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SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 163

SPONSOR Duncan

BILL TITLE Retirement credit for part-time service
in ~~FERS~~ = TRS

DATE REFERRED 3-23-89

HEARING SCHEDULED

FISCAL NOTE PREPARED ✓

SPONSOR CONTACTED

INTERESTED PARTIES CONTACTED

Sally Smith, DOA 4470 (Ret. + Ben)

OTHER

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: Part-Time Service in Both the
Public Employees' Retirement System
and Teachers' Retirement System
 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	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 will not result in additional operations cost for the Division of Retirement and Benefits.

THIS BILL WILL NOT RESULT IN INCREASED FY 90 PERSONAL SERVICES COSTS TO STATE AGENCIES, SCHOOL DISTRICTS OR OTHER PARTICIPATING POLITICAL SUBDIVISIONS.

Prepared By: Sally Smith, Director *Sally Smith* Phone: 465-4470
 Division: Retirement and Benefits Date: Feb 9 1989

Approved by Commissioner: John M. Andrews *JM Andrews* Date: 2/10/89
 Agency: Department of Administration

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

Senate Bill 163
Analysis of Fiscal Implications to the Retirement Funds
Prepared by Division of Retirement & Benefits
Department of Administration
February 7, 1989

Analysis: This bill will allow members to receive service credit in both the Teachers' (TRS) and Public Employees' Retirement System (PERS) concurrently, if they work at least 1/2 day in each. Under no circumstances can a member earning concurrent service under this bill earn more than one year of combined service during a school year.

There would not be an adverse impact on the actuarial soundness of either the PERS or the TRS funds. The increase in the unfunded liability and the decrease in the funding ratio in each would be negligible.

allows ^{1/2 time} credit in both TRS & PERS
if employed half-time in each

→ what about current problem: can't mix half & full time TRS?
BY DUNCAN

1 IN THE SENATE

2 SENATE BILL NO. 163

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to credit for part-time service in
7 the public employees' retirement system and the
8 teachers' retirement system; and providing for an
9 effective date."

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

11 * Section 1. AS 14.25.040 is amended by adding a new subsection to
12 read:

13 (d) A person who is employed at least half-time in the system
14 during the same period that the person is employed at least half-time
15 in a position in the public employees' retirement system under AS 39.-
16 35 shall receive credited service under each system for half-time
17 employment. However, the amount of credited service a person receives
18 under the public employees' retirement system during a school year may
19 not exceed the amount necessary, when added to the amount of credited
20 service earned during the school year under the system, to equal one
21 year of credited service.

22 * Sec. 2. AS 39.35 is amended by adding a new section to read:

23 Sec. 39.35.131. MEMBERSHIP IN TEACHERS' AND PUBLIC EMPLOYEES'
24 RETIREMENT SYSTEMS. A person who is employed at least half-time in
25 the system during the same period that the person is employed at least
26 half-time in a position in the teachers' retirement system under
27 AS 14.25 shall receive credited service under each system for half-
28 time employment. However, the amount of credited service a person
29 receives under the system during a school year may not exceed the

1 amount necessary, when added to the amount of credited service earned
2 during the school year under the teachers' retirement system, to equal
3 one year of credited service.

4 * Sec. 3. AS 39.35.680(21) is amended to read:

5 (21) "member" or "employee"

6 (A) means a person eligible to participate in the
7 system and who is covered by the system;

8 (B) includes

9 (i) active member;

10 (ii) inactive member;

11 (iii) vested member;

12 (iv) deferred vested member;

13 (v) non-vested member;

14 (vi) disabled member;

15 (vii) retired member;

16 (C) does not include

17 (i) former members;

18 (ii) persons compensated on a contractual or fee
19 basis;

20 (iii) casual or emergency workers or nonpermanent
21 employees as defined in AS 39.25.200;

22 (iv) persons covered by the Alaska Teachers'
23 Retirement System except as provided under AS 39.35.131;

24 (v) employees of the division of marine transpor-
25 tation engaged in operating the state ferry system who are
26 covered by a union or group retirement system to which the
27 state makes contributions;

28 (vi) justices of the supreme court or judges of
29 the court of appeals or of the superior or district courts

1 of Alaska;

2 (vii) the administrative director of courts ap-
3 pointed under art. IV, sec. 16 of the state constitution
4 unless the director becomes a member under AS 39.35.158; and

5 (viii) members of the elected public officers'
6 retirement system (former AS 39.37);

7 (D) may include employees of the division of marine
8 transportation excluded under (C)(v) of this paragraph provided
9 that

10 (i) the State of Alaska formally agrees to their
11 inclusion through the process of collective bargaining; and

12 (ii) no collective bargaining agreement has the
13 effect of obligating contributions made by the state under
14 AS 39.30.150 in the event the state resumes participation in
15 the federal social security system;

16 * Sec. 4. A person who was employed after January 15, 1988, at least
17 half-time in a position in the public employees' retirement system under
18 AS 39.35 in the same period that the person was employed at least half-time
19 in a position in the teachers' retirement system under AS 14.25 may elect
20 to receive credited service in both systems under AS 14.25.040(d) and
21 AS 39.35.131, as enacted by secs. 1 and 2 of this Act, for employment from
22 January 16, 1988, to the effective date of this Act. To obtain credited
23 service under this section, the person shall elect to do so and verify the
24 period of half-time service before July 1, 1990. When eligibility for
25 half-time service credit has been established, an indebtedness shall be
26 determined to the retirement system in which the person did not partici-
27 pate. The amount of the indebtedness is the full actuarial cost of provid-
28 ing benefits for the credited service claimed. Interest as prescribed by
29 regulation accrues on that indebtedness beginning July 1, 1990. Any

1 outstanding indebtedness existing at the time the person retires will
2 require an actuarial adjustment to the benefits payable based on that
3 service.

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