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(11)

Date Referred: February 10, 1989

FURTHER REFERRALS:

Date of Committee Action: 2/22/89

The FINANCE Committee considered:

HB 73

HOUSE BILL NO. 73 [TECH. AMENDT'S - PUB. EMP. BENEFITS]
"An Act making technical amendments to public employee benefits statutes; and providing for an effective date."

RECOMMENDS:

- [] replacing with _____ [] the same title
- [] the attached amendment(s) [] a new title
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- [] fiscal impact
- [] zero fiscal note
- [] zero with analysis

APPROVES PREVIOUS:

- [] fiscal note(s) published: _____
- [2] zero fiscal notes(s) published:
Admin (1/9) Revenue (1/9)

SIGNING DO PASS:

Rieger

Larson

Wallis

Phillips

Barnes

Ulmer

Koponen

Brown

Swackhammer

Schultz

SIGNING OTHER THAN DO PASS:
(Do Not Pass, No Recommendation, Amend)

Chairman's signature

STATE OF ALASKA
1989 LEGISLATIVE SESSION

Bill Version: HB 73
Publish Date: HOUSE 1/9/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Relating to Public Employee
Benefits _____
Sponsor: Rules
Requestor: Governor

Agency Affected: Department of Revenue
BRU: Treasury Division
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
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
LANDS & 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:

Prepared By: Milt Barker MB
Division: Treasury
Approved by Commissioner: [Signature]
Agency: Department of Revenue

Phone: 465-2350
Date: 12-19-88
Date: 12/19/88

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

Adopted

27
cc

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An Act Relating To BRU: Retirement and Benefits
 Public Employee Benefits . . .
 Sponsor: Rules Components: Retirement and Benefits
 Requestor: Governor Comper

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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)

This bill provides for technical corrections to the Teachers' Retirement System, Judicial Retirement System and the Supplemental Benefits System. There is no fiscal impact anticipated resulting from these changes.

Prepared By: Sally Smith *Sally Smith* Phone: 465-4470
 Division: Retirement and Benefits Date: _____

Approved by Commissioner: John M. Andrews *J.M.A.* Date: 12/21/88
 Agency: Department of Administration

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

Adopted

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 73

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making technical amendments to public employ-
7 ee benefits statutes; and providing for an effective
8 date."

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

10 * Section 1. AS 14.25.220(35) is amended to read:

11 (35) "retirement fund" or "fund" means the fund in which the
12 assets of the system, including income and interest derived from the
13 investment of money, are deposited and held;

14 * Sec. 2. AS 22.25.041(b) is amended to read:

15 (b) A justice or judge whose contributions have been involuntar-
16 ily refunded because of a levy may repay the amount levied together
17 with accrued interest whether or not the justice or judge is on active
18 service. Repayments shall be made under (a) of this section, except
19 that a judge or justice who does not return to active service may
20 repay the contributions at any time before appointment to retirement.

21 * Sec. 3. AS 39.30.150(a) is amended to read:

22 (a) In place of contributions to the federal social security
23 system that would have been required on behalf of an employee had the
24 participating employer belonged to the social security system, the
25 participating employer shall contribute an amount equal to 6.13 per-
26 cent of the wages of the employee up to the taxable wage base then in
27 effect in the social security system. This contribution must be paid
28 into an individual employee annuity account in the Department of
29 Administration under the terms of the State of Alaska Supplemental

1 Annuity Plan. The employer [DEPARTMENT] shall pay 6.13 percent of the
2 wages of the employee up to the taxable wage base then in effect in
3 the social security system into the individual employee annuity ac-
4 count established under this subsection. This wage reduction must be
5 treated as an employer contribution under 26 U.S.C. 414(h)(2). All
6 costs of establishing and administering the programs established under
7 AS 39.30.150 -- 39.30.180 must be paid from the contributions made to
8 the individual employee annuity accounts under this section.

9 * Sec. 4. Section 1 of this Act is retroactive to June 5, 1988.

10 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).



Alaska Court System
State of Alaska

OFFICE OF ADMINISTRATIVE DIRECTOR

JANALEE R. STRANDBERG
Staff Counsel

February 15, 1989

303 K Street
Anchorage, AK 99501
(907) 264-8228

Representative Lyman Hoffman
Representative Ron Larson
House Finance Committee
P.O. Box V
Juneau, Alaska 99811

Re: House Bill 73

Dear Representatives Hoffman and Larson:

The court system would like you to include the enclosed amendment to AS 09.38.015 in your consideration of HB 73 on February 22. The amendment adds judicial retirement to the public employee and teacher retirement exemptions.

