

SB

79

<TARGET><BILL>SB 79</BILL><SUBJECT>SB
79</SUBJECT><COMM>SEDC29</COMM></TARGET>

ALASKA STATE LEGISLATURE

600 East Railroad Ave., Ste 1
Wasilla, Alaska 99654
(907) 376-3370
Fax (907) 376-3157



State Capitol
Juneau, Alaska 99801
(907) 465-6600
Fax (907) 465-3805

Mike Dunleavy
Senator

Sponsor Statement for Senate Bill 79 Reemployment of Retired Teachers and Administrators

Currently Alaska is experiencing a shortage of qualified educators, especially in hard to fill areas of the state. This situation is compounded by the drastic reduction in state revenue due to low oil prices. Senate Bill 79 expands the pool of experienced, qualified educators available to school districts.

This legislation will allow school districts to reemploy educators who are currently retired for at least three months. *This bill will not require any school district to reemploy any particular retired individual. It will only give the district an option to do so.* Under SB 79, a school district may offer a contract to a retired educator for a part-time or full-time position at a lower cost to the district.

Educators reemployed under this provision continue to receive retirement benefits during the period of reemployment. SB 79 provides one more tool for school districts struggling from a shortage of qualified educators, as well as a significant decrease in funding. I hope that you will give it your support.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

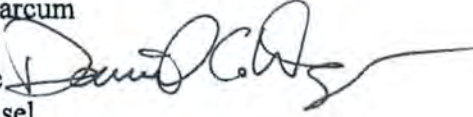
State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 24, 2015

SUBJECT: Sectional Summary (SB 79; Work Order No. 29-LS0444\H)

TO: Senator Mike Dunleavy
Attn: Bethany Marcum

FROM: Daniel C. Wayne 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1 would allow borough school districts, city school districts, regional educational attendance areas, state boarding schools, and the state centralized correspondence study program to reemploy members of the defined benefit plan of the teachers' retirement system who have taken a normal retirement, if the member has been retired for at least three months. For this purpose section 1 defines "member" as a person who is eligible to participate in the defined benefit plan and who is covered by the plan, limited to

(A) a certificated full-time or part-time elementary or secondary teacher, a certificated school nurse, or a certificated person in a position requiring a teaching certificate as a condition of employment in a public school of the state, the Department of Education and Early Development, or the Department of Labor and Workforce Development;

(B) a full-time or part-time teacher of the University of Alaska or a person occupying a full-time administrative position at the University of Alaska that requires academic standing; the approval of the administrator must be obtained before an administrative position qualifies for membership in the plan; however, a teacher or administrative person at the university who is participating in a university retirement program under AS 14.40.661 - 14.40.799 is not a member under this plan; and

(C) a state legislator who elects membership under AS 14.25.040(b).

Section 2 would allow retirees who are reemployed as permitted by section 1 of the bill, in a job other than commissioner, to continue to receive retirement benefits during the period of reemployment.

Senator Mike Dunleavy
March 24, 2015
Page 2

Section 3 would make retirees who are reemployed as permitted by section 1 of the bill ineligible to receive an additional retirement benefit based on their service and salary during the period of reemployment, unless they are reemployed as a commissioner.

Section 4 would add language to the defined benefit plan of the Teachers' Retirement System to require that while a member under section 1 of the bill is reemployed, the member's legal status remains that of a retiree from the plan and not an active member of the plan, the member does not receive credited service in the plan, and money is not deducted from the member's salary and contributed to the defined benefit plan.

Section 5 would make the bill's provisions applicable to contracts, for reemployment of members as permitted under section 1 of the bill, that are made on or after the bill's effective date.

DCW:lnd
15-264.lnd

29-LS0444\E
Wayne
3/30/15

CS FOR SENATE BILL NO. 79()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR DUNLEAVY

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to reemployment of persons who retire under the teachers' retirement**
2 **system."**

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

4 *** Section 1.** AS 14.20 is amended by adding a new section to read:

5 **Sec. 14.20.136. Reemployment of member of teachers' retirement system.**

6 (a) Subject to (b) of this section, a school district may reemploy a member who is
7 retired under a retirement plan established in AS 14.25.009 - 14.25.220, or a member
8 who is retired under a retirement plan established in AS 14.25.310 - 14.25.590. In this
9 subsection, "school district" has the meaning given in AS 14.30.350.

10 (b) A member who is retired under AS 14.25.110(a) may not be reemployed
11 under (a) of this section unless the member has been retired for at least

12 (1) three months if the member is at least 62 years of age; or

13 (2) one year if the member is less than 62 years of age.

14 *** Sec. 2.** AS 14.25.043(a) is amended to read:

1 (a) Except as provided in (f) of this section, if [IF] a retired member again
2 becomes an active member, benefit payments may not be made during the period of
3 reemployment. [THE RETIREMENT BENEFIT MUST BE SUSPENDED FOR THE
4 ENTIRE SCHOOL YEAR IF THE TEACHER IS REEMPLOYED AS AN ACTIVE
5 TEACHER FOR A PERIOD EQUIVALENT TO A YEAR OF SERVICE.] During
6 the period of reemployment, deductions from the member's salary will be made in
7 accordance with AS 14.25.050.

