

HOUSE BILL NO. 224

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE JOHNSTON

Introduced: 4/10/17

Referred:

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

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

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

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

14 (c) A school district that reemploys a member under this section who is retired

1 under the defined benefit retirement plan established in AS 14.25.009 - 14.25.220 is
2 required to make contributions under AS 14.25.070.

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

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

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

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

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

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

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

31 (2) the member shall continue to receive retirement benefits as though

1 the member were not reemployed by the school district;

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

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

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

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

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

14 APPLICABILITY. AS 14.20.136, enacted by sec. 1 of this Act, AS 14.25.043(a), as
15 amended by sec. 2 of this Act, AS 14.25.043(c), as amended by sec. 3 of this Act,
16 AS 14.25.043(f), enacted by sec. 4 of this Act, and AS 14.25.070(a), as amended by sec. 5 of
17 this Act, apply to contracts made on or after the effective date of this Act.