The present exemption statute, AS 09.38.015(b), provides that amounts held in the teachers' and public employees' retirement systems are exempt from execution. Individual retirement plans are also exempt from execution under AS 09.38.017(a). However, judicial retirement is not made exempt from execution by either of these statutes.

Because HB 73 is a technical bill which deals generally with employee benefits, including judicial retirement, we believe it is appropriate to include within it an exemption for judicial retirement. We have discussed this proposed amendment with the Director of Retirement and Benefits, Sally Smith, who has no objection to its inclusion.

Thank you for your consideration. I will be happy to answer any questions you may have about this proposed amendment.

Very truly yours,

Janalee R. Strandberg
Janalee R. Strandberg
Staff Counsel

Enclosure

cc: Carol Collins, House Finance Committee

Section AS 09.38.015 is amended to read:

Sec. 09.38.015. Property exempt without limitation. (a) An individual is entitled to exemption of the following property:

(1) a burial plot for the individual and the individual's family;

(2) health aids reasonably necessary to enable the individual or a dependent to work or to sustain health;

(3) benefits paid or payable for medical, surgical, or hospital care to the extent they are or will be used to pay for the care;

(4) an award under AS 18.67 (Violent Crimes Compensation Board) or a crime victim's reparations Act of another jurisdiction;

(5) benefits paid or payable as a longevity bonus under AS 47.45;

(6) compensation or benefits paid or payable and exempt under federal law;

(7) liquor licenses granted under AS 04;

(8) limited entry permits granted under AS 16.43, except as provided in that chapter.

(b) The right to benefits held by the state on behalf of an individual which may become payable by reason of disability, unemployment or illness, amounts held in the teachers', [OR] public employees', or judicial retirement system, and child support collections made by the child support enforcement agency are exempt.

(c) Property of the state, a general law or home rule

municipality, the Alaska State Building Authority, the Alaska Municipal Bond Bank Authority, or other state public corporation is exempt.

(d) Real property held by a cemetery association establish under AS 10.30 for the purpose of a cemetery and not exceeding 80 acres is exempt.

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 9, 1989

The Honorable Sam Cotten
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Cotten:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to public employee benefits. The bill amends provisions of the teachers' retirement, judicial retirement, and supplemental benefits systems.

Section 1 of the bill amends the definition of "retirement fund" in the teachers' retirement system statutes to correct the inadvertent deletion last session of two provisions that provided specific statutory authority for dedication, to the fund, of income and interest earned on assets of the fund. Section 4, ch. 141, SLA 1988 deleted a provision allowing the commissioner of revenue to collect the interest and deposit it in the fund. Section 19, ch. 106, SLA 1988 deleted from the definition of "retirement fund" a pre-statehood provision that the fund includes "income and interest derived from the investment" of money. The bill's amendment reinstating that language is retroactive to June 5, 1988, the effective date of ch. 106, SLA 1988. Section 4 of the bill.

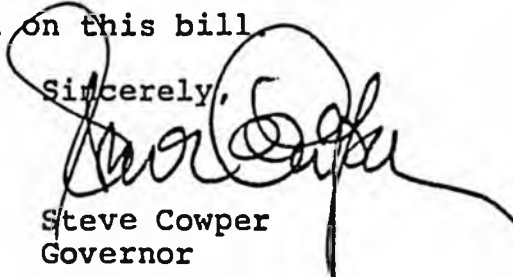
Section 2 of the bill amends a provision enacted last session by sec. 3, ch. 89, SLA 1988, which allows a former judge or justice whose judicial retirement system contribution account has been involuntarily refunded due to a levy, to repay his or her contribution account, whether or not the judge or justice returns to active service. Under AS 22.25.041(b), a former judge or justice may repay an involuntarily refunded contribution account under AS 22.25.041(a), which requires repayment to be made within one year after return to active service. The amendment made by sec. 2 of the bill clarifies that judges and justices who do not return to active service are not subject to the requirement that repayment of an involuntarily withdrawn contribution account be made within one year.

Section 3 of the bill amends AS 39.30.150(a) to clarify that, because municipal as well as state employees can be members of the system, the employer of a supplemental benefits system member, not the Department of Administration, is required to make payments to the member's individual annuity account.

Section 5 provides for an immediate effective date.

I urge your favorable action on this bill.

