

STATE CAPITOL
P.O. Box 110001
Juneau, AK 99811-0001
907-465-3500
fax: 907-465-3532



550 West Seventh Avenue, Suite 1700
Anchorage, AK 99501
907-269-7450
fax 907-269-7461
www.Gov.Alaska.Gov
Governor@Alaska.Gov

Governor Sean Parnell STATE OF ALASKA

January 28, 2014

The Honorable Mike Chenault
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Chenault,

With over 74,000 veterans calling Alaska home, our state has more veterans per capita than any other state, comprising 15 percent of Alaska's population. Together, we strongly support and honor our veterans and military families.

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the Teachers' Retirement System, the Judicial Retirement System, and the Public Employees' Retirement System for qualified military service; and relating to the definition of "veteran" for purposes of housing, eligibility for veterans' loans, and preferences in State employment hiring.

Under Alaska law, veterans are eligible for special loan, housing, and employment preferences. However, the current statutory language limits these preferences to veterans of foreign wars up to and including the Vietnam War, and the State is currently unable to extend these preferences to veterans of recent conflicts. In recognition of our servicemen and women, this bill amends preference eligibility statutes to reflect updated periods of service in order to include veterans of more recent wars and conflicts extending eligibility for veterans' preferences to veterans of the 1991 Gulf War, veterans who served on active duty during Operation Iraqi Freedom, and includes provisions should future conflicts arise.

The bill will also ensure that military families receive full survivor benefits for fallen soldiers by implementing provisions of Heroes Earnings Assistance and Relief Tax Act (HEART Act) as they apply to the State PERS, TERS, and JERS retirement plans. Under the HEART Act, employers are required to treat workers as if they were rehired the day before they died, ensuring that the worker is covered by the retirement plan at the time of death. The Act also addresses differential wage payments, compensation that a service member would have received from the employer during the service member's period of active duty had the employee not been called to active duty, to be treated as compensation for purpose of IRS reporting.

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In addition to our many veterans, Alaska is privileged to have nearly 25,000 active military members and their families in our state. We are honored to have these forces call Alaska home, and we remain committed to supporting them and encouraging them to be an active part of our state for years after their military service ends.

I urge your prompt and favorable action on this measure.

Sincerely,



Sean Parnell
Governor

Enclosure