

**SB**

**31**

SENATOR KIM ELTON

MEMORANDUM

March 2, 2005

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

From: Kim Elton

Re: SB 31

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I respectfully request a hearing on Senate Bill 31, removing the sunset date from the public employees' and teachers' retiree rehire programs.

I have attached a draft committee substitute that I hope you will agree sets some important limits on the program. It requires a PERS employer to have a recruitment fail before hiring back a retiree. This addresses some complaints I have heard about state employees retiring and being rehired without an effort being made to find a qualified replacement.

I have attached a sponsor statement and some supporting documents and information for the committee's consideration.

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ALASKA SENATE

STATE CAPITOL • JUNEAU, ALASKA 99801-1182 • (907) 465-4947 • FAX (907) 465-2108

SENATOR\_KIM\_ELTON@LEGIS.STATE.AK.US

SENATOR KIM ELTON

**SB 31 – Eliminate Sunset Date for Retiree Rehires**

**Sponsor Statement**

SB 31 extends the retiree rehire program for the Public Employees Retirement System (PERS) and the Teachers Retirement System (TRS) throughout the state. The retiree rehire programs were created to address teacher shortages in subject areas like special education, math and science, as well as difficulty recruiting public employees like fisheries biologists, engineers, and nurses.

The difficulties in recruiting for these positions vary from lack of competitiveness with the private sector and the federal government to overall shortages of qualified personnel in our state. The retiree rehire program is a highly effective tool for getting and keeping the people who provide high quality public services and who educate our children.

The retiree rehire program allows participants to draw their pensions and a salary at the same time. They therefore gain no new service credit in the retirement system while reemployed. The employer also saves the cost of retirement benefits for rehired employees.

This program has proven effective, and costs municipalities, school districts, and the state nothing to implement. With the addition of a few management tools to reduce the potential for abuse, it can remain a useful tool in the state's toolbox for recruitment and retention of skilled employees for the foreseeable future.

I respectfully ask for your support.

24-LS0277G  
Craver  
2/8/05

**CS FOR SENATE BILL NO. 31( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-FOURTH LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): SENATOR ELTON**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act eliminating sunset provisions applicable to reemployment of retired members**  
2 **of the teachers' retirement system and the public employees' retirement system; relating**  
3 **to the reemployment of retired members by employers in the public employees'**  
4 **retirement system; repealing sec. 15, ch. 57, SLA 2001, which is the effective date of secs.**  
5 **3, 5, 9, and 12, ch. 57, SLA 2001, and repealing sec. 13, ch. 58, SLA 2001, which is the**  
6 **effective date of secs. 5, 7, and 9, ch. 58, SLA 2001; and providing for an effective date."**

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

8 **\* Section 1. AS 14.25.04<sup>2</sup>(a) is amended to read:**

9 (a) If a retired member again becomes an active member, benefit payments  
10 may not be made during the period of reemployment unless the teacher makes an  
11 election under (b) [OR (e)] of this section. The retirement benefit must be suspended  
12 for the entire school year if the teacher is reemployed as an active teacher for a period  
13 equivalent to a year of service. During the period of reemployment, the member is

1 subject to AS 14.25.050, and deductions from the member's salary will be made in  
2 accordance with AS 14.25.050.

3 \* Sec. 2. AS 39.35.150(b) is amended to read:

4 (b) An employer may offer the election provided under this subsection  
5 only when recruitment for a position has been unsuccessful. The employer shall,  
6 in writing, describe the recruitment effort, verify that the recruitment effort was  
7 unsuccessful, and provide the written documentation and verification to the  
8 board with the member's election under this subsection. A member who retired  
9 under AS 39.35.370(a) and subsequently becomes an active member under this  
10 subsection may, within 30 days after [OF] the date of reemployment, elect to  
11 continue receiving benefit payments during the period of reemployment by filing an  
12 election with the administrator on a form provided by the administrator. An election  
13 under this subsection waives coverage for the period of reemployment and is  
14 irrevocable during the period of reemployment. During the period of reemployment,  
15 deductions from the member's salary may not be made under AS 39.35.160 and the  
16 member may not receive credited service. A member who participated in a retirement  
17 incentive program under ch. 26, SLA 1986; ch. 89, SLA 1989; ch. 65, SLA 1996; ch.  
18 4, FSSLA 1996; or ch. 92, SLA 1997, is not eligible to make an election under this  
19 subsection. In this subsection, "recruitment for a position has been unsuccessful"  
20 means that a reasonable recruitment effort by an employer to fill a position has  
21 resulted in fewer than three qualified applicants not including the retired  
22 member [UNLESS THE MEMBER IS REEMPLOYED AS A COMMISSIONER].