Sincerely,



Steve Cowper
Governor

SENATE COMMITTEE REPORT

No Action taken by SFC

FURTHER

4/6/89

DATE TURNED INTO OFFICE _____

Mr. President:

FINANCE Committee considered HB 73

technical amendments to public employee benefits statutes; efd

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Chairman signature and recommendation

Committee Backup attached

SENATE COMMITTEE REPORT

FURTHER

FINANCE

2/28/89

DATE TURNED INTO OFFICE

4-5-89

Mr. President:

STATE AFFAIRS

HB 73

Committee considered

technical amendments to public employee benefits statutes; efd

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and _____) technical title change (HB only)

_____ letter of intent adopted

majority
 do pass

do not pass

no recommendation

individual recommendations

further referral to _____

*previous
of FN*

- FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Tom Kelly

Al Adams

Rich Uey

Pat Tompkins do pass

 Chairman signature and recommendation

Committee Backup attached

Introduced: 1/9/89
Referred: State Affairs,
Judiciary and Finance

Leller
2300 7M

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 73

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making technical amendments to public employ-
7 ee benefits statutes; and providing for an effective
8 date."

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

10 * Section 1. AS 14.25.220(35) is amended to read:

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12 assets of the system, including income and interest derived from the
13 investment of money, are deposited and held;

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15 (b) A justice or judge whose contributions have been involuntar-
16 ily refunded because of a levy may repay the amount levied together
17 with accrued interest whether or not the justice or judge is on active
18 service. Repayments shall be made under (a) of this section, except
19 that a judge or justice who does not return to active service may
20 repay the contributions at any time before appointment to retirement.

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22 (a) In place of contributions to the federal social security
23 system that would have been required on behalf of an employee had the
24 participating employer belonged to the social security system, the
25 participating employer shall contribute an amount equal to 6.13 per-
26 cent of the wages of the employee up to the taxable wage base then in
27 effect in the social security system. This contribution must be paid
28 into an individual employee activity account in the Department of
29 Administration under the terms of the State of Alaska Supplemental

HB 0073A
COMMITTEE COPY

1 Annuity Plan. The employer [DEPARTMENT] shall pay 6.13 percent of the
2 wages of the employee up to the taxable wage base then in effect in
3 the social security system into the individual employee annuity ac-
4 count established under this subsection. This wage reduction must be
5 treated as an employer contribution under 26 U.S.C. 414(h)(2). All
6 costs of establishing and administering the programs established under
7 AS 39.30.150 -- 39.30.180 must be paid from the contributions made to
8 the individual employee annuity accounts under this section.

9 * Sec. 4. Section 1 of this Act is retroactive to June 5, 1988.

10 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

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HB 73 ENGROSSED

STEVE COMPER
GOVERNOR



cc
24673

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 9, 1989

The Honorable Sam Cotten
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Cotten:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to public employee benefits. The bill amends provisions of the teachers' retirement, judicial retirement, and supplemental benefits systems.

Section 1 of the bill amends the definition of "retirement fund" in the teachers' retirement system statutes to correct the inadvertent deletion last session of two provisions that provided specific statutory authority for dedication, to the fund, of income and interest earned on assets of the fund. Section 4, ch. 141, SLA 1988 deleted a provision allowing the commissioner of revenue to collect the interest and deposit it in the fund. Section 19, ch. 106, SLA 1988 deleted from the definition of "retirement fund" a pre-statehood provision that the fund includes "income and interest derived from the investment" of money. The bill's amendment reinstating that language is retroactive to June 5, 1988, the effective date of ch. 106, SLA 1988. Section 4 of the bill.

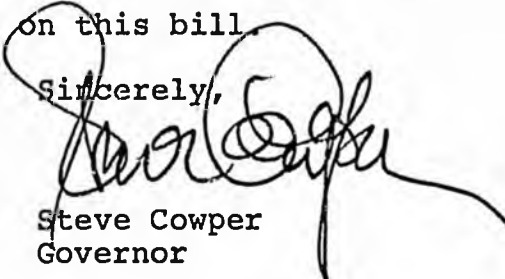
Section 2 of the bill amends a provision enacted last session by sec. 3, ch. 89, SLA 1988, which allows a former judge or justice whose judicial retirement system contribution account has been involuntarily refunded due to a levy, to repay his or her contribution account, whether or not the judge or justice returns to active service. Under AS 22.25.041(b), a former judge or justice may repay an involuntarily refunded contribution account under AS 22.25.041(a), which requires repayment to be made within one year after return to active service. The amendment made by sec. 2 of the bill clarifies that judges and justices who do not return to active service are not subject to the requirement that repayment of an involuntarily withdrawn contribution account be made within one year.

