

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**

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

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

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

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

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

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

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

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

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

(a) In order to obtain medical benefits under AS 39.35.880, an active 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 20 [25] years of membership service as a peace officer or firefighter or at least 25 [30] years of membership service for all other employees; or

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

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