

HB 323

SENATE FINANCE COMMITTEE REPORT

DATE: 3/6/92

FURTHER:

DATE TURNED INTO OFFICE: 4-28-92

The Finance Committee considered HOUSE BILL NO. 323

"An Act relating to credited service in the public employees' retirement system for certain employment with the Alaska Bureau of Indian Affairs."

and recommends:

- replace with _____ CS _____ (FINANCE)
- or adopt previous _____ CS _____ (_____)
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes DDA 4-27-92
(with new analysis)

fiscal notes _____

appropriation--no fiscal note

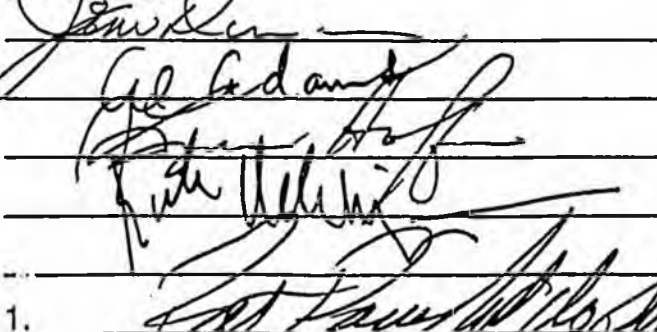
PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

DO PASS:

OTHER RECOMMENDATIONS:



1. Co-Chair: Signature/Recommendation

2. Co-Chair: Signature/Recommendation

FISCAL NOTE

BILL NO. HB 323

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: 4/27/92
Title: An act relating to credited service in the PERS for employment with the BIA.

Department Affected: ALL STATE
BRU: ALL STATE

Sponsor: Grussendorf
Requestor: Senate Finance Committee

Component: ALL STATE
COMPONENT SERIAL NO. _____

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
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REVENUE FUND SOURCE:	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 FUND SOURCE	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: \$0

ANALYSIS: (attach a separate page if necessary.) We expect that this bill will advantage less than ten people, so there will be no measurable increase in the PERS employer contribution rate with the passage of this bill. We estimate that the PERS accrued liability would increase by \$44,000 with passage of this bill. There would be no measurable impact to the PERS funding ratio.

Prepared By: Garv Bader
Division: Retirement and Benefits

Phone: 465-4470
Date: April 24, 1992

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

Date: 4/27/92

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

HOUSE BILL NO. 323

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE GRUSSENDORF

Introduced: 5/8/91

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to credited service in the public employees' retirement system for certain
2 employment with the Alaska Bureau of Indian Affairs."

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

4 * Section 1. AS 39.35.360(i) is amended to read:

5 (i) An employee who completes three years of credited service with an employer, for
6 which the employee makes contributions required by this chapter, is entitled to credited service
7 on a year-for-year basis for service credited in the Civil Service Retirement System, rendered as
8 an employee of an Alaska Bureau of Indian Affairs (BIA) school, other than service as a teacher.
9 [RETROACTIVE CREDITED SERVICE UNDER THIS SECTION MUST BE CLAIMED
10 BEFORE THE EMPLOYEE RETIRES.] When eligibility for retroactive credited service under
11 this subsection [SECTION] has been established, an indebtedness of the employee to the system
12 shall be determined as follows: (1) the employee's actual annual compensation, or the calculated
13 annual compensation for an employee who works fewer than 12 months, for the most recent
14 calendar year in which service is rendered to an employer before the calendar year in which the

