

SCOMM

#51:20

July 6, 1983

SB 58: Prohibiting duplicate Teachers' Retirement benefits for Alaska
BIA service

History - IN THE SENATE

HESS: Hearing 2/7/83. Ken Humphries, Director of Retirement
 & Benefits, testified that the division had no need
 for the legislation since it had the power to adopt
 those regulations without additional legislation.
 He also advised the committee that the regulations
 were being promulgated. The committee took no
 action on the bill. Regulations were adopted
 effective March 31, 1983.

Companion bill: HB 53 passed through 2 committees and is currently
in House Finance. With regulations in place, the justification for
either bill is that it will insure that future directors do not change
their minds and rescind the regulations.

*Copies of the TRS & PERS regulations are in the
HB 53 file.*

Introduced: 1/18/83
Referred: Health, Education and
Social Services and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
COUNCIL (for the Blue
Ribbon Commission on the
State Personnel Act)

1 IN THE SENATE

2 SENATE BILL NO. 58

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act prohibiting duplicate teachers' retirement
7 benefits for Alaska BIA service."

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

9 * Section 1. AS 14.25.107 is amended to read:

10 Sec. 14.25.107. CREDIT FOR ALASKA BIA SERVICE. A member who
11 joins the system on or after July 1, 1978, who has Alaska BIA service
12 may claim all of that service as credited service. [A RETIREMENT
13 BENEFIT PAYABLE UNDER THIS CHAPTER FOR ALASKA BIA SERVICE SHALL BE
14 REDUCED BY AN AMOUNT EQUAL TO THE RETIREMENT BENEFITS PAID TO THE
15 MEMBER BY THE UNITED STATES GOVERNMENT FOR THE SAME SERVICE.]

16 * Sec. 2. AS 14.25.169 is amended to read:

17 Sec. 14.25.169. DUPLICATE BENEFITS. (a) If payments from this
18 retirement system are due to a teacher or to the teacher's spouse
19 under more than one provision of this plan, the teacher or spouse
20 shall elect under which provision and which benefit the teacher or
21 spouse wishes to receive and no payments may be made under any other
22 provision. However, benefits under AS 14.25.155, 14.25.157, 14.25.-
23 160, 14.25.162, 14.25.164, and 14.25.167 shall be paid in addition to
24 those benefits or that service credit a person is entitled to receive
25 because of the person's own membership in the retirement system.

26 (b) A teacher may not receive

27 (1) duplicate credit under this system for the same period
28 of service,

29 (2) more than one year of service credit in the course of a

1 school year, or

2 (3) a benefit while accruing service credit under this
3 system, except as provided in this section.

4 (c) A retirement benefit payable under this chapter for Alaska
5 BIA service shall be reduced by an amount equal to the retirement
6 benefits paid to the member by the United States government for the
7 same service. Before appointment to retirement under this chapter,
8 and once each year thereafter, the administrator may require a member
9 who has received credit for Alaska BIA service under AS 14.25.107 to
10 produce verification of the benefit amount the member is receiving
11 from the United States government for that same service or verifica-
12 tion that the member is not entitled to receive a benefit from the
13 United States government for that same service.

M E M O R A N D U M

March 24, 1983

TO: Senator Bill Ray, Chairman

FROM: Teresa B. Cramer
Administrative Assistant

SUBJECT: SB 58 and HB 53 - Prohibiting Duplicate Teachers' Retirement
Benefits for Alaska BIA Service

I spoke with Ken Humphreys, director of the division of retirement. He advised me that the PERS and TRS boards have adopted regulations to require continued reporting from retired members about the amounts of any federal benefits they receive. These regulations are available for comment until March 31st, at which time they will become final unless amended by the appropriate retirement board. The regulations were promulgated because of the questions raised by the Blue Ribbon Commission bills on this issue. Copies of the proposed regulations are attached.

TBC:lmk
Attachments

February 8, 1983

The Honorable Joe Josephson, Chairman
Senate Health, Education and Social
Services Committee
Pouch V
Juneau, Alaska 99811

RE: SB 58 - Prohibiting Duplicate Teachers' Retirement
Benefits for Alaska BIA Service

Dear Senator Josephson:

I have spoken with Senator Ray, chairman of the Blue Ribbon Commission, concerning the committee's question of whether this legislation is necessary given the possibility that the same thing can be accomplished by regulation. Senator Ray pointed out that, in fact, the Division of Retirement and Benefits has not yet adopted regulations on this issue. Therefore it appears to him to be advisable for the Legislature to act to make its wishes known.

Please let me know if I can be of further assistance.

