSSB 469

The department supports this bill. This bill would provide relief for those noncertificated BIA school employees who have "fallen through the cracks" regarding retirement benefits as a result of the federal government transfer of the BIA schools to the State. This bill would allow those covered members who satisfy a membership requirement to establish an indebtedness to the system for federal BIA school service if they do not qualify for a federal benefit.



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

5/7/84
Date



Lisa Rudd, Commissioner, Department of Administration

5-11-84
Date

Alaska State Legislature

SENATOR
John C. Sackett

CO-CHAIRMAN
SENATE FINANCE COMMITTEE

MEMBER
COMMUNITY & REGIONAL AFFAIRS COMMITTEE
LABOR & COMMERCE COMMITTEE
BUDGET & AUDIT COMMITTEE
REGULATION REVIEW COMMITTEE



Senate

HOME ADDRESS
P.O. BOX 11
RUBY, ALASKA 99768

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
TELEPHONE 465-3753

May 15, 1984

MEMORANDUM

TO: Senator Jan Faiks
Senate Rules Committee Chair

FROM: Senator John Sackett *J. Sackett*

RE: CSSB 469 (State Affairs), credited PERS Service for BIA employees

I request that you schedule CSSB 469 (State Affairs) for the Senate Calendar. As you may recall from our consideration of the bill in the Finance Committee, it addresses non-teaching BIA employees who transfer from federal to state employment when the BIA schools so transfer. BIA teachers in this situation already have their retirement provided for.

As a result of this bill BIA non-teachers who are not eligible for a federal Civil Service Retirement would be eligible to have their BIA years credited to the state PERS if they have paid into PERS for 3 years or if the employee is closer to normal retirement than 3 years. The bill also establishes a formula by which to calculate the indebtedness on these transferred years of credit.

The bill was reworked several times to get it to this version in order to reduce the fiscal note as much as possible while still meeting the retirement needs of former BIA employees who may have been otherwise harmed by the transfer of these schools to state operation. I hope your committee will look favorably on this bill and calendar it as soon as possible. My staff will be happy to provide any further information that you may desire.

WITNESSED AND SUBMITTED

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

(Page 1 of 2)

<u>REQUEST</u> Bill/Resolution No.: <u>CSSB 469</u> Title: <u>"An Act allowing BIA service in PERS"</u> Sponsor: <u>Sackett</u> Requestor: _____ Date of Request: _____	<u>FISCAL DETAIL</u> Agency Affected: <u>All State Agencies</u> Program Category Affected: <u>PERS</u> BRU, Program or Subprogram(s) Affected: _____
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EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 Personal Svcs						
100 Rtmnt & Bnfts	-0-	141.0	141.0	141.0	141.0	141.0
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	141.0	141.0	141.0	141.0	141.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

General Fund		127.5	127.5	127.5	127.5	127.5
Federal Funds		6.5	6.5	6.5	6.5	6.5
Other		7.0	7.0	7.0	7.0	7.0
Total		141.0	141.0	141.0	141.0	141.0

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 *J. K. Humphreys* Director *2/27/84* Phone: 465-4460
 Division: Retirement & Benefits Date: 3-27-84

Approved by Commissioner: Lisa Rudd *LJR* Date: 3/28/84
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Fiscal Note

CSSB 467
Fiscal Note Analysis
Prepared by the Division of Retirement & Benefits
Department of Administration

March 27, 1984

IV Analysis: This bill would allow all PERS members who complete 3 years of credited service to claim credit for service rendered as an uncertified employee of BIA schools provided they have never had sufficient service credit in the Federal Civil Service Retirement System to be eligible to receive a benefit in that system. Eligible BIA school employees who were within 3 years of normal retirement in the federal system could claim federal service with less than 3 years of credited service.

The cost of this bill will be borne by all PERS employers, Political Subdivisions as well as the State. The individual employer contribution will increase on an average of .03%. The total cost to the Political Subdivision employers is estimated be as follows:

$\frac{\text{FY 85}}{100.3}$	$\frac{\text{FY 86}}{100.3}$	$\frac{\text{FY 87}}{100.3}$	$\frac{\text{FY 88}}{100.3}$	$\frac{\text{FY 89}}{100.3}$
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The total present value of the costs of this bill to all employers is \$2.5 million.

This bill would reduce the PERS funding ratio by .3%.

