

LEG. FINANCE - BILLS 1979 - 1980 1244

SB 26 cont., thru SSSB 47

1244

SUMMARY OF CS SB 25 am

Retirement system affected: Social Security  
(no existing state system)

Provides for an election in which the state employees who are currently covered by federal social security may choose whether to continue that coverage, or to continue making contributions at the rate in effect as of the date of withdrawal, and apply both those contributions and the state's matching share to the purchase of supplemental benefits. Benefit options to be offered are supplemental health, death, disability, survivor and annuities. The employee would be allowed to choose among these benefits but would be required to use the entire amount available; contributions would not be refunded directly.

Original Sponsor: Ray

Offered: 3/15/79  
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 25 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to withdrawal from the federal Social  
7 Security System; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 39.30 is amended by adding new sections to read:

10 ARTICLE 4. SUPPLEMENTAL EMPLOYEE BENEFITS ON  
11 WITHDRAWAL FROM SOCIAL SECURITY.

12 Sec. 39.30.150. CONTRIBUTIONS. The amounts which both the state  
13 and an employee of the state would have otherwise paid into the federal  
14 Social Security System at the rate then in effect when the state with-  
15 drew from the federal Social Security System shall be paid into special  
16 employee benefit accounts in the Department of Administration to be used  
17 to provide supplemental employee benefits provided in AS 39.30.160.

18 Sec. 39.30.160. BENEFITS IN PLACE OF SOCIAL SECURITY. (a) The  
19 Department of Administration shall provide to employees for whom benefit  
20 accounts are established under AS 39.30.150 the following benefit  
21 options:

- 22 (1) supplemental health benefits,  
23 (2) supplemental death benefits,  
24 (3) supplemental disability benefits,  
25 (4) supplemental survivor benefits, and  
26 (5) supplemental annuities.

27 (b) An employee making contributions under AS 39.30.150 may select  
28 the types and amounts of supplemental benefits to be purchased from the  
29 special account established for him under AS 39.30.150. The selection

1 shall be from the benefit options listed in (a) of this section.

2 (c) The entire amounts paid by both the state and the employee  
3 under AS 39.30.150 shall be used for supplemental benefits under this  
4 section.

5 (d) The Department of Administration shall adopt regulations to  
6 implement AS 39.30.150 and 39.30.160. The regulations shall provide  
7 employees the opportunity to periodically change the distribution of  
8 contributions among the supplemental benefit options listed in (a) of  
9 this section.

10 \* Sec. 2. If approved by employees of the State of Alaska as set out in  
11 sec. 3 of this Act, the state's notice of intention to withdraw from the  
12 federal Social Security System shall be allowed to become effective  
13 January 1, 1980.

14 \* Sec. 3. The Department of Administration shall conduct an election by  
15 secret ballot by September 25, 1979. The department shall, at least 90 days  
16 before the election, prepare a list of all affected state employees, in-  
17 cluding permanent, seasonal and temporary employees who shall be eligible to  
18 vote, along with mailing addresses, and make the list available to interested  
19 persons or employee representative organizations. The question on the ballot  
20 shall read: "Do you favor withdrawal from the Social Security System?" The  
21 ballot shall contain a description of the benefits and the cost of the  
22 benefits provided for in this Act which would be provided in lieu of further  
23 benefits under the Social Security System. No other information concerning  
24 the election issue may be distributed with or attached to the ballot. A  
25 simple majority of those employees voting shall determine the outcome of this  
26 issue.

27 \* Sec. 4. Section 1 of this Act takes effect on January 1, 1980 if  
28 approved by a majority of the votes cast by affected state employees under  
29 sec. 3 of this Act. Section 3 of this Act takes effect immediately in

1 accordance with AS 01.10.070(c).

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# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

3/23/90  
Date

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I. REQUEST  
 Bill/Resolution No. CS5B 168 Fin HCS SB 26  
 Title Earlier Service Retirement Credit for Federal Territorial Employees  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Administration - Division of Retirement & Benefits  
 Program Category Affected Labor Services  
 BRU, Program, or Subprogram(s) Affected 02-96-R-01-01-01 (PERS)  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

**EXPENDITURES** (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		245.4	245.4	245.4	245.4	245.4
TOTAL		245.4	245.4	245.4	245.4	245.4

**FUNDING** (Thousands of Dollars)

GENERAL FUND		201.0	201.0	201.0	201.0	201.0
FEDERAL FUNDS		11.3	11.3	11.3	11.3	11.3
VETERAN'S FUND		.5	.5	.5	.5	.5
FISH & GAME FUND		1.5	1.5	1.5	1.5	1.5
HIGHWAY FUND		3.2	3.2	3.2	3.2	3.2
AIRPORT FUND		7.1	7.1	7.1	7.1	7.1
CAPITAL FUND		20.8	20.8	20.8	20.8	20.8
PERS						
TRS						

**POSITIONS**

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

- III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
- It is estimated that 150 individuals will claim prior federal territorial service under the committee substitute for CS5B 168 with an average of 4.4 years per employee.
  - Estimate FY 81 covered payroll @ \$263,000,000
  - Increase in state employer contribution rate is .0933% of covered payroll or \$245,379.

IV. DATE \_\_\_\_\_ PREPARED BY Paul B. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 465-4460  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 Office of the Governor (Keith Speckling)

DRAFT

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THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Bill 174 am HCSSB 26  
Title Participation of Elected Officials and Former Elected Officials in the PERS  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits  
Program Category Affected Retirement and Benefits (PERS)  
BRU, Program, or Subprogram(s) Affected 02-96-8-01-01  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		13.5	13.5	13.5	13.5	13.5
TOTAL		13.5	13.5	13.5	13.5	13.5

FUNDING (Thousands of Dollars)

GENERAL FUND		11.1	11.1	11.1	11.1	11.1
FEDERAL FUNDS		0.6	0.6	0.6	0.6	0.6
VETERAN'S FUND						
FISH & GAME FUND		0.1	0.1	0.1	0.1	0.1
HIGHWAY FUND		0.2	0.2	0.2	0.2	0.2
AIRPORT FUND		0.4	0.4	0.4	0.4	0.4
CAPITAL FUND		1.1	1.1	1.1	1.1	1.1
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- Of the identified sixty (60) former elected State officials who did not participate in the PERS, it is estimated that twenty (20) will elect participation under this bill.
- Estimate FY 80 covered State payroll to be \$241,000,000.
- Increase in State employer contribution rate would be .0056% of covered payroll.

*Paul B. Arnoldt*

IV. DATE 4/9/79 PREPARED BY Paul B. Arnoldt, Director  
AGENCY Division of Retirement & Benefits  
PHONE 465-4460

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)  
Office of the Governor (Keith Specking)  
33-001 (Rev. 12/78)

ELEVENTH LEGISLATURE

FISCAL NOTE

**DRAFT**

I. REQUEST  
 Bill/Resolution No. CSHB 514 HCSSB 26  
 Title An Act Establishing Minimum Retirement Benefits  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Administration - Division of Retirement and Benefits  
 Program Category Affected Labor Services  
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01 (PERS)  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

**EXPENDITURES** (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		7.5				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		135.4	298.0	327.8	360.6	396.6
TOTAL		142.9	298.0	327.8	360.6	396.6

**FUNDING** (Thousands of Dollars)

GENERAL FUND		117.0	244.1	268.5	295.3	324.8
FEDERAL FUNDS		6.6	13.7	15.1	16.6	18.2
VETERAN'S FUND		.3	.6	.7	.7	.8
FISH & GAME FUND		.9	1.8	1.9	2.2	2.4
HIGHWAY FUND		1.9	3.9	4.2	4.7	5.2
AIRPORT FUND		4.1	8.6	9.5	10.5	11.5
CAPITAL FUND		12.1	25.3	27.9	30.6	33.7
PERS						
TRS						

**POSITIONS**

FULL TIME						
PART TIME						
TEMPORARY		4.2 Mos.				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. Estimate contribution rate to fund benefits will increase by .1030% of covered state payroll (\$263,000,000) or \$135,445 for 1/2 fiscal year commencing January 1, 1981.
2. Estimate covered state payroll will increase 10% annually.
3. Personal Services - one temporary position for five months to calculate benefits between PERS (84%) and TRS (16%). Benefit calculations to begin July, 1980.

\$1,628 mo. x 5 = \$8,140  
 Benefits 825  
 \$8,965 x 84% (PERS) = \$7,531

IV. DATE \_\_\_\_\_ PREPARED BY Paul B. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 Original: Legislative Finance PHONE 465-4460  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 Office of the Governor (Keith Specking)

**DRAFT**

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**DRAFT**

FISCAL NOTE

I. REQUEST  
Bill/Resolution No. HCSSB 26  
Title An Act Establishing Minimum Retirement Benefits  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
Agency Affected Administration - Division of Retirement & Benefits  
Program Category Affected Labor Services and Elementary & Secondary Education  
BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02 (TRS) 02-11-8-02-01-00 (TRS MATCH)  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		1.4				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING		31.0	68.2	75.0	82.5	90.8
100 BENEFITS		5.5	12.1	13.3	14.6	16.1
TOTAL		37.9	80.3	88.3	97.1	106.9

FUNDING (Thousands of Dollars)

GENERAL FUND		37.9	80.3	88.3	97.1	106.9
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY		0.8 Mos.				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. Estimate that the TRS contribution rate to fund benefits will increase by .0534% of TRS payroll (\$232,500,000) split 50/50 between the state matching and school districts for 1/2 fiscal year commencing January 1, 1981.
2. Estimate TRS payroll to increase @ 10% annually.
3. Personal Services - one temporary employee for 5 months to calculate benefits split between PERS (84%) and TRS (16%). Benefit calculations to begin July, 1980.
 

1.628/mo x 5 mo = \$8,140
Benefits <u>825</u>
\$8,965 x 16% (TRS) = \$1,434

IV. DATE \_\_\_\_\_ PREPARED BY Paul E. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 Original: Legislative Finance PHONE 465-4460  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 Office of the Governor (Keith Specking)

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HCSSB 26

Page 3 of 3

ATTACHMENT

ASSUMPTIONS:

- 1. Estimated FY 81 Payroll (Total System) = \$232,500,000
- 2. State Contribution Rate to Fund Bill = .0267%
- 3. State TRS Matching Rate to Fund Bill = .0267%
- 4. School District Rate to Fund Bill = .0267%

COST ANALYSIS:

<u>Employer</u>	<u>Payroll</u>	<u>Rate</u>	<u>Cost</u>	<u>Appropriation</u>
1. Dept. of Education	\$ 4,000,000 x	.0267%	\$9879	To Their Budget
2. University of Alaska	\$37,000,000 x	.0267%	1068	To Their Budget
			<u>\$10,947</u>	
3. State TRS matching	\$232,500,000 x	.0267%	\$62,078	To TRS Match
4. State TRS Regular Budget:				
Personal Services - 7% inflation			\$1434	To Personal Service
Travel				To Travel
Contractual				To Contractual
Commodities				To Commodities
Equipment				To Equipment
			<u>\$1434</u>	
			<u>\$74,459</u>	

COST TO STATE IN FY 81

\$74,459

Memo:

- 1. All School Districts \$191,500,000 x .0267 \$51,131
- TOTAL COST IN FY 81 \$125,590

REMARKS:

The figures given above reflect full year costs for FY 81.

