

# COMMITTEE REPORT

## SENATE

FURTHER:

5/13/83

Date: 5/16/83

Mr. President:

The Committee on FINANCE has had SS SB 277

Benefits under the public employees' retirement system; eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for SS SB 277 (LFC)  same title  
 new title
- and recommends to pass
- AND attaches a "Letter of Intent"  New Fiscal Note  
5/5/83 (773.0)
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]  
[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
\_\_\_\_\_  
CHAIRMAN  
[Signature]

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)

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:

3 (27) "peace officer" or "fireman" means an employee occupy-  
4 ing a position as a peace officer, chief of police, correctional  
5 officer, correctional superintendent, [QUALIFIED EMPLOYEE OF THE DE-  
6 PARTMENT OF FISH AND GAME,] fireman, or fire chief;

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 June 30, 1983, continues to accrue service  
10 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 June 30, 1983.

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

Draft Letter of Intent on SSSB 277

Senate Finance Committee

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.

5/16/83

STATE OF ALASKA  
FISCAL NOTE

Revision Date 1983

I. REQUEST

Bill/Resolution No.: CCSSSB 277 (L&C)  
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
<b>OPERATING</b>						
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						
<b>TOTAL OPERATING</b>		(773.0)	(1090.0)	(1458.0)	(1884.0)	(2374.0)
<b>CAPITAL</b>						
<b>REVENUE</b>						

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:

*J. K. Humphreys*

IV. ANALYSIS: Attach a separate page for any Analysis

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

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

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

# STATE OF ALASKA

## DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

POUCH CR

JUNEAU, ALASKA 99811

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 Employees Social Security Contributions

Bill Sheffield, Governor

907 (455-4462)

March 21, 1983

Honorable Richard I. Eliason  
Alaska State Legislature  
Pouch.V  
Juneau, AK 99811

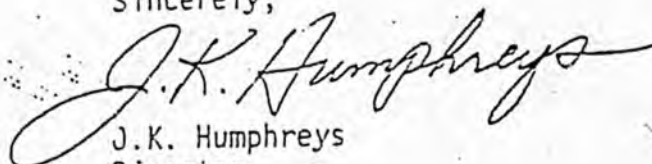
Dear Senator Eliason:

This is in response to your conversation of March 14, 1983 with John Logan, Deputy Director of the Division of Retirement and Benefits, in which you asked for specific information regarding peace officer coverage in the Public Employees' Retirement System (PERS) for Department of Fish and Game Employees.

1. How many positions are in the Department of Fish and Game? 1827.
2. How many positions in the Department of Fish and Game have peace officers coverage in PERS? Approximately 1500.
3. How many positions in the Department of Fish and Game had peace officer coverage prior to the promulgation of 2 AAC 30.010, Qualified Fish and Game Employees? Approximately 750.
4. Since March 21, 1982, the effective date of the regulation, how many requests for peace officer coverage under the regulation have been received from the Department of Fish and Game? The Department of Fish and Game have sent six memorandums requesting that peace officer coverage be granted to approximately 1400 positions. This figure includes most of the positions that already had peace officer coverage.
5. Since the effective date of the regulation, how many positions have been denied the coverage? One.

If you have additional questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "J.K. Humphreys". The signature is written in dark ink and is positioned above the typed name and title.

J.K. Humphreys  
Director

JKH/sd

cc: Eleanor Andrews






Alaska Public  
Employees Association

**APEA**

State Headquarters: 340 N. Franklin, Juneau, AK 99801 (907) 586-2334

TO: Senator Eliason, Chairman  
Labor and Commerce Committee

FROM: Cherie Shelley   
Executive Director

SUBJECT: SSSB 277

DATE: May 10, 1983

The Alaska Public Employees Association opposes the provision of SSSB 277 which would remove qualified employees of the Department of Fish and Game from eligibility in the peace officers retirement system. As a group, these employees have one of the highest on-the-job fatality counts of any group of employees currently covered by the system.