(h) The combined period of military service claimed under this section and under AS 14.25 may not exceed five years. (§ 15 ch 143 SLA 1960; am § 1 ch 123 SLA 1976; am § 29 ch 128 SLA 1977; am § 6 ch 174 SLA 1978; am §§ 31 — 36 ch 13 SLA 1980; am § 46 ch 137 SLA 1982)

Effect of amendments. — The 1982 amendment substituted "benefits under AS 39.35.420(b), 39.35.430, or 39.35.440" for "a surviving spouse's pension under AS 39.35.440" in the first sentence of subsection (g).

Editor's notes. — This section was redrafted by the revisor of statutes to remove personal pronouns in conformity with AS 01.05.031(c) and § 4, Chapter 58, SLA 1982.

Sec. 39.35.350. Reinstatement of credited service. (a) An employee who receives a refund of contributions in accordance with AS 39.35.200 forfeits corresponding credited service under this chapter.

(b) An employee may reinstate credited service associated with a refund by repaying the total amount of the refund. Interest will accrue from the date of the refund until repayment of the refund or retirement, whichever occurs first. Payments will apply first to accrued interest and then to principal.

(c) Any outstanding indebtedness that exists at the time an employee is appointed to retirement will necessitate an actuarial adjustment to the benefits payable based on service reinstated under this section. (§ 16 ch 143 SLA 1960; am § 3 ch 235 SLA 1968; am § 2 ch 81 SLA 1976; am § 30 ch 128 SLA 1977; am § 84 ch 59 SLA 1982; am § 47 ch 137 SLA 1982)

Effect of amendments. — The first 1982 amendment inserted "credited" in subsection (a).

The second 1982 amendment substi-

tuted the present provisions of subsection (c) for the provisions set out in the main pamphlet.

Sec. 39.35.360. Earlier service. (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, 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, 1900. The retirement benefits payable to an employee under this section shall be reduced by the amount of the retirement pension benefits paid to the employer by the United States government for the same period of service.

(b) An employee who, under (a) of this section, is entitled to credited service for employment before January 1, 1961, is not required to make retroactive contributions under this chapter.

(c) Repealed by § 41 ch 146 SLA 1980.

(d) Repealed by § 2 ch 26 SLA 1974.

(e) An employee of a detention facility provided by a local government unit to the territorial or state government under AS 33.30.060, who continues in state employment upon transfer of the facility to the state, is entitled to credited service for his prior service with the facility if the employee remains in continuous employment with the state until July 1, 1976. To obtain credited service the employee is required to make retroactive contributions for the period of service between January 1, 1961 and the effective date of the transfer of the facility to the state.

(f) A surviving spouse receiving or entitled to receive a surviving spouse's pension under AS 39.35.440 or benefits under a joint and survivor option filed under AS 39.35.450 is eligible for increased benefits for any service credit authorized under (a) of this section, but not claimed or authorized by law before the employee's death.

(g) An employee is eligible to receive up to 10 years of credited service for service rendered before July 1, 1979, as a temporary employee of the legislature of the state or territory during legislative sessions. To receive retroactive credited service under this subsection, an employee must claim the service before July 1, 1980. When the employee claims the 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 these contributions may not be less than the rate in effect on January 1, 1961. Interest as prescribed by regulation accrues on this indebtedness beginning July 1, 1980. Any outstanding indebtedness which exists at the time the employee retires will require an actuarial adjustment to the benefits which are based upon retroactive credited service under this subsection.

(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 outstanding indebtedness which exists at the time the

Senator Vic Fischer

(907) 465-4954

Alaska State Legislature
Pouch V • Juneau, Alaska 99811 • (907) 465-4954



MEMORANDUM

TO: Members, Senate Finance Committee
FROM: Senator Vic Fischer *[Signature]*
RE: CSSB 469 Credited PERS service for BIA employees
DATE: May 2, 1984

SB 469 allows BIA school employees who are not teachers to obtain credited service under the Public Employees Retirement Service when BIA schools are transferred to the state. Only BIA employees who are not eligible for federal retirement benefits will be made eligible for benefits under PERS. (Teachers in the BIA schools will be covered under TRS when the schools are transferred.)

BIA employees would also be able to receive higher PERS retirement benefits by making contributions to the system for their past years of BIA employment. The bill outlines the rate of employees' indebtedness to PERS based on the amount an employee would have paid into PERS had the employee been contributing for the total number of years of BIA employment. In the event that the Federal Government transfers the money in the Civil Service Retirement Account to the State, the amount of the employees' indebtedness will be substantially decreased, and the indebtedness will then not be calculated by the formula outlined in the bill.