Yours very truly,

Teresa B. Cramer
Administrative Assistant

Tuesday, February 8, 1983

Senator Ray -

The Senate State Affairs Committee heard testimony on SB 58 (Prohibiting Duplicate Teachers' Retirement Benefits for Alaska BIA Service) yesterday. Senator Vic Fischer asked Ken Humphreys, the Acting Director of Retirement and Benefits, whether the legislation is necessary or whether the same thing could be accomplished through regulations. Ken said that he thought that the division has the power to require annual reporting from teachers about any federal retirement benefits for BIA service already. He suggested that the bill is a good idea but probably a little redundant. Senator Fischer asked that Ken check with the Attorney General's office and that I check with the Blue Ribbon Commission about whether the bill was necessary if the division already has the power to accomplish the same thing by regulation. What should I tell him?

Serry

*2/8 We still want
the bill*

Introduced: 1/18/83
Referred: Health, Education and
Social Services and Finance

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REQUEST OF THE LEGISLATIVE
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Ribbon Commission on the
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12 tion that the member is not entitled to receive a benefit from the
13 United States government for that same service.



JUNEAU, ALASKA

Alaska State Legislature

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

Senator Bill Ray, Chairman

Pouch YG
Mail Stop 3123
Juneau, Alaska 99811
(907) 465-4442

MEMORANDUM

January 26, 1983

TO: Senate Health, Education and Social Services

FROM: Teresa B. Cramer *Teresa B Cramer*
Administrative Assistant

SUBJECT: Senate Bill 58 - Prohibiting Duplicate Teachers' Retirement Benefits for Alaska BIA Service

The Blue Ribbon Commission heard testimony from the Division of Retirement and Benefits that a loophole exists in the Teachers' Retirement System statutes which permit receiving TRS credited service for federal employment in Alaska BIA schools. Teachers who qualified for federal retirement from a BIA school and who then worked for the state in a position covered by the Teachers' Retirement System could receive benefits for the same years of service from each system.

Under TRS, teachers may receive credit for Alaska BIA service by contributing 7% of their entry TRS salary for each year of BIA service to be credited. The law provides that state retirement benefits for Alaska BIA service will be reduced by the amount received from the federal government for the same service. However, this is verified only at the time of applying for retirement.

Credit from both retirement systems is possible if the teacher who has worked for both employers buys TRS credited service for BIA employment and takes a lump sum payment of his or her federal retirement contributions before retiring from the state. At the time of state retirement, the teacher reports being eligible to receive no federal retirement benefits for Alaska BIA service. After establishing state benefits, the teacher could repay the lump sum to the federal government and claim a federal retirement. The teacher would then be drawing from two retirement systems for the same period of service.

The commission recommends that language be added to the TRS statutes to permit the Division of Retirement to require retired members to verify annually any federal benefits received for Alaska BIA service.

Bill Analysis

Page 1 The first section of the bill deletes material concerning
Line 9 treatment of duplicate benefits from the current authori-
zation for claiming BIA service.

Page 2 The language deleted in section 1 is moved to AS 14.25.169
Line 4 by the second section of the bill.

Line 7 Section 2 also provides authorization for the Division of
Retirement and Benefits to request annual verification of
the amount of any federal retirement benefits for Alaska
BIA service for which state benefits are also received.

MEMORANDUM

State of Alaska

TO: Teresa B. Cramer
Administrative Assistant
Blue Ribbon Commission

DATE: December 9, 1982

FILE NO:

TELEPHONE NO: 465-4462

FROM: John A. Logan 
Deputy Director
Division of Retirement & Benefits
Department of Administration

SUBJECT: Fiscal Note
on Prohibiting Duplicate
Teachers' Ret. Ben. for
AK BIA Service

Attached is a draft of the fiscal note as you requested.

JL/jb
Attachment

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

DRAFT

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Draft 13-0060 Lear 11-01-82

Title An Act Prohibiting Duplicate Teachers' Retirement Benefits for Alaska BIA Service

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Centralized Administrative Services & Secondary Education

BRU, Program, or Subprogram(s) Affected Retirement & Benefits

(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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
100 RETIREMENT BENEFITS						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
700 STATE TRS MATCHING						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
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)

IV. DATE 12-07-82

PREPARED BY J.K. Humphreys, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

MEMORANDUM

November 8, 1982

TO: John Logan, Deputy Director
Division of Retirement and Benefits

FROM: Teresa B. Cramer
Administrative Assistant

SUBJECT: Prohibiting Duplicate Teachers' Retirement Benefits for
Alaska BIA Service

The Blue Ribbon Commission on the State Personnel Act has requested that the enclosed work draft be prepared for introduction in the next legislative session. Could you please prepare a fiscal note for the commission's consideration.

Thank you for your assistance.

TBC:lmk
Enclosure

BY THE RULES COMMITTEE
BY REQUEST OF THE
LEGISLATIVE COUNCIL
(for the Blue Ribbon
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10/12/82

10/19 Called Jim Hear & left msg
(let him know BEC approved for
introduction - let me review
a draft & then hold for introduction)

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11/4 Should get draft tomorrow