23 \* Sec. 3. Section 12, ch. 57, SLA 2001, as amended by sec. 6, ch. 15, SLA 2003, is  
24 amended to read:

25 Sec. 12. AS 14.25.043(e) [AS 14.20.135; AS 14.25.043(b), 14.25.043(e),  
26 added by sec. 3, ch. 15, SLA 2003, is [OF THIS 2003 ACT; AS 39.35.120(b)(2),  
27 39.35.150(b), AS AMENDED BY SEC. 4 OF THIS 2003 ACT, AND 39.35.150(c)  
28 ARE] repealed July 1, 2005.

29 \* Sec. 4. AS 14.25.043(d) and AS 39.35.150(e) are repealed.

30 \* Sec. 5. Sections 3, 5, 9, and 12, ch. 57, SLA 2001, and secs. 5, 7, and 9, ch. 58, SLA  
31 2001, are repealed.

1 \* Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to  
2 read:

3 **CONDITIONAL RETROACTIVITY AND REVIVAL.** If secs. 1 - 5 of this Act take  
4 effect after July 1, 2005,

5 (1) secs. 1 - 5 of this Act are retroactive to July 1, 2005;

6 (2) AS 14.20.135, AS 14.25.043(b), AS 39.35.120(b)(2), and 39.35.150(c), as  
7 they read on June 30, 2005, are revived; and

8 (3) the amendments to AS 14.25.040(a) and AS 39.35.150(a), made by secs. 2  
9 and 8, respectively, of ch. 57, SLA 2001, are revived.

10 \* Sec. 7. Section 15, ch. 57, SLA 2001, and sec 13, ch. 58, SLA 2001, are repealed.

11 \* Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

# STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

PO BOX 110203  
JUNEAU, AK 99811-0203  
PHONE: (907) 465-4480  
FAX: (907) 465-3086  
TDD: (907) 465-2805

550 WEST 7TH AVENUE, SUITE 1850  
ANCHORAGE, AK 99501-3570  
PHONE: (907) 269-0333  
FAX: (907) 269-0280

## DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT AND BENEFITS

DATE: January 13, 2004

TO: Melanie Millhorn, Director  
Division of Retirement and Benefits

THRU: Kathy Lea, Supervisor  
Retirement Section

FROM: <sup>B.A.</sup> Brent Allison, Regional Counselor  
Retiree Services

SUBJECT: HB242/SB149  
Waivers

The following employers have hired retirees under HB 242/SB 149:

### TRS Waivers

Name of School District or REAA	Employee Count
Aleutian Region SD	1
Anchorage SD	55
Bering Strait SD	3
Copper River SD	4
Craig SD	1
Denali Borough SD	1
Hoonah City SD	1
Iditarod Area SD	4
Kashunamiut SD	1
Kuspuk SD	1
Lake & Peninsula SD	1
Lower Kuskokwim SD	32
Mat-Su Borough Schools	7
North Slope Borough SD	5
Sitka SD	3
St. Mary's SD	2
Tanana City SD	1
Wrangell SD	1
Yukon Flats SD	2
Yukon Koyukuk SD	4
Klawock SD	1
Delta Greely SD	1
Dillingham SD	1
Bristol Bay SD	2
Wrangell SD	1
Lower Yukon SD	1
NW Arctic Borough SD	1
Alaska Gateway SD	1
Hydaburg SD	2
TOTAL	141

