



LAWS OF ALASKA

1990

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CSSB 343(SA) am H

Chapter No.

18

AN ACT

Relating to the retirement incentive program; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: March 31, 1990
Actual Effective Date: April 1, 1990

AN ACT

Relating to the retirement incentive program; and providing for an effective date.

* Section 1. Section 2(b), ch. 89, SLA 1989, is amended to read:

(b) The organizational units of a plan must be selected so that implementation of the plan results in maximum savings to the employer in personal services costs within five [THREE] years after the commencement of the plan. A plan that results in savings in personal services costs in any amount that is in excess of all costs to the employer qualifies under this section. The designation may include only representatives from job classifications whose inclusion contributes to the overall cost savings.

* Sec. 2. Section 2(d), ch. 89, SLA 1989, is amended to read:

(d) A participating employer shall prepare and file the retirement incentive plan with the administrator. For state employees other than university employees, the administrator may approve a designated organizational unit only if the office of management and budget certifies that the unit's participation in the plan meets the requirements of (b) of this section. The administrator shall approve the plan if it meets the requirements of this section. The plan must

(1) identify organizational units and employees eligible to participate in the program;

(2) include a reimbursement agreement that

(A) requires the employer, for each employee who is

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1 retired under the plan, to reimburse the system within three
2 years after the end of the fiscal year in which the employee is
3 appointed to retirement in an amount equal to

4 (i) the actuarial equivalent of the difference
5 between the benefits the participant receives after the
6 addition of the retirement incentive under this section and
7 the amount the participant would have received without the
8 incentive, less the total of the amount the participant has
9 paid on the indebtedness determined under (e) or (f) of this
10 section and the amount paid under (i) of this section, if
11 any; and

12 (ii) an appropriate share of the administrative costs
13 of the program; and

14 (B) provides that contributions from the employer
15 under this section take priority over other obligations of the
16 employer to the maximum extent permitted by law.

17 * Sec. 3. Section 2, ch. 89, SLA 1989, is amended by adding a new
18 subsection to read:

19 (i) In order to establish eligibility for participation under
20 (b) of this section, and in addition to the employee indebtedness
21 required under (e) or (f) of this section, an employee may elect to
22 assume a portion of the employer liability calculated under (d) of
23 this section. An outstanding indebtedness at the time the employee is
24 appointed to retirement will require an actuarial adjustment to the
25 benefits.

26 * Sec. 4. Section 3(d), ch. 89, SLA 1989, is amended to read:

27 (d) Under a plan adopted under this section, the administrator
28 may not accept the application of an employee unless the employee will
29 be appointed to retirement on or before
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1 (1) February 1, 1991, for employees of the division of
2 elections who were employed by the division of elections on or before
3 February 1, 1990;

4 (2) November 1, 1990, for all other employees.

5 * Sec. 5. Section 4, ch. 89, SLA 1989, is amended to read:

6 Sec. 4. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR OTHER EMPLOY-
7 EES IN THE PUBLIC EMPLOYEES' SYSTEM. (a) The governing body of a
8 political subdivision of the state or a public organization that has
9 elected to participate in the public employees' retirement system
10 under AS 39.35.550 - 39.35.650 is authorized to adopt a retirement
11 incentive plan for its employees under sec. 2 of this Act. A plan
12 adopted under this section shall permit designated employees to apply
13 to the retirement incentive program under sec. 2 of this Act from
14 September 30, 1989, through March 31, 1991 [1990].

15 (b) Under a plan adopted under this section, the administrator
16 may not accept the application of an employee unless the employee will
17 be appointed to retirement on or before November 1, 1991 [1990].

18 * Sec. 6. Section 9(a), ch. 89, SLA 1989, is amended to read:

19 (a) If a participant in the retirement incentive program is
20 reemployed as a member of the public employees' retirement system
21 under AS 39.35 or the teachers' retirement system under AS 14.25 after
22 appointment to retirement under the program, the participant loses the
23 incentive credit received under sec. 2(g) of this Act and is indebted
24 to the system. The amount of the indebtedness is equal to 110 percent
25 of the amount the participant received as a result of participation in
26 the program to which the participant was not otherwise entitled, in-
27 cluding the cost of health insurance. The participant is entitled to
28 a credit to be applied against the reemployment indebtedness in the
29 amount the participant has paid under sec. 2(e), [OR] (f), and (i) of

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1 this Act. Interest accrues on the indebtedness at the rate estab-
2 lished by regulation from the date of reemployment until the member is
3 appointed to retirement and accepts an actuarial adjustment to the
4 member's future benefits or until the amount is paid in full.

5 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c)
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