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ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill 154 HCS Senate Bill No. 26 Page 1 of 1  
 Title Inclusion of Certain Territorial Employees in the TRS  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Administration - Division of Retirement and Benefits  
 Program Category Affected Retirement and Benefits (TRS)  
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH		23.1	23.1	23.1	23.1	23.1
100 BENEFITS		5.3	5.3	5.3	5.3	5.3
TOTAL		28.4	28.4	28.4	28.4	28.4

FUNDING (Thousands of Dollars)

GENERAL FUND		28.4	28.4	28.4	28.4	28.4
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- AS 14.25.220(5) already allows service as a teacher in a public school within the territory to be counted as membership service (TRS).
- AS 39.35.360(a) already allows service as an employee of the territory to be counted as credited service (PERS).
- HB 154 would allow non-teaching service to be credited in the TRS.
- It is estimated, based upon information provided last year (SB 377), that 12-15 employees would qualify for benefits.
- Estimate FY 80 covered TRS payroll to be \$231,000,000.
- Increase in combined TRS State Match and employer contribution rate would be .02%.
- The total present day value of the benefits provided under this bill amounts to \$414,356, or an average of \$27,624 per teacher. These benefits will be funded with level payments of \$28,400 per year for the next 30 years, resulting in a total cash outlay by the State of \$852,000.
- Cost breakout as attached.

IV. DATE 2/14/79 PREPARED BY Paul B. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 465-4460

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Representative Duncan  
 Office of the Governor (Keith Sneekins)

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ATTACHMENT

Bill/Resolution No. HB 154

ASSUMPTIONS:

- 1. Estimated FY80 Payroll (Total System) = \$231,000,000
- 2. State Contribution Rate to Fund Bill = .01%
- 3. State TRS Matching Rate to Fund Bill = .01%
- 4. School District Rate to Fund Bill = .01%

COST ANALYSIS:

<u>Employer</u>	<u>Payroll</u>	·	<u>Rate</u>	<u>Cost</u>	<u>Appropriation</u>
1. Department of Education	\$ 6,000,000	X	.01%	\$ 600	To Their Budget
2. University of Alaska	\$ 47,000,000	X	.01%	\$ 4,700	To Their Budget
				<u>\$ 5,300</u>	
3. State TRS Matching	\$231,000,000	X	.01%	\$23,100	To TRS Match
4. State TRS Regular Budget:					
Personal Services				\$ -0-	To Personal Service
Travel				\$ -0-	To Travel
Contractual				\$ -0-	To Contractual
Commodities				\$ -0-	To Commodities
Equipment				<u>\$ -0-</u>	To Equipment
				<u>\$28,400</u>	
5. All School Districts	\$178,000,000	X	.01%	<u>\$17,800</u>	
				<u>\$46,200</u>	

REMARKS:

(9)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HCSenate Bill 26 # 1 Page 1 of 2  
 Title Temporary Service Credit Under the Public Employees Retirement System  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Administration - Division of Retirement and Benefits  
 Program Category Affected Retirement and Benefits (PERS)  
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		22.3	23.6	25.0	26.5	28.1
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES		0.3	0.3	0.3	0.3	0.3
500 EQUIPMENT		0.5				
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS						
TOTAL		<del>127.5</del> 23.7	23.9	25.3	26.8	28.4

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND		23.7				
PERS		<del>127.5</del>	23.9	25.3	26.8	28.4
TRS						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The temporary employees should be incorporated in the existing record system. No new program development costs allowed.

*John C. Sackett*  
 John C. Sackett, Chairman  
 Senate Finance Committee

*Paul B. Arnoldt*  
 Paul B. Arnoldt, Director  
 Division of Retirement & Benefits

IV. DATE 2/01/79 PREPARED BY \_\_\_\_\_  
 AGENCY Division of Retirement & Benefits  
 Original: Legislative Finance PHONE 465-4460

1. The following administrative funds would be required from the Public Employees' Retirement System to implement the provisions of this bill.

a) Personal service - one full-time Accounting Technician I (range 12) salary and merit increases at 6%.

FY 80 monthly salary	\$1,426 X 12	= \$17,112
Plus benefits at 25.5%		= <u>\$ 5,173</u>

\$22,285

b) Miscellaneous Expenses - Initial cost office equipment and annual commodities and replacement costs.

FY 80	= \$800
Succeeding FY's	= \$300

c) Contractual Services - \$104,387 to establish new indebtedness records (program modification, program documentation updating and system testing), onetime only, per attached worksheets.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. Senate Bill No. 26 # 2 Page 1 of 1  
 Title Relating to the Claim of Judicial Service Under the Public Employees Retirement System  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Administration - Division of Retirement and Benefits  
 Program Category Affected Labor Services  
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY '84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		7.6	7.6	7.6	7.6	7.6
TOTAL		7.6	7.6	7.6	7.6	7.6

FUNDING (Thousands of Dollars)

GENERAL FUND		6.2	6.2	6.2	6.2	6.2
FEDERAL FUNDS		.3	.3	.3	.3	.3
VETERAN'S FUND						
FISH & GAME FUND		.1	.1	.1	.1	.1
HIGHWAY FUND		.1	.1	.1	.1	.1
AIRPORT FUND		.2	.2	.2	.2	.2
CAPITAL FUND		.7	.7	.7	.7	.7
PERS						
TRS						

POSITIONS

FULL TIME		-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. Estimate that 5 people with an average age of 55 will be affected by the amendment to AS 22.25.010(f).
2. Estimate the PERS state covered payroll @ \$263,000,000 in FY81.
3. Increase in the state employer contribution rate is .0029% of covered payroll.

IV. DATE \_\_\_\_\_ PREPARED BY Paul B. Arnold, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 465-4460  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 Office of the Governor (Keith Speciner)

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THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
Bill/Resolution No. (Proposed CS for HB 18) Senate Bill No. 26  
Title Terr. Public Employees', Public Employees', Nat. Guard & Judicial Retire. Syst  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
Agency Affected Administration - Division of Retire. & Ben., Department of Mil. Aff  
Program Category Affected Retirement and Benefits, Public Protection  
BRU, Program, or Subprogram(s) Affected Other Benefits, Judicial Ret. Sys., Mil. Prepared  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each  
component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		5.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
100 BENEFITS	3.6	127.8	2927.9	3022.8	3123.0	3228.
TOTAL	3.6	132.8	2927.9	3022.8	3123.0	3228.

FUNDING (Thousands of Dollars)

GENERAL FUND	3.6	132.8	2927.9	3022.8	3123.0	3228.
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

- III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
1. FY 80 and subsequent years reflect the cost of providing increases for three individuals receiving benefits under the Territorial Retirement System, retroactive to July 1, 1977.
  2. FY 81 reflects the "pay as you go" costs of increasing benefits from \$50 to \$100 for a month of service under the National Guard Retirement Plan plus \$5,000 to do an actuarial valuation of the National Guard Retirement System.
  3. FY 82 and subsequent years reflect the funding required to place the National Guard Retirement System and the Judicial Retirement System on a funded basis similar to PERS and TRS.

IV. DATE \_\_\_\_\_ PREPARED BY Paul B. Arnoldt, Director  
AGENCY Division of Retirement & Benefits  
Original: Legislative Finance PHONE 465-4460  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

DRAFT

June 3, 1980

HOUSE JOURNAL

1959

HCS SB 365 RECEDE

HCS  
SB  
365

Yeas: 0

Nays: 35 Anderson, Barnes, Beirne,  
Bettisworth, Branson, Brown,  
Buchholdt, Chatterton, Cotten,  
Duncan, Eliason, Freeman, Fuller,  
Gardiner, Guy, Halford, Haugen,  
Hurlbert, Malone, Martin, Metcalfe,  
Miller, Montgomery, Moss, Munson,  
O'Connell, Osterback, Parker, Parr,  
Phillips, Radolph, Rogers,  
Schaeffer, Smith, Zharoff

Not  
Voting: 5 Carney, Hayes, McKinnon, Meekins,  
Miles

And so, the House failed to recede.

The Speaker appointed the following members to a FREE  
CONFERENCE COMMITTEE to meet with a like committee from  
the Senate to consider the above bill:

Representative Parr, Chairman  
Representative Anderson  
Representative Barnes

The Chief Clerk was instructed to so notify the Senate.

The House reverted to

REPORTS OF STANDING COMMITTEES

The Finance Committee has had SENATE BILL NO. 26 (cre-  
dited service under the public employees' retirement  
system; effective date) under consideration and a  
majority of the committee recommends it be replaced  
with HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 26  
(Finance):

SB  
26

"An Act relating to public employee  
benefit programs; amending the duties  
of the Public Employees Retirement  
Board; relating to earlier service  
credit under the teachers' retirement

SB  
26

system and the public employees retirement system; establishing minimum retirement benefits; relating to participation in the state program of supplemental employee benefit; relating to the deferred compensation program; repealing the Legislative Board of Retirement Benefits, creating the Alaska National Guard retirement system; relating to the judicial retirement system; increasing the benefits paid under the territorial public employees' retirement system; relating to retirement benefit eligibility for disabled peace officers and firemen; and providing for an effective date "

and reports it back with individual recommendations. Duncan, Rogers, Guy and Haugen recommend do pass. Meckins (Chairman), Freeman, Moss and McKinnon have no recommendation.

SB 26 was referred to the Rules Committee for placement on today's calendar.

↑  
ANNOUNCEMENTS

Rules SB 573, CSSB 2	Capitol 208	On recess
FCC on SB 239 Alcoholic beverages	Capitol 124	1:00 p.m., 6/3
FCC on HB 192 Equalization of tax resources	To be Posted	Sometime before 2:30 p.m., 6/3
FCC on HB 945 Interest rates - bonds	To be Posted	
FCC on HB 644 Alaska Statehood Commission	To be Posted	
FCC on SB 205 Spec.Approp. Alaska Housing Finance	To be Posted	
FCC on SB 365 Dealing liquor w/out a license	To be Posted	

6/3/80

Original sponsor: Ray

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 26 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public employee benefit programs;  
7 amending the duties of the Public Employees Retirement  
8 Board; relating to earlier service credit under the  
9 teachers' retirement system and the public employees'  
10 retirement system; establishing minimum retirement  
11 benefits; relating to participation in the state program  
12 of supplemental employee benefits; relating to the de-  
13 ferred compensation program; repealing the Legislative  
14 Board of Retirement Benefits; creating the Alaska  
15 National Guard retirement system; relating to the  
16 judicial retirement system; increasing the benefits  
17 paid under the territorial public employees' retirement  
18 system; relating to retirement benefit eligibility for  
19 disabled peace officers and firemen; and providing for  
20 an effective date."

21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

22 \* Section 1. AS 14.25 is amended by adding a new section to read:

23 Sec. 14.25.105. CREDIT FOR SERVICE AS AN EMPLOYEE OF THE TERRITORY  
24 OF ALASKA. (a) A teacher who completes 15 years of membership service  
25 under this chapter may elect to receive credited service for employment  
26 rendered to the Territory of Alaska before January 3, 1959, regardless  
27 of the office, department, division or agency of the territory in which  
28 he was employed. Credited service allowed under this section may not  
29 exceed five years.

1 (b) A teacher may not be credited with service under this section  
2 if credit for service as an employee of the Territory of Alaska was  
3 granted for the same period under the public employees' retirement  
4 system (AS 39.35).

5 (c) A teacher who elects to receive credited service under this  
6 section for service to the Territory of Alaska shall make a retroactive  
7 contribution under this system for the period of territorial employment  
8 following June 30, 1955.

9 \* Sec. 2. AS 14.25.110(g) is amended to read:

10 (g) A member who is eligible for a service retirement salary under  
11 this chapter or under the Retirement Act of 1945 is entitled to a benefit  
12 of at least \$25 [\$20] per month for each year of credited service,  
13 excluding adjustments made under AS 14.25.142 or 14.25.143. If the  
14 member elected option two under AS 14.25.063(b)(2) for payment of any  
15 indebtedness when he initially applied for a retirement benefit, or if  
16 he elected to receive an early retirement benefit under (b) of this  
17 section, the resulting benefit reduction continues in effect.