### PERS Waivers

Employer Name	Employees
Alaska Housing	1
Aleutian Housing Authority	1
Aleutian Region SD	1
Anchorage SD	9
Bartlett Regional Hospital	4
Bristol Bay Borough	2
CBJ	6
City of Delta Junction	1
City of Dillingham	1
City of Fairbanks	10
City of Homer	1
City of North Pole	1
City of St. Mary's	1
City of Wasilla	2
Cook Inlet Housing Authority	1
Fairbanks NSB	2
Juneau SD	1
Kenai Peninsula Borough SD	1
Ketchikan Gateway	2
Lower Kuskokwim	2
Mat-Su Borough	3
Municipality of Anchorage	13
North Slope Borough	6
SE Resource Center	2
Sitka Community Hospital	1
State of Alaska	108
U. of Alaska- Fairbanks	4
U. of Alaska- Mat-Su	1
U. of Alaska- Anch.	3
U. of Alaska- Juneau	1
City/Borough of Sitka	1
Interior Regional Housing	1
Bering Strait SD	1
City of Haines	1
City of Bethel	1
City of Sand Point	1
Northwest Arctic Borough SD	1
TOTAL	100

To: Jesse Kiehl, Staff to Senator Kim Elton

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Fax: 465-2108

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Date: February 3, 2005

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Pages: Pages 1

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cc: Mike Tibbles

Dear Jesse:

Per our conversation and your request, I am providing a breakdown of the parties enrolled by Department for the State of Alaska. Please let me know if you have any questions about this information.

The number of members enrolled for the State as of September 2004 is 156 and represents the total number of parties who enrolled; however, several of the members are no longer with the state, which accounts for the difference (120 noted below versus 156 on the report 2<sup>nd</sup> page).

<u>State of Alaska</u>	
Fish and Game	27
DOT	25
Public Safety	16
H&SS	14
Corrections	10
DOA	6
DCED	4
Law	4
DNR	4
Education	2
DEC	2
Labor	2
DMVA	2
<u>Revenue</u>	<u>2</u>
Total	120

**From the desk of...**

Melanie Millhorn  
Director  
State of Alaska  
Division of Retirement & Benefits  
PO Box 110203  
Juneau, AK 99811-0203

(907) 465-4408

FAX: (907) 465-3086

email: melanie\_Millhorn@admin.state.ak.us

# MERCER

Human Resource Consulting

One Union Square  
600 University Street, Suite 3200  
Seattle, WA 98101-3137  
206 808 8800 Fax 206 382 0627  
www.mercerHR.com

RECEIVED

SEP 07 2004

September 2, 2004

Div. of Ret. & Benefits

Ms. Melanie Millhorn  
Director of Retirement and Benefits  
State of Alaska  
Department of Administration  
Division of Retirement and Benefits  
P.O. Box 110203  
Juneau, AK 99811-0203

Subject:

**Retiree Return under HB 242/SB 149**

Dear Melanie:

As you described in your August 10 email, the legislation enacted in July of 2001 allows PERS and TRS retirees who retired under the normal retirement provisions to return to covered employment. Such retirees can sign an irrevocable waiver allowing the member to continue to receive his or her retirement benefit. Neither the employer nor the employee makes further contributions to the Retirement System. In your email you asked for an indication of the effect of this election on System funding. The chart that follows might help to illustrate this issue:

Number of Members Electing the Waiver	Increase in Average PERS Employer Contribution Rate	Increase in Average TRS Employer Contribution Rate
100	negligible	0.02%
500	0.01%	0.10%
1,000	0.02%	0.20%

A member who elects the waiver earns no additional benefits from the Retirement System. Therefore, such a member has no "normal cost" and there is no normal cost rate. However, a portion of the employer contribution for each member is needed to amortize the Systems' unfunded past service liability. This portion is referred to as the "past service rate." When a member elects the waiver, the payroll base that can be used to amortize the unfunded liability is reduced. A higher past service rate must be applied to the remaining payroll to arrive at the same payment towards the unfunded liability.