The Division of Retirement and Benefits has the authority to establish eligibility guidelines for Fish and Game employees. If the current guidelines are viewed as too liberal, the Division of Retirement can propose changes to conform to the legislative intent of the law.

The elimination of the peace officer retirement system option from all Fish and Game employees is not warranted. The duties associated with many of these positions involve a substantial degree of risk under hazardous conditions.

This provision of the retirement code was intended to acknowledge those occupations which involve hazardous conditions and life-threatening situations. The stressful nature and physical demands of these positions limit the length of service which can reasonably be expected from an employee.

Participation in the peace officers retirement system is a well deserved acknowledgement for a job well done.

CS/rb

Fairbanks Field Office  
825-D College Road  
Fairbanks, AK 99701  
Telephone: (907) 456-5412

Anchorage Field Office  
833 Gambell Street, Suite A  
Anchorage, AK 99501  
Telephone: (907) 274-1688

Juneau Field Office  
227 4th Street  
Juneau AK 99801  
Telephone: (907) 586-6305

PEACE OFFICER AND FIREMAN

Benefits Payable Under Pre-July 1, 1976 Law

1. Benefits payable if member was hired prior to 7/1/76 and surviving spouse elects pre-7/1/76 coverage.
2. The Base Benefit is equal to monthly compensation of the deceased member at the time of death.
3. Benefits commence the first of the month following the death of the employee.
4. The Cost of Living Allowance, if applicable, is equal to \$50.00 or 10% of the monthly base benefit, whichever is greater.
5. If surviving spouse remarries or dies, benefit is paid to eligible dependent children.
6. The benefit changes to normal retirement benefit on the date the deceased member, had he lived, would be eligible for a normal retirement benefit, 20 years credited service or age 55.
7. The survivor's benefit is offset by any Workers' Compensation benefits which are payable to the survivors and attributable to the employer.

ALL OTHER CATEGORY

1. Benefits payable if member was hired prior to 7/1/76 and surviving spouse elects pre-7/1/76 coverage.
2. The Base Benefit is equal to a 75% Joint and Survivor Benefit, based on the credited service that the member would have accrued through age 60, (age 55 if hired on or after 7/1/75).
3. Benefits commence the first of the month following the death of the employee.
4. The Cost of Living Allowance, if applicable, is equal to \$50.00 or 10% of the monthly base benefit, whichever is greater.
5. If surviving spouse remarries or dies, benefit is paid to eligible dependent children.
6. The benefit changes to normal retirement benefit on the date the deceased member, had he lived, would be eligible for a normal retirement benefit, 30 years credited service or age 60 (55 if hired on or after 7/1/75).
7. The survivor's benefit is offset by any Workers' Compensation benefits which are payable to the survivors and attributable to the employer.

PEACE OFFICER, FIREMAN & ALL OTHER CATEGORY

Benefits Payable Under Post-July 1, 1976 Law

1. To be eligible, the surviving spouse must be named as the sole primary beneficiary.
2. Base Benefit is equal to 40% of monthly compensation at the time of death.
3. Benefits commence the first of the month following the death of the employee.
4. The Cost of Living Allowance, if applicable, is equal to \$50.00 or 10% of the base benefit, whichever is greater.
5. The surviving spouse may remarry and still continue to receive benefits.
6. If the surviving spouse dies, the benefit is paid to eligible dependent children.
7. The survivor's benefit changes to a normal retirement benefit on the date the deceased member, had he lived, would be eligible for a normal retirement benefit, 20 years or age 55.
8. The survivor's benefit is not offset by Workers' Compensation benefits.
9. If there is no surviving spouse, benefits as listed in numbers 2, 4 and 7 would be payable to the dependent children.
10. If there is no dependent children, or if the member named someone other than the surviving spouse or dependent children to receive benefits, then a lump sum death benefit is payable, which is:

Refund of Contributions & Interest  
Refund of Indebtedness Principle & Interest, if any  
Lump Sum benefit of \$1,000.00  
\$100 X total years of credited service

STATE OF ALASKA  
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

April 30, 1983

SUBJECT: Retirement  
(SB 277)

TO: Senator Richard I. Eliason  
Chairman, Senate Labor and  
Commerce Committee

FROM: Billy G. Berrier *BGB*  
Director  
Division of Legal Services

You have asked whether in our opinion SB 277 poses constitutional questions. In my opinion it does not.