1 employee first becomes eligible to claim service under this subsection, multiplied by (2) the
2 number of years of service in Alaska BIA schools that is credited under this subsection, and this
3 product multiplied by (3) six percent for employees first eligible to claim this service before
4 January 1, 1987, or eight and one-half percent for employees first eligible to claim this service
5 on or after January 1, 1987. Interest as prescribed by regulation accrues on the indebtedness
6 beginning on the date the employee may first claim the retroactive credited service. Any
7 outstanding indebtedness that exists at the time the employee retires requires an actuarial
8 adjustment to the benefits that are based on retroactive credited service under this subsection
9 [SECTION]. A retirement benefit payable under this subsection for Alaska BIA service
10 shall be reduced by an amount equal to the retirement benefits paid to the member by the
11 United States government for the same service [SERVICE MAY NOT BE CLAIMED UNDER
12 THIS SUBSECTION AND BENEFITS MAY NOT BE PAID FOR SERVICE CLAIMED
13 UNDER THIS SUBSECTION IF THE EMPLOYEE HAS, AT ANY POINT IN TIME,
14 ENOUGH SERVICE CREDIT IN THE CIVIL SERVICE RETIREMENT SYSTEM TO BE
15 ELIGIBLE FOR A RETIREMENT BENEFIT UNDER THAT SYSTEM].

REPRESENTATIVE
BEN GRUSSENDORF

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SITKA, ALASKA 99835
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RULES COMMITTEE
LEGISLATIVE COUNCIL

DISTRICT 3
ELFIN COVE
PELICAN
PORT ALEXANDER
SITKA
TENAKEE

Alaska State Legislature



House of Representatives
SPEAKER OF THE HOUSE

WHILE IN JUNEAU
P.O. Box V
JUNEAU, ALASKA 99811
(907) 485-3824
(907) 485-3720

MEMORANDUM

To: Sen. Pat Pourchot
Co-Chairman
Senate Finance Committee

From: Rep. Ben Grussendorf

Date: March 12, 1992

Re: House Bill 323

This is to request a hearing of the above referenced bill by the Senate Finance Committee.

House Bill 323 was introduced on behalf of a number of non-certificated employees at Mt. Edgecumbe school. During the 1984 legislative session, following the transfer of the school to the State, the Public Employees Retirement System (PERS) statutes were amended so to allow non-certificated employees to claim retirement credit for the years they worked in non-teaching positions at Alaska Bureau of Indian Affairs (BIA) schools. Unfortunately, while the original version of the 1984 legislation would have allowed these employees to claim PERS credit for all of their BIA time, the version of the bill that became law allowed only two classes of employees to claim their BIA service: those who did not have enough service to be vested in the federal system and those who had so much service that they were less than three years away from retirement. On the other hand, teachers in the Teachers Retirement System (TRS) may claim all of their BIA time. (See AS 14.25.107). This result has been the cause of much concern and consternation among the non-teaching employees at the school. I have attached to this memo several letters from the affected employees which explain their feelings about this matter.

The employees affected by House Bill 323 are few in number; the Department of Administration, Division of Retirement and Benefits, estimates that less than 10 employees will be advantaged by the legislation. Nevertheless, I strongly feel that these employees deserve the same treatment for retirement credit purposes as former BIA teachers, and I look forward to testifying on the bill before the Senate Finance Committee at your earliest convenience.

The Honorable Ben Grussendorf

Page 2

February 27, 1990

terminate the BIA employees one day and hire a totally new crew and operate the systems the next without jeopardizing or interrupting critical services provided by other agencies, not to mention the safety of the school facilities themselves. These same persons were essential to the design and orderly transition of the newly constructed utility systems that followed which could then be operated by any standard crews found in similar industry. Moreover, the congressional legislation providing for the total upgrade of the Mt. Edgecumbe School facility carried with it an almost impossible deadline to open the doors for operating the school. It would not have been possible to make this deadline working with anyone that did not already have a thorough and complete knowledge of the entire complex.

For sure, on October 1, 1983, after the BIA closed this school we were glad to have jobs, however, this was a two way street as we were essential to the operation of this facility and certainly equally as important to this facility as would be the teaching staff. We are merely requesting similar treatment.

Thank you again for addressing this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "AW Wilson", with a long horizontal flourish extending to the right.

Albert W. Wilson

FISCAL NOTE

No. 1

Bill Version: HB 323

(H) Publish Date: 2/10/92

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: _____
Title: An act relating to credited service in the PERS for employment with the BIA.

Department Affected: Administration
BRU: Retirement and Benefits

Sponsor: Grussendorf
Requestor: House State Affairs Committee

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
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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.)

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

Phone: 465-4460

Date: January 31, 1992

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

Date: 2/6/92

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

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