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Human Resource Consulting

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SEP 07 2004

Div. of Ret. & Benefits

Page 2

September 2, 2004

Ms. Melanie Millhorn

State of Alaska

The waivers have a greater impact on employer rates for TRS than PERS. This is because (1) the total payroll for PERS is higher so the loss of one member's contribution to the unfunded has a smaller impact and (2) the current past service rate for TRS is almost twice as high as PERS. Our analysis is extremely dependent on the current funded status of the Systems. For example, if the Systems were 100 percent funded and remained so, the waiver would have virtually no impact on employer rates.

We based our analysis on actuarial valuation information as of June 30, 2003. We assumed annual earnings for returning retirees of \$46,000 for PERS and \$64,000 for TRS. This is based on the average annual earning of current active PERS and TRS members of ages 55 to 59.

We hope you find this information helpful. Please call if you have any questions.

Sincerely,



Robert M. Reynolds, ASA, MAAA

RMR/CMB/kmp

Copy: Chris Byrnes

## RETIREE RETURN UNDER HB 242/ SB 149

### Public Employees' Retirement System

Number of Members Electing the Waiver	Increase in Average PERS Employer Contribution Rate	Total PERS Salaries as of June 30, 2003	Liability to the PERS Fund
100	negligible	\$ 1,460,783,000.00	\$ -
500	0.01%	\$ 1,460,783,000.00	\$ 146,078.30
1,000	0.02%	\$ 1,460,783,000.00	\$ 292,156.60

### Teachers' Retirement System

Number of Members Electing the Waiver	Increase in Average TRS Employer Contribution Rate	Total TRS Salaries as of June 30, 2003	Liability to the TRS Fund
100	0.02%	\$ 532,630,000.00	\$ 106,526.00
500	0.10%	\$ 532,630,000.00	\$ 532,630.00
1,000	0.20%	\$ 532,630,000.00	\$ 1,065,260.00



FKI

## RESOLUTION 2005-03

**A RESOLUTION OF THE ALASKA FIRE CHIEF'S ASSOCIATION (AFCA) SUPPORTING LEGISLATION TO CONTINUE THEREHIRED RETIREE-EMPLOYMENT PROVISION OF HB242 FOR THOSE MEMBERS CURRENTLY ENROLLED UNDER THIS PROVISION.**

**WHEREAS**, in 2001 the State Legislature enacted HB242 which provided that retired PERS members could be rehired by PERS employers and continue to receive normal retirement benefits, and

**WHEREAS**, the July 1, 2005 sunset provision in the bill was interpreted by the Alaska Division of Retirement and Benefits to be the final date to be reemployed under this program, and

**WHEREAS**, the Division of Retirement and Benefits further stated in writing to some municipalities that "any member who is participating in the program and continues employment after July 1, 2005 will be allowed to continue participating in the plan", and

**WHEREAS**, the certain municipalities and their eligible members relied upon the information provided by the Division of Retirement and Benefits, and

**WHEREAS**, agreements with employees were negotiated in good faith and the stated terms and conditions should be honored, and

**NOW, THEREFORE BE IT RESOLVED BY THE ALASKA FIRE CHIEF'S ASSOCIATION that:**

Section 1: The Alaska Fire Chiefs Association supports legislation that will continue the Rehired Retiree - Employment Waiver program enacted by HB242 in 2001, for those members currently enrolled in that program.

Section 2: That such legislation will be acted on early in the 2005 session.

Section 3; That this resolution be sent to Governor Murkowski and all members of the Alaska State Legislature.

Ratified by a unanimous vote of the Alaska Fire Chiefs Association membership in attendance at the Spring Conference in Juneau, Alaska on February 7, 2005.

David L. Tyler  
Alaska Fire Chief's Association President

Warren Cummings  
Alaska Fire Chief's Association 1<sup>st</sup> Vice President

APRN News

[print this page](#)

## United Fishermen of Alaska Wants Program for Retirees to Continue

By Ed Schoenfeld, CoastAlaska

JUNEAU, AK (2005-02-25) The United Fishermen of Alaska wants state legislators to continue a program allowing retired government employees to re-take hard-to-fill jobs. The bill is one of a number of measures on the priority list of the state's largest fisheries organization. The endorsements came out of a UFA board meeting that just wrapped up in Juneau.

