

**HB**

**226**

# FISCAL NOTE

STATE OF ALASKA  
1999 LEGISLATIVE SESSION

BILL NO. HB 226

Revision Date: \_\_\_\_\_  
 Title: An Act relating to credited service under the teachers' retirement system for education employees  
 Sponsor: Representative Coghill  
 Requestor: Health, Education and Social Services

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

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
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
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ( )	0	0	0	0	0	0
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**FUND SOURCE:** (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1037 GF/Mental Health	0	0	0	0	0	0
OTHER (1029 P/E Retire)	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimate of any current year (FY 99) cost: \$ 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 legislation will have no material financial impact on the Public Employees' Retirement System or the Teachers' Retirement System.

Prepared by: Guy Bell  
 Division: Retirement and Benefits

Phone: 465-4471  
 Date: \_\_\_\_\_

Approved by Commissioner: Robert Poe, Jr.  
 Agency: Department of Administration

Date: 5/11/99

## HOUSE BILL NO. 226

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES COGHILL, Dyson

Introduced: 5/6/99

Referred: Health, Education and Social Services, Labor and Commerce, Finance

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to credited service under the teachers' retirement system for  
 2 education employees on leave without pay or receiving workers' compensation  
 3 benefits because of certain on-the-job injuries."

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

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

6 (e) A teacher who is <sup>physically</sup> assaulted while on the job, <sup>who files for benefits under AS 23.30</sup> and who, as a result of injury  
 7 from the assault, is placed on leave without pay, whether or not the teacher is  
 8 receiving benefits under AS 23.30 for the injury, is entitled to accrue credited service  
 9 while the teacher, because of the injury, is on leave-without-pay status or is receiving  
 10 workers' compensation benefits under AS 23.30. Entitlement to earn credited service  
 11 under this subsection ends when the teacher is eligible to <sup>receive benefits</sup> ~~be appointed to normal~~  
 12 ~~retirement~~ under AS 14.25.110(a) ~~or~~ <sup>or</sup> 14.25.130(a).

13 \* Sec. 2. AS 14.25.050(a) is amended to read:

14 (a) Except as provided in (c) of this section, beginning [BEGINNING]

1 January 1, 1991, each teacher shall contribute to the system an amount equal to 8.65  
 2 percent of the teacher's base salary accrued from July 1 to the following June 30. The  
 3 employer shall deduct the contribution from the teacher's salary at the end of each  
 4 payroll period. The contributions shall be deducted from employee compensation  
 5 before the computation of applicable federal taxes and shall be treated as employer  
 6 contributions under 26 U.S.C. 414(h)(2).

7 \* Sec. 3. AS 14.25.050 is amended by adding new subsections to read:

8 (c) The employer of a teacher who, because of <sup>a physical</sup> ~~a~~ injury caused by an on-the-  
 9 job assault, is on unpaid leave of absence or is receiving benefits under AS 23.30 shall  
 10 pay the teacher's contributions required by this section while the teacher is on unpaid  
 11 leave or receiving the workers' compensation benefits.

12 (d) A teacher who <sup>is placed on a</sup> ~~takes more than 10 days~~ leave of absence without pay in  
 13 a calendar year because the teacher is unable to work due to an on-the-job injury or  
 14 occupational illness for which the teacher is receiving benefits under AS 23.30 and for  
 15 which the teacher is not entitled to credited service under AS 14.25.040(e) may elect  
 16 to receive credited service for the time on leave of absence without pay status. When  
 17 a teacher elects to receive credited service under this subsection, an indebtedness is  
 18 established. The amount of the indebtedness is equal to the contributions that the  
 19 teacher would have made if the teacher had been working, ~~less the sum of~~  
 20 ~~contributions that the teacher made for those periods of time and an amount equal to~~  
 21 ~~contributions that would have been made for the first 10 days of leave without pay.~~  
 22 Interest as prescribed by regulation accrues on the indebtedness beginning on the date  
 23 that the teacher returns to work or terminates employment. If there is an outstanding  
 24 indebtedness at the time the teacher is appointed to retirement, benefits shall be  
 25 actuarially adjusted.

