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Official Business

House Bill 338

Alaska Work and Save Program

SPONSOR STATEMENT

House Bill 338, the Alaska Work and Save Program, addresses our state's retirement savings gap by creating a simple, automatic way for workers to save when their employers do not offer a retirement plan. Too many Alaskans approach retirement with little or no savings, increasing financial risk for families and pressure on public resources.

HB 338 establishes the Alaska Work and Save Program in the Department of Revenue for employees whose employers do not provide a qualified retirement plan. Employers simply facilitate payroll deductions into individual retirement accounts; they do not sponsor a plan, assume fiduciary liability, or make contributions. Employees are automatically enrolled at a default contribution rate set by the administrator but can opt out at any time or change their contribution level and rate of increase. Participants may also direct a portion of their Permanent Fund Dividend into their Work and Save account.

The commissioner of revenue, or a designee, serves as the program administrator, responsible for developing and managing the program, selecting and overseeing investment options, setting contribution parameters consistent with federal law, and reporting regularly to participants, the governor, and the legislature. The administrator may contract with private-sector partners and coordinate with other states operating similar programs to ensure efficient, professional management.

HB 338 includes important safeguards. The state, the program, and the administrator do not guarantee a rate of return, are not liable for investment losses, and have no proprietary interest in participant contributions or earnings. Individual account information is confidential and may be disclosed only as needed to administer the program or with the account holder's written consent.

HB 338 is a portable, low-cost tool that helps Alaskans build security in retirement while reducing future strain on our state's safety net, and I respectfully ask for your support.