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# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB031-DOA-RB-3-4-05  
 ( ) Publish Date: 3/7/2005

Revision Date/Time (Note if correction): n: \_\_\_\_\_ Dept. Affected: Statewide  
 Title An act relating to reemployment of retired RDU Statewide  
teachers and public employees... Component Statewide  
 Sponsor Sen. Kim Elton  
 Requester Senate HES Component No. \_\_\_\_\_

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

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill repeals the sunset provision of the Retiree Return to Work Program (HB 242 2001) for teachers and public employees scheduled to sunset on July 1, 2005 resulting in this program becoming a permanent provision of the state retirement systems.

For the Public Employees' Retirement System, our actuarial consultant has computed this legislation to have an effect on employer contribution rates once the number of members electing the waiver reaches a threshold of 500. For the Teacher's Retirement System, our actuarial consultant has computed this legislation to increase TRS employer contribution rate with only 100 participants. A detailed analysis is attached.

Prepared by: Melanie Millhorn, Director Phone 465-4408  
 Division Retirement and Benefits Date/Time 3/7/05 8:52 AM  
 Approved by: Mike Tibbles, Deputy Commissioner Date 3/7/2005  
 Agency Department of Administration

**FISCAL NOTE**

**STATE OF ALASKA  
2005 LEGISLATIVE SESSION**

**BILL NO. SB031-DOA-RB-3-4-05**

**ANALYSIS CONTINUATION**

Examples of impact on PERS and TRS employers are as follows:

<b>Number of Members Electing the Waiver</b>	<b>Increase in Average PERS Employer Contribution Rate</b>	<b>Number of PERS Members Currently On Waiver</b>	<b>Increase in Average TRS Employer Contribution Rate</b>	<b>Number of TRS Members Currently On Waiver</b>
100	negligible	211	0.02%	124
500	0.01%		0.10%	
1,000	0.02%		0.20%	

<b>PERS</b>	<b>Salaries (in 000's)</b>	<b>rate increase %</b>	<b>Annual cost (in 000's)</b>
State of Alaska	732,429.5	0.02%	146.5
Juneau Borough and School District	50,947.0	0.02%	10.2
Anchorage Municipality and School District	194,930.9	0.02%	39.0
University of Alaska	113,096.2	0.02%	22.6
Fairbanks Borough and School District	44,610.4	0.02%	8.9
North Slope Borough and School District	58,321.6	0.02%	11.7
Mat-Su Borough and School District	27,578.6	0.02%	5.5
All other PERS employers	238,256.3	0.02%	47.7
<b>Total</b>	<b>\$ 1,460,170.5</b>		<b>292.0</b>
(Example of impact of .02% increase)			
<b>TRS</b>			
All School Districts TRS salaries	525,614.0	0.20%	1,051.2
State of Alaska TRS salaries	7,015.9	0.20%	14.0
<b>Total</b>			<b>1,065.3</b>
(Example of impact of .20% increase)			
<b>Total Annual Cost to PERS and TRS</b>			<b><u>1,357.3</u></b>

AS 24.08.036 FISCAL NOTES ON BILLS AFFECTING STATE RETIREMENT SYSTEMS, requires an additional analysis of the long term and short term costs to the state if a bill is adopted, as well as the impact of the bill on the actuarial soundness of the funds. The annual cost is as indicated above.



# Alaska State Legislature

Please enter into the record my testimony to the Sen. HESS  
committee name

Committee on SB31 CS . dated 3-7-05  
bill # / subject public hearing date

I SUPPORT THE ELIMINATION OF THE  
SUNSET AND AGREE WITH SEN. ELTON'S  
SPONSOR STATEMENT.

