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DUSE COMMITTEE REPORT

(7)
 Date Referred: May 14, 1991 FURTHER REFERRALS: Finance

Date of Committee Action: 3/11/92

The STATE AFFAIRS Committee considered: CSSB 51(STA)

CS FOR SENATE BILL NO. 51 (STATE AFFAIRS) TRANSFER OF CREDITED SERVICE

"An Act creating a public service benefit in the public employees' retirement system."

RECOMMENDATIONS: the same title
 be replaced with _____ a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note ADMIN, UNIVERSITY

zero fiscal note(s) _____

SIGNING <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eugene G. Kukuna</i>	<input checked="" type="checkbox"/>				
<i>Tommy...</i>	<input checked="" type="checkbox"/>				
<i>Chris...</i>	<input checked="" type="checkbox"/>				
<i>...</i>	<input type="checkbox"/>				
<i>...</i>	<input type="checkbox"/>				
<i>Mike Miller</i>	<input type="checkbox"/>				
<i>...</i>	<input type="checkbox"/>				

Eugene G. Kukuna
 CHAIRMAN'S SIGNATURE

FISCAL NOTE

Version: CSSB 51 (STA)

(S) Publish Date: 4/5/91

**STATE OF ALASKA
1991 LEGISLATIVE SESSION**

Revision Date: 4/4/91 Department Affected: University of Alaska
 Title: TRS/PERS Transfer of Service Credit BRU: Statewide Program and Services
 Component:
 Sponsor: Duncan
 Requestor: Component Serial No. All

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)	FY92	FY93	FY94	FY95	FY96	FY97
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:	FY92	FY93	FY94	FY95	FY96	FY97
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.) CSSB 51 allows transfer of credited service between the PERS and TRS at the time of retirement. The University feels that at this time, these changes do not result in significant cost increases to its retirement programs.

Prepared by: Marsha Hubbard, Director
 Division: Statewide Budget Office

Phone: 474-7593
 Date: 3-11-91

Approved by: Brian Rogers, Vice President for Finance
 Agency: University of Alaska

Date: 4/4/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

**STATE OF ALASKA
1991 LEGISLATIVE SESSION**

BILL NO. SB 51

Revision Date: _____ Department Affected: **University of Alaska**
 Title: **TRS/PERS Transfer of Service Credit** BRU: **Statewide Program and Services**
 Component: _____
 Sponsor: **Duncan**
 Requestor: _____ Component Serial No. **All**

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)	FY92	FY93	FY94	FY95	FY96	FY97
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:	FY92	FY93	FY94	FY95	FY96	FY97
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.) SB 51 allows transfer of credited service between the PERS and TRS at the time of retirement. The University feels that at this time, these changes do not result in significant cost increases to its retirement programs.

Prepared by: Marsha Hubbard, Director Phone: 474-7593
 Division: Statewide Budget Office Date: 3-11-91
 Approved by: Brian Rogers, Vice President for Finance
 Agency: University of Alaska Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

No. 3

Bill Version: CSSA 51 (STA)

(i) Publish Date: 4/5/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____
Title: "An act creating a public service benefit in the public employees retirement system."
Sponsor: Duncan
Requestor: _____

Department Affected: Administration
BRU: Retirement and Benefits
Component: Retirement and Benefits

COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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, CLA MS	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
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REVENUE	0	0	0	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	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

Estimate of current year impact: zero

ANALYSIS: (attach a separate page if necessary.)

The cost of the benefits provided under the public service benefit will be paid entirely by employee contributions.

Prepared By: Gary Bader
Division: Retirement and Benefits

Phone: 465-4460
Date: 3/26/91

Approved by Commissioner: Millett Keller
Agency: Department of Administration

Date: 4/4/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, CMB & Impacted Agency(ies).

STATE OF ALASKA
 .991 LEGISLATIVE SESSION

Revision Date: _____
 Title: "An act creating a public service benefit in the
 public employees retirement system."
 Sponsor: Duncan
 Requestor: _____

Department Affected: Administration
 BRU: Retirement and Benefits
 Component: Retirement and Benefits
 COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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
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REVENUE	0	0	0	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	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

Estimate of current year impact: zero

ANALYSIS: (attach a separate page if necessary.)

The cost of the benefits provided under the public service benefit will be paid entirely by employee contributions.

Prepared By: Gary Bader *Gary M. Bader*
 Division: Retirement and Benefits

Phone: 465-4460
 Date: 3/26/91

Approved by Commissioner: Millett Keller *Millett Keller*
 Agency: Department of Administration *MK*

Date: 4/4/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB & Impacted Agency(ies).

FISCAL NOTE

**STATE OF ALASKA
1992 LEGISLATIVE SESSION**

BILL NO. CSSB51

Revision Date:

Title: "An Act relating to transfer of service credit by active & inactive & former members of the TRS and the Public Employees Retirement System."

Dept: University

BRU: All

Component: All

Sponsor: Senator Duncan

Requestor:

Component Serial No. All

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY93	FY94	FY95	FY96	FY97	FY98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)						
GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

CSSB51 allows the transfer of credited service between the PERS and TRS at the time of retirement. The University feels that at this time, these changes do not result in significant cost increases to its retirement programs.

Prepared by: Muraha Hubbard, Director *Muraha Hubbard*
Division: Statowide Budget Office

Phone: 474-7593
Date: 3/7/92

Approved by: Brian Rogers, Vice President for Finance *Brian Rogers*
Agency: University of Alaska

Date: 3/7/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

BILL NO. CSSB 51(SA)

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: _____
Title: "An act creating a public service benefit in the public employees retirement system."
Sponsor: Duncan
Requestor: _____

Department Affected: Administration
BRU: Retirement and Benefits
Component: Retirement and Benefits
COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
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

Estimate of current year impact: zero

ANALYSIS: (attach a separate page if necessary.)

