

HB

73

HOUSE COMMITTEE ON STATE AFFAIRS

**RECAP OF
HB 73**

Tech. Amendments : Public Employee Benefits

Received January 9, 1989
by the Rules Committee
by Request of the Governor

Heard January 26, 1989

Passed Out of Committee January 26, 1989
6 Do Pass

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HOUSE COMMITTEE REPORT

(5)

Date Referred: January 9, 1989

FURTHER REFERRALS: JUDICIARY
FINANCE

Date of Committee Action: _____

The STATE AFFAIRS Committee recommends that:

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."

[] be replaced with _____ [] the same title
[] a new title

[] have attached amendment(s)

- 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:
- zero fiscal notes(s) published:
1/9/89 Dept of Admin

SIGNING DO PASS:

Eileen P. McKeon
Carl [unclear]
Scott [unclear]
Alice [unclear]
Joseph [unclear]
D.C. [unclear]

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

[Signature]
 Chairman's signature

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

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:

*spend it on
anything - don't
do that*

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(a)(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).



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.

Item 2

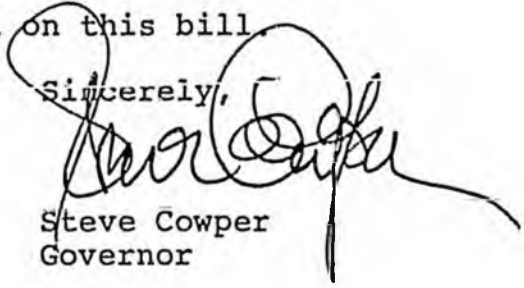
12
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Section 3 of the bill amends AS 39.30.150(a) to clarify that, because municipal as well as state employees can be members of the system, the employer of a supplemental benefits system member, not the Department of Administration, is required to 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

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FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act Relating To
Public Employee Benefits . . .
Sponsor: Rules
Requestor: Governor Comper

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

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 *J.M.A.* Date: 12/21/88
Agency: Department of Administration

Distribution (by preparer):

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

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)