8 * Sec. 3. AS 14.25.043(c) is amended to read:

9 (c) Except as provided in (f) of this section, upon [UPON] subsequent
10 retirement, the retired member is entitled to receive an additional benefit based on the
11 credited service and the average base salary during the period of reemployment in
12 accordance with AS 14.25.110. If the initial benefit payments to which the retired
13 member is eligible have been actuarially reduced because the member retired early
14 under AS 14.25.110(b), the member shall also receive an incremental benefit based on
15 the amount of the actuarial reduction imposed by AS 14.25.110(j) on the first benefit
16 and the length of time that the employee was reemployed and not receiving retirement
17 benefits. The amount of the incremental benefit is equal to the difference between the
18 normal retirement benefit to which the member would have been entitled had the
19 member taken a normal retirement and the early retirement benefit that the member
20 has been receiving based on the member's initial period of employment multiplied by
21 the total number of months that the member did not receive retirement benefits
22 because of reemployment and that amount actuarially adjusted to be paid over the
23 expected lifetime of the member.

24 * Sec. 4. AS 14.25.043 is amended by adding a new subsection to read:

25 (f) If a member who retired under AS 14.25.110(a) is reemployed by a school
26 district under AS 14.20.136,

- 27 (1) the member does not become an active member;
28 (2) the member shall continue to receive retirement benefits as though
29 the member were not reemployed by the school district;
30 (3) deductions from the member's salary may not be made under
31 AS 14.25.050; and

1 (4) the member may not receive credited service in the plan during the
2 period of reemployment.

3 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 APPLICABILITY. AS 14.20.136, enacted by sec. 1 of this Act, AS 14.25.043(a), as
6 amended by sec. 2 of this Act, AS 14.25.043(c), as amended by sec. 3 of this Act, and
7 AS 14.25.043(f), enacted by sec. 4 of this Act, apply to contracts made on or after the
8 effective date of this Act.

ALASKA STATE LEGISLATURE

600 East Railroad Ave., Ste 1
Wasilla, Alaska 99654
(907) 376-3370
Fax (907) 376-3157



State Capitol
Juneau, Alaska 99801
(907) 465-6600
Fax (907) 465-3805

Mike Dunleavy
Senator

Committee Substitute for Senate Bill 37 () Changes to Version E

Reemployment of Retired Teachers and Administrators

Section 14.20.136. Reemployment of member of teachers' retirement system

This section on Page 1, Lines 5 – 13 was rewritten to address the following:

- Clarifies Senate Bill 79 applies to teachers or administrators who have retired under a Defined Benefit Plan (AS 14.25.009 – 14.25.220) or a Defined Contribution Plan (AS 14.25.310 – 14.25.590).
- Establishes the length of a bona fide separation of service from active employment to reemployment as a retired teacher or administrator:
 - (1) three months if the member is at least 62 years of age; or
 - (2) one year if the member is less than 62 years of age

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 30, 2015

SUBJECT: Sectional summary
(CSSB 79(); Work Order No. 29-LS0444\E)

TO: Senator Mike Dunleavy
Attn: Sheila Peterson

FROM: Daniel C. Wayne
Legislative Counsel 

You have requested a sectional summary of the above-described draft bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the draft bill as it may apply to a particular set of circumstances, please advise.

Section 1 would allow borough school districts, city school districts, regional educational attendance areas, state boarding schools, and the state centralized correspondence study program to reemploy members of either the defined contribution plan or the defined benefit plan of the teachers' retirement system who have retired. It would require that a member of the defined contribution plan of the teachers retirement system who takes a normal retirement may be reemployed only if the member has been retired under the plan for three months or longer if the member is at least 62, or one year or longer if the member is less than 62.

Section 2 would allow retirees who are reemployed as permitted by section 1 of the bill, in a job other than commissioner, to continue to receive retirement benefits during the period of reemployment.

Section 3 would make retirees who are reemployed as permitted by section 1 of the bill ineligible to receive an additional retirement benefit based on their service and salary during the period of reemployment, unless they are reemployed as a commissioner.

Section 4 would add language to the defined benefit plan of the teachers' retirement system to require that while a member under section 1 of the bill is reemployed, the member's legal status remains that of a retiree from the plan and not an active member of the plan, the member does not receive credited service in the plan, and money is not deducted from the member's salary and contributed to the defined benefit plan.

Senator Mike Dunleavy
March 30, 2015
Page 2

Section 5 would make the bill's provisions applicable to contracts that are made on or after the bill's effective date.

DCW:lnd
15-284.lnd

Sheila Peterson

From: Richard Dennis <yukonred48t@yahoo.com>
Sent: Monday, March 30, 2015 3:59 PM
To: Sheila Peterson
Subject: Testimony for SB79

I support the efforts of Senator Dunleavy in SB-79.

As retired educator, I am observing a shortage of applicants for Alaskan education at the K-12 level. At this point, I am not noting a downside for the State or school districts in this legislation. Certainly the upside would be that SB79 would save the school districts some funds and give them additional very well qualified applicants.

Thanks you Senator for introducing this legislation.

Richard Dennis
Red Eagle Lodge, Chistochina, Alaska



Red Eagle Lodge, Chistochina, Alaska

Authentic theme homestead cabins feature rustic luxury with queen beds with down bedding, wood burning stoves, and hand-crafted quilts.

[View on www.RedEagleLodge...](#)

Preview by Yahoo

Mile 32.7 on the Tok Cutoff
Chistochina, Alaska
(907)822-5299