

CS FOR HOUSE BILL NO. 224(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 2/16/18

Referred: Finance

Sponsor(s): REPRESENTATIVES JOHNSTON, Ortiz, Millett, Tarr

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

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

12 (1) certifies that the member and the school district did not arrange
13 before the member retired from the school district for the member to be reemployed
14 by the school district after the member retired; and

1 (2) has been retired for at least

2 (A) 60 days if the member is at least 62 years of age; or

3 (B) six months if the member is less than 62 years of age.

4 (c) Before reemploying a retired member under (a) of this section to fill a
5 position, a school district shall publicly advertise the position for 10 business days and
6 actively recruit to fill the position by hiring a person other than a member who is
7 retired.

8 (d) A contract for reemployment under (a) of this section may not exceed 12
9 consecutive months.

10 (e) A school district that reemploys a member under this section who is retired
11 under the defined benefit retirement plan established in AS 14.25.009 - 14.25.220 is
12 required to make contributions under AS 14.25.070.

13 (f) the requirements of (c) and (d) of this section do not apply to the rehire of a
14 member who is eligible for restoration of tenure rights under AS 14.20.165.

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

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

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

24 (c) **Except as provided in (f) of this section, upon** [UPON] subsequent
25 retirement, the retired member is entitled to receive an additional benefit based on the
26 credited service and the average base salary during the period of reemployment in
27 accordance with AS 14.25.110. If the initial benefit payments to which the retired
28 member is eligible have been actuarially reduced because the member retired early
29 under AS 14.25.110(b), the member shall also receive an incremental benefit based on
30 the amount of the actuarial reduction imposed by AS 14.25.110(j) on the first benefit
31 and the length of time that the employee was reemployed and not receiving retirement

benefits. The amount of the incremental benefit is equal to the difference between the normal retirement benefit to which the member would have been entitled had the member taken a normal retirement and the early retirement benefit that the member has been receiving based on the member's initial period of employment multiplied by the total number of months that the member did not receive retirement benefits because of reemployment and that amount actuarially adjusted to be paid over the expected lifetime of the member.

* **Sec. 4.** AS 14.25.043 is amended by adding new subsections to read:

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

(1) the member does not become an active member;

(2) the member shall continue to receive retirement benefits from the plan as though the member were not reemployed by the school district;

(3) deductions from the member's salary may not be made under AS 14.25.050; and

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

(g) Notwithstanding (f) of this section, a member who is retired under AS 14.25.110(a) and reemployed by a school district under AS 14.20.136 is eligible to receive the group health plan coverage provided to active members employed by that school district.

* **Sec. 5.** AS 14.25.070(a) is amended to read:

(a) Each employer shall contribute to the system every payroll period an amount calculated by applying a rate of 12.56 percent to the total of all base salaries paid by the employer to active members of the system **and to members who are retired from the plan and reemployed under AS 14.20.136**, including any adjustments to contributions required by AS 14.25.173(a).

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

APPLICABILITY. This Act applies to contracts made on or after the effective date of this Act.