The effect of the bill is to narrow coverage of the special peace officer and fireman provisions of the Public Employees Retirement System (AS 39.25) for persons employed after the effective date of the Act and to allow persons who are eligible for those benefits to termination at their election.

These special provisions offer additional benefits and require higher contributions.

Section 7 of Article XII of the Constitution of the State of Alaska Provides:

RETIREMENT SYSTEM. Membership in employee retirement systems of the State or its political subdivisions shall constitute a contractual relationship. Accrued benefits of these systems shall not be diminished or impaired.

This contractual right arises however only on employment (State ex rel Hammond v. Allen, 625 P.2d 844 (Alaska 1981); and Hammond v. Hoffbeck, 327 P.2d 1052 (Alaska 1981)).

Hammond v. Hoffbeck involved amendments to the peace officer and fireman provision of PERS which the peach officers alleged were unconstitutional. In that case the Court held:

We therefore hold that benefits under PERS are in the nature of deferred compensation and that the right to such benefits vests immediately upon an employee's enrollment in that system.

and went on to elaborate holding:

These principles require division of all public safety employees into three distinct groups: those who were employed before the effective date of the legislation in issue here and whose rights to benefits were diminished by the changes made; those who were employed before that date but who elect to be covered by the new legislation; and those who began their employment only after this legislation became effective. It is clear that the changes made in PERS did not unconstitutionally diminish any vested rights of the members of the third group; as appellants point out, repeal of the old provisions made it impossible for the rights of employees hired on or after July 1, 1976, to vest under those provisions. As to the third group, then, the changes made in PERS are not violative of Art. XII, sec. 7. We therefore reverse the superior court insofar as it held that the 1976 amendments were prospectively invalid. We also hold that, as to the second group -- which includes those public safety employees enrolled before July 1, 1976, who wish to be covered by the new legislation -- the 1976 amendments were valid. Our interpretation, then, renders the 1976 amendments considered here constitutional except as to public safety employees hired before July 1, 1976, who opt to receive benefits under the system in effect at the time they were hired.

SB 277 has provisions for continuing in the system of all employees who were eligible on the effective date of the Act. It therefore only affects people hired after the effective date of the Act (the third category in the Court's analysis) and those who elect to change coverage (the second category).

In my opinion under the case law no constitutional question arises since there is no effect on vested rights.

BGB:ljb  
17/011

# 20-year rule may be on way out

## Fish and Game employees may lose early state retirement plan

By DEBBIE REINWAND ROSE  
Empire Staff Reporter

It's an ideal retirement program. A qualified Department of Fish and Game employee works for 20 years, retires and receives a hefty state retirement check each month.

If this retirement plan sounds too good to be true, don't be surprised. It may be just that, if lawmakers and the Sheffield administration push through proposed changes to limit the program.

In a letter to Administration Commissioner Lisa Rudd, Sen. Don Bennett, R-Fairbanks, laid out the concerns of a Finance subcommittee regarding the cost of this program.

The legislative intent of the plan, commonly known as "20 years-and-out," was to cover peace officers who find themselves in "hazardous conditions" daily.

It was also intended that a "limited number" of Fish and Game employees, who face hazardous conditions, be included in the plan, Bennett said.

Currently, about 70 percent of the 800 full-time Fish and Game employees and another 800 seasonal employees are in the 20 years-and-out system because of regulations put together by the Department of Administration approximately a year ago.

To qualify for the peace officer benefits plan, which Bennett said now covers "virtually every non-clerical employee" in the

department, a person must perform a "significant amount of field work, travel or exposure to hazardous working conditions."

However, the regulations define a "significant amount" as 5 percent or more of the employee's time — a definition some lawmakers have termed "a joke."

Hazardous working conditions are further defined as aerial surveys in small aircraft, working on vessels on the open sea, travel in small skiffs over open water and conducting stream surveys "or other work where contact with dangerous wild animals is likely."

"If the last three conditions of the regulation were applied to Alaskans who engage in subsistence activities, or who hold hunting and fishing licenses, virtually all would be eligible for coverage in the peace officers retirement system," Bennett said.

Bennett contends the program cost to

the state in the long term could be "astronomical."

Commissioner Rudd agrees with Bennett.

"The program has gotten far out of hand," she said. "We hope to seek legislation to limit membership in the retirement plan."

The Alaska Public Employees Association is in staunch opposition to lightening the regulations, said Executive Director Cherie Shelley. The program, which covers employees beginning at Range 9, does so "rightfully," she said.

"A Range 9 can die just like a Range 10 while working," Shelley said. "If all departments choose to have people flying over streams taking salmon counts, then those people should be covered. If they don't choose to do that, then they don't have to be covered."

Despite a downswing in state revenues,

Continued on Page 2

## 20 years...

Continued from Page 1

Shelley said APFA would lobby against changing the program and in fact will push

legislation to add more employees to the peace officer retirement plan.

"We have legislation pending to include probation officers and park rangers," she said.

The way the retirement figure is

reached, according to ADFG Director Administration Bev Reaume, is by averaging an employee's salary for the last three years of work, taking 2 1/2 percent of it average, then multiplying that by the number of years employed.

Juneau Empire 3/22/83

# Retirement: Hazards key to changes

By DEBBIE REINWAND ROSE  
Empire Staff Reporter

Attempts by the administration and Legislature to streamline the Fish and Game Department employee retirement program will focus on how workers encountering hazards will be handled, state officials said today.

Officials would like to address the question of hazardous conditions "through hazard pay at the bargaining table," said Ken Humphries, director of the Division of Retirement and Benefits.

"Looking at the amount of time an employee spends in "hazardous conditions"

Continued on Page 2

## Retirement...

Continued from Page 1

is not really a valid criteria for evaluating death or disability provisions," Humphries said. "The death benefits are the same as the regular system."

Officials hope to meet with Fish and Game employees and members of the Alaska Public Employees Association this month to work out a compromise aimed at scaling down the Fish and Game retirement plan.

"The program we have looks good, and I'm sure most state employees would like to be in it," but unless checked, the "20-years and out" plan could end up as a

millstone around the state's neck, said Humphries.

Regulations put together one year ago opened up the 20-years and out plan, which was originally intended for peace officers who are placed in dangerous situations nearly every day.

Currently, nearly 1,400 Fish and Game full-time and season employees qualify for retirement after 20 years under the peace officer retirement plan. The normal retirement age for state employees is 55.

What state officials fear because of the broad eligibility requirements are employees who join the department out of college at age 21, work for 20 years, retire at age 41 and receive full benefits for a

number of years while pursuing another career.

"This Cadillac type of system could get out of control. We have to stop it from spreading," Humphries said. "The state has an ample retirement program for all employees. ... As long as the state's ability to pay these retirement benefits is there, the system can stay healthy. If not, the such programs become a burden on the state, which is indirectly passed on to taxpayers through budget cuts."

As it now stands, any Fish and Game employee who spends 5 percent or more of the time in "hazardous working conditions" can qualify for peace officer benefits.

