

Alaska State Legislature



Fax: (907) 465-2069

Session:
State Capitol, Room 412
Juneau, AK 99801-1182
Phone: (907) 465-3879

Representative Charisse Millett
District 30

SPONSOR STATEMENT

HB 87-

"An Act waiving payment of premiums for major medical insurance under the defined benefit retirement plan for public employees for disabled peace officers who have at least 20 years of credited service as peace officers."

Everyday Alaska's public safety employees risk their lives and health to protect the lives and property of our citizens. Gratefully the state recognizes this and makes public safety employees eligible for retirement at 20 years of service instead of 25 as is the standard. This discrepancy in service required for retirement unfortunately poses a problem for a small number of public safety employees who become disabled between their 20th and 25th year of service.

Alaska Statute provides that disabled employees receive major medical coverage prior to reaching their normal retirement and continue when appointed to normal retirement. At first glance it would appear that all PERS Tier II & III employees disabled on the job would receive major medical coverage at the time of disability through retirement, but this is not true for public safety employees.

Because of how "disabled member" is defined in statute, public safety employees who are disabled between their 20 and 25th year would not be eligible for this benefit until age 60. This occurs because of the different retirement standard for PERS regular employees and PERS public safety employees. Public safety employees are eligible for retirement at 20 years of service but do not receive major medical coverage until 25 years of service. In order to be qualified as a "disabled member" for purposes of this benefit, the employees must be receiving a disability benefit from the plan at the time of retirement. Since the public safety employee is technically in retirement after year 20, if they become disabled after this time they are not receiving a benefit from the plan and therefore are not a "disabled member". Subsequently they would be "appointed to normal" retirement and would not be eligible for major medical benefits until age 60.

HB corrects this oversight by making the necessary change to AS 39.35.535 to allow disabled members to qualify for major medical Benefits should they be injured during their 20th through 24th year.