The State Affairs CS also provides that those noncertified BIA employees within 3 years of retirement at the time of the transfer will not have to fulfill the three year vesting period and will be eligible for retirement at the normal retirement age.

Fiscal information

SB 469	FY '85	\$2,490.5 thousand
CSSB 469 (State Affairs)	FY '85	704.8 thousand
		\$141.0 THOUSAND (3/28/84)

The difference in cost is due to (1) clarifying language in the CS which defines the scope of those eligible for the bill as BIA employees who work for the school and who are not teachers, and (2) restricting the eligibility of retirement benefits to those employees who will not be eligible for benefits under the federal system.

Offered: 3/30/84
Referred: Finance

Original sponsors: Sackett and Ferguson

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SENATE BILL NO. 469 (State Affairs)
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 credited service under the Public
7 Employees' 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 39.35.360 is amended by adding new subsections to read:
11 (i) An employee who completes three years of credited service
12 with an employer, for which the employee makes contributions required
13 by this chapter, is entitled to credited service on a year-for-year
14 basis for service credited in the Civil Service Retirement System,
15 rendered as an employee of an Alaska Bureau of Indian Affairs (BIA)
16 school, other than service as a teacher. Retroactive credited service
17 under this section must be claimed before the employee retires. When
18 eligibility for retroactive credited service under this section has
19 been established, an indebtedness of the employee to the system shall
20 be established. The amount of this indebtedness is determined by
21 multiplying six percent of the employee's actual annual compensation,
22 or the calculated annual compensation for an employee who works fewer
23 than 12 months, for the most recent calendar year in which service is
24 rendered to an employer before the calendar year in which the employee
25 first becomes eligible to claim service under this subsection, by the
26 number of years of service in Alaska BIA schools that is credited
27 under this subsection. Interest as prescribed by regulation accrues
28 on the indebtedness beginning on the date the employee may first claim
29 the retroactive credited service. Any outstanding indebtedness that

1 exists at the time the employee retires requires an actuarial adjust-
2 ment to the benefits that are based on retroactive credited service
3 under this section. Service may not be claimed under this subsection
4 and benefits may not be paid for service claimed under this subsection
5 if the employee has, at any point in time, enough service credit in
6 the Civil Service Retirement System to be eligible for a retirement
7 benefit under that system.

8 (j) An employee who has not completed three years of credited
9 service with an employer may claim credited service as an employee of
10 an Alaska Bureau of Indian Affairs (BIA) school, other than service as
11 a teacher under (i) of this section if, on the date of transfer of the
12 Alaska BIA school to the state, the employee is employed at the school
13 and needs fewer than three additional years of continuous full-time
14 employment for normal retirement in the federal Civil Service Retirement
15 System, and the employee completes a period of service with an
16 employer, for which the employee makes contributions required by this
17 chapter, equal to the additional period of service that would have
18 been required for that employee's normal retirement under the federal
19 Civil Service Retirement System. An employee who claims credited
20 service under this subsection must provide federal government
21 verification of the employee's Federal Civil Service Retirement System
22 status when the claim is filed.

23 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
24 10.070(c).

Introduced: 2/13/84
Referred: State Affairs
and Finance

1 IN THE SENATE

BY SACKETT AND FERGUSON

2

SENATE BILL NO. 469

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 credited service under the Public
7 Employees' 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 39.35.360 is amended by adding a new subsection to
11 read:

12 (i) An employee who completes three years of credited service
13 with an employer, for which the employee makes contributions required
14 by this chapter, is entitled to credited service for service rendered
15 as a noncertificated Alaska Bureau of Indian Affairs (BIA) employee.
16 Retroactive credited service under this section must be claimed before
17 the employee retires. When an employee claims retroactive credited
18 service under this section, an indebtedness of the employee to the
19 system shall be established. The amount of this indebtedness is equal
20 to the contributions the employee would have made if the employee had
21 been eligible for membership in the system while the employee was a
22 noncertificated Alaska BIA employee. The rate used to calculate the
23 contributions may not be less than the rate in effect on January 1,
24 1961. Interest as prescribed by regulation accrues on the indebted-
25 ness beginning on the date the employee may first claim the retroac-
26 tive credited service. Any outstanding indebtedness that exists at
27 the time the employee retires requires an actuarial adjustment to the
28 benefits that are based on retroactive credited service under this
29 section. Benefits payable under this subsection for noncertificated

1 Alaska BIA service shall be reduced by an amount equal to the retire-
2 ment benefits paid to the employee by the United States government for
3 the same service.

4 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
5 10.070(c).