



Alaska State Legislature

Senate Majority Web: www.akrepublicans.org

Sponsor: Senator Gary Stevens
Current Version: CS SS SB 24 (FIN)
Contact: Katrina Matheny, 465-4713

Fact Sheet for: Senate Bill 24

Short Title: REEMPLOYMENT OF RETIREES

Summary:

- Modifies the retiree rehire program authorized by House Bill 242 in 2001 by establishing a new program with sidebars that allow the state to rehire retirees for positions with demonstrated recruitment difficulties.
- Allows state employees to remain in the program through Dec. 31, 2006 for employees who were rehired prior to Nov. 3, 2004; and through June 30, 2005 for employees who were rehired on or after Nov. 3, 2004. After those dates, the employee must separate from service for 30 days and can continue reemployment if the position meets recruitment difficulty criteria.
- Requires employers to pass a resolution detailing recruitment difficulties and adopting a policy requiring a competitive recruitment for at least 30 days. If qualified applicant pool exists, a new candidate must be chosen over retiree.
- Requires individuals rehired on or after July 1, 2005 to meet the new requirements in this bill restricted to those positions where recruitment efforts have been unsuccessful. Continues program until July 1, 2009.
- Eliminates costs to the retirement system by requiring an employer to contribute to the unfunded liability for those rehired at the same rate as for all other employees, and to provide active health insurance after June 30, 2005.

Benefits:

- Provides a management tool for school districts, the state and municipalities to fill positions for which they are unable to find qualified candidates.
- Helps address the state's potential liability caused by the information provided to certain participants that they could remain in the program as long as they remained employed.
- Gives employees hired under HB 242 time to transition before losing retirement pay and employers time to transition the existing workforce to meet demand when re-employment provisions sunset.
- Reduces state costs by eliminating retirement system medical coverage and by requiring the employer to pay past service contribution to the retirement system for rehires at the same rate as for all other employees.

Background:

- HB 242, passed in 2001, allowed retired teachers hired under the "teacher shortage" program (AS 14.20.135) and public employees who retired under normal retirement to return to work and continue to receive both retirement pay and a salary.