Section 3 of the bill amends AS 39.30.150(a) to clarify that, because municipal as well as state employees can be members of the system, the employer of a supplemental benefits system member, not the Department of Administration, is required to make payments to the member's individual annuity account.

Section 5 provides for an immediate effective date.

I urge your favorable action on this bill.

Sincerely,



Steve Cowper
Governor

27.

el

B

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An Act Relating To BRU: Retirement and Benefits
 Public Employee Benefits . . .
 Sponsor: Rules Components: Retirement and Benefits
 Requestor: Governor Comper

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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)

This bill provides for technical corrections to the Teachers' Retirement System, Judicial Retirement System and the Supplemental Benefits System. There is no fiscal impact anticipated resulting from these changes.

Prepared By: Sally Smith *Sally Smith* Phone: 465-4470
 Division: Retirement and Benefits Date: _____
 Approved by Commissioner: John M. Andrews Date: 12/21/88
 Agency: Department of Administration

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

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An Act relating to public BRU: Retirement and Benefits
employee benefits
 Sponsor: Rules Components: Retirement and Benefits
 Requestor: Governor Cooper

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		52.0	53.8	55.7	57.7	59.7
TRAVEL		0	0	0	0	0
CONTRACTUAL		3.0	1.5	0	0	0
SUPPLIES		.2	.2	.2	.2	.2
EQUIPMENT		8.1	0	0	0	0
LAND & STRUCTURES		0	0	0	0	0
GRANTS, CLAIMS		0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0
TOTAL OPERATING		63.3	55.5	57.4	59.4	61.4
CAPITAL		0	0	0	0	0
REVENUE		0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
OTHER	63.3	55.5	57.4	59.4	61.4
TOTAL	63.3	55.5	57.4	59.4	61.4

POSITIONS:

FULL-TIME	1	1	1	1	1
PART-TIME	0	0	0	0	0
TEMPORARY	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See page 2 for detailed explanation of fiscal note.

SEE PAGE 3 FOR DISCUSSION OF FISCAL IMPLICATIONS TO THE RETIREMENT FUNDS.

Prepared By: Sally Smith *Sally Smith* Phone: 465-4470
 Division: Retirement and Benefits Date: 5/21/89
 Approved by Commissioner: John M. Andrews *JM Andrews* Date: 5/16/89
 Agency: Department of Administration

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

Senate Committee Substitute for House Bill 73 (FIN)
Fiscal Note Analysis
Prepared by Division of Retirement & Benefits
Department of Administration
May 2, 1989

Analysis: This bill provides for 3 technical amendments: one each to the Teacher's Retirement System, Judicial Retirement System and the Supplemental Benefits System. The committee substitute allows:

- 1) members who served in the National Guard to claim their active duty as military service under the Public Employee' Retirement System, and
- 2) prior employees of the Alaska Development Corporation to claim service credit under the Public Employees' Retirement System. These people must pay the full actuarial cost for that service.

Passage of this bill will expand the division's workload by increasing the number of members who can claim additional service. Over the last 5 years there have been major and 14 minor legislative changes, a court decision affecting retirement calculations and a major federal tax change along with a staff reduction.

One Retirement Specialist III is requested to provide counseling and to process the additional requests which will result from the additional workload. Cost is estimated for FY 90 at \$63.3.

Senate Committee Substitute for House Bill 73 (FIN)
Analysis of the Fiscal Implications to the Retirement Fund
Prepared by Division of Retirement & Benefits
Department of Administration
May 5, 1989

Analysis: This bill provides for technical amendments to the Teacher's Retirement System, Judicial Retirement System and the Supplemental Benefits System. It will also allow prior employees of the Alaska Development Corporation to claim credit under the Public Employees' Retirement System (PERS) for service earned with that employer and pay the full actuarial cost for that service. It will also provide the opportunity for members who served in the National Guard to claim their active duty service as military service under the PERS.

There is no anticipated measurable financial impact to any of the retirement systems with passage of this bill.

