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Introduced: 1/18/83
Referred: Labor & Commerce, State
Affairs and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
COUNCIL (for the Blue
Ribbon Commission on the
State Personnel Act)

1 IN THE HOUSE

2

HOUSE BILL NO. 53

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act prohibiting duplicate teachers' retirement
7 benefits for Alaska BIA service."

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

9 * Section 1. AS 14.25.107 is amended to read:

10 Sec. 14.25.107. CREDIT FOR ALASKA BIA SERVICE. A member who
11 joins the system on or after July 1, 1978, who has Alaska BIA service
12 may claim all of that service as credited service. [A RETIREMENT
13 BENEFIT PAYABLE UNDER THIS CHAPTER FOR ALASKA BIA SERVICE SHALL BE
14 REDUCED BY AN AMOUNT EQUAL TO THE RETIREMENT BENEFITS PAID TO THE
15 MEMBER BY THE UNITED STATES GOVERNMENT FOR THE SAME SERVICE.]

16 * Sec. 2. AS 14.25.169 is amended to read:

17 Sec. 14.25.169. DUPLICATE BENEFITS. (a) If payments from this
18 retirement system are due to a teacher or to the teacher's spouse
19 under more than one provision of this plan, the teacher or spouse
20 shall elect under which provision and which benefit the teacher or
21 spouse wishes to receive and no payments may be made under any other
22 provision. However, benefits under AS 14.25.155, 14.25.157, 14.25.-
23 160, 14.25.162, 14.25.164, and 14.25.167 shall be paid in addition to
24 those benefits or that service credit a person is entitled to receive
25 because of the person's own membership in the retirement system.

26 (b) A teacher may not receive

27 (1) duplicate credit under this system for the same period
28 of service,

29 (2) more than one year of service credit in the course of a

1 school year, or

2 (3) a benefit while accruing service credit under this
3 system, except as provided in this section.

4 (c) A retirement benefit payable under this chapter for Alaska
5 BIA service shall be reduced by an amount equal to the retirement
6 benefits paid to the member by the United States government for the
7 same service. Before appointment to retirement under this chapter,
8 and once each year thereafter, the administrator may require a member
9 who has received credit for Alaska BIA service under AS 14.25.107 to
10 produce verification of the benefit amount the member is receiving
11 from the United States government for that same service or verifica-
12 tion that the member is not entitled to receive a benefit from the
13 United States government for that same service.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 11, 1983

SUBJECT: Duplicate teachers' retirement benefits for
Alaska BIA service (HB 57)

TO: Representative Mitchell E. Abood, Jr.
Chairman, House State Affairs Committee

FROM: James H. Lear
Legislative Counsel *JHL*

You have asked our office to provide, if appropriate, a committee substitute for House Bill 53 (An Act prohibiting duplicate teachers' retirement benefits for Alaska BIA service) that would modify page 2, line 5, by inserting "under AS 14.25.107" after the word "service". In the opinion of this office that change would be unnecessary and also misleading.

The word "service" on that line is used to describe the basis for "A retirement benefit payable under this chapter". AS 14.25.107 merely addresses the fact that credit for Alaska BIA service may be claimed. By inserting the qualifying phrase "under AS 14.25.107", you would mislead the reader by having the reader expect to find under AS 14.-25.107 detailed provisions as to what constitutes Alaska BIA service.

It is helpful to note that the sentence in which the suggested modification would appear is being transferred from AS 14.25.107 because the section pertains to credit for service while the transferred sentence pertains to duplicate benefits. As the sentence appears in AS 14.25.107 there is no equivalent language such as "under this section" following the word "service" as one might expect to find if it were necessary and appropriate to make the suggested modification.

If you have any questions, do not hesitate to contact our office.

