

HB

353

Alaska State Legislature

Committees:

Chairman Affairs
V. Chief Judiciary
Infrastructure
Special Ethics
Legislative Council
Finance Subcommittee
for the University of Alaska
Joint Committee
on Education Reform



1973 House V
Alaska State Legislature
4007 4953-4545

REPRESENTATIVE FRAN ULMER

MEMORANDUM

March 23, 1988

TO: Senator Tim Kelly, Chair
Senate Labor and Commerce Committee

FROM: Representative Fran Ulmer

SUBJECT: House Bill 353

I am requesting that you hold a hearing on House Bill 353, "An Act relating to repurchase of retirement coverage after certain levies". Your committee has recently received HB 353, which has been heard and passed by Senate State Affairs with favorable recommendations.

House Bill 353 affects former members of the "teachers' Retirement System (TRS), the Judicial Retirement System (JRS), the Public Employees' Retirement System (PERS), and Elected Public Officers Retirement System (EPORS). The basic purpose of the bill is to preserve an individual's right to his retirement benefits. HB 353 would allow those former members to make repayments with interest to the retirement fund without having to be re-employed or in active service under the applicable retirement system. This would only be permitted if the entire retirement account balance was levied by a court or agency to pay a claim. Such claims include child support obligations and federal tax levies.

Presently, if a former member's retirement account is levied in total, the account is closed and the former member may not repay the amount refunded unless he/she becomes an active member again. House Bill 353 would allow a former member to repay his/her retirement funds without being re-employed under the system.

In these difficult economic times, there could be many Alaskans who may lose their future retirement benefits and House Bill 353 would provide the opportunity to repurchase those benefits at some time in the future.


Thank you very much for your prompt consideration of this bill.

FRAN ULMER - 4953-4545


POSITION PAPER
HB 353 (State Affairs)

This bill would allow members participating in Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), Judicial Retirement System (JRS), or the Elected Public Officers' Retirement System (EPORS) to reinstate their retirement account without becoming reemployed under that system in the event they are forced to refund from that system to pay a tax levy, child support, or to comply with a qualified domestic relations order (QDRO). Currently, when a member refunds from the system, they forfeit their right to future benefits from that system. The current law allows members to reinstate refunded service only after they reemploy with an employer covered under the respective system.

The Administration supports this legislation. Passage would provide relief for those members who are forced from the system contrary to their desires and would provide the member with the ability to reinstate their right to a future benefit.


Robert F. Stelmaker, Acting Director
Division of Retirement & Benefits

1/20/88
Date


Commissioner John H. Andrews
Department of Administration

1/21/88
Date

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

PLEASE REPLY TO:

P.O. BOX CR
JUNEAU, ALASKA 99811-0203
PHONE: (907) 485-4400

2600 DENALI ST, SUITE 401
ANCHORAGE, ALASKA 99503-2740
PHONE: (907) 277-7304

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 Employers Social Security Contributions

STEVE COWPER, GOVERNOR

January 20, 1988

Honorable Fran Ulmer
Chair, House State Affairs Committee
Alaska State Legislature
P. O. Box V
Juneau, AK 99811

Dear Representative Ulmer:

Re: House Bill 353

In accordance with AS 24.08.036, I am providing the analysis below on House Bill 353. The analysis includes the long-term and short-term impact to the state if the bill is adopted and the impact the bill will have on the actuarial soundness of the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), Judicial Retirement System (JRS), and the Elected Public Officers' Retirement System (EPORS) funds.

This legislation would allow a member to repay the amount refunded and reinstate their retirement standing without becoming reemployed in a position covered by that retirement system if they have been forced to refund from their retirement system to satisfy payment(s) for child support, comply with the provisions of a qualified domestic relations order (QDRO) or to comply with a federal tax levy. There will be no fiscal impact of this legislation on the state government or any impact on the retirement funds involved. This legislation will not increase the employer contributions rates.

Sincerely,

Robert L. Stalnaker
R. F. Stalnaker
Acting Director

MFS/DS/bb/9

STATE OF ALASKA
THE LEGISLATURE

HOUSE STATE CAPITOL
ALASKA 99501
337 403 2000

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 22, 1988

SUBJECT: Sectional analysis of HB 353
(Repurchase of retirement coverage)

TO: Representative Fran Ulmer

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional analysis of the above described bill.

As a preliminary matter, I must advise you that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Secs. 1 and 2 permit a former member of the Teachers' Retirement System (TRS) who received a total refund of the contributions the member made to TRS because of a federal tax levy or a levy under AS 09.38.065 to pay back the amount levied against to TRS. The repayment has the effect of reinstating the former member's rights to retirement benefits. Under AS 09.38, contributions to the Teachers' Retirement System and the Public Employees' Retirement System are exempt from a creditor's efforts to levy against them. Under AS 09.38.065, that general exemption from creditors does not apply to certain kinds of debt, including child support, a limited amount of wages, and state or local taxes.

Sec. 3 permits a judge or justice whose contributions to the Judicial Retirement System (JRS) have been involuntarily refunded because of a levy of any kind to repay the amount levied together with interest to JRS to reinstate membership

Representative Fran Ulmer
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in the system. Contributions to JRS are not protected from levy under AS 09.38.

Sec. 4 permits a former member of the Public Employees' Retirement System (PERS) who received a total refund of contributions because of a levy under AS 09.38.065 or of a federal tax levy to repay the amount of the refund to the system and reinstate membership. Contributions to PERS are protected from levy for other kinds of debt.

Sec. 5 permits members of the Elected Public Officers Retirement System who have received an involuntary refund of the individual account because of a levy of any kind to repay the amount refunded and regain all rights terminated because of the refund.

If I may be of further assistance, please advise.

TBC:gc
WKG1:044

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An Act relating to repurchase of retirement coverage after certain levies. BRU: Retirement and Benefits
 Sponsor: Ulmer Components: Retirement and benefits
 Requestor: House State Affairs

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)

Attached Position Paper

Prepared By: Robert F. Stalnaker, Acting Director Phone: 465-6670
 Division: Retirement and benefits Date: 1-20-88
 Approved by Commissioner: John H. Andrews Date: 1/21/88
 Agency: Department of Administration

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