26 \* Sec. 4. AS <sup>39.35.330</sup> ~~39.35.330~~ is amended by adding a new subsection to read:

27 (d) ~~(e)~~ An employee of a school district, a regional educational attendance area,  
 28 or a state boarding school who is assaulted while on the job and who, as a result of  
 29 injury from the assault, is placed on leave without pay, whether or not the employee  
 30 receives workers' compensation benefits under AS 23.30 for the injury, is entitled to  
 31 accrue credited service while the employee, because of the injury, is on leave-without-

1 pay status or is receiving the benefits under AS 23.30. Entitlement to credited service,  
 2 under this subsection ends when the employee is eligible ~~to be appointed to normal~~ <sup>to receive benefits</sup>  
 3 ~~status~~ under AS 39.35.370(a) or AS 39.35.410(a)

4 \* Sec. 5. AS 39.35.160(a) is amended to read:

5 (a) ~~Except as provided in (c) of this section, beginning [BEGINNING]~~  
 6 January 1, 1987, each peace officer or fire fighter shall contribute to the system an  
 7 amount equal to seven and one-half percent of the peace officer's or fire fighter's  
 8 compensation. <sup>Except as provided in (c) of this section, beginning</sup> [Beginning] January 1, 1987, each other employee shall contribute to the  
 9 system an amount equal to six and three-quarters percent of the employee's  
 10 compensation. The contributions shall be deducted by the employer at the end of each  
 11 payroll period. The contributions shall be deducted from employee compensation  
 12 before computation of applicable federal taxes, and the contributions shall be treated  
 13 as employer contributions under 26 U.S.C. 414(h)(2).

14 \* Sec. 6. AS 39.35.160 is amended by adding new subsections to read:

15 (c) The employer of a member who is employed by a school district, a  
 16 regional educational attendance area, or a state boarding school, who, because of <sup>a</sup>  
 17 <sup>physical</sup> injury caused by an on-the-job assault, is on unpaid leave of absence or is receiving  
 18 benefits under AS 23.30, shall pay the member's contributions under this section while  
 19 the member is, as a result of the on-the-job injury, on unpaid leave or receiving the  
 20 benefits under AS 23.30.

21 \* Sec. 7. This Act entitles a teacher under AS 14.25 or an employee of a school district,  
 22 a regional educational attendance area, or a state boarding school under AS 39.35 to receive  
 23 credited service for days on leave without pay or days when the teacher or employee was  
 24 receiving workers' compensation benefits under AS 23.30 that occur on or after the effective  
 25 date of this Act.

# Alaska State Legislature



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Representative John Coghill

Date: May 11, 1999  
To: House HESS Committee Members  
From: Representative John Coghill *JBC*  
Re: Committee Substitute for HB 226

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My office met with Guy Bell and Bill Church of Retirement and Benefits this morning to go over the language of HB 226. The purpose of the meeting was to make sure the language in the bill was clean and workable and the intent of the legislation was accomplished.

The original intent of this legislation was do two things:

- To provide for equity of credited service between TERS and PERS
- To provide that when an employee of a public school lost work time from a physical assault on the job, the employer would contribute to the employee's credited service.

Because of the manner in which legislative legal wrote Section 5 of HB 226, the intent was expanded to include policemen and firefighters. The language also does not explicitly mention "physical assault".

The existing legislation puts language applicable to leave of absences for PERS employees who work for public schools in AS 39.35.120 **Commencement of participation**, when in fact, the language should be inserted in AS 39.35.330 **Leave of Absence**.

The term of eligibility in the existing language would be until the eligible person is eligible for normal retirement. The eligibility would also terminate if the employee obtains a disability pension.

For these reasons, I recommend the committee adopt a committee substitute with the attached amendments.

1-LS0917D  
Cramer ✓  
5/11/99

**CS FOR HOUSE BILL NO. 226( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIRST LEGISLATURE - FIRST SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): REPRESENTATIVES COGHILL, Dyson**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to credited service under the teachers' retirement system for  
2 education employees on leave without pay or receiving workers' compensation  
3 benefits because of certain on-the-job injuries."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

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

6 (e) A teacher who is assaulted while on the job, who files for benefits under  
7 AS 23.30, and who, as a result of a physical injury from the assault, is placed on leave  
8 without pay, whether or not the teacher is receiving benefits under AS 23.30 for the  
9 injury, is entitled to accrue credited service while the teacher, because of the injury,  
10 is on leave-without-pay status or is receiving workers' compensation benefits under  
11 AS 23.30. Entitlement to earn credited service under this subsection ends when the  
12 teacher is eligible to receive benefits under AS 14.25.110(a) or 14.25.130(a).

13 \* **Sec. 2.** AS 14.25.050(a) is amended to read:

14 (a) Except as provided in (c) of this section, beginning [BEGINNING]

1 January 1, 1991, each teacher shall contribute to the system an amount equal to 8.65  
2 percent of the teacher's base salary accrued from July 1 to the following June 30. The  
3 employer shall deduct the contribution from the teacher's salary at the end of each  
4 payroll period. The contributions shall be deducted from employee compensation  
5 before the computation of applicable federal taxes and shall be treated as employer  
6 contributions under 26 U.S.C. 414(h)(2).

7 \* Sec. 3. AS 14.25.050 is amended by adding new subsections to read:

8 (c) The employer of a teacher who, because of a physical injury caused by  
9 an on-the-job assault, is on unpaid leave of absence or is receiving benefits under  
10 AS 23.30 shall pay the teacher's contributions required by this section while the  
11 teacher is on unpaid leave or receiving the workers' compensation benefits.

12 (d) A teacher who is placed on leave of absence without pay because the  
13 teacher is unable to work due to an on-the-job injury or occupational illness for which  
14 the teacher is receiving benefits under AS 23.30 and for which the teacher is not  
15 entitled to credited service under AS 14.25.040(e) may elect to receive credited service  
16 for the time on leave of absence without pay status. When a teacher elects to receive  
17 credited service under this subsection, an indebtedness is established. The amount of  
18 the indebtedness is equal to the contributions that the teacher would have made if the  
19 teacher had been working. Interest as prescribed by regulation accrues on the  
20 indebtedness beginning on the date that the teacher returns to work or terminates  
21 employment. If there is an outstanding indebtedness at the time the teacher is  
22 appointed to retirement, benefits shall be actuarially adjusted.

23 \* Sec. 4. AS 39.35.160(a) is amended to read:

24 (a) Beginning January 1, 1987, each peace officer or fire fighter shall  
25 contribute to the system an amount equal to seven and one-half percent of the peace  
26 officer's or fire fighter's compensation. Except as provided in (c) of this section,  
27 beginning [BEGINNING] January 1, 1987, each other employee shall contribute to the  
28 system an amount equal to six and three-quarters percent of the employee's  
29 compensation. The contributions shall be deducted by the employer at the end of each  
30 payroll period. The contributions shall be deducted from employee compensation  
31 before computation of applicable federal taxes, and the contributions shall be treated

1 as employer contributions under 26 U.S.C. 414(h)(2).

2 \* Sec. 5. AS 39.35.160 is amended by adding new subsections to read:

3 (c) The employer of a member who is employed by a school district, a  
4 regional educational attendance area, or a state boarding school who is assaulted while  
5 on the job and who, as a result of a physical injury from the assault, is placed on  
6 unpaid leave of absence or is receiving benefits under AS 23.30, shall pay the  
7 member's contributions under this section while the member is, as a result of the on-  
8 the-job injury, on unpaid leave or receiving the benefits under AS 23.30.

9 \* Sec. 6. AS 39.35.330 is amended by adding a new subsection to read:

10 (d) An employee of a school district, a regional educational attendance area,  
11 or a state boarding school who is assaulted while on the job and who, as a result of  
12 a physical injury from the assault, is placed on leave without pay, whether or not the  
13 employee receives workers' compensation benefits under AS 23.30 for the injury, is  
14 entitled to accrue credited service while the employee, because of the injury, is on  
15 leave-without-pay status or is receiving the benefits under AS 23.30. Entitlement to  
16 credited service under this subsection ends when the employee is eligible to receive  
17 benefits under AS 39.35.370(a) or 39.35.410(a).

18 \* Sec. 7. This Act entitles a teacher under AS 14.25 or an employee of a school district,  
19 a regional educational attendance area, or a state boarding school under AS 39.35 to receive  
20 credited service for days on leave without pay or days when the teacher or employee was  
21 receiving workers' compensation benefits under AS 23.30 that occur on or after the effective  
22 date of this Act.

