

SB

185



Official Business

ALASKA STATE LEGISLATURE

SENATOR THOMAS H. WAGONER

- Chair, Senate Resources Committee
- Vice-Chair, Senate State Affairs Committee
- Member, Community & Regional Affairs
- Member, Legislative Council
- Member, World Trade

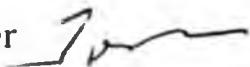
Session: January - May
State Capitol, #427
Juneau, AK 99801
Phone: 907-465-2828 Fax: 907-465-4779

Interim: May - December
145 Main Street Loop; Suite 226
Kenai, AK 99611
Phone: 907-283-7996 Fax 907-283-8127

April 26, 2005

MEMORANDUM

To: Senator Fred Dyson, Chair
Senate Health, Education and Social Services Committee

From: Senator Tom Wagoner 

Subject: Hearing Request

I would like to request a hearing on Senate Bill 185 in the Senate HESS Committee.

I have attached a packet of information for your review. If you should have any questions, please contact Amy, x3421.

Thank you for your time and consideration.



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SPONSOR STATEMENT

SENATE BILL 185

"An Act relating to teachers and public employees who take leaves of absence without pay."

Some PERS/TRS employees have run into the problem of reaching the time when they can retire, then find they did not have the service credits they thought, due to an extended period of leave of absence without pay. The employee is then left with deciding if they want to continue working and make up that time, paying into the system and "buy" their time, or adjusting their retirement based on the lower credit time. PERS employees do not receive credit after 10 days of leave of absence without pay; for TRS employees, service credit is affected if they have fewer than 172 working days in a school year.

The purpose of SB 185 is to inform employees, who have reached these limits, how taking the leave will affect them and what their options are. This is accomplished by requiring the employer to notify the Division of Retirement and Benefits that an employee has 10 day, or 172-day mark. At that time the division sends the information to the employee.

By getting the information to an employee, at the time they are taking the leave, it will give the employee time to decide which route to take. It will also alleviate unpleasant surprises when the employee wants to retire - at least in terms of service credit and leave without pay.

**STATE OF ALASKA
WORKERS' COMPENSATION NOTICE TO EMPLOYEES**

SUBJECT: Notice to employees regarding procedures for Workers' Compensation (WC) payments, pay, and leave adjustments. This procedure applies to all leave-eligible State employees except Marine Transportation vessel employees and those covered under the Public Safety Employees Association (PSEA State Troopers and Correctional Officers who qualify for Injury leave).

You or your supervisor filed a Report of Occupational Injury or Illness. The State's insurance adjuster will make a determination as to your eligibility for WC payments. If you qualify, you should receive your first WC payment from the adjuster within 21 days from the date of disability. Subsequent WC payments should be received every 14 days while you remain eligible. Most employees receive approximately 80% of their net weekly wage. Note: Some exceptions are employees who have worked less than 13 weeks, seasonal employees, and individuals who work a second job. Some collective bargaining unit agreements may provide additional benefits.

FIRST THREE DAYS AFTER DATE OF WORK-RELATED INJURY/ILLNESS

You will not receive WC payments for this "three-day waiting period." However, you will be able to use your available leave to remain in pay status with the State of Alaska.

APPROXIMATELY DAY 3 TO 21 AND FORWARD

If you are determined eligible, the State's insurance adjuster will begin making WC payments to you. The WC payments are yours to keep; this is compensation for time lost from work due to injury/illness. You will continue to use your available leave to cover work missed due to injury/illness.

In the beginning there may be a **duplication of payments*** to you: WC payments and payments for your leave from the State of Alaska. This will require an adjustment to your State of Alaska paycheck and leave account.

Once the State of Alaska has been notified by the adjuster that you are eligible and receiving WC payments, you will be placed in WC leave without pay (LWOP) status with the State of Alaska for the portion of time the WC adjuster is paying you. The portion of time not covered by WC payments will be paid using your available leave with the State of Alaska. The amount of paid leave plus the WC payments should be about the same in total as your usual State of Alaska paycheck.

APPROXIMATELY DAY 29

If your time loss from work due to WC injury/illness extends beyond 28 days, you will be paid retroactively by the WC adjuster for the initial "three-day waiting period." Because this is also a **duplicate payment*** it will require an adjustment to your State of Alaska paycheck and leave account.

***ADJUSTMENT PROCESS**

After you have returned to work, the required adjustments will be made to your pay and leave accounts for any **duplicate payments**. A portion of your leave will be returned to your leave balance and the dollar amount you were paid for that leave will be deducted from your State of Alaska paycheck. Your department Human Resource Office will notify you about the timing and amount of deductions to your paycheck.

ADDITIONAL INFORMATION

- ✓ Time that is not covered by your leave and paid by WC payments will be WC LWOP.
- ✓ WC LWOP will substantially reduce your State of Alaska paycheck.
- ✓ Your leave accrual will be reduced by periods of WC LWOP.
- ✓ Your Merit Anniversary date and leave base date may be adjusted due to WC LWOP.
- ✓ Once your leave is exhausted you will default into full WC LWOP.
- ✓ You may need to make other arrangements for any automated deductions, i.e., loan payments.
- ✓ WC LWOP may affect health insurance eligibility and deferred compensation contributions.
- ✓ WC LWOP may affect your Public Employees' Retirement (PERS) time. If you wish to buy back your service time reduction, contact the Division of Retirement and Benefits at 465-4460.

**If you have any questions,
please contact your department's Human Resource Office.**