Position Title		Retirement and Benefits Specialist III		No. of Positions	1	Range/Step	18A	Barg. Unit	G
Time Status	PE/FT	Staff Months	12.0	Location	AWA		Election District	4A	
				Justification					
				Under the general direction of the Retirement and Benefits Specialist IV, the Retirement and Benefits Specialist III is responsible for providing counseling and technical services to members and employers within an assigned geographic area in Alaska. As a field representative, the Retirement and Benefits Specialist III regularly works with all five retirement systems, the TRS, PERS, JRS, EPORS, and NGMRS as well as with other benefit areas such as SBS, Deferred Compensation, and group major medical and life insurance for active employees and retirees. This person must have a thorough knowledge of the division's interpretation of the retirement statutes, SOPs, Board Regulations and Attorney General's opinions and be able to use that knowledge to inform members of their various benefits options. The Retirement and Benefits Specialist III trains the retirement technician and oversees that position's daily work responsibilities.					
Type of Expenditure				Amount					
1		2		3					
Salary		37,356							
Benefits		14,601							
Premium Pay									
Other									
Total Personal Services				51,957					
Travel				0					
Contractual (data and phone lines)				3,000					
Commodities				200					
Equipment				8,149					
Other									
Total Cost				63,306					
Funding Source for Total Cost									
Federal Receipts		1002							
G. F. Match		1003							
General Fund		1004							
C-F Program Receipts		1005							
Other		1029	PERS 60%	37,984					
		1034	TRS 40%	25,322					

4/11B4/0505-89/1

**Request For
New Position**

Agency Administration
 BRU Retirement and Benefits
 Component Retirement and Benefits

Page 4 of 4
 Revised Date

FY 90

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An Act relating to a retirement incentive program. BRU: Retirement and Benefits
 Sponsor: Duncan Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	42.0	318.8	228.1	0	0	0
TRAVEL	2.1	3.5	3.5	0	0	0
CONTRACTUAL	16.7	24.3	3.8	0	0	0
SUPPLIES	.3	2.6	1.7	0	0	0
EQUIPMENT	81.1	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	142.2	349.2	237.1	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	142.2	349.2	237.1	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	142.2	349.2	237.1	0	0	0
TOTAL	142.2	349.2	237.1	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	9	13	13	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See pages 2-9 for detailed discussion of Fiscal Note.

See Attached.

Prepared By: *K.2. Statnaker* Sally Smith, Director Phone: 465-4470
 Division: Retirement and Benefits Date: 4/10/89
 Approved by Commissioner: *John M. Andrews* John M. Andrews Date: 4/10/89
 Agency: Department of Administration

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

RECEIVED
 APR 11 1989

Committee Substitute for Senate Bill 73 (FIN) am
 Fiscal Note Analysis
 Prepared by Division of Retirement & Benefits
 Department of Administration
 April 5, 1989

ANALYSIS: This bill would place a temporary retirement incentive provision in statute for the Public Employees' (PERS) and Teachers' Retirement Systems (TRS). Active PERS and TRS members could retire on an accelerated basis with an increased benefit under the following conditions: at age 47, if vested; with 17 years of service as a police officer, firefighter, or teacher; or with at least 27 years of credited service in the PERS. Before qualifying for an accelerated benefit, however, the member must pay a lump sum indebtedness payment or take an actuarial reduction for the indebtedness amount for the accelerated period.

The total estimated administrative cost to the division by fiscal year is as follows:

	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
PERSONAL SERVICES COSTS			
FY 89			
1 Retirement Spec I (2 mo.)	\$ 5.0		
8 Retirement Tech. I/II (2 mo.)	<u>37.0</u>		
Total FY 89		\$42.0	
FY 90			
1 Retirement Spec I (12 mo.)	\$ 29.5		
8 Retirement Tech. I/II (12 mo)	222.0		
2 Accounting Clerk III (8 mo.)	32.8		
2 Clerk II (10 mo.)	<u>34.5</u>		
Total FY 90		\$318.8	
FY 91			
1 Retirement Spec I (8 mo.)	\$ 19.7		
8 Retirement Tech. I/II (8 mo.)	148.0		
2 Accounting Clerk III (8 mo.)	32.8		
2 Clerk II (8 mo.)	<u>27.6</u>		
Total FY 91			228.1
TRAVEL			
FY 89			
2 trips to ANCH/FBKS		2.1	
FY 90			
2 trips to ANCH/FBKS			
1 trip to Kenai			
1 trip to Ketchikan			3.5

	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
FY 91			
2 trips to ANCH/FBKS			
1 trip to Kenai			
1 trip to Ketchikan			3.5

CONTRACTUAL

FY 89			
Computer hook-up & service for additional 11 PC's.	15.7		
Additional telephone hook-up for 9 phones in current system.	.3		
Telephone service for 9 phones for 2 months.	.2		
Long distance calls.	<u>.5</u>		
Total FY 89		16.7	

FY 90			
RSA to the Division of Finance for 2 Accounting Clerk III for 5 months to provide service and salary verifications.	²⁶ \$20.5		
Telephone service for 9 phones.	1.4		
Long distance call expense based upon experience from the previous RIP.	<u>2.4</u>		
Total FY 90		24.3	

