

SB

1777

**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#
SOA	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. Condeeff</i>	✓			
<i>Frank Dyer</i>	✓			
CHAIR: <i>[Signature]</i>				

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 177
 () Publish Date: _____

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

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.