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Representative John Coghill

## HB 226 Education Employees and On-The-Job Injuries

### Sectional Analysis

- \*Section 1.** Amends AS 14.25.040, **TERS Membership**, to provide that if a teacher is injured on the job as a result of a physical assault, the teacher is entitled to accrue credited service. This entitlement would end when the teacher is eligible for retirement or is placed on disability because of the injury.
- \*Section 2.** Amends AS 14.25.050(a), **Contribution by teachers**, to provide for an exception to the teacher contributing to TERS when that teacher has been physically assaulted, in which case the employer contributes.
- \*Section 3.** Amends AS 14.25.050, **Contribution by teachers**, by adding subsections (c) & (d).

**Subsection (c)** provides that the employer shall pay for the teacher's contributions when the teacher is off the job because of an on-the-job physical assault injury.

**Subsection (d)** provides a teacher who is placed in a leave of absence status because of an on-the-job injury or occupational illness other than an physical assault injury, with the same option as employees in PERS to buy credited service for the period of time the teacher is off the job for the on-the-job injury, receives normal retirement, or receives a disability pension.
- \*Section 4.** Amends AS 39.35.120, **Commencement of participation** in PERS, puts a limit on an employee receiving credited service bring paid by the employer from an assault injury under PERS.
- \*Section 5.** Amends AS 39.35.160(a), **Amount of employee contributions**. This provides that the employer not the employee who is on a leave of absence due to an on-the-job injury from a physical assault will make contribution at the prevailing rate.
- \*Section 6.** Amends AS 39.35.160, **Amount of employee contributions**, to provide that that the employer shall pay for a public school employee's contributions to PERS when the employee is off the job because of an on-the-job assault injury.
- \*Section 7.** Provides that credited service will be applicable only to injuries received on the day of or after the effective date of HB 226.

AMENDMENT #5

OFFERED IN THE HOUSE HESS

BY REPRESENTATIVE COCHILL

TO: HB 226

1 Page 3, line 16, after the words "because of"

2 Delete: "an"

3 Insert: a physical

4

5

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AMENDMENT #5

OFFERED IN THE HOUSE HESS

BY REPRESENTATIVE COGHILL

TO: HB 226

1 Page 3, line 5

2 Delete: ""Except as provided in (c) of this section, beginning"

3 Insert: **Beginning**

4

5 Page 3, line 8

6 Delete: "Beginning"

7 Insert: **Except as provided in (c) of this section, beginning**

8

9

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AMENDMENT #4

OFFERED IN THE HOUSE HESS

BY REPRESENTATIVE COGHILL

TO: HB 226

1 Page 2, Line 26:

2 Delete: "39.35.120"

3 Insert: **39.35.120**

4

5 Page 2, line 27:

6 Delete: "(c)"

7 Insert: **(d)**

8 Page 2, line 28, after the words "who is"

9 Insert: **physically**

10 Page 3, line 2, after the word "eligible":

11 Delete: "to be appointed to normal retirement under AS 39.35.370(a)."

12 Insert: **to receive benefits under AS 39.35.370(a) or AS 39.35.410(a).**

13

14

AMENDMENT #3

OFFERED IN THE HOUSE HESS

BY REPRESENTATIVE COGHILL

TO: HB 226

- 1 Page 2, line 12
- 2 Delete: "takes more than 10 days"
- 3 Insert: "is placed in a"
- 4
- 5 Page 2, line 19, after the word "working"
- 6 Insert: :
- 7 Delete: "less the sum of contributions that the teacher made for those periods of time and an amount equal to contributions that would have been made for the first 10 days of leave without pay."

AMENDMENT #2

OFFERED IN THE HOUSE HESS

BY REPRESENTATIVE COGHILL

TO: HB 226

- 1 Page 2, line 8, after the words "because of an":
- 2 Insert: physical

AMENDMENT #1

OFFERED IN THE HOUSE HESS

BY REPRESENTATIVE COGHILL

TO: HB 226

1 Page 1, line 6, after the word "is":

2 Insert: physically

3 Page 1, line 6, after the word "job":

4 Insert: . who files for benefits under AS 23.30,

5 Page 1, lines 11-12:

6 Delete all and insert:

7 under this subsection ends when the teacher is eligible to receive benefits under AS 14.25.110(a) or AS 14.25.130(a).



