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Wayne  
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**CS FOR SENATE BILL NO. 198( )**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

**BY**

**Offered:  
Referred:**

**Sponsor(s): SENATOR KAUFMAN**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act relating to the teachers' defined contribution retirement plan; relating to the public employees' defined contribution retirement plan; and providing for an effective date."**

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

**\* Section 1.** AS 14.25.470(a) is amended to read:

(a) In order to obtain medical benefits under AS 14.25.480, a member must retire [DIRECTLY] from the plan. A member is eligible to retire from the plan if [THE MEMBER HAS BEEN AN ACTIVE MEMBER FOR AT LEAST 12 MONTHS BEFORE APPLICATION FOR RETIREMENT AND]

(1) the member has at least 25 [30] years of service; or

(2) the member reaches the normal retirement age, [AND] has at least 10 years of service, and has been an active member for at least 12 months immediately before retirement from the plan.

**\* Sec. 2.** AS 39.30.380 is amended to read:

1           **Sec. 39.30.380. Termination of employment.** A person who terminates  
2 employment before meeting the eligibility requirements of AS 14.25.470 or  
3 AS 39.35.870 loses any right to the contributions made on behalf of the person to the  
4 teachers' and public employees' retiree health reimbursement arrangement trust fund.  
5 If a person returns to employment with a participating employer by December 31 of  
6 the year in which the person reaches 65 years of age, the person's account balance  
7 shall be restored in the amount recorded on the date of termination from the trust **plus**  
8 **interest added by the administrator for each year between the date of**  
9 **termination and the date of the person's return to employment** [, ADJUSTED  
10 FOR INFLATION] at the rate **established by the board under AS 39.30.370** [OF  
11 THE CONSUMER PRICE INDEX FOR ANCHORAGE, ALASKA]. The earlier  
12 period of employment with a participating employer shall be credited toward  
13 eligibility for medical benefits.

14 \* **Sec. 3.** AS 39.35.870(a) is amended to read:

15           (a) In order to obtain medical benefits under AS 39.35.880, an active member  
16 must retire [DIRECTLY] from the plan. A member is eligible to retire from the plan if  
17 [THE MEMBER HAS BEEN AN ACTIVE MEMBER FOR AT LEAST 12  
18 MONTHS BEFORE APPLICATION FOR RETIREMENT AND]

19                   (1) the member has at least **20** [25] years of membership service as a  
20 peace officer or firefighter or at least **25** [30] years of membership service for all other  
21 employees; or

22                   (2) the member reaches the normal retirement age, [AND] has at least  
23 10 years of membership service, **and has been an active member for at least 12**  
24 **months immediately before retirement from the plan.**

25 \* **Sec. 4.** This Act takes effect July 1, 2026.