

SB

177

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 177
 (S) Publish Date: 4/23/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title Alaska COLA for retirees called to BRU Centralized Administrative Services
active military duty outside the state... Component Retirement and Benefits
 Sponsor Senator Stevens
 Requester: Senate State Affairs Component No. 64

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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 EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would allow a PERS or TRS retiree residing in the Alaska to continue receiving the 10% Alaska retiree cost of living allowance (COLA) if s/he is a member of a reserve or auxiliary component of the U.S. armed forces and is called to active duty outside the state. This will have no fiscal impact on the retirement systems as the number of retirees affected by this change would be very small and the system already expects to pay these benefits.

Prepared by: Guy Bell, Director Phone 465-4471
 Division: Retirement and Benefits Date/Time April 17, 2003
 Approved by: Mike Miller, Commissioner Date April 17, 2003
 Agency: Department of Administration

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SENATE BILL NO. 177

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY SENATORS BEN STEVENS, Taylor, Green, Wilken, Bunde, Cowdery, Dyson, Gary Stevens, Wagoner, Seekins, Elton, Therriault, Olson

Introduced: 4/7/03

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to cost-of-living benefits for retired members in the public employees'
2 retirement system and the teachers' retirement system who are called to active military
3 duty; and providing for an effective date."

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

5 * Section 1. AS 14.25.142(c) is amended to read:

6 (c) In this section, "residing in the state" means domiciled and physically
7 present in the State of Alaska. A [BEING ABSENT FROM THE STATE FOR A
8 CONTINUOUS PERIOD OF 90 DAYS OR LESS, OR SIX MONTHS OR LESS
9 WHEN ORDERED BY A PHYSICIAN, DOES NOT CHANGE A] person's status as
10 "residing in the state [.]" does not change if the person is absent from the state for
11 a continuous period of
12 (1) 90 days or less;
13 (2) six months or less, when ordered by a physician to be absent
14 from the state; or

1 (3) any length of time while the person is a member of a reserve or
 2 auxiliary component of the armed forces of the United States, including the
 3 organized militia of Alaska consisting of the Alaska National Guard, the Alaska
 4 Naval Militia, and the Alaska State Defense Force, and is called to active duty by
 5 the appropriate state or federal authority.

6 * Sec. 2. AS 39.35.480(d) is amended to read:

7 (d) For purposes of this section, "residing in the state" means domiciled and
 8 physically present in the state. A [BEING ABSENT FROM THE STATE FOR A
 9 CONTINUOUS PERIOD OF 90 DAYS OR LESS OR SIX MONTHS OR LESS

10 WHEN ORDERED BY A PHYSICIAN DOES NOT CHANGE A] person's status as

11 "residing in the state [.]" does not change if the person is absent from the state for
 12 a continuous period of

13 (1) 90 days or less;

14 (2) six months or less, when ordered by a physician to be absent
 15 from the state; or

16 (3) any length of time while the person is a member of a reserve or
 17 auxiliary component of the armed forces of the United States, including the
 18 organized militia of Alaska, consisting of the Alaska National Guard, the Alaska
 19 Naval Militia, and the Alaska State Defense Force, and is called to active duty by
 20 the appropriate state or federal authority.

21 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to
 22 read:

23 RETROACTIVITY. Sections 1 and 2 of this Act are retroactive to January 1, 2003.

24 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

Alaska State Legislature

OFFICE OF THE MAJORITY LEADER

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SENATOR BEN STEVENS

MEMORANDUM

May 9, 2003

To: Representative Bill Williams, Co-Chair
House Finance Committee

From: Senator Ben Stevens
Majority Leader

Subject: Request a hearing for SB 177

Please schedule SB 177, "An act relating to cost-of-living benefits for retired members in the public employees' retirement system and the teachers' retirement system who are called to active military duty; and providing for an effective date," before the House Finance Committee at your earliest convenience.

A constituent of mine retired from the Anchorage School District in July 2001. He is currently living in Alaska and receiving an Alaska cost-of-living allowance (COLA) which is 10% of his base pay. An average COLA benefit is approximately \$250.00 per month. The military has called him to active duty and he will be deployed to Iraq with the Army's First Cavalry Division. The military has informed him that the deployment will likely last one year with the possibility of additional time at Forces Command Headquarters. His family will not accompany him to Iraq and will maintain their home in Anchorage. Under existing statute he will not be allowed to continue to receive his Alaska COLA.

SB 177 will allow retirees, currently receiving COLA, who get called to active military duty to receive their cost-of-living allowance while out of the state on active duty.

There is no fiscal impact of this legislation, and it will not adversely affect the retirement system.

I appreciate your favorable consideration of this request.

Alaska State Legislature
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SENATOR BEN STEVENS

Sponsor Statement
Senate Bill 177

SB 177, "An act relating to cost-of-living benefits for retired members in the public employees' retirement system and the teachers' retirement system who are called to active military duty; and providing for an effective date."

An Alaska Cost-of-Living Allowance is payable to benefit recipients of the public employees' and teachers' retirement system who remain domiciled in Alaska after retirement. The allowance is 10% of their base pay. A person receiving a COLA is not entitled to the allowance if absent from the state for a time period in excess of 90 continuous days, except that a person may be absent from the state for not more than six months without a loss of COLA if the absence is the result of illness and required by order of a licensed physician.

Upon return to the state and upon notification to the Department of Administration the person is again entitled to receive the monthly cost-of-living allowance, commencing with the first monthly benefit payment.

Our retired public employees currently receiving COLA in the State and who are called to active duty in the military would not be eligible for the COLA payment while serving our country, under existing statute. SB 177 rectifies this situation and allows retired public employees eligible to continue to receive their COLA while on active military duty.