FY 91			
Telephone service for 9 phones.	1.4		
Long distance calls	<u>2.4</u>		
Total FY 91			3.8

SUPPLIES

FY 89			
(9 employees X \$200/yr X .17)	.3		
FY 90			
(13 employees x \$200/yr)		2.6	
FY 91			
(13 employees x \$200/yr x .66)			1.7

EQUIPEMENT	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
FY 89			
11 Personal Computers	55.0		
8 Microfiche viewers	6.4		
11 Calculators	1.7		
1 Computer Output Printer	18.0		
Total Equipment	<u>81.1</u>	_____	_____
Total Bill Cost By Fiscal Year	<u>\$142.2</u>	<u>\$349.2</u>	<u>\$237.1</u>

The retirement technicians, retirement specialist, and accounting clerks need constant access to the PERS and TRS computer files. We do not have any excess terminals, microfiche viewers or calculators. Our equipment request will satisfy our equipment needs for the duration of this program. We propose the purchase of personal computers to be used as terminals because they will be compatible with the division's Local Area Network.

We are also proposing the purchase of an additional computer output printer. The previous RIP put great demand on our existing two printers and we were always in a state of backlog. Our current day-to-day printer needs maximize the capacity of our two printers. After comparing the cost of purchasing a new printer with leasing one for two and one-half years, we determined that with our current printer needs, purchasing would be more cost effective.

All administrative costs for this program will be paid in advance by the participating employers as required by Section 2, page 2, line 27.

Committee Substitute for Senate Bill 73 (FIN) am
Analysis of Financial Implications on the Retirement Systems
Prepared by Division of Retirement & Benefits
Department of Administration
April 5, 1989

Analysis: The retirement incentive program legislation requires state agencies and participating employers and employees to reimburse the PERS and TRS for the costs of participation in the program; it also requires a showing of a cost savings to participate in the program. There should be no long-term or short-term costs to the retirement systems' funds.

Position Title Accounting Clerk III		No. of Positions 2	Range/Step 10A	Barg. Unit GGU
Type Status FT Nonpermanent	Staff Months 8.0 each = 16.0	Location AWA		Election District 4
Type of Expenditure		Justification		
		The two nonpermanent Accounting Clerk III positions will handle the additional accounting duties related to a Retirement Incentive Program (RIP) as follows: member file research; file maintenance, including entering indebtedness, history, and retirement segments into the appropriate system; verification of system output; any adjusting vouchers that are necessary; in AKSAS; assisting with the deposits and coding of member indebtedness payments and employer RIP payments; assisting with the member account information that is needed in completing tax excludable statements for the Retirement Section; and any follow through that becomes necessary.		
Amount		The equipment needs are as follows:		
1	2	3	2 personal computers \$10,000	
Salary	29,360		2 microfiche viewers 1,600	
Benefits	3,416		2 calculators 276	
Premium Pay			<u>\$11,876</u>	
Other			Please refer to page 3 for justification.	
Total Personal Services		32,776		
Travel				
Contractual (Computer Hook-up fees)		3,280		
Commodities		528		
Equipment		11,876		
Other				
Total Cost		48,460		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
GF Program Receipts	1005			
Other	PERS 1029	29,076		
	TRS 1034	19,384		

4/6K2/012301-9/1&2

**Request For
New Position**

Agency Administration
 BRU Retirement and Benefits
 Component Retirement and Benefits

FY 90

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 Revised Date _____

Position Title Clerk II		No. of Positions 2	Range/Step 7A	Barg. Unit GGU																																																																																															
Time Status FT Nonpermanent	Staff Months 10.0 each = 20.0	Location AWA		Election District 4																																																																																															
<table border="1"> <thead> <tr> <th>Type of Expenditure</th> <th>1</th> <th>2</th> <th>Amount</th> <th>3</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td></td> <td>30,900</td> <td></td> <td></td> </tr> <tr> <td>Benefits</td> <td></td> <td>3,593</td> <td></td> <td></td> </tr> <tr> <td>Premium Pay</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="3">Total Personal Services</td> <td></td> <td>34,493</td> </tr> <tr> <td colspan="5">Travel</td> </tr> <tr> <td colspan="5">Contractual</td> </tr> <tr> <td colspan="5">Commodities</td> </tr> <tr> <td colspan="5">Equipment</td> </tr> <tr> <td colspan="5">Other</td> </tr> <tr> <td colspan="3">Total Cost</td> <td></td> <td>440</td> </tr> <tr> <td colspan="5">Funding Source for Total Cost</td> </tr> <tr> <td colspan="2">Federal Receipts</td> <td>1002</td> <td></td> <td></td> </tr> <tr> <td colspan="2">G. F. Match</td> <td>1003</td> <td></td> <td></td> </tr> <tr> <td colspan="2">General Fund</td> <td>1004</td> <td></td> <td></td> </tr> <tr> <td colspan="2">GF Program Receipts</td> <td>1005</td> <td></td> <td></td> </tr> <tr> <td colspan="2">Other</td> <td>PERS 1029</td> <td></td> <td>20,960</td> </tr> <tr> <td colspan="2"></td> <td>TRS 1034</td> <td></td> <td>13,973</td> </tr> </tbody> </table>		Type of Expenditure	1	2	Amount	3	Salary		30,900			Benefits		3,593			Premium Pay					Other					Total Personal Services				34,493	Travel					Contractual					Commodities					Equipment					Other					Total Cost				440	Funding Source for Total Cost					Federal Receipts		1002			G. F. Match		1003			General Fund		1004			GF Program Receipts		1005			Other		PERS 1029		20,960			TRS 1034		13,973	Justification These two Clerk II positions are required in the Microfiche Center for the day-to-day file/recordkeeping duties for these new retirees. Duties include: sanitizing and purging files, creating new microfiche files for these retirees from paper documents, creating duplicate microfiche files when requested for the use of division personnel, and filing and refiling all documents. Many calculations affecting members' retirement accounts depend on the files being accurate and up-to-date. The Microfiche Center is currently backlogged.		
Type of Expenditure	1	2	Amount	3																																																																																															
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**Request For
New Position**

Agency Administration
 BRU Retirement and Benefits
 Component Retirement and Benefits

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 Revised Date _____

FY 90

Position Title Retirement and Benefits Technician		No. of Positions 8	Range/Step 12A	Barg. Unit GGU
Type Status FT Nonpermanent	Staff Months 12.0 each = 96.0	Location AWA		Election District 4
Type of Expenditure		Justification		
		During the almost two years of managing the first RIP, PERS retirements increased 109%, TRS retirements increased by 151%, projections increased by 235%, correspondence increased by 126%, telephone calls increased by 134% and office visits increased by 147%.		
Amount		The additional technical staff will be needed to assist our current staff research member files, prepare projections and retirements, add service that members are eligible to purchase and respond to the many inquiries that we will receive during the concentrated window period of the program.		
1	2	3		
Salary	198,912			
Benefits	23,136			
Premium Pay				
Other				
Total Personal Services		222,048		
Travel				
Contractual (Computer Hook-up fees)		13,120		
Commodities		1,584		
Equipment		45,904		
Other				
Total Cost		282,656		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
GF Program Receipts	1005			
Other	PERS 1029	169,594		
	TRS 1034	113,062		
			Equipment needs are as follows:	
			8 personal computers \$40,000	
			6 microfiche viewers 4,800	
			8 calculators 1,104	
			\$45,904	
			Please refer to page 3 for detailed justification.	

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Request For
New Position

Agency Administration
BRU Retirement and Benefits
Component Retirement and Benefits

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Revised Date

FY 90

Position Title Retirement and Benefits Specialist I		No. of Positions 1	Range/Step 13A	Barg. Unit GGU			
Time Status FT Nonpermanent	Staff Months 12.0	Location AWA		Election District 4			
Type of Expenditure		Justification					
1	2	Amount 3					
Salary	26,460	During the almost two years of managing the first RIP, PERS retirements increased 109%, TRS retirements increased by 151%, projections increased by 235%, correspondence increased by 126%, telephone calls increased by 134% and office visits increased by 147%.					
Benefits	3,078						
Premium Pay							
Other							
Total Personal Services		29,538					
Travel		The Retirement Specialist will train and direct the daily activities of the eight additional retirement technicians. They will also be responsible for maintaining a listing of all employees who elect to participate in the RIP and a listing of all employees who are eligible to retire under the RIP. They will also be required to prepare data necessary to calculate actual cost billing information to participating employers.					
Contractual (Computer Hook-up fees)					1,640		
Commodities					732		
Equipment					5,138		
Other							
Total Cost		37,048					
Funding Source for Total Cost		Equipment needs are as follows:					
Federal Receipts 1002							
G. F. Match 1003							
General Fund 1004							
GF Program Receipts 1005							
Other PERS 1029					22,229		
TRS 1034		14,819					
Please refer to page 3 for detailed equipment justification.							