18 \* Sec. 3. AS 14.25.143(a) is repealed and re-enacted to read:

19 (a) When the administrator determines that the cost of living has  
20 increased and that the financial condition of the retirement fund  
21 permits, the administrator shall increase benefit payments to persons  
22 receiving benefits under this system.

23 \* Sec. 4. AS 14.25.143(b) is repealed and re-enacted to read:

24 (b) The amount of the increase in benefit payments may not exceed  
25 the greater of

26 (1) the increase in the cost of living since the date of  
27 retirement; or

28 (2) four percent of the retirement benefit compounded for  
29 each year of retirement.

1 \* Sec. 5. AS 14.25.143(c) is repealed and re-enacted to read:

2 (c) The administrator shall implement this section by regulation.

3 \* Sec. 6. AS 14.25.143 is amended by adding new subsections to read:

4 (e) If at the time of first receiving a retirement benefit a  
5 member was receiving a disability benefit, the administrator shall  
6 include the time during which the member received the disability benefit  
7 in determining the number of years of retirement under this section.

8 (f) An increase in benefit payments under this section is effec-  
9 tive July 1 of the year for which the increase is granted.

10 \* Sec. 7. AS 22.25 is amended by adding new sections to read:

11 Sec. 22.25.025. ADMINISTRATION. The commissioner of administra-  
12 tion is responsible for the administration of the judicial retirement  
13 system.

14 Sec. 22.25.027. REGULATIONS. The commissioner of administration  
15 may adopt regulations to implement this chapter. Regulations adopted by  
16 the commissioner under this chapter relate to the internal management of  
17 state agencies and their adoption is not subject to the Administrative  
18 Procedure Act (AS 44.62).

19 Sec. 22.25.046. EMPLOYER CONTRIBUTIONS. (a) The state court  
20 system shall contribute to the judicial retirement system at the rate  
21 established by the commissioner of administration. The contribution  
22 rate shall be based on the results of an actuarial valuation of the  
23 judicial retirement system. The results of the actuarial valuation  
24 shall be based on actuarial methods and assumptions adopted by the  
25 commissioner of administration.

26 (b) The contribution rate shall be a percentage which, when applied  
27 to the covered compensation of all active members of the judicial retire-  
28 ment system, will generate sufficient money to support, along with  
29 contributions from members, the benefits of the judicial retirement

1 system.

2 \* Sec. 8. AS 26.05.222 is repealed and re-enacted to read:

3 Sec. 26.05.222. CREATION AND ADMINISTRATION OF ALASKA NATIONAL  
4 GUARD RETIREMENT SYSTEM. (a) There is established an Alaska National  
5 Guard retirement system. The commissioner of administration shall  
6 administer the Alaska National Guard retirement system.

7 (b) The commissioner of administration may adopt regulations to  
8 implement the Alaska National Guard retirement system. Regulations  
9 adopted by the commissioner under this subsection relate to the internal  
10 management of state agencies and their adoption is not subject to the  
11 Administrative Procedure Act (AS 44.62).

12 \* Sec. 9. AS 26.05.223 is amended to read:

13 Sec. 26.05.223. COMMENCEMENT OF PARTICIPATION IN SYSTEM [PLAN]. A  
14 [AN ACTIVE] member of the Alaska National Guard or Alaska Naval Militia  
15 shall be included in this system [PLAN] upon commencement of [HIS ACTIVE]  
16 membership in the Alaska National Guard, or on January 1, 1973, whichever  
17 is later, or upon commencement of membership in the Alaska Naval Militia  
18 or on July 1, 1980, whichever is later. [INCLUSION IN THE PLAN IS A  
19 CONDITION OF ACTIVE MEMBERSHIP IN THE ALASKA NATIONAL GUARD.]

20 \* Sec. 10. AS 26.05.224 is amended to read:

21 Sec. 26.05.224. RETIREMENT BENEFITS. (a) An active member of the  
22 Alaska National Guard, or a former member who was an active member on  
23 or after January 1, 1969, or a member of the Alaska Naval Militia on or  
24 after July 1, 1980, is eligible for a retirement pension [PAY]

25 (1) upon voluntary retirement from the Alaska National Guard  
26 or Alaska Naval Militia after a total of 20 years or more of satisfac-  
27 tory service in the Alaska National Guard, Alaska Naval Militia, or the  
28 armed forces of the United States, and the reserves of them, or any com-  
29 bination of service in these components if at least five years of the

1 service is in the Alaska National Guard or Alaska Naval Militia; [AND  
2 UPON REACHING 55 YEARS OF AGE,] or

3 (2) upon involuntary retirement because of federal standards  
4 imposed on the Alaska National Guard or Alaska Naval Militia [MEMBERS],  
5 regardless of length of service.

6 (b) The retirement pension [RETIREMENT PAY] is \$100 [\$50] a month,  
7 payable [TO BE CONTINUED] for the same number of months that the member  
8 participated satisfactorily in [PERSON WAS A MEMBER OF] the Alaska  
9 National Guard or Alaska Naval Militia.

10 (c) An eligible member or former member [WHO RETIRES] may elect to  
11 receive his retirement pension [PAY] beginning on the first day of the  
12 month in which he becomes eligible for [COINCIDING WITH OR AFTER] retire-  
13 ment, or the member or former member [HE] may elect to defer payment to a  
14 later date [RECEIVE HIS RETIREMENT PAY AT A DEFERRED DATE BEGINNING ON  
15 THE FIRST DAY OF THE MONTH COINCIDING WITH OR AFTER THE DATE HE ELECTS  
16 FOR THE RETIREMENT PAY TO BEGIN]. Payment of a deferred retirement  
17 benefit may not begin until application for the benefit is filed with and  
18 approved by the Department of Military Affairs. Deferred retirement pay-  
19 ments must be made monthly at the rate of \$100.

20 \* Sec. 11. AS 26.05.224 is amended by adding a new subsection to read:

21 (d) A retirement benefit payable to a member at the time of the  
22 death of the member shall be paid in a lump sum to the designated bene-  
23 ficiary of the member. The member may change or revoke the designation  
24 of a beneficiary without notice to the beneficiary at any time. If a  
25 member designates more than one beneficiary, each shall share equally  
26 unless the member specifies a different allocation. The designation of  
27 a beneficiary and a change or revocation of a beneficiary shall be made  
28 on a form provided by the Department of Military Affairs and is not  
29 effective until filed with the Department of Military Affairs. If a

1 member fails to designate a beneficiary or if no designated beneficiary  
2 survives the member, the death benefit under this subsection shall be  
3 paid to his estate.

4 \* Sec. 12. AS 26.05.225 is repealed and re-enacted to read:

5 Sec. 26.05.225. EARLIER SERVICE. A person who was a member of the  
6 Alaska National Guard on or after January 1, 1969, is entitled to credit  
7 for his service to the state and former territory of Alaska as a member  
8 of the National Guard and Territorial Guard before and after January 1,  
9 1969, in determining eligibility for retirement benefits under AS 26.05.-  
10 224.

11 \* Sec. 13. AS 26.05.226 is repealed and re-enacted to read:

12 Sec. 26.05.226. CONTRIBUTIONS. (a) The Department of Military  
13 Affairs shall contribute to the Alaska National Guard retirement system  
14 the amounts determined by the commissioner of administration as neces-  
15 sary to

16 (1) fund the system based on the actuarial requirements of  
17 the system as established by the commissioner of administration; and

18 (2) administer the system.

19 (b) The amount required for contributions from the Department of  
20 Military Affairs under (a) of this section shall be included in the  
21 annual appropriations made to the Department of Military Affairs.

22 \* Sec. 14. AS 26.05.227 is repealed and re-enacted to read:

23 Sec. 26.05.227. DEFINITIONS. As used in AS 26.05.222 - 26.05.226,

24 (1) "beneficiary" means a person designated by a member to  
25 receive benefits that may be due from the system upon the death of a  
26 member;

27 (2) "member" means a commissioned or warrant officer or an  
28 enlisted person in the Alaska National Guard or Alaska Naval Militia;

29 (3) "system" means the Alaska National Guard retirement

1 system.

2 \* Sec. 15. AS 39.30.150(a) is amended to read:

3 (a) In place of contributions to the federal social security  
4 system which would have been required on behalf of an employee had the  
5 participating employer belonged to the social security [STATE REMAINED  
6 IN THE] system, the participating employer [STATE] shall contribute  
7 12.26 percent of the wages of the employee up to the taxable wage base  
8 then in effect in the social security system. All costs of establishing  
9 and administering the benefit program established by AS 39.30.160 shall  
10 be paid from the contributions made by the participating employers  
11 [STATE] under this section. The balance of the contributions made by  
12 the participating employers [STATE] shall be paid into special indivi-  
13 dual employee benefit accounts in the Department of Administration to be  
14 used to provide supplemental employee benefits provided in AS 39.30.160.

15 \* Sec. 16. AS 39.30.150 is amended by adding a new subsection to read:

16 (c) An employee of a participating employer is considered to have  
17 agreed to have his wages reduced by an amount equal to one-half the  
18 total contribution which the participating employer is required to make  
19 on behalf of the employee under this section.

20 \* Sec. 17. AS 39.30 is amended by adding a new section to read:

21 Sec. 39.30.155. DUTIES OF THE PUBLIC EMPLOYEES RETIREMENT BOARD.

22 (a) The Public Employees Retirement Board (AS 39.35.030) shall

23 (1) hold regular and special meetings it considers necessary  
24 to carry out its responsibilities relating to the supplemental employee  
25 benefit program; all meetings are open to the public and the board shall  
26 keep a full record of all its proceedings;

27 (2) adopt, with modifications it considers proper, regula-  
28 tions recommended by the administrator for carrying out the supplemental  
29 employee benefit program, and regulations providing employees the oppor-

1 tunity to periodically change distribution of contributions among the  
2 supplemental benefit options listed in AS 39.30.160(a);

3 (3) consider matters referred to it by the administrator in  
4 connection with changes in policy and revisions of the supplemental  
5 employee benefit program;

6 (4) act as an appeals board, hold hearings at the request of  
7 an employer, employee, surviving spouse, or a beneficiary on decisions  
8 made by the administrator that relate to the payment of benefits under  
9 the supplemental employee benefit program, and submit its findings to  
10 the administrator;

11 (5) prescribe policies for the operation of the supplemental  
12 employee benefit program and take other action which it considers neces-  
13 sary to carry out the purposes of that program;

14 (6) advise the Department of Administration concerning the  
15 features to be included in the benefit options provided under AS 39.30.-  
16 160(a).

17 (b) In this section "administrator" means the administrator of the  
18 public employees' retirement system appointed under AS 39.35.050.

19 \* Sec. 18. AS 39.30.160(a) is amended to read:

20 (a) The Department of Administration shall, in accordance with  
21 policies prescribed by regulations of the Public Employees Retirement  
22 Board, provide to employees for whom benefit accounts are established  
23 under AS 39.30.150 the following benefit options:

- 24 (1) supplemental health benefits,
- 25 (2) supplemental death benefits,
- 26 (3) supplemental disability benefits,
- 27 (4) supplemental survivor benefits, and
- 28 (5) supplemental annuities.

29 \* Sec. 19. AS 39.30.160(b) is amended to read:

1 (b) An employee on whose behalf a participating employer [THE  
2 STATE] is making contributions under AS 39.30.150 may select the types  
3 and amounts of supplemental benefits to be purchased from the special  
4 account established for him under AS 39.30.150. The selection shall be  
5 from the benefit options listed in (a) of this section.

6 \* Sec. 20. AS 39.30.160(c) is amended to read:

7 (c) The entire amounts paid by participating employers [THE STATE],  
8 after the deduction for administrative costs under AS 39.30.150, into  
9 the special individual benefit accounts under AS 39.30.150 shall be used  
10 for supplemental benefits under this section.