JHL:ljb

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ANCHORAGE, ALASKA 99501
(907) 274-2843

IN SESSION:
POUCH V
JUNEAU, ALASKA 99811
(907) 485-4983

Alaska State Legislature



Representative Mitch Abood
CHAIRMAN

House Committee on State Affairs

AGENDA

DATE: 4/29/83

TIME: 1:00 P.M., ROOM 102

- I. CALL THE MEETING TO ORDER
 - A. NOTE THE COMMITTEE MEMBERS PRESENT AND WELCOME THOSE OBSERVING THE MEETING.
 - B. REMIND THOSE WHO HAVE NOT SIGNED-IN TO DO WHO WISH TO TESTIFY, AND REMIND THOSE GIVING TESTIMONY TO SPEAK UP AND STATE THEIR NAME, ADDRESS AND PHONE NUMBER BEFORE TALKING.
- II. ANNOUNCE LEGISLATION UNDER CONSIDERATION:

hb 53 - an act prohibiting duplicate teacher's retirement benefits for alaska BIA services

hb 369 - an act relatın to credited service under the public emp. retirement system

HB 51 - an act limited the adjustment of retirement benefits.

OTHER NOTES OR REMINDERS:



JUNEAU, ALASKA

Alaska State Legislature

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

Senator Bill Ray, Chairman

Pouch YG
Mail Stop 3123
Juneau, Alaska 99811
(907) 465-4412

MEMORANDUM

April 25, 1983

TO: House State Affairs Committee

FROM: Teresa B. Cramer *Teresa B. Cramer*
Administrative Assistant

SUBJECT: House Bill 53 - Prohibiting Duplicate Teachers' Retirement Benefits for Alaska BIA Service

The Blue Ribbon Commission heard testimony from the Division of Retirement and Benefits that a loophole exists in the Teachers' Retirement System statutes which permit receiving TRS credited service for federal employment in Alaska BIA schools. Teachers who qualified for federal retirement from a BIA school and who then worked for the state in a position covered by the Teachers' Retirement System could receive benefits for the same years of service from each system.

Under TRS, teachers may receive credit for Alaska BIA service by contributing 7% of their entry TRS salary for each year of BIA service to be credited. The law provides that state retirement benefits for Alaska BIA service will be reduced by the amount received from the federal government for the same service. However, this is verified only at the time of applying for retirement.

Credit from both retirement systems is possible if the teacher who has worked for both employers buys TRS credited service for BIA employment and takes a lump sum payment of his or her federal retirement contributions before retiring from the state. At the time of state retirement, the teacher reports being eligible to receive no federal retirement benefits for Alaska BIA service. After establishing state benefits, the teacher could repay the lump sum to the federal government and claim a federal retirement. The teacher would then be drawing from two retirement systems for the same period of service.

The commission recommends that language be added to the TRS statutes to permit the Division of Retirement to require retired members to verify annually any federal benefits received for Alaska BIA service.

Bill Analysis

Page 1
Line 9

The first section of the bill deletes material concerning treatment of duplicate benefits from the current authorization for claiming BIA service.

Page 2 The language deleted in section 1 is moved to AS 14.25.169
Line 4 by the second section of the bill.

Line 7 Section 2 also provides authorization for the Division of
Retirement and Benefits to request annual verification of
the amount of any federal retirement benefits for Alaska
BIA service for which state benefits are also received.

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits
 Program Category Affected Labor Services and Elementary & Secondary Education
 BRU, Program, Or Subprogram(s) Affected TRS
 (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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-			

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

There will be no costs or savings as a result of this bill as it contains a change in language of the statute which is procedural and the effect is the same; that is a benefit payable for Alaska BIA service must be offset by any benefits paid by the federal government for the same service.

IV. DATE 1/31/83

PREPARED BY

J.K. Humphreys, Jr.
 J.K. Humphreys, Director

AGENCY

Division of Retirement & Benefits

PHONE

465-4460

Original: Legislative Finance
 cc: Budget and Management

Prime Sponsor (First Legislator Named)

Rules Committee

33-001 (Rev. 12/82)