# NEA-ALASKA

*Affiliated with the National Education Association*

## **HB 226 –Education Employees and On-the-Job Injuries**

**May 11, 1999**

NEA-Alaska supports HB 226. The bill will prevent, either a loss of retirement service credit or out of pocket expense for school personnel injured through physical assault while at work. We offer the following thoughts in support of HB 226.

*The 30<sup>th</sup> Annual Phi Delta Kappa/Gallup Poll of Public Attitudes Toward the Public Schools showed that concern about fighting and violence replaces lack of discipline, need for more control, and lack of financial support as the top problems facing local public schools.*

School personnel are equally concerned about safety, order and discipline within schools and classrooms. The number of violent incidents against school staff has increased. School districts seek to identify ways to control and reduce violent acts within schools. The responsibility for control of classrooms falls directly on teachers and support personnel.

Because of the dedicated work of school staff, schools remain the safest place for students. However, as school personnel work to make our schools safe for all children, occasionally a staff member will sustain an injury as a result of a physical assault. If this should occur, an employee on worker's compensation as a result of injury or on an unpaid leave of absence associated with this type of injury will either lose money or service time in their respective retirement systems.

HB 226 provides a element of relief for a school staff person assaulted while in the line of duty by requiring the employer to pay either the TRS or PERS contribution for school personnel on leave due to on-the-job physical assault. HB 226 will eliminate a break in service retirement credit.

NEA-Alaska appreciates the work of Representative John Coghill in correcting a weakness in the PERS and TRS statutes for school personnel who work each day to make our schools safe places for children and families.

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Representative John Coghill

## **HB 226 - On-the-Job Assault Injuries** **Sponsor Statement**

In recent years, parents and educators have been looking for ways to ensure the safety of the children and employees of the schools. I introduced HB 226 to address on-the-job safety of school employees.

This legislation provides for a teacher or other employee of the public school system placed on leave without pay because of injuries received from an on-the-job assault to accrue credited service. While the individual is on unpaid leave or receiving workers' compensation benefits, the employer would pay the employee's contributions to credited service.

This legislation also amends the Teacher's Retirement System (TERS) so a teacher unable to work due to an on-the-job injury or occupational illness for which the teacher is receiving workers' compensation may opt to purchase credited service. Public employees already have this option under Public Employees Retirement System (PERS).

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Representative John Coghill

## HB 226 Education Employees and On-The-Job Injuries

### Sectional Analysis

- \*Section 1.** Amends AS 14.25.040, **TERS Membership**, to provide that if a teacher is injured on the job as a result of an assault, the teacher is entitled to accrue credited service.
- \*Section 2.** Amends AS 14.25.050(a), **Contribution by teachers**, to provide for an exception to the teacher contributing to TERS when that teacher has been assaulted, in which case the employer contributes.
- \*Section 3.** Amends AS 14.25.050, **Contribution by teachers**, by adding subsections (c) & (d).

**Subsection (c)** provides that the employer shall pay for the teacher's contributions when the teacher is off the job because of an on-the-job assault injury.

**Subsection (d)** provides that a teacher who takes more than ten days of leave of absence without pay because of an on-the-job injury or occupational illness other than an assault injury, that teacher will have the same option as employees in PERS to buy credited service for the period of time the teacher is off the job for the on-the-job injury.
- \*Section 4.** Amends AS 39.35.120, **Commencement of participation in PERS**, puts a limit on an employee receiving credited service being paid by the employer from an assault injury under PERS.
- \*Section 5.** Amends AS 39.35.160(a), **Amount of employee contributions**, to provide for an exception to firefighters and peace officers who are PERS employees contributing to PERS when that employee has been assaulted, in which case the employer contributes.
- \*Section 6.** Amends AS 39.35.160, **Amount of employee contributions**, to provide that the employer shall pay for a public school employee's contributions to PERS when the employee is off the job because of an on-the-job assault injury.
- \*Section 7.** Provides that credited service will be applicable only to injuries received on the day of or after the effective date of HB 226.