Signed: [Signature]  
Testifier

[Signature]  
Representing (optional)

Box 422 Kenai Ak 99611  
Address

907.283-2717  
Phone number

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB031-DOA-RB-3-4-05  
 ( ) Publish Date: 3/7/2005

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Statewide  
 Title: An act relating to reemployment of retired RDU: Statewide  
teachers and public employees Component: Statewide  
 Sponsor: Sen. Kim Eiton  
 Requester: Senate HES Component No. \_\_\_\_\_

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

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: 0.0  
 Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill repeals the sunset provision of the Retiree Return to Work Program (HB 242 2001) for teachers and public employees scheduled to sunset on July 1, 2005 resulting in this program becoming a permanent provision of the state retirement systems.

For the Public Employees' Retirement System, our actuarial consultant has computed this legislation to have an effect on employer contribution rates once the number of members electing the waiver reaches a threshold of 500. For the Teacher's Retirement System, our actuarial consultant has computed this legislation to increase TRS employer contribution rate with only 100 participants. A detailed analysis is attached.

Prepared by: Melanie Millhorn, Director Phone: 465-4408  
 Division: Retirement and Benefits Date/Time: 3/7/05 12:57 PM  
 Approved by: Mike Tibbles, Deputy Commissioner Date: 3/7/2005  
 Agency: Department of Administration

**FISCAL NOTE**

**STATE OF ALASKA  
2005 LEGISLATIVE SESSION**

**BILL NO. SB031-DOA-RB-3-4-05**

**ANALYSIS CONTINUATION**

Examples of impact on PERS and TRS employers are as follows:

<b>Number of Members Electing the Waiver</b>	<b>Increase in Average PERS Employer Contribution Rate</b>	<b>PERS Members Currently On Waiver</b>	<b>Increase in Average TRS Employer Contribution Rate</b>	<b>TRS Members Currently On Waiver</b>
100	negligible	<b>211</b>	0.02%	<b>124</b>
500	0.01%		0.10%	
1,000	0.02%		0.20%	

Note: The fiscal amount noted below represents the number of retirees presently enrolled for the period of 2001 to November 30, 2004. Should the membership levels increase the fiscal cost would increase based on the table shown above.

<b>PERS</b>	<b>Salaries (in 000's)</b>	<b>rate increase %</b>	<b>Annual cost (in 000's)</b>
State of Alaska	732,429.5	0.00%	0.00
Juneau Borough and School District	50,947.0	0.00%	0.00
Anchorage Municipality and School District	194,930.9	0.00%	0.00
University of Alaska	113,096.2	0.00%	0.00
Fairbanks Borough and School District	44,610.4	0.00%	0.00
North Slope Borough and School District	58,321.6	0.00%	0.00
Mat-Su Borough and School District	27,578.6	0.00%	0.00
All other PERS employers	238,256.3	0.00%	0.00
<b>Total</b>	<b>\$ 1,460,170.5</b>		<b>0.00</b>

Reflects membership of 211 which results in a negligible cost.

<b>TRS</b>	<b>Salaries (in 000's)</b>	<b>rate increase %</b>	<b>Annual cost (in 000's)</b>
All School Districts TRS salaries	525,614.0	0.02%	105.12
State of Alaska TRS salaries	7,015.9	0.02%	1.40
<b>Total</b>			<b>106.53</b>

Reflects membership of 124 which results in a .02% increase in employer rates.

**Total Annual Cost to PERS and TRS** 106.53

AS 24.08.036 FISCAL NOTES ON BILLS AFFECTING STATE RETIREMENT SYSTEMS, requires an additional analysis of the long term and short term costs to the state if a bill is adopted, as well as the impact of the bill on the actuarial soundness of the funds. The annual cost is as indicated above.



# Alaska State Legislature

Please enter into the record my testimony to the Sen. HESS  
committee name

Committee on SB31 CS, dated 3-7-05  
bill # / subject public hearing date

I SUPPORT THE ELIMINATION OF THE  
SUNSET AND AGREE WITH SEN. ELTON'S  
SPONSOR STATEMENT.

Signed: [Signature]  
Testifier

[Signature]  
Representing (optional)

Box 422 Kenai Ak 99611  
Address

907.283.2717  
Phone number