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544

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

ST

Revision Date: \_\_\_\_\_  
(Page 1 of 2)

REQUEST	FISCAL DETAIL
Bill/Resolution No.: <u>SR 544</u>	Agency Affected: <u>All State Agencies</u>
Title: <u>"An Act relating to PERS"</u>	Program Category Affected: <u>PERS</u>
Sponsor: <u>Labor &amp; Commerce</u>	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 & Bnfts		39.0	39.0	39.0	39.0	39.0
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING		39.0	39.0	39.0	39.0	39.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

General Fund		39.0	39.0	39.0	39.0	39.0
Federal Funds						
Other						
Total						

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: 4-17-84

Approved by Commissioner: Lisa Rudd *LR* Date: 4/18/84  
Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

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

Senate Bill 544  
Fiscal Note Analysis  
Prepared by the Division of Retirement & Benefits  
Department of Administration

April 17, 1984

IV Analysis: Passage of this bill would remove the deadline of July 1, 1980 for claiming up to ten years of temporary legislative service. This bill also removes the date when interest begins to accrue on that indebtedness and provides for interest accrual from the date of claiming.

There are estimated to be 35 members who potentially qualify under this bill with approximately four years of eligible service each. This is estimated to result in a level past service cost of \$39,000.00 per year for 25 years. The present value of this benefit is \$430,000.00 with no measurable decrease in funding ratio.

SB 544 TITLE & SPONSOR SUMMARY

AMENDED TITLE:  
AN ACT RELATING TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM;  
AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSOR: SENATE LABOR&COMM COMMITTEE.

CO-SPONSORS:

CURRENT STATUS: 4/09/84 IN (S) LABOR & COM

REFERRAL: FINANCE  
14:38 5/22/84

SB 544 SENATE ACTION  
DATE SEQ PAGE

LEGISLATIVE ACTION

04/09/84 01 2638

FIRST READING --- COMMITTEE REPORTS  
LABOR & COMMERCE  
FINANCE  
RULES

XXXX XX XX

XXX XXX XXX



Position Paper

SB 544

This bill would remove both the deadline of July 1, 1980 for claiming temporary legislative service and the interest accrual threshold date of July 1, 1980.

The Department opposes this bill without an amendment. There should be a specific interest accrual date because, without one, there is no incentive for a qualified member to claim that indebtedness prior to retirement; interest is now accruing on indebtedness established prior to the deadline. We estimate that 35 members potentially qualify to claim service under this bill.

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

4/17/84  
Date

Lisa Rudd  
Lisa Rudd, Commissioner, Department of Administration

4/18/84  
Date

April 16, 1984

REPORT NO. 14INTRODUCTION OF BILLS (Senate)

Legislative  
Employees  
(credited  
service-PERS)

SENATE BILL NO. 544, by the Labor & Commerce Committee.  
Would remove the requirement that in order to receive retroactive credited service a person who served as a temporary employee of the legislature before July 1, 1979 must claim the service before July 1, 1980. Would allow former employees to claim the service at any time. Indebtedness would be established when the employee claims the service and interest would accrue from the date the indebtedness is established. Provides Act takes effect immediately.

Introduced April 9 and referred to Labor & Commerce and Finance.

Elected  
Officials  
(credited  
service-PERS)

SENATE BILL NO. 545, by the Labor & Commerce Committee.  
Would remove the requirement that in order to claim prior service and make retroactive contributions to the Public Employees' Retirement System (PERS) the official must claim that service before February 1, 1983. Service could be included retroactively as credited service if the elected official or former elected official makes retroactive contributions to the system equal to what would have been made if the official had been included when the oath of office was taken, plus accrued interest from July 1, 1984. Provides Act takes effect July 1, 1984.

Introduced April 9 and referred to Labor & Commerce and Finance.

Automobile  
Service  
Corporations

SENATE BILL NO. 546, by the Labor and Commerce Committee.  
Sets out statutory requirements for automobile service corporations under Title 21 (Insurance):

--Would require a person providing or intending to provide automobile service corporation services to be incorporated as a nonprofit corporation and be currently authorized as an automobile service corporation under a certificate of authority issued by the Director of the Division of Insurance. Articles of incorporation are to be submitted to the Director before they are filed with the Commissioner of Commerce and Economic Development, and the Commissioner is not allowed to file the articles or amendments unless the Director's approval is endorsed.

--The Director is not allowed to issue a certificate of authority and is required to revoke an existing certificate unless the corporation, if newly formed, possesses sufficient available working funds to pay all reasonably anticipated costs of acquisition of new business and operating expenses, other than losses, for a period of not less than six months following the date