

HB

467

HB467: Regarding Legislative Contract Employees General Information

- Most State Agencies have the ability to hire temporary employees who do not participate in the Public Employees Retirement System. This does not include seasonal employees, but generally short-term employees, who may work on either a salaried or hourly basis. They are usually referred to as "Temporary" or "Non-Permanent" employees. The Legislature does not have this ability for any of its employees if they work any portion of the year during the legislative session.
- The current retirement law restrictions were put in place to provide retirement benefits to legislative staff employees who were hired as "Daily Paid" employees that would otherwise not qualify to participate in the retirement system. This "Daily Paid" status for our employees has not been used since the mid 1980s so the language restriction is really no longer necessary.
- The problem in the past has been inconvenient and inflexible, but has recently become a significant issue with the Chief of Security position. In the case of the Chief of Security we are severely restricted, if not completely unable, to fill a position because the requirements of this position almost dictate hiring retired Alaska peace officers. And, retirees may not work in a position covered by the retirement system.
- We are no longer able to use 'contractors' for the Chief of Security because of IRS regulations on employee vs employer relationships. The individual clearly must be considered an employee. This bill will allow us to conform with IRS regulations and satisfy the State retirement rules.
- HB 467 will not adversely affect any of our current employees. Further, it does not remove the current protection language for temporary employees. It does allow the flexibility of hiring an employee under a "Personal Services Contract". Under this type of contract the person is an employee, on our payroll and paid by personnel, but they will not have retirement credit for the contract period. This eliminates our current retirement restriction when that restriction is not appropriate.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

NO. _____
BILL VERSION: HB 467
PUBLISH DATE: _____

Revision Date: _____ Department Affected: Legislature
Title: "An act relating to employees of the
Legislature who are employed under a personal..." BRU: All
Sponsor: Representative Kott Component: All
Reques: House Finance Committee

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	-4.3	-4.3	-4.3	-4.3	-4.3	-4.3
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						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-4.3	-4.3	-4.3	-4.3	-4.3	-4.3

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	-4.3	-4.3	-4.3	-4.3	-4.3	-4.3
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	-4.3	-4.3	-4.3	-4.3	-4.3	-4.3

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:

ANALYSIS: (Attach a separate page if necessary)

This bill adds the option of hiring a legislative employee under a personal services contract without enrolling them into the Public Employees Retirement System (PERS). Most State agencies can hire temporary or nonpermanent employees without enrolling them in PERS. The Legislature currently does not have the same ability during a Legislative session. This bill does not adversely affect any current employees. This bill would allow the Legislature to hire summer tour guides, laborers to load the van, and the Security Chief without enrolling these employees in PERS. The savings to the Legislature would be at least 4.3 each year.

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