

SB

4

Alaska State Legislature



Committee Membership

Senate Finance
Senate Resources
Senate Rules
Legislative Budget & Audit

Senator John Torgerson

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Sponsor Statement

SB 4: LB Sabbatical to PFD Eligibility

As we all know, many of Alaska's elderly residents often escape to warmer climates during the harshest winter months. Unfortunately, an elderly resident who leaves the state for more than 3 months loses eligibility for the Permanent Fund Dividend. While this seems practical at first blush, our senior citizens, who as a group rely the heaviest on their dividends for financial survival, are often on legitimate sabbaticals created by the Legislature for Longevity Bonus purposes.

The entire thrust of SB 4 is to conform eligibility requirements for the Permanent Fund Dividend with the unpaid sabbatical provisions in §47.45.035 governing the Longevity Bonus Program, so that both programs are consistent.

Under this section, a recipient of the Longevity Bonus may take an unpaid sabbatical for a period of up to 12 months. A recipient having properly notified the Department of Administration within a 30 day period before leaving Alaska may make application upon return to the state to again receive the bonus. However, by law, an unpaid sabbatical recipient may only take one sabbatical every five years.

Simply put, SB 4 would allow a senior citizen to take a sabbatical from the state no more than once every 5 years without losing eligibility for the Permanent Fund Dividend. This bill does not open a loophole in the eligibility process for receipt of the Permanent Fund. It is specifically tailored to allow only those who are on a legitimate sabbatical as recognized by §47.45.035 to remain eligible for receipt of the Permanent Fund Dividend.

From a policy perspective, SB 4 is good government at work as it encourages seniors to maintain residence in the state by not punishing them financially for leaving on a legitimate sabbatical as recognized by the Longevity Bonus Program. Further, SB 4 encourages travel which in these tight budgetary times will force savings from payments made under the Longevity Bonus program.

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Sectional Analysis

SB 4: LB Sabbatical to PFD Eligibility

Section 1: Inserts new subsection (k) to AS 43.23.095(8), subsection being the unpaid sabbatical under AS 47.45.035 *

Section 2: Effective date of legislation.

* **Sec. 47.45.035.** Unpaid sabbaticals. Notwithstanding AS 47.45.030, after qualification, a recipient may take an unpaid sabbatical for a period of up to 12 consecutive months by notifying the Department of Administration of the period the recipient elects to be on unpaid sabbatical status. The notice shall be provided to the department at least 30 days before the first day of the unpaid sabbatical period. While on unpaid sabbatical status, the recipient no longer receives bonuses, but the recipient may be absent from the state at any time without being disqualified. The recipient may again make application for a bonus after returning to the state at the end of the sabbatical period. A recipient who has taken an unpaid sabbatical may not elect to do so again until a period of at least five years has elapsed beginning on the day after the sabbatical ended.

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LEGAL SERVICES

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MEMORANDUM

February 15, 1997

SUBJECT: Allowable absence under the permanent fund dividend program (SB 4)

TO: Senator Lyda Green

FROM: Tamara Brandt Cook
Director

Sec. 1. Amends the definition of "state resident" under the permanent fund dividend program to add as a new allowable absence an absence for an unpaid sabbatical under the longevity bonus program.

Sec. 2. The effective date is tied to the beginning of the next dividend year.

TBC:pl
97-034.plm