11 \* Sec. 21. AS 39.30.160(e) is amended to read:

12 (e) Regulations adopted by the Public Employees Retirement Board  
13 [DEPARTMENT OF ADMINISTRATION] implementing AS 39.30.150 and this sec-  
14 tion are not subject to the Administrative Procedure Act (AS 44.62).

15 \* Sec. 22. AS 39.30 is amended by adding new sections to read:

16 Sec. 39.30.170. PARTICIPATION IN PROGRAM. (a) An employer may  
17 become a participating employer in the employee benefits program under  
18 AS 39.30.150 - 39.30.180, if

19 (1) the employer participates as an employer in the public  
20 employees' retirement system (AS 39.35); and

21 (2) the employer

22 (A) is eligible for membership in but has never elected  
23 to become a member of the federal social security system; or

24 (B) withdraws from membership in the federal social  
25 security system.

26 (b) In order to become a participating employer, the employer  
27 shall file a request with the commissioner. The request may be made  
28 only after adoption of a resolution by the legislative body of a munic-  
29 ipality, if the employer is a municipality, or by the board of directors,

1 if the employer is a public organization, and after approval of the  
2 resolution by the official required by law to approve the resolution. A  
3 certified copy of the resolution shall be filed with the commissioner.

4 (c) The commissioner shall approve the request if he finds that  
5 the employer has never participated in the federal social security  
6 system or has withdrawn from participation in the federal social secur-  
7 ity system.

8 (d) The employer may begin participation as a participating em-  
9 ployer covered by AS 39.30.150 - 39.30.180 on the date designated by the  
10 commissioner.

11 Sec. 39.30.180. DEFINITIONS. In AS 39.30.150 - 39.30.180,

12 (1) "commissioner" means the commissioner of the Department  
13 of Administration;

14 (2) "participating employer" means

15 (A) the State of Alaska; and

16 (B) an employer who

17 (i) is an employer as defined in AS 39.35.680(17);

18 (ii) has never participated in or has withdrawn from  
19 participation in the federal social security system; and

20 (iii) whose participation in the supplemental em-  
21 ployee benefits program has been approved by the commissioner.

22 \* Sec. 23. AS 39.35.040 is amended by adding new paragraphs to read:

23 (9) to exercise the duties set out in AS 39.30.155 with  
24 respect to the supplemental employee benefit program (AS 39.30.150 -  
25 39.30.160);

26 (10) to exercise the duties set out in AS 39.45.025 with  
27 respect to the deferred compensation program for state employees.

28 \* Sec. 24. AS 39.35.050 is amended to read:

29 Sec. 39.35.050. ADMINISTRATOR. The commissioner shall appoint an

1 administrator in charge of the public employees' retirement system and  
2 the supplemental employee benefit program (AS 39.30.150 - 39.30.160).

3 \* Sec. 25. AS 39.35.060 is amended by adding a new paragraph to read:

4 (7) formulate and recommend to the board regulations to  
5 govern the operation of the supplemental employee benefit program  
6 (AS 39.30.150 - 39.30.160).

7 \* Sec. 26. AS 39.35.120(b) is amended to read:

8 (b) Inclusion in the system is a condition of employment for an  
9 employee except as otherwise provided for an elected official.

10 \* Sec. 27. AS 39.35.125 is repealed and re-enacted to read:

11 Sec. 39 35.125. PARTICIPATION OF ELECTED OFFICIALS. (a) An  
12 elected official is included in the system unless he files a written  
13 waiver of coverage with the administrator. A waiver under this subsec-  
14 tion waives coverage of future employment as an elected official, regard-  
15 less of any change of employer. An elected official may file a waiver  
16 under this subsection at any time after his election to office, including  
17 the period before he takes the oath of his office. An elected official  
18 may revoke a waiver under this subsection by filing a written revocation  
19 with the administrator. A revocation under this subsection operates  
20 prospectively only, and the elected official may not receive credited  
21 service for service as an elected official while the waiver was in  
22 effect. There is no limit on the number of times an elected official  
23 may file a waiver or revocation under this subsection.

24 (b) Service as an elected official before January 1, 1981, with an  
25 employer may be included retroactively as credited service with the  
26 system if the elected official or former elected official makes retro-  
27 active contributions equal to what he would have made if he had been  
28 included in the system when he took the oath of his office as an elected  
29 official. The rate used to calculate the retroactive contributions may

1 not be less than the rate in effect on January 1, 1961. An elected  
2 official or former elected official must claim prior service and make  
3 retroactive contributions before February 1, 1982. An elected official  
4 or former elected official may not receive credited service under this  
5 subsection for any period in which he was receiving a retirement benefit  
6 from the system. An elected official or former elected official receiv-  
7 ing a retirement benefit from the system on January 1, 1981, is not  
8 eligible to claim credited service under this subsection unless he is  
9 reemployed as an active member and claims the credited service before  
10 February 1, 1982. Service as an elected official with an employer  
11 constitutes employment as an active member so long as no waiver of  
12 coverage under (a) of this section is in effect.

13 (c) An elected official included in the system and his employer  
14 are liable for contributions whenever he is an elected official unless a  
15 waiver of coverage under (a) of this section is in effect.

16 \* Sec. 28. AS 39.35 is amended by adding a new section to read:

17 Sec. 39.35.156. TEMPORARY SERVICE CREDIT. (a) A vested employee  
18 is entitled to credited service for periods in which he regularly ren-  
19 dered full-time personal service to an employer but was not qualified to  
20 participate in the system because of the exclusion of temporary workers  
21 as described in AS 39.35.680(21)(C)(iii). Benefits are not payable on  
22 this credited service unless the employee makes retroactive contribu-  
23 tions to the system for the period of time that credited service is  
24 claimed. The retroactive contribution is the full actuarial cost of  
25 providing benefits for the credited service claimed.

26 (b) To obtain credited service under this section, an employee  
27 must elect to do so and must verify his period of temporary service  
28 before July 1, 1981, or within one year following the date when the  
29 employee first becomes vested under this chapter, if later. When eligi-

1 bility for temporary service credit has been established, an indebted-  
2 ness shall be determined as provided in (a) of this section. Interest as  
3 prescribed by regulation accrues on that indebtedness beginning July 1,  
4 1981, or one year following the date an employee first becomes vested,  
5 whichever is later. Any outstanding indebtedness existing at the time  
6 an employee retires will require an actuarial adjustment to the benefits  
7 payable based on the temporary service.

8 (c) A deferred vested employee on July 1, 1980, is eligible to  
9 claim credited service under (a) of this section. To obtain credited  
10 service under this section, a deferred vested employee must elect to do  
11 so and must verify his period of temporary service before July 1, 1981.  
12 When eligibility for temporary service credit has been established, an  
13 indebtedness shall be determined as provided in (a) of this section.  
14 Interest as prescribed by regulation accrues on that indebtedness begin-  
15 ning July 1, 1981. Any outstanding indebtedness existing at the time a  
16 person retires will require an actuarial adjustment to the benefits  
17 payable based upon the temporary service.

18 (d) The credited service granted under this section may not be  
19 used to satisfy the credited service requirements for normal or early  
20 retirement.

21 \* Sec. 29. AS 39.35.360(a) is repealed and re-enacted to read:

22 (a) An employee employed before January 1, 1980, who completes  
23 three years of credited service with the state after January 1, 1961,  
24 for which the employee makes contributions required by this chapter is  
25 entitled to credited service for service rendered (1) before January 1,  
26 1961, as an employee of the State and former Territory of Alaska; (2)  
27 before January 1, 1961, as an employee of the United States government  
28 in Alaska, excluding service in the armed forces of the United States;  
29 or (3) after January 1, 1961, as a peace officer or correctional officer

1 of a participating political subdivision of the state if the employee is  
2 vested and is an active peace officer in the system as of July 1, 1980.  
3 The retirement benefits payable to an employee under this section shall  
4 be reduced by the amount of the retirement pension benefits paid to him  
5 by the United States government for the same period of service.

6 \* Sec. 30. AS 39.35.360 is amended by adding a new subsection to read:

7 (h) An employee of the state is eligible to receive credited  
8 service as provided under AS 39.35.300(b) for service rendered as a  
9 permanent part-time employee before January 1, 1976. To receive retro-  
10 active credited service under this subsection, the employee must claim  
11 the service before July 1, 1981. When the employee claims retroactive  
12 credited service, an indebtedness of the employee to the system shall be  
13 established. The amount of this indebtedness is equal to the contribu-  
14 tions the employee would have made if he had been eligible for membership  
15 in the system. The rate used to calculate the contributions may not be  
16 less than the rate in effect on January 1, 1961. Interest as prescribed  
17 by regulation accrues on the indebtedness beginning July 1, 1981. Any  
18 outstanding indebtedness which exists at the time the employee retires  
19 will require an actuarial adjustment to the benefits which are based on  
20 retroactive credited service under this subsection.

21 \* Sec. 31. AS 39.35.370 is amended by adding a new subsection to read:

22 (f) A member who is vested in the system as a peace officer or  
23 fireman at the time he incurs a permanent disability of at least 33-1/3  
24 percent under workers' compensation and who (1) undergoes retraining  
25 because of the disability; and (2) is subsequently employed with the  
26 state or other employer in a position other than peace officer or fire-  
27 man, is eligible for a normal retirement benefit as a peace officer or  
28 fireman under (a) and (c) of this section when he has completed 20 years  
29 of credited service.

1 \* Sec. 32. AS 39.35.475 is repealed and re-enacted to read:

2 S . 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) When the  
3 administrator determines that the cost of living has increased and the  
4 financial condition of the retirement fund permits, he shall increase  
5 benefit payments to persons receiving benefits under this system.

6 (b) The amount of the increase in benefit payments may not exceed  
7 the greater of

8 (1) the increase in the cost of living since the date of  
9 retirement; or

10 (2) four percent of the retirement benefit compounded for  
11 each year of retirement.

12 (c) If at the time of first receiving a retirement benefit a  
13 member was receiving a disability benefit under this system, the adminis-  
14 trator shall include the time during which the member received the  
15 disability benefit in determining the number of years of retirement  
16 under this section.

17 (d) An increase in benefit payments under this section is effec-  
18 tive July 1 of the year for which the increase is granted.

19 (e) The administrator shall implement this section by regulation.

20 \* Sec. 33. AS 39.35.485(a) is amended to read:

21 (a) An employee who is eligible for a benefit calculated in accor-  
22 dance with AS 39.35.370(c) is entitled to a benefit of at least \$25  
23 [\$17.50] a month for each year of credited service, not including adjust-  
24 ments made under AS 39.35.380, 39.35.410, 39.35.450, 39.35.475 and  
25 39.35.480.

26 \* Sec. 34. AS 39.35.680(14) is amended to read:

27 (14) "elected official" means a person [MEMBER] whose com-  
28 pensation results from personal services rendered to an employer as an  
29 elected representative [AND WHO ELECTS COVERAGE UNDER AS 39.35.125];

1 \* Sec. 35. AS 39.45 is amended by adding a new section to read:

2 Sec. 39.45.025. DUTIES OF THE PUBLIC EMPLOYEES RETIREMENT BOARD.

3 (a) The Public Employees Retirement Board (AS 39.35.030) shall

4 (1) hold regular and special meetings it considers necessary  
5 to carry out its responsibilities relating to the deferred compensation  
6 program for state employees; all meetings are open to the public and the  
7 board shall keep a full record of all its proceedings;

8 (2) adopt, with modifications it considers proper, regula-  
9 tions recommended by the administrator for carrying out the deferred  
10 compensation program for state employees;

11 (3) consider matters referred to it by the administrator in  
12 connection with changes in policy and revisions of the deferred compen-  
13 sation programs for state employees;

14 (4) act as an appeals board, hold hearings at the request of  
15 an employer, employee, surviving spouse, or a beneficiary on decisions  
16 made by the administrator that relate to the deferred compensation  
17 program for state employees, and submit its findings to the adminis-  
18 trator;

19 (5) prescribe the policies for the proper operation of the  
20 deferred compensation program for state employees and take other action  
21 which it considers necessary to carry out the intent and purpose of the  
22 program.