The cost of the benefits provided under the public service benefit will be paid entirely by employee contributions.

Prepared By: Garv Bader *Garv M. Bader*
Division: Retirement and Benefits

Phone: 465-4470
Date: March 4, 1992

Approved by Commissioner: Nancy Bear Usura *Nancy Bear Usura*
Agency: Department of Administration

Date: 3/10/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB & Impacted Agency(ies).



Alaska State Legislature

SENATOR JIM DUNCAN

P. O. BOX V JUNEAU, ALASKA 99811-3100
(907) 465-4766

COMMITTEES:

VICE CHAIR —
FINANCE
VICE CHAIR —
STATE AFFAIRS
RULES
BUDGET & AUDIT
ETHICS REFORM

MEMORANDUM

DATE: January 21, 1992

TO: Representative Gene Kubina, Chair
House State Affairs Committee

FROM: Senator Jim Duncan

RE: SB 51, creating a Public Employees Retirement System Public Service Benefit.

JAN 21 1992

I request that you schedule SB 51, creating a public service benefits in PERS for a hearing in the House State Affairs Committee as soon as possible.

SB 51 was substantially revised in the Senate State Affairs Committee in response to recommendations from the Division of Retirement and Benefits.

Section 1. Allows members of TRS to claim their TRS service in PERS under certain conditions.

Section 2. Creates a Public Service Benefit in PERS. An individual with service in TRS who has never vested in either system would be allowed to claim their TRS credited service in PERS. Such an individual would be required to have at least two years credited service in PERS.

Upon retirement, the member would file a written request for a Public Service Benefit and the Division would determine the full actuarial cost of benefits and transfer both the employee's and employer's contribution from the TRS to the PERS. If the full actuarial cost of the benefit amounts to more than the transferred in and consolidated employer and employee contributions, the member would be required to pay the difference prior to retiring with a Public Service Benefit.

Section 2 (d) limits the retirees ability to use the service consolidated into a Public Service Benefit for any other purpose. In other words, if an individual retired with a Public Service Benefit they couldn't go back to work in TRS and use the transferred service to vest in TRS.

I urge your support for this legislation.

Attachments

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029

Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101

MEMORANDUM

March 29, 1991

SUBJECT: Sectional summary of CSSB 51 (STA) (Creating a PERS public service benefit)

TO: Senator Jim Duncan

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional analysis of the above described bill. As a preliminary matter, note 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.

Section 1 permits members of the Teachers' Retirement System (TRS) to claim their TRS service under the new section created in the Public Employees' Retirement System (PERS) by sec. 2 of the bill.

Sec. 2 creates a public service benefit in PERS. Under subsection (a), an active member (currently employed in PERS) or inactive member of PERS who has never vested in either PERS or TRS may claim credited service in an amount equal to the time the member has previously worked in a position covered by TRS. To be eligible to claim the TRS service, the member must have at least two years of PERS service. If the member received a refund of retirement contributions when leaving the TRS position, the indebtedness must be fully repaid before the credited service may be claimed in PERS.

Subsection (b) sets out how to claim the TRS credited service for the public service benefit and directs the administrator of PERS to transfer an amount equal to the member contribution account from the TRS system to the PERS system. The member is responsible for paying any balance after the TRS and PERS contribution accounts are deducted from the full actuarial costs of benefits.

Subsection (c) sets out when members of PERS are eligible to receive a public service benefit. The member must have a total of five years of service when the

Senator Jim Duncan

March 29, 1991

Page 2

PERS employment and TRS employment are added together. This is consistent with the general PERS vesting requirement.

Subsection (d) provides that once TRS or PERS credited service is claimed for a public service benefit, the member loses all rights in either system based on that credited service other than the right to the public service benefit.

Subsection (e) retains, despite the transfer of rights from TRS to PERS, the rights of third parties that were set out in a qualified domestic relations order (for example, a decree of divorce or dissolution filed with the TRS administrator) but permits the TRS credited service to be transferred.

Subsection (f) permits a member of PERS, whether or not currently employed in PERS, to buy back TRS service for which the member has received a refund of contributions in order to qualify for the public service benefit.

Subsection (g) sets out how to treat the credited service earned by a member who retires with a public service benefit and then returns to work under either PERS or TRS. The additional credited service may not be added to the public service benefit. However, if the member vests in either PERS or TRS as a result of the new employment, the member is entitled to a regular PERS or TRS benefit based on that additional credited service.

If I may be of further assistance, please advise.

TC:pl

91-223.plm

HOUSE COMMITTEE REPORT

5/14/91

(7)

Date Referred: April 22, 1991

FURTHER REFERRALS:

State Affairs
Finance

Date of Committee Action: 4/14/91

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

CSSB 51(STA)

CS FOR SENATE BILL NO. 51 (STATE AFFAIRS)

TRANSFER OF CREDITED SERVICE

"An Act creating a public service benefit in the public employees' retirement system."

RECOMMENDATIONS:

be replaced with _____ the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

^{Senate} zero fiscal note(s) (H.O.A. 4/5/91)

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i> Carney	✓				
<i>[Signature]</i> Lincoln	✓				
Betty Davis	✓	John C. Gonzales			✓
Mary Miller	✓				
		Cheri Davis			✓

[Signature] Carney
CHAIRMAN'S SIGNATURE