Juneau Empire 3/23/83

# Alaska State Legislature

## Advisory Council Members

Senator Kerttula, Chairman  
Senator Bennett  
Senator Vic Fischer  
Senator Fahrenkamp



Pouch V  
State Capital  
Juneau, Alaska 99811  
Phone: (907) 465-3114

## SENATE ADVISORY COUNCIL

### M E M O R A N D U M

To: Pete Jeans THRU: David Rogers  
From: Katherine Brown  
Date: March 15, 1983  
Subj: Research request

Today I received, through David Rogers, a research request from Senator Eliason regarding peace officer coverage under PERS, of Dept. of Fish and Game employees who are exposed to hazardous working conditions.

2 AAC 30.010 defines "qualified employees" as those ". . . certified by the Commissioner of Fish and Game and approved by the Commissioner of Administration as having duties which necessitate a significant amount of field work, travel, or exposure to hazardous working conditions." (Emphasis added)

Subsection (d)(1) of this section defines "a significant amount" as involving ". . . at least five percent of an individual's working time." "Field work," "travel," and "exposure to hazardous working conditions," are defined in this section rather extensively.

Senator Eliason is concerned that the departments' interpretation of the enabling legislation is far too liberal, including more employees than was intended by the authors of the legislation. He has requested that we locate the original bill and research the legislative intent.

I will contact Billy Berrier to see if he can help me locate the original legislation and then research legislative intent by reviewing committee tapes on file at the state library.



# Alaska State Legislature

## Advisory Council Members

Senator Kerttula, Chairman  
Senator Bennett  
Senator Vic Fischer  
Senator Fahrenkamp



Pouch V  
State Capital  
Juneau, Alaska 99811  
Phone: (907) 465-3114

## SENATE ADVISORY COUNCIL

### MEMORANDUM

To: Pete Jeans, Director  
Senate Advisory Council

THRU: David Rogers

From: Katherine Brown

Date: March 21, 1983

Subj: Research request from Senator Eliason regarding  
peace officer coverage through PERS for DF&G  
employees.

Prior to 1976, only Fish and Game field biologists and technicians were afforded peace officer coverage under PERS.

The amendment which extended coverage to "qualified employees of the Department of Fish and Game" (as reflected in present statute) was the result of a Rules Committee Substitute to Senate Bill 222 which passed the House May 29, 1976, was approved by the Senate on May 31, and became law on July 1, 1976 without the Governor's signature.

There is no intent language regarding Fish and Game employees in the journal or committee records. However, in Finance Committee discussion of inclusion of other employees in the bill, it was decided to leave the language "unrestricted" because eligibility limitations would have also restricted all other employee classifications unless this was undertaken separately by section.

2/22 2003 1994 - 2004 - 2005 - 2006 - 2007 - 2008 - 2009 - 2010 - 2011 - 2012 - 2013 - 2014 - 2015 - 2016 - 2017 - 2018 - 2019 - 2020 - 2021 - 2022

STATE OF ALASKA  
FISCAL NOTE

Revision Date 5-5-83

I. 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)	(1235.4)	(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					

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 Phone: 465-4460  
 Division: Retirement & Benefits Date: 5-5-83

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

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3/8/83

State of Alaska

Fiscal Note

SSSB 277

IV. Analysis:           The present value of the projected savings to  
the State over the next 17 years is \$25 million.

CHAPTER 30.  
PUBLIC EMPLOYEES' RETIREMENT  
SYSTEM

## Section

## 10. Qualified fish and game employees

2. AAC 30.010. QUALIFIED FISH AND GAME EMPLOYEES: (a) Any person who is a permanent, full-time employee (including a seasonal employee) of the Department of Fish and Game, who fills a position which has been certified by the commissioner of fish and game and approved by the commissioner of administration as having duties which necessitate a significant amount of field work, travel, or exposure to hazardous working conditions, is a "qualified employee of the Department of Fish and Game" under AS 39.35.680(32) and will be afforded peace officer coverage in the Public Employees' Retirement System.

(b) Notwithstanding other provisions of this section, any person within the Department of Fish and Game who, before March 21, 1982, filled a position which was treated by the division of retirement and benefits as qualifying for peace officer coverage will continue to be afforded peace officer coverage after March 21, 1982 as long as the person fills that position or any other position within that department that qualifies under this section.