23 (b) In this section "administrator" means the administrator of the  
24 deferred compensation program for state employees.

25 \* Sec. 36. AS 39.35.160(b) is repealed.

26 \* Sec. 37. AS 24.20.500 - 24.20.570 and AS 39.30.160(d) are repealed.

27 \* Sec. 38. AS 39.35.360(c) is repealed.

28 \* Sec. 39. AS 22.25.045 is repealed.

29 \* Sec. 40. The benefits payable under sec. 1, ch. 102, SLA 1951, as

1 increased by ch. 85, SLA 1970 and ch. 134, SLA 1975, are further increased by  
2 \$100 a month for each recipient.

3 \* Sec. 41. The following persons may receive any increase in benefits  
4 resulting from this Act for which they are otherwise eligible:

5 (1) a deferred vested member under AS 14.25 or AS 39.35;

6 (2) a person receiving benefits under AS 14.25 or AS 39.35 on the  
7 effective date of this Act;

8 (3) a person receiving benefits under sec. 1, ch. 102, SLA 1951  
9 (as to the increase in sec. 20 of this Act only).

10 \* Sec. 42. A member of the Alaska National Guard retirement system who is  
11 receiving a retirement benefit under AS 26.05.222 - 26.05.227 on the effec-  
12 tive date of this Act shall have that retirement benefit increased to \$100  
13 per month beginning July 1, 1980.

14 \* Sec. 43. AS 39.35.125(a), as re-enacted in sec. 23 of this Act, applies  
15 to an elected official holding office on or after January 1, 1981, even  
16 though he may have assumed office before that date.

17 \* Sec. 44. (a) Notwithstanding AS 22.25.010(f), a person who had credited  
18 service under the public employees' retirement system (AS 39.35) as a district  
19 judge, as a magistrate, or as a deputy magistrate for service before July 1,  
20 1967; and who has credited service of less than five years under the judicial  
21 retirement system (AS 22.25) as a district judge, as a magistrate, or as a  
22 deputy magistrate before the effective date of this Act, may have his credited  
23 service under the public employees' retirement system and his credited service  
24 under the judicial retirement system reinstated as credited service with the  
25 public employees' retirement system by

26 (1) making a written election to receive his retirement coverage  
27 and benefits under the public employees' retirement system (AS 39.35) rather  
28 than under the judicial retirement system (AS 22.25) before July 1, 1981; and

29 (2) paying to the public employees' retirement system (AS 39.35)

1 the amount of all contributions covering service before July 1, 1967, which  
2 were previously refunded to him by that system.

3 (b) A written election made under (a)(1) of this section is irrevoc-  
4 able.

5 \* Sec. 45. The retirement benefit payable to a member of the teachers'  
6 retirement system who is receiving a normal retirement benefit under AS 14.-  
7 25.110 on the effective date of this Act, and who at the time of his retire-  
8 ment was receiving a disability benefit under the teachers' retirement system,  
9 shall be increased by a percentage equal to the percentage of all post-retire-  
10 ment pension adjustments payable under AS 14.25.143 during the period that  
11 the member was receiving a disability benefit.

12 \* Sec. 46. The retirement benefit payable to a member of the public  
13 employees' retirement system who is receiving a normal retirement benefit  
14 under AS 39.35.370 on the effective date of this Act, and who at the time of  
15 his retirement was receiving a disability pension under the public employees'  
16 retirement system, shall be increased by a percentage equal to the percentage  
17 of all post-retirement pension adjustments payable under AS 39.35.475 during  
18 the period that the member was receiving a disability benefit.

19 \* Sec. 47. Sections 15, 16, 19, 20, 22, and 36 of this Act are retro-  
20 active to January 1, 1980.

21 \* Sec. 48. Section 40 of this Act is retroactive to January 1, 1978.

22 \* Sec. 49. Sections 1, 3 - 6, 17, 18, 21, 23 - 25, 28 - 32, 35, 37, 40,  
23 41(2) and (3), 42, and 44 - 46 of this Act take effect July 1, 1980.

24 \* Sec. 50. Sections 2, 26, 27, 33, 34, 38, 41(1), and 43 of this Act take  
25 effect January 1, 1981.

26 \* Sec. 51. Sections 7 - 14 and 39 of this Act take effect July 1, 1981.

27 \* Sec. 52. Sections 47 - 52 of this Act take effect immediately in accor-  
28 dance with AS 01.10.070(c).

Original sponsor: Ray

Offered: 6/1/80  
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 26

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public employee benefit programs;  
7 amending the duties of the Public Employees Retirement  
8 Board; relating to earlier service credit under the  
9 teachers' retirement system and the public employees'  
10 retirement system; establishing minimum retirement  
11 benefits; relating to participation in the state  
12 program of supplemental employee benefits; relating to  
13 the deferred compensation program; repealing the  
14 Legislative Board of Retirement Benefits creating the  
15 Alaska National Civil Service retirement system; relating to  
16 the judicial retirement system; increasing the benefits  
17 paid under the territorial public employees' retirement  
18 system; and providing for an effective date."

19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

20 \* Section 1. AS 14.25 is amended by adding a new section to read:

21 Sec. 14.25.105. CREDIT FOR SERVICE AS AN EMPLOYEE OF THE TERRITORY  
22 OF ALASKA. (a) A teacher who completes 15 years of membership service  
23 under this chapter may elect to receive credited service for employment  
24 rendered to the Territory of Alaska before January 3, 1959, regardless  
25 of the office, department, division or agency of the territory in which  
26 he was employed. Credited service allowed under this section may not  
27 exceed five years.

28 (b) A teacher may not be credited with service under this section  
29 if credit for service as an employee of the Territory of Alaska was

1 granted for the same period under the public employees' retirement  
2 system (AS 39.35).

3 (c) A teacher who elects to receive credited service under this  
4 section for service to the Territory of Alaska shall make a retroactive  
5 contribution under this system for the period of territorial employment  
6 following June 30, 1955.

7 \* Sec. 2. AS 14.25.110(g) is amended to read:

8 (g) A member who is eligible for a service retirement salary under  
9 this chapter or under the Retirement Act of 1945 is entitled to a  
10 benefit of at least \$25 [\$20] per month for each year of credited  
11 service, excluding adjustments made under AS 14.25.142 or 14.25.143. If  
12 the member elected option two under AS 14.25.063(b)(2) for payment of  
13 any indebtedness when he initially applied for a retirement benefit, or  
14 if he elected to receive an early retirement benefit under (b) of this  
15 section, the resulting benefit reduction continues in effect.

16 \* Sec. 3. AS 22.25.010(f) is amended to read:

17 (f) In the computation of service for retirement under AS 22.25.-  
18 010 - 22.25.070, the time served by a justice or judge of any court is  
19 added to the time served by him, if any, on any other court. All  
20 service rendered by a justice or judge, including service as a magis-  
21 trate or deputy magistrate, before July 1, 1967, shall be included in  
22 the computation. Service which would have been credited service  
23 under the public employees' retirement system (AS 39.35) at the time the  
24 service was performed is credited service under that system and may not  
25 be included in the computation of service for retirement under this  
26 chapter if the person who performed the service files a written election  
27 and pays the appropriate contributions before July 1, 1981, to have the  
28 service credited to the public employees' retirement system. The written  
29 election is irrevocable.

1 \* Sec. 4. AS 22.25 is amended by adding new sections to read:

2       Sec. 22.25.025. ADMINISTRATION. The commissioner of administra-  
3 tion is responsible for the administration of the judicial retirement  
4 system.

5       Sec. 22.25.027. REGULATIONS. The commissioner of administration  
6 may adopt regulations to implement this chapter. Regulations adopted by  
7 the commissioner under this chapter relate to the internal management of  
8 state agencies and their adoption is not subject to the Administrative  
9 Procedure Act (AS 44.62).

10       Sec. 22.25.046. EMPLOYER CONTRIBUTIONS. (a) The state court  
11 system shall contribute to the judicial retirement system at the rate  
12 established by the commissioner of administration. The contribution  
13 rate shall be based on the results of an actuarial valuation of the  
14 judicial retirement system. The results of the actuarial valuation  
15 shall be based on actuarial methods and assumptions adopted by the  
16 commissioner of administration.

17       (b) The contribution rate shall be a percentage which, when  
18 applied to the covered compensation of all active members of the  
19 judicial retirement system, will generate sufficient money to support,  
20 along with contributions from members, the benefits of the judicial  
21 retirement system.

22 \* Sec. 5. AS 26.05.222 is repealed and re-enacted to read:

23       Sec. 26.05.222. CREATION AND ADMINISTRATION OF ALASKA NATIONAL  
24 GUARD RETIREMENT SYSTEM. (a) There is established an Alaska National  
25 Guard retirement system. The commissioner of administration shall  
26 administer the Alaska National Guard retirement system.

27       (b) The commissioner of administration may adopt regulations to  
28 implement the Alaska National Guard retirement system. Regulations  
29 adopted by the commissioner under this subsection relate to the internal

1 management of state agencies and their adoption is not subject to the  
2 Administrative Procedure Act (AS 44.62).

3 \* Sec. 6. AS 26.05.223 is amended to read:

4 Sec. 26.05.223. COMMENCEMENT OF PARTICIPATION IN SYSTEM [PLAN]. A  
5 [AN ACTIVE] member of the Alaska National Guard or Alaska Naval Militia  
6 shall be included in this system [PLAN] upon commencement of [HIS ACTIVE]  
7 membership in the Alaska National Guard, or on January 1, 1973, whichever  
8 is later, or upon commencement of membership in the Alaska Naval Militia  
9 or on July 1, 1980, whichever is later. [INCLUSION IN THE PLAN IS A  
10 CONDITION OF ACTIVE MEMBERSHIP IN THE ALASKA NATIONAL GUARD.]

11 \* Sec. 7. AS 26.05.224 is amended to read:

12 Sec. 26.05.224. RETIREMENT BENEFITS. (a) A person who was a [AN  
13 ACTIVE] member of the Alaska National Guard on or after January 1, 1973,  
14 or a member of the Alaska Naval Militia on or after July 1, 1980, is  
15 eligible for a retirement pension [PAY]

16 (1) upon voluntary retirement from the Alaska National Guard  
17 or Alaska Naval Militia after a total of 20 years or more of satisfac-  
18 tory service in the Alaska National Guard, Alaska Naval Militia, or the  
19 armed forces of the United States, and the reserves of them, or any com-  
20 bination of service in these components if at least five years of the  
21 service is in the Alaska National Guard or Alaska Naval Militia; [AND  
22 UPON REACHING 55 YEARS OF AGE,] or

23 (2) upon involuntary retirement because of federal standards  
24 imposed on the Alaska National Guard or Alaska Naval Militia [MEMBERS],  
25 regardless of length of service.

26 (b) Retirement pay is \$100 [\$50] a month, payable [TO BE CON-  
27 TINUED] for the same number of months that the member participated  
28 satisfactorily in [PERSON WAS A MEMBER OF] the Alaska National Guard or  
29 Alaska Naval Militia.

1 (c) An eligible member [WHO RETIRES] may elect to receive his  
2 retirement pay beginning on the first day of the month in which he be-  
3 comes eligible for [COINCIDING WITH OR AFTER] retirement, or the member  
4 [HE] may elect to defer payment to a later date [RECEIVE HIS RETIREMENT  
5 PAY AT A DEFERRED DATE BEGINNING ON THE FIRST DAY OF THE MONTH COIN-  
6 CIDING WITH OR AFTER THE DATE HE ELECTS FOR THE RETIREMENT PAY TO BEGIN].  
7 Payment of a deferred benefit may not commence until application for the  
8 benefit is filed with and approved by the Department of Military Affairs.  
9 Deferred payments must be made monthly at the rate of \$100.

10 \* Sec. 8. AS 26.05.224 is amended by adding a new subsection to read:

11 (d) A benefit payable to a member at the time of the death of the  
12 member shall be paid in a lump sum to the designated beneficiary of the  
13 member. The member may change or revoke the designation of a beneficiary  
14 without notice to the beneficiary at any time. If a member designates  
15 more than one beneficiary, each shall share equally unless the member  
16 specifies a different allocation. The designation of a beneficiary and  
17 a change or revocation of a beneficiary shall be made on a form provided  
18 by the Department of Military Affairs and is not effective until filed  
19 with the Department of Military Affairs. If a member fails to designate  
20 a beneficiary or if no designated beneficiary survives the member, the  
21 death benefit shall be paid to his estate.

22 \* Sec. 9. AS 26.05.226 is repealed and re-enacted to read:

23 Sec. 26.05.226. CONTRIBUTIONS. (a) The Department of Military  
24 Affairs shall contribute to the Alaska National Guard retirement system  
25 the amounts determined by the commissioner of administration as neces-  
26 sary to

27 (1) fund the system based on the actuarial requirements of  
28 the system as established by the commissioner of administration; and

29 (2) administer the system.

1 (b) The amount required for contributions from the Department of  
2 Military Affairs under (a) of this section shall be included in the  
3 annual appropriations made to the Department of Military Affairs.

4 \* Sec. 10. AS 26.05.227 is repealed and re-enacted to read:

5 Sec. 26.05.227. DEFINITIONS. As used in AS 26.05.222 - 26.05.226,

6 (1) "beneficiary" means a person designated by a member to  
7 receive benefits that may be due from the system upon the death of a  
8 member;

9 (2) "member" means a commissioned or warrant officer or an  
10 enlisted person in the Alaska National Guard or Alaska Naval Militia;

11 (3) "system" means the Alaska National Guard retirement  
12 system.

13 \* Sec. 11. AS 39.30.150(a) is amended to read:

14 (a) In place of contributions to the federal social security  
15 system which would have been required on behalf of an employee had the  
16 participating employer belonged to the social security [STATE REMAINED  
17 IN THE] system, the participating employer [STATE] shall contribute  
18 12.26 percent of the wages of the employee up to the taxable wage base  
19 then in effect in the social security system. All costs of establishing  
20 and administering the benefit program established by AS 39.30.160 shall  
21 be paid from the contributions made by the participating employers  
22 [STATE] under this section. The balance of the contributions made by  
23 the participating employers [STATE] shall be paid into special indivi-  
24 dual employee benefit accounts in the Department of Administration to be  
25 used to provide supplemental employee benefits provided in AS 39.30.160.

26 \* Sec. 12. AS 39.30.150 is amended by adding a new subsection to read:

27 (c) An employee of a participating employer is considered to have  
28 agreed to have his wages reduced by an amount equal to one-half the  
29 total contribution which the participating employer is required to make

1 on behalf of the employee under this section.

2 \* Sec. 13. AS 39.30 is amended by adding a new section to read:

3 Sec. 39.30.155. DUTIES OF THE PUBLIC EMPLOYEES RETIREMENT BOARD.

4 (a) The Public Employees Retirement Board (AS 39.35.030) shall

5 (1) hold regular and special meetings it considers necessary  
6 to carry out its responsibilities relating to the supplemental employee  
7 benefit program; all meetings are open to the public and the board shall  
8 keep a full record of all its proceedings;

9 (2) adopt, with modifications it considers proper, regula-  
10 tions recommended by the administrator for carrying out the supplemental  
11 employee benefit program, and regulations providing employees the oppor-  
12 tunity to periodically change distribution of contributions among the  
13 supplemental benefit options listed in AS 39.30.160(a);

14 (3) consider matters referred to it by the administrator in  
15 connection with changes in policy and revisions of the supplemental  
16 employee benefit program;

17 (4) act as an appeals board, hold hearings at the request of  
18 an employer, employee, surviving spouse, or a beneficiary on decisions  
19 made by the administrator that relate to the payment of benefits under  
20 the supplemental employee benefit program, and submit its findings to  
21 the administrator;

22 (5) prescribe policies for the operation of the supplemental  
23 employee benefit program and take other action which it considers neces-  
24 sary to carry out the purposes of that program;

25 (6) advise the Department of Administration concerning the  
26 features to be included in the benefit options provided under AS 39.30.-  
27 160(a).

28 (b) In this section "administrator" means the administrator of the  
29 public employees' retirement system appointed under AS 39.35.050.

1 \* Sec. 14. AS 39.30.160(a) is amended to read:

2 (a) The Department of Administration shall, in accordance with  
3 policies prescribed by regulations of the Public Employees Retirement  
4 Board, provide to employees for whom benefit accounts are established  
5 under AS 39.30.150 the following benefit options:

- 6 (1) supplemental health benefits,  
7 (2) supplemental death benefits,  
8 (3) supplemental disability benefits,  
9 (4) supplemental survivor benefits, and  
10 (5) supplemental annuities.

11 \* Sec. 15. AS 39.30.160(b) is amended to read:

12 (b) An employee on whose behalf a participating employer [THE  
13 STATE] is making contributions under AS 39.30.150 may select the types  
14 and amounts of supplemental benefits to be purchased from the special  
15 account established for him under AS 39.30.150. The selection shall be  
16 from the benefit options listed in (a) of this section.

17 \* Sec. 16. AS 39.30.160(c) is amended to read:

18 (c) The entire amounts paid by participating employers [THE STATE],  
19 after the deduction for administrative costs under AS 39.30.150, into  
20 the special individual benefit accounts under AS 39.30.150 shall be used  
21 for supplemental benefits under this section.

22 \* Sec. 17. AS 39.30.160(e) is amended to read:

23 (e) Regulations adopted by the Public Employees Retirement Board  
24 [DEPARTMENT OF ADMINISTRATION] implementing AS 39.30.150 and this sec-  
25 tion are not subject to the Administrative Procedure Act (AS 44.62).

26 \* Sec. 18. AS 39.30 is amended by adding new sections to read:

27 Sec. 39.30.170. PARTICIPATION IN PROGRAM. (a) An employer may  
28 become a participating employer in the employee benefits program under  
29 AS 39.30.150 - 39.30.180, if

1 (1) the employer participates as an employer in the public  
2 employees' retirement system (AS 39.35); and

3 (2) the employer

4 (A) is eligible for membership in but has never elected  
5 to become a member of the federal social security system; or

6 (B) withdraws from membership in the federal social  
7 security system.

8 (b) In order to become a participating employer, the employer  
9 shall file a request with the commissioner. The request may be made  
10 only after adoption of a resolution by the legislative body of a municipi-  
11 pality, if the employer is a municipality, or by the board of directors,  
12 if the employer is a public organization, and after approval of the  
13 resolution by the official required by law to approve the resolution. A  
14 certified copy of the resolution shall be filed with the commissioner.

15 (c) The commissioner shall approve the request if he finds that  
16 the employer has never participated in the federal social security  
17 system or has withdrawn from participation in the federal social securi-  
18 ty system.

19 (d) The employer may begin participation as a participating em-  
20 ployer covered by AS 39.30.150 - 39.30.180 on the date designated by the  
21 commissioner.

22 Sec. 39.30.180. DEFINITIONS. In AS 39.30.150 - 39.30.180,

23 (1) "commissioner" means the commissioner of the Department  
24 of Administration;

25 (2) "participating employer" means

26 (A) the State of Alaska; and

27 (B) an employer who

28 (i) is an employer as defined in AS 39.35.680(17);

29 (ii) has never participated in or has withdrawn from

1 participation in the federal social security system; and

2 (iii) whose participation in the supplemental em-  
3 ployee benefits program has been approved by the commissioner.

4 \* Sec. 19. AS 39.35.040 is amended by adding new paragraphs to read:

5 (9) to exercise the duties set out in AS 39.30.155 with  
6 respect to the supplemental employee benefit program (AS 39.30.150 -  
7 39.30.160);

8 (10) to exercise the duties set out in AS 39.45.025 with  
9 respect to the deferred compensation program for state employees.

10 \* Sec. 20. AS 39.35.050 is amended to read:

11 Sec. 39.35.050. ADMINISTRATOR. The commissioner shall appoint an  
12 administrator in charge of the public employees' retirement system and  
13 the supplemental employee benefit program (AS 39.30.150 - 39.30.160).

14 \* Sec. 21. AS 39.35.060 is amended by adding a new paragraph to read:

15 (7) formulate and recommend to the board regulations to  
16 govern the operation of the supplemental employee benefit program  
17 (AS 39.30.150 - 39.30.160).

18 \* Sec. 22. AS 39.35.120(b) is amended to read:

19 (b) Inclusion in the system is a condition of employment for an  
20 employec except as otherwise provided for an elected official.

21 \* Sec. 23. AS 39.35.125 is repealed and re-enacted to read:

22 Sec. 39.35.125. PARTICIPATION OF ELECTED OFFICIALS. (a) An  
23 elected official is included in the system unless he files a written  
24 waiver of coverage with the administrator. A waiver under this subsec-  
25 tion waives coverage of future employment as an elected official,  
26 regardless of any change of employer. An elected official may file a  
27 waiver under this subsection at any time after his election to office,  
28 including the period before he takes the oath of his office. An elected  
29 official may revoke a waiver under this subsection by filing a written

1 revocation with the administrator. A revocation under this subsection  
2 operates prospectively only, and the elected official may not receive  
3 credited service for service as an elected official while the waiver was  
4 in effect. There is no limit on the number of times an elected official  
5 may file a waiver or revocation under this subsection.

6 (b) Service as an elected official before January 1, 1981, with an  
7 employer may be included retroactively if the elected official or former  
8 elected official makes retroactive contributions equal to what he would  
9 have made if he had been included when he took the oath of his office as  
10 an elected official. The rate used to calculate the retroactive contri-  
11 butions may not be less than the rate in effect on January 1, 1961. An  
12 elected official or former elected official must claim prior service and  
13 make retroactive contributions before February 1, 1982. An elected  
14 official or former elected official may not receive credited service  
15 under this subsection for any period in which he was receiving a retire-  
16 ment benefit from the system. An elected official or former elected  
17 official receiving a retirement benefit from the system on January 1,  
18 1981, is not eligible to claim credited service under this subsection  
19 unless he is reemployed as an active member and claims the credited  
20 service before February 1, 1982. Service as an elected official with an  
21 employer constitutes employment as an active member so long as no waiver  
22 of coverage under (a) of this section is in effect.

23 (c) An elected official included in the system and his employer  
24 are liable for contributions whenever he is an elected official unless a  
25 waiver of coverage under (a) of this section is in effect.

26 \* Sec. 24. AS 39.35 is amended by adding a new section to article 2 to  
27 read:

28 Sec. 39.35.156. TEMPORARY SERVICE CREDIT. (a) A vested employee  
29 is entitled to credited service for periods in which he regularly ren-

1 dered full-time personal service to an employer but was not qualified to  
2 participate in the system because of the exclusion of temporary workers  
3 as described in AS 39.35.680(21)(C)(iii). Benefits are not payable on  
4 this credited service unless the employee makes retroactive contribu-  
5 tions to the system for the period of time that credited service is  
6 claimed. The retroactive contribution is the full actuarial cost of  
7 providing benefits for the credited service claimed.

