

SB

177

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
MAY 6 2003
SENATE FINANCE COMMITTEE

DATE: 4/23/03

FURTHER:

DATE TURNED
IN TO OFFICE: 6 May 2003

Finance Committee considered SENATE BILL NO. 177

SB 177 PERS/TRS COLA FOR ACTIVE DUTY MILITARY

"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."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
Admin	2/17/03		✓	#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Adrian Taylor</i>	✓			
<i>Richard L. ...</i>			✓	
<i>J.C. Blunt</i>			✓	
<i>Ben Stevens</i>	✓			
COCHAIR: <i>Linda Green</i>	✓			
COCHAIR: <i>Gary White</i>	✓			

FISCAL NOTE

REPORTED BY
MAY 6 2003
 SENATE FINANCE
 COMMITTEE

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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

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

Alaska State Legislature
OFFICE OF THE MAJORITY LEADER

Interim:
716 WEST 4TH AVENUE
ANCHORAGE, AK
99501-2133
(907) 269-0200
FAX (907) 269-0204

Session:
STATE CAPITOL
JUNEAU, AK
99801-1182
(907) 465-4993
FAX (907) 465-3872

SENATOR BEN STEVENS
MEMORANDUM

April 22, 2003

To: Senator Gary Wilken, Chair
State Affairs Committee

From: Senator Ben Stevens *BAS*
Majority Leader

Subject: Request for a hearing on 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," 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.

I appreciate your favorable consideration of this request.

Alaska State Legislature
OFFICE OF THE MAJORITY LEADER

Interim:
716 WEST 4TH AVENUE
ANCHORAGE, AK
99501-2133
(907) 269-0200
FAX (907) 269-0204

Session:
STATE CAPITOL
JUNEAU, AK
99801-1182
(907) 465-4993
FAX (907) 465-3872

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.

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 4/7/03

FURTHER: Finance

Date of 5-Day Notice: 4/17/03
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 4/22/03

State Affairs Committee considered SENATE BILL NO. 177

SB 177 PERS/TRS COLA FOR ACTIVE DUTY MILITARY

"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."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

- Senate Bill:**
 same title
 new title
- House Bill:**
 same title
 technical title
 new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DOA	4/1/03		✓	1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>John J. Cowdey</i>	✓			
<i>Frank [unclear]</i>	✓			
CHAIR: <i>[Signature]</i>				

Cowdey
Dyson

G. Skvens

SENATE FINANCE COMMITTEE

SIGN-IN

SB 177-PERS/TRS COLA FOR ACTIVE DUTY MILITARY

did not testify

NAME: JANET PARKER Subject/Bill No: SB 177

Co./Dept./Title: Retirement & Benefits - Deputy Director Phone: 4473

Address: Box 110203 Zip: 99811-0203

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions