

SB

316

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

PLEASE REPLY TO:

P.O. BOX CR
JUNEAU, ALASKA 99811-0203
PHONE: (907)465-4460

2600 DENALI ST. SUITE 401
ANCHORAGE, ALASKA 99503-2740
PHONE: (907) 277-7504

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 28, 1988

Honorable Mitchell Abood
Chair, Senate State Affairs Committee
Alaska State Legislature
P. O. Box V
Juneau, AK 99811

Dear Senator Abood:

Re: Senate Bill 316

RECEIVED
FEB 4 1988

REPURCHASE OF
RETIREMENT AFTER
LEVY

In accordance with AS 24.08.036, I am providing the analysis below on Senate Bill 316. 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 involuntarily 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 a 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,

R. F. Stalnaker

R. F. Stalnaker
Acting Director

RFS/DS/bb/s



Alaska State Legislature

SENATOR JIM DUNCAN

P. O. BOX V JUNEAU, ALASKA 99811

(907) 465-4766

COMMITTEES:
FINANCE
RESOURCES
BUDGET AND AUDIT

MEMORANDUM

January 12, 1988

TO: Senator Mitch Abood, Chair
Senate State Affairs Committee

FROM: Senator Jim Duncan

SUBJECT: Senate Bill 316, relating to repurchase of retirement coverage after certain levies

Senate Bill 316, relating to repurchase of retirement coverage after certain levies, would allow persons whose state retirement accounts are seized by the child support enforcement agency or the Internal Revenue Service to pay back their retirement accounts.

At present, if a person's entire retirement account is seized by an agency, their account is closed and they cannot reimburse their account unless they are re-employed by the State or other participating employer.

I believe this bill will establish an equitable balance between the individual's right to maintain their retirement coverage and the socially desirable goals of maintenance of child support and payment of taxes.

Please schedule this bill for a hearing at your earliest convenience. I will provide you with a sectional analysis as soon as it is available.

C 316
JAN 12 1988

FISCAL NOTE

REQUEST:

Revision Date:
Title: An Act relating to repurchase of retirement coverage after certain levies.
Sponsor: Duncan
Requestor: Senate State Affairs

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:

	0	0	0	0	0	0
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
Division: Retirement and Benefits

Phone: 465-4470
Date: 1-20-88

Approved by Commissioner: John M. Andrews
Agency: Department of Administration

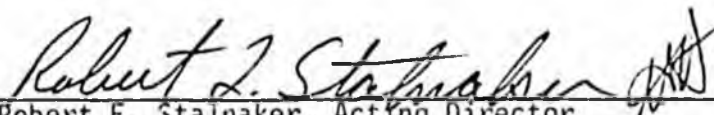
Date: 1/21/88

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

POSITION PAPER
SB 316 (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 rerund 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. Stalnaker, Acting Director
Division of Retirement & Benefits

1/20/88
Date



Commissioner John M. Andrews
Department of Administration

1/21/88
Date



Alaska State Legislature

SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811

(907) 465-4766

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