8 (b) To obtain credited service under this section, an employee  
9 must elect to do so and must verify his period of temporary service  
10 before July 1, 1981, or within one year following the date when the  
11 employee first becomes vested under this chapter, if later. When eligi-  
12 bility for temporary service credit has been established, an indebted-  
13 ness shall be determined as provided in (a) of this section. Interest as  
14 prescribed by regulation accrues on that indebtedness beginning July 1,  
15 1981, or one year following the date an employee first becomes vested,  
16 whichever is later. Any outstanding indebtedness existing at the time  
17 an employee retires will require an actuarial adjustment to the benefits  
18 payable based on the temporary service.

19 (c) A deferred vested employee on July 1, 1980, is eligible to  
20 claim credited service under (a) of this section. To obtain credited  
21 service under this section, a deferred vested employee must elect to do  
22 so and must verify his period of temporary service before July 1, 1981.  
23 When eligibility for temporary service credit has been established, an  
24 indebtedness shall be determined as provided in (a) of this section.  
25 Interest as prescribed by regulation accrues on that indebtedness  
26 beginning July 1, 1981. Any outstanding indebtedness existing at the  
27 time a person retires will require an actuarial adjustment to the  
28 benefits payable based upon the temporary service.

29 (d) The credited service granted under this section may not be

1 used to satisfy the credited service requirements for normal or early  
2 retirement.

3 \* Sec. 25. AS 39.35.360(a) is repealed and re-enacted to read:

4 (a) An employee employed before January 1, 1980, who completes  
5 three years of credited service with the state after January 1, 1961,  
6 for which the employee makes contributions required by this chapter is  
7 entitled to credited service for service rendered (1) before January 1,  
8 1961, as an employee of the State and former Territory of Alaska; (2)  
9 before January 1, 1961, as an employee of the United States government  
10 in Alaska, excluding service in the armed forces of the United States;  
11 or (3) after January 1, 1961, as a peace officer or correctional officer  
12 of a participating political subdivision of the state if the employee is  
13 vested and is an active peace officer in the system as of July 1, 1980.  
14 The retirement benefits payable to an employee under this section shall  
15 be reduced by the amount of the retirement pension benefits paid to him  
16 by the United States government for the same period of service.

17 \* Sec. 26. AS 39.35.360 is amended by adding a new subsection to read:

18 (h) An employee of the state is eligible to receive credited  
19 service as provided under AS 39.35.300(b) for service rendered as a  
20 permanent part-time employee before January 1, 1976. To receive retro-  
21 active credited service under this subsection, the employee must claim  
22 the service before July 1, 1981. When the employee claims the service,  
23 an indebtedness of the employee to the system shall be established. The  
24 amount of this indebtedness is equal to the contributions the employee  
25 would have made if he had been eligible for membership in the system.  
26 The rate used to calculate the contributions may not be less than the  
27 rate in effect on January 1, 1961. Interest as prescribed by regulation  
28 accrues on the indebtedness beginning July 1, 1981. Any outstanding  
29 indebtedness which exists at the time the employee retires will require

1 an actuarial adjustment to the benefits which are based on retroactive  
2 credited service under this subsection.

3 \* Sec. 27. AS 39.35.485(a) is amended to read:

4 (a) An employee who is eligible for a benefit calculated in accor-  
5 dence with AS 39.35.370(c) is entitled to a benefit of at least \$25  
6 [\$17.50] a month for each year of credited service, not including  
7 adjustments made under AS 39.35.380, 39.35.410, 39.35.450, 39.35.475 and  
8 39.35.480.

9 \* Sec. 28. AS 39.35.680(14) is amended to read:

10 (14) "elected official" means a person [MEMBER] whose com-  
11 pensation results from personal services rendered to an employer as an  
12 elected representative [AND WHO ELECTS COVERAGE UNDER AS 39.35.125];

13 \* Sec. 29. AS 39.45 is amended by adding a new section to read:

14 Sec. 39.45.025. DUTIES OF THE PUBLIC EMPLOYEES RETIREMENT BOARD.

15 (a) The Public Employees Retirement Board (AS 39.35.030) shall

16 (1) hold regular and special meetings it considers necessary  
17 to carry out its responsibilities relating to the deferred compensation  
18 program for state employees; all meetings are open to the public and the  
19 board shall keep a full record of all its proceedings;

20 (2) adopt, with modifications it considers proper, regula-  
21 tions recommended by the administrator for carrying out the deferred  
22 compensation program for state employees;

23 (3) consider matters referred to it by the administrator in  
24 connection with changes in policy and revisions of the deferred compen-  
25 sation programs for state employees;

26 (4) act as an appeals board, hold hearings at the request of  
27 an employer, employee, surviving spouse, or a beneficiary on decisions  
28 made by the administrator that relate to the deferred compensation  
29 program for state employees, and submit its findings to the adminis-

1       trator;

2               (5) prescribe the policies for the proper operation of the  
3 deferred compensation program for state employees and take other action  
4 which it considers necessary to carry out the intent and purpose of the  
5 program.

6               (b) In this section "administrator" means the administrator of the  
7 deferred compensation program for state employees.

8 \* Sec. 30. AS 39.35.160(b) is repealed.

9 \* Sec. 31. AS 24.20.500 - 24.20.570 and AS 39.30.160(d) are repealed.

10 \* Sec. 32. AS 39.35.360(c) is repealed.

11 \* Sec. 33. AS 22.25.045 is repealed.

12 \* Sec. 34. The benefits now being paid under sec. 1, ch. 102, SLA 1951,  
13 as increased by ch. 85, SLA 1970 and ch. 134, SLA 1975, are further increased  
14 by \$100 a month for each recipient.

15 \* Sec. 35. The following persons may receive any increase in benefits  
16 resulting from this Act for which they are otherwise eligible:

17               (1) a deferred vested member under AS 14.25 or AS 39.35;

18               (2) a person receiving benefits under AS 14.25 or AS 39.35 on the  
19 effective date of this Act;

20               (3) a person receiving benefits under sec. 1, ch. 102, SLA 1951  
21 (as to the increase in sec. 20 of this       only).

22 \* Sec. 36. A member of the Alaska National Guard retirement system who is  
23 receiving a retirement benefit under AS 26.05.222 - 26.05.227 on the effec-  
24 tive date of this Act shall have that retirement benefit increased to \$100  
25 per month beginning July 1, 1980.

26 \* Sec. 37. AS 39.35.125(a), as re-enacted in sec. 23 of this Act, applies  
27 to an elected official holding office on or after January 1, 1981, even  
28 though he may have assumed office before that date.

29 \* Sec. 38. Sections 11, 12, 15, 16, 18, and 30 of this Act are retro-

1 active to January 1, 1980.

2 \* Sec. 39. Sections 1, 3, 13, 14, 17, 19 - 21, 24 - 26, 29, 31, 34, 35(2)  
3 and (3), and 36 of this Act take effect July 1, 1980.

4 \* Sec. 40. Sections 2, 22, 23, 27, 28, 32, 35(1), and 37 of this Act take  
5 effect January 1, 1981.

6 \* Sec. 41. Sections 4 - 10 and 33 of this Act take effect July 1, 1981.

7 \* Sec. 42. Sections 38 - 41 of this Act take effect immediately in accor-  
8 dance with AS 01.10.070(c).

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Introduced: 1/16/79  
Referred: Labor & Management  
and Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 26

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to credited service under the public  
7 employees' retirement system; and providing for an  
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 39.35 is amended by adding a new section to article 2 to  
11 read:

12 Sec. 39.35.156. TEMPORARY SERVICE CREDIT. (a) A vested employee  
13 is entitled to credited service for periods in which he regularly ren-  
14 dered full-time personal service to an employer but was not qualified to  
15 participate in the system because of the exclusion of temporary workers  
16 as described in AS 39.35.680(21)(C)(iii). Benefits are not payable on  
17 this credited service unless the employee makes retroactive contribu-  
18 tions to the system for the period of time that credited service is  
19 claimed. The retroactive contribution is the full actuarial cost of  
20 providing benefits for the credited service claimed.

21 (b) To obtain credited service under this section, an employee  
22 must make an election to do so and must verify his period of temporary  
23 service before July 1, 1980 or within one year following the date when  
24 the employee first becomes vested under this chapter, if later. When  
25 eligibility for temporary service credit has been established, an in-  
26 debtedness shall be determined as provided in (a) of this section.  
27 Interest as prescribed by regulation accrues on that indebtedness com-  
28 mencing July 1, 1980 or one year following the date an employee first  
29 becomes vested, whichever is later. Any outstanding indebtedness which

1 exists at the time an employee retires will require an actuarial adjust-  
2 ment to the benefits payable based on the temporary service.

3 (c) A deferred vested employee on July 1, 1979 is eligible to  
4 claim credited service under (a) of this section. To obtain credited  
5 service under this section, a deferred vested employee must make an  
6 election to do so and must verify his period of temporary service before  
7 July 1, 1980. When eligibility for temporary service credit has been  
8 established, an indebtedness shall be determined as provided in (a) of  
9 this section. Interest as prescribed by regulation accrues on that  
10 indebtedness commencing July 1, 1980. Any outstanding indebtedness  
11 which exists at the time a person is appointed to retirement will neces-  
12 sitate an actuarial adjustment to the benefits payable based upon the  
13 temporary service.

14 (d) The credited service granted under this section may not be  
15 used to satisfy the credited service requirements for normal or early  
16 retirement.

17 \* Sec. 2. This Act takes effect July 1, 1979.



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

3/20/90  
Date



THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 26  
Title Temporary Service Credit Under the Public Employees' Retirement System  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits  
Program Category Affected Retirement and Benefits (PERS)  
BRU, Program, or Subprogram(s) Affected 02-96-8-01-01

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		22.3	23.6	25.0	26.5	28.1
200 TRAVEL						
300 CONTRACTUAL		<del>104.4</del>				
400 COMMODITIES		0.3	0.3	0.3	0.3	0.3
500 EQUIPMENT		0.5				
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS						
TOTAL		<del>127.5</del> 23.1	23.9	25.3	26.8	28.4

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND		23.1				
PERS		<del>127.5</del>	23.9	25.3	26.8	28.4
TRS						

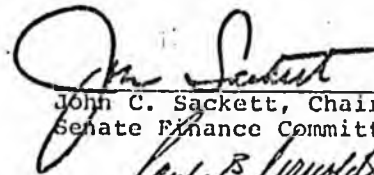
POSITIONS

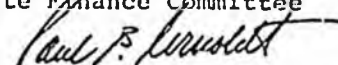
FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See Attachments (Pages 2 through 4)

The temporary employees should be incorporated in the existing record system. No new program development costs allowed.

  
John C. Sackett, Chairman  
Senate Finance Committee



IV. DATE 2/01/79 PREPARED BY Paul B. Arnoldt, Director  
AGENCY Division of Retirement & Benefits  
PHONE 465-4460

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named) Senator Ray  
Office of the Governor (Keith Specking)

## ATTACHMENT - SB 26

1. The following administrative funds would be required from the Public Employees' Retirement System to implement the provisions of this bill.

- a) Personal service - one full-time Accounting Technician I (range 12) salary and merit increases at 6%.

FY 80 monthly salary	\$1,426 X 12	= \$17,112
Plus benefits at 25.5%		= <u>\$ 5,173</u>
		\$22,285

- b) Miscellaneous Expenses - Initial cost office equipment and annual commodities and replacement costs.

FY 80	= \$800
Succeeding FY's	= \$300

- c) Contractual Services - \$104,387 to establish new indebtedness records (program modification, program documentation updating and system testing), onetime only, per attached worksheets.

