

H B

362



FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Credited Service under the  
Teachers' Retirement System  
Sponsor: Larson and Menard  
Requestor: \_\_\_\_\_

Agency Affected: Administration  
BRU: Retirement and Benefits  
Components: Retirement and Benefits

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING         | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 0     | 0     | 0     | 0     | 0     | 0     |
| TRAVEL            | 0     | 0     | 0     | 0     | 0     | 0     |
| CONTRACTUAL       | 0     | 0     | 0     | 0     | 0     | 0     |
| SUPPLIES          | 0     | 0     | 0     | 0     | 0     | 0     |
| EQUIPMENT         | 0     | 0     | 0     | 0     | 0     | 0     |
| LAND & STRUCTURES | 0     | 0     | 0     | 0     | 0     | 0     |
| GRANTS, CLAIMS    | 0     | 0     | 0     | 0     | 0     | 0     |
| MISCELLANEOUS     | 0     | 0     | 0     | 0     | 0     | 0     |
| TOTAL OPERATING   | 0     | 0     | 0     | 0     | 0     | 0     |
| CAPITAL           | 0     | 0     | 0     | 0     | 0     | 0     |
| REVENUE           | 0     | 0     | 0     | 0     | 0     | 0     |

FUNDING: (Thousands of Dollars)

|               |   |   |   |   |   |   |
|---------------|---|---|---|---|---|---|
| GENERAL FUND  | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER         | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL         | 0 | 0 | 0 | 0 | 0 | 0 |

POSITIONS:

|           |   |   |   |   |   |   |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| PART-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (Attach a separate page if necessary)

Analysis Attached

Prepared By: Robert F. Stalnaker *RFS* Phone: 465-4470  
Division: Retirement and Benefits Date: 1-26-88

Approved by Commissioner: John M. Andrews *JMA* Date: 1/27/88  
Agency: Department of Administration

Distribution (by preparer):  
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Office of Management and Budget  
Impacted Agency(ies)

POSITION PAPER  
House Bill 362

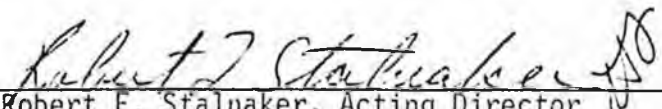
This bill will allow a select few members in the Teachers' Retirement System (TRS) to be credited with up to 13.5 year of membership credit for service which has been fully credited in the federal civil service retirement system. There are currently two non-vested members working at the university who would become eligible immediately for retirement if granted this retroactive service. Plus, there are approximately 14 other people who would become eligible for benefits immediately upon their employment with any TRS employer.

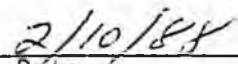
The Palmer Agricultural Experiment Station was established by the federal Department of Agriculture (USDA) and was jointly managed by the federal government and the University of Alaska from 1955 to the present. From 1965 through 1968, the USDA began conveying property and some resources to the university. In 1968 the employees were given a choice to either remain in the federal service or to transfer to the university. The group of employees who transferred to exclusive university employment in 1968 were allowed to receive credit in the TRS for prior Palmer federal service as an incentive and to reduce the adverse impact of terminating their federal retirement credit. Those employees continuing in their USDA positions, continued to accrue retirement credits in the federal system and were not adversely impacted by the university's greater involvement at the Palmer Station.

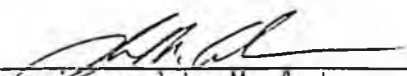
Ten years of the USDA service at the Palmer Agriculture Station between 1955 and 1968 may be claimed as outside service under AS 14.25.060 under the current statutes.

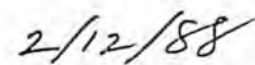
This bill would decrease the TRS funding ratio by 0.1% and would increase the employer contribution rate by 0.3%.

The department could support this bill if amended to allow those members not eligible for concurrent retirement credit in the federal Civil Service Retirement System to be credited with pre-1968 service at the Palmer Station thus precluding double dipping.

  
\_\_\_\_\_  
Robert F. Stalnaker, Acting Director  
Division of Retirement & Benefits

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Commissioner John M. Andrews  
Department of Administration

  
\_\_\_\_\_  
Date