4/6K2/012301-9/788

**Request For
New Position**

Agency Administration
 DRU Retirement and Benefits
 Component Retirement and Benefits

Page 9 of 9
 Revised Date

FY 90

STATE OF ALASKA
1989 LEGISLATIVE SESSION

Bill Version: HB 73
Publish Date: HOUSE 1/9/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Relating to Public Employee
Benefits
Sponsor: Rules
Requestor: Governor

Agency Affected: Department of Revenue
BRU: Treasury Division
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
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
LANDS & 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:

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: 12-19-88

Approved by Commissioner: [Signature]
Agency: Department of Revenue

Date: 12/19/88

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

5/2/89

STATEMENT ON DUNCAN'S AMENDMENTS TO HB 73

AMENDMENT #1

WOULD ALLOW VESTED MEMBERS OF PERS TO RECEIVE CREDITED SERVICE FOR EMPLOYMENT WITH THE FORMER ALASKA STATE DEVELOPMENT CORPORATION, THE PREDECESSOR OF THE ALASKA INDUSTRIAL DEVELOPMENT AUTHORITY. THE CORPORATION EXISTED FROM 1961 THROUGH 1980 WHEN IT WAS PHASED OUT. THIS AMENDMENT WILL ALLOW EMPLOYEES OF THE CORPORATION WHO PAY THE FULL ACTUARIAL COST OF THAT SERVICE TIME TO CLAIM THE SERVICE.

AMENDMENT #2

WILL ALLOW PERS MEMBERS WHO HAD BASIC TRAINING WITH THE NATIONAL GUARD TO RETROACTIVELY CLAIM SERVICE CREDIT FOR THAT SIX MONTH TRAINING PERIOD PROVIDED THEY WERE HONORABLY DISCHARGED. THIS CONFORMS WITH CURRENT PRACTICE IN THE TEACHERS' RETIREMENT SYSTEM. THE EMPLOYEE WOULD PAY THE FULL ACTUARIAL COST OF THE SERVICE CREDIT AND WOULD NOT BE ELIGIBLE FOR IT IF THEY ARE ENTITLED TO RECEIVE BENEFITS FROM THE FEDERAL GOVERNMENT FOR THE SAME SERVICE.

A M E N D M E N T # 1

OFFERED IN THE SENATE

BY DUNCAN

TO: HB 73

Page 2, after line 8:

Insert a new bill section to read:

"* Sec. 4. AS 39.35.360 is amended by adding a new subsection to read:

(1) A vested member is eligible to receive credited service for employment before August 20, 1980, with the former Alaska State Development Corporation, established under former AS 44.59. To receive retroactive credited service, the member must claim the service. When the member claims retroactive credited service under this subsection, an indebtedness of the member to the system shall be established. The amount of this indebtedness is equal to the full actuarial cost of providing benefits for the service being claimed. Interest as established by regulation accrues on the indebtedness beginning January 1, 1991. Any outstanding indebtedness that exists at the time of retirement will require an actuarial adjustment to the benefits that are based on the retroactive credited service."

Renumber remaining bill sections accordingly.

A M E N D M E N T #2

OFFERED IN THE SENATE

BY DUNCAN

TO: HB 73

Page 2, after line 8:

Insert new bill sections to read:

"* Sec. 4. AS 39.35.340(i) is amended to read:

(i) Credited service under (a) of this section includes service as a

(1) foreign service officer, a foreign service reserve officer, or a limited foreign service reserve officer with the United States Department of State in Vietnam, Cambodia, or Laos from August 4, 1964, through November 7, 1975; [AND]

(2) member of the United States Merchant Marine Service from December 7, 1941, through September 30, 1945; and

(3) member of a national guard or national guard reserve unit as provided in (j) of this section.

* Sec. 5. AS 39.35.340 is amended by adding a new subsection to read:

(j) A vested employee is entitled to credited service for service in a national guard unit or in a national guard reserve unit if the employee received a discharge under honorable conditions and is not entitled to receive retirement benefits from the United States government for the same service. To obtain credited service for national guard service, the employee shall elect to do so and shall verify the period of service. When eligibility for credited service

for national guard service has been established, an indebtedness shall be determined. The indebtedness is equal to the full actuarial cost of providing benefits for the service being claimed. Interest at the rate prescribed by regulation shall be added to the indebtedness beginning on the date the actuarial cost is established and ending on the date of payment or the date of retirement, whichever occurs first. Any outstanding indebtedness that exists at the time a person is appointed to retirement will necessitate an actuarial adjustment to the benefits payable based upon that national guard service."

Renumber remaining bill sections accordingly.