PROGRAMMING AND COMPUTER TIME COST ESTIMATES

PROGRAM DESCRIPTION	ANALYSIS			PROGRAMMING			COMPILE AND DEBUG - RUN TIME				EXECUTION AND TEST - RUN TIME				TOTAL COST
	BILLING RATE	EST. TIME	TOTAL COST	BILLING RATE	EST. TIME	TOTAL COST	BILLING RATE	EST. RUN TIME	EST. # OF RUNS	TOTAL COST	BILLING RATE	EST. RUN TIME	EST. # OF RUNS	TOTAL COST	
Pre Programming Systems Impact Analysis	\$28.50/hour	4 months	\$17,120												\$17,120
Segment Address Calculation Subroutine, and 10 Programs Using This Routine				\$28.50/Hour	15 Days	\$3,210	\$110/Hour	10 Min.	20	\$367	\$110/Hour	1 Hour	10	\$1,100	\$4,317
PERS Master COBOL File Description and Programs Using This Routine				\$28.50/Hour	5 Days	\$1,070	\$110/Hour	10 Min.	10	\$183	\$110/Hour	10 Min.	15	\$275	\$1,448
PERS Master Bal File Description and Programs Using This Routine				\$28.50/Hour	5 Days	\$1,070	\$110/Hour	10 Min.	20	\$367	\$110/Hour	1 Hour	10	\$1,100	\$2,437
I/O Bal Sub-routine Called in COBOL to Read Tape Master and Prgms. Using This Routine				\$28.50/Hour	7 Days	\$1,493	\$110/Hour	10 Min.	10	\$183	\$110/Hour	15 Min.	12	\$330	\$2,006
I/O Bal Sub-routine Called in COBOL to Read Disk Master and Prgms. Using This Routine				\$28.50/Hour	7 Days	\$1,493	\$110/Hour	10 Min.	5	\$92	\$110/Hour	15 Min.	6	\$165	\$1,780
I/O Bal Sub-Routine Called in Bal to Process All PERS Files and Prgms. Using This				\$28.50/Hour	15 Days	\$3,210	\$110/Hour	10 Min.	15	\$275	\$110/Hour	1 Hour	5	\$550	\$4,035
PERS - Purge Report				\$28.50/Hour	5 Days	\$1,070	\$110/Hour	10 Min.	3	\$55	\$110/Hour	20 Min.	2	\$73	\$1,198
PERS Card Audit				\$28.50/Hour	5 Days	\$1,070	\$110/Hour	10 Min.	5	\$92	\$110/Hour	30 Min.	3	\$165	\$1,327
PERS File Maintenance				\$28.50/Hour	30 Days	\$6,420	\$110/Hour	10 Min.	10	\$183	\$110/Hour	1 Hour	5	\$550	\$7,153
PERS Financial Update				\$28.50/Hour	30 Days	\$6,420	\$110/Hour	10 Min.	10	\$183	\$110/Hour	1 Hour	5	\$550	\$7,153
PERS Financial Report Writer				\$28.50/Hour	35 Days	\$7,490	\$110/Hour	15 Min.	15	\$413	\$110/Hour	1 Hour	5	\$550	\$8,453
PERS Indebtedness Payment Receipt				\$28.50/Hour	20 Days	\$4,260	\$110/Hour	10 Min.	5	\$92	\$110/Hour	1 Hour	2	\$220	\$4,772
PERS - 22 Statements				\$28.50/Hour	10 Days	\$2,140	\$110/Hour	10 Min.	5	\$92	\$110/Hour	1 Hour	5	\$550	\$2,782



Introduced: 1/16/79  
Referred: Labor & Management  
and Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 26

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to credited service under the public  
7 employees' retirement system; and providing for an  
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 39.35 is amended by adding a new section to article 2 to  
11 read:

12 Sec. 39.35.156. TEMPORARY SERVICE CREDIT. (a) A vested employee  
13 is entitled to credited service for periods in which he regularly ren-  
14 dered full-time personal service to an employer but was not qualified to  
15 participate in the system because of the exclusion of temporary workers  
16 as described in AS 39.35.680(21)(C)(iii). Benefits are not payable on  
17 this credited service unless the employee makes retroactive contribu-  
18 tions to the system for the period of time that credited service is  
19 claimed. The retroactive contribution is the full actuarial cost of  
20 providing benefits for the credited service claimed.

21 (b) To obtain credited service under this section, an employee  
22 must make an election to do so and must verify his period of temporary  
23 service before July 1, 1980 or within one year following the date when  
24 the employee first becomes vested under this chapter, if later. When  
25 eligibility for temporary service credit has been established, an in-  
26 debtedness shall be determined as provided in (a) of this section.  
27 Interest as prescribed by regulation accrues on that indebtedness com-  
28 mencing July 1, 1980 or one year following the date an employee first  
29 becomes vested, whichever is later. Any outstanding indebtedness which

1 exists at the time an employee retires will require an actuarial adjust-  
2 ment to the benefits payable based on the temporary service.

3 (c) A deferred vested employee on July 1, 1979 is eligible to  
4 claim credited service under (a) of this section. To obtain credited  
5 service under this section, a deferred vested employee must make an  
6 election to do so and must verify his period of temporary service before  
7 July 1, 1980. When eligibility for temporary service credit has been  
8 established, an indebtedness shall be determined as provided in (a) of  
9 this section. Interest as prescribed by regulation accrues on that  
10 indebtedness commencing July 1, 1980. Any outstanding indebtedness  
11 which exists at the time a person is appointed to retirement will neces-  
12 sitate an actuarial adjustment to the benefits payable based upon the  
13 temporary service.

14 (d) The credited service granted under this section may not be  
15 used to satisfy the credited service requirements for normal or early  
16 retirement.

17 \* Sec. 2. This Act takes effect July 1, 1979.  
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THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 26  
 Title Temporary Service Credit Under the Public Employees' Retirement System  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits  
 Program Category Affected Retirement and Benefits (PERS)  
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		22.3	23.6	25.0	26.5	28.1
200 TRAVEL						
300 CONTRACTUAL		104.4				
400 COMMODITIES		0.3	0.3	0.3	0.3	0.3
500 EQUIPMENT		0.5				
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS						
TOTAL		127.5	23.9	25.3	26.8	28.4

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS		127.5	23.9	25.3	26.8	28.4
TRS						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See Attachments (Pages 2 through 4)

IV. DATE 2/01/79 PREPARED BY Paul B. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 465-4460

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Senator Ray  
 Office of the Governor (Keith Specking)

February 16, 1979

Legislative Board of Retirement Benefits analysis and recommendations on:

Senate Bill No. 26:

The board endorses the attached fiscal note as its fiscal analysis of SB 26.

Three members of the board recommend that SB 26 do not pass; two members recommend that it do pass; one member abstained and one member was absent.

SUMMARY OF SENATE BILL NO. 26

Retirement system affected: PERS

Allows a vested employee to obtain credited service for periods in which he was employed full-time as a temporary worker. Requires the employee to pay the full actuarial cost of providing benefits for the service claimed. Provides that the service may not be used to satisfy the credited service requirements for normal or early retirement. Applies to deferred vested employees as well as active employees.

Takes effect July 1, 1979.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. Senate Bill 26  
 Title Temporary Service Credit Under the Public Employees' Retirement System  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Administration - Division of Retirement and Benefits -  
 Program Category Affected Retirement and Benefits (PERS)  
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
**EXPENDITURES** (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		22.3	23.6	25.0	26.5	28.1
200 TRAVEL						
300 CONTRACTUAL		104.4				
400 COMMODITIES		0.3	0.3	0.3	0.3	0.3
500 EQUIPMENT		0.5				
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS						
<b>TOTAL</b>		127.5	23.9	25.3	26.8	28.4

**FUNDING** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS		127.5	23.9	25.3	26.8	28.4
TRS						

**POSITIONS**

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See Attachments (Pages 2 through 4)

IV. DATE 2/01/79 PREPARED BY Paul G. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 465-4400

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Senator Ray  
 Office of the Governor (Keith Specking)

## ATTACHMENT - SB 26

1. The following administrative funds would be required from the Public Employees' Retirement System to implement the provisions of this bill.

a) Personal service - one full-time Accounting Technician I (range 12) salary and merit increases at 6%.

FY 80 monthly salary	\$1,426 X 12	= \$17,112
Plus benefits at 25.5%		= <u>\$ 5,173</u>

\$22,285

b) Miscellaneous Expenses - Initial cost office equipment and annual commodities and replacement costs.

FY 80	= \$800
Succeeding FY's	= \$300

c) Contractual Services - \$104,387 to establish new indebtedness records (program modification, program documentation updating and system testing), onetime only, per attached worksheets.

## PROGRAMMING AND COMPUTER TIME COST ESTIMATES

PROGRAM DESCRIPTION	ANALYSIS			PROGRAMMING			COMPILE AND DEBUG - RUN TIME				EXECUTION AND TEST - RUN TIME				TOTAL COST
	BILLING RATE	EST. TIME	TOTAL COST	BILLING RATE	EST. TIME	TOTAL COST	BILLING RATE	EST. RUNTIME	EST. # OF RUNS	TOTAL COST	BILLING RATE	EST. RUNTIME	EST. # OF RUNS	TOTAL COST	
Pre Programming Systems Impact Analysis	\$28.50/hour	4 months	\$17,120												\$17,120
Segment Address Calculation Subroutine, and IO Programs Using This Routine				\$28.50/hour	15 Days	\$3,210	\$110/hour	10 Min.	20	\$367	\$110/hour	1 Hour	10	\$1,100	\$4,310
PERS Master COBOL File Description and Programs Using This Routine				\$28.50/hour	5 Days	\$1,070	\$110/hour	10 Min.	10	\$183	\$110/hour	10 Min.	15	\$275	\$1,343
PERS Master Bal File Description and Programs Using This Routine				\$28.50/hour	5 Days	\$1,070	\$110/hour	10 Min.	20	\$367	\$110/hour	1 Hour	10	\$1,100	\$2,137
I/O Bal Sub-routine Called in COBOL to Read Tape Master and Pgms. Using This Routine				\$28.50/hour	7 Days	\$1,498	\$110/hour	10 Min.	10	\$183	\$110/hour	15 Min.	12	\$330	\$1,881
I/O Bal Sub-routine Called in COBOL to Read Disk Master and Pgms. Using This Routine				\$28.50/hour	7 Days	\$1,498	\$110/hour	10 Min.	5	\$92	\$110/hour	15 Min.	6	\$165	\$1,690
I/O Bal Sub-Routine Called in Bal to Process All PERS Files and Pgms. Using This				\$28.50/hour	15 Days	\$3,210	\$110/hour	10 Min.	15	\$275	\$110/hour	1 Hour	5	\$550	\$3,785
PERS - Purge Report				\$28.50/hour	5 Days	\$1,070	\$110/hour	10 Min.	3	\$55	\$110/hour	20 Min.	2	\$73	\$1,143
PERS Card Audit				\$28.50/hour	5 Days	\$1,070	\$110/hour	10 Min.	5	\$92	\$110/hour	30 Min.	3	\$165	\$1,262
PERS File Maintenance				\$28.50/hour	30 Days	\$6,420	\$110/hour	10 Min.	10	\$183	\$110/hour	1 Hour	5	\$550	\$7,153
PERS Financial Update				\$28.50/hour	30 Days	\$6,420	\$110/hour	10 Min.	10	\$183	\$110/hour	1 Hour	5	\$550	\$7,153
PERS Financial Report Writer				\$28.50/hour	35 Days	\$7,490	\$110/hour	15 Min.	15	\$413	\$110/hour	1 Hour	5	\$550	\$8,053
PERS Indebtedness Payment Receipt				\$28.50/hour	20 Days	\$4,280	\$110/hour	10 Min.	5	\$92	\$110/hour	1 Hour	2	\$220	\$4,572
PERS - 22 Statements				\$28.50/hour	10 Days	\$2,140	\$110/hour	10 Min.	5	\$92	\$110/hour	1 Hour	5	\$550	\$2,782