(c) AS 39.35.160 requires each peace officer in the system to contribute five percent of his or her compensation to the Public Employees' Retirement System. Therefore, any person who receives credit as a peace officer for service already rendered must contribute an amount equal to the difference between the contributions which have been made and the contributions that are required for peace officer coverage for the same period of service. Public Employees' Retirement System Board Regulation 81-2 sets the rate of interest to be charged on an indebtedness to the system. Therefore, interest at the rate prescribed by that regulation accrues on any unpaid contributions commencing 90 days after the date of notification of the amount of unpaid contributions.

(d) In this section

(1) "a significant amount" means at least

five percent of an individual's working time;

(2) "field work" means working outside of a permanent structure and does not include work within or in proximity to a permanent residential community;

(3) "travel" means going to and from a place of duty as a passenger or operator in a plane, bus, train, automobile, boat, or any other form of mechanized transportation; it does not include travel primarily for the purpose of going from one established city, town, village, or community to another;

(4) "exposure to hazardous working conditions" means actively engaged in fish and game conservation or protection work which involves a demonstrated high risk of serious bodily injury or death, and includes

(A) aerial surveys in small aircraft;

(B) working on vessels on the open sea;

(C) travel in small skiffs over open water or in remote locations; and

(D) conducting stream surveys or other work where contact with dangerous wild animals is likely. (Eff. 3/21/82, Reg. 81)

Authority: AS 37.05.020

AS 39.35.680(32)

STATE OF ALASKA  
FISCAL NOTE

Revision Date \_\_\_\_\_, 1983

I. REQUEST

Bill/Resolution No.: CCSSB 277 (L&C)  
 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
<b>OPERATING</b>						
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						
<b>TOTAL OPERATING</b>		(773.0)	(1090.0)	(1458.0)	(1884.0)	(2374.0)
<b>CAPITAL</b>						
<b>REVENUE</b>						

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 Phone: 465-4460  
 Division: Retirement & Benefit Date: 5-5-83  
 Approved by Commissioner: Lisa Rudd, Commissioner Date: 5-5-83  
 Department: Administration

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)

3/8/83

State of Alaska

Fiscal Note

CSSSB 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

COMMITTEE REPORT

SENATE

4/25/83

FURTHER: Finance

Date: 5/12/83

Mr. President:

The Committee on Labor & Commerce has had SS SB 277

Relating to benefits under the public employees' retirement system; and eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[x] replace with CS for SSSB 277 (L+C) [x] same title [ ] new title

and recommends do pass

[ ] AND attaches a "Letter of Intent" [x] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS

1. [Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

MEMBERS HAVING OTHER RECOMMENDATIONS:

1. Patrick Bodley no rec.
2. Bob [Signature] no Rec.
[Signature]
[Signature]
[Signature]

[Signature]
CHAIRMAN

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)	(1235.4)	(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



Introduced: 4/30/83  
Referred: Labor and Commerce  
and Finance

1 IN THE SENATE

BY KERTTULA

2

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 277

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 employees' retirement system; and providing for an effective date."

7

8

9

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

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

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Sec. 39.35.527. ELECTION TO TERMINATE COVERAGE AS A PEACE OFFI-

12

CER OR FIREMAN. (a) Any active member may elect to irrevocably relinquish peace officer or fireman status with the system and to retain all credited service as if it had been acquired as a member other than a peace officer or fireman.

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

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

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(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:

3 (27) "peace officer" or "fireman" means an employee occupy-  
4 ing a position as a peace officer, chief of police, correctional  
5 officer, correctional superintendent, [QUALIFIED EMPLOYEE OF THE DE-  
6 PARTMENT OF FISH AND GAME,] fireman, or fire chief;

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 June 30, 1983, continues to accrue service  
10 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 June 30, 1983.

19 \* Sec. 6. This Act takes effect July 1, 1983.