

# **HB 286 Talking Points**

## **Department of Administration**

### **Veteran's Hiring Preference Sections**

- Alaska statute currently defines the veteran's preference for hiring as applying to those that have served up to the end of the Korean and Vietnam wars.
- To ensure our veterans who have served in 1991 Gulf War, Operation Iraqi Freedom and conflicts arising after September 11, 2001 can benefit from that hiring preference, the bill extends a hiring preference to veterans who have served since the Vietnam War.
- Additionally the bill changes Alaska statutes to reference the federally established definitions so that our veterans of current and future conflicts can benefit from the preference without delay.
- It is anticipated that with expanded consideration of veteran applicants that these applicants will have a greater opportunity to gain employment with the State of Alaska, who will in turn attract talented services members to further public service.
- Currently if you are a disabled veteran or were a prisoner of war, you are guaranteed an interview for positions when you apply for and meet minimum qualifications.
- If you are a veteran but not a disabled veteran or prisoner of war, you are entitled to be given complete consideration for positions when you apply and meet minimum qualifications.
- The veteran's preference only applies to positions within the State of Alaska, classified service.

### **Veteran's Housing Preference Sections**

- For Alaska Housing Finance Corporation the bill provides state statutory alignment with the federal definitions already used for public housing and mortgage loans.
- This bill will bring current the definition of 'veteran' as it applies to loan programs through the Division of Economic Development. While there are no programs currently funded that will be impacted by this bill, changing the definition to include veterans of recent and current conflicts is necessary should new loan programs be introduced, or existing programs funded.

### **HEART Act Sections**

- The Heroes Earnings Assistance and Relief Tax Act (HEART Act) was signed into law in June 2008, to provide additional tax and pension benefits to individuals who are absent from work due to duty in the uniformed military service.
- All private and governmental employers must comply with the Uniformed Services Employment and Reemployment Rights Act (USERRA), which provides special employment and benefit rights to individuals who leave employment to perform qualified military service.
- "Qualified military service" is service in the uniformed services while on active or inactive duty, including training periods. "Uniformed services" include the Army, Navy, Air Force, Marines, Coast Guard, Reserves, Army and Air National Guard, the commissioned corps of the Public Health Service, and any other persons designated by the President.

- The HEART Act clarified and expanded on some of the Uniformed Services Employment and Reemployment Rights Act (USERRA) requirements that apply to employer-sponsored retirement programs.
- Participants in the Alaska Public Employees Retirement System (PERS), Teachers Retirement System (TRS) or Judicial Retirement System (JRS) pension plans who die on or after January 1, 2007, while performing qualified military service, will be treated as first having been reemployed and then dying, to allow for the distribution of those survivor benefits that require the participant's termination of employment due to death.
- This ensures that the families of our military members who gave everything in service to this country and state receive our support.
- Some employers make differential wage payments to their employees who are called to active duty in the uniformed services. "Differential wage payments" (or "differential pay") are typically the difference between the individual's normal pay from the employer and his military pay. Employers are not required to make these wage payments, but for those that do, the HEART Act changed their tax treatment.
- Under the HEART Act, differential wage payments are considered W-2 wages. As a result, individuals receiving such payments are considered to be active employees of the employer.
- As required under the Internal Revenue Code ("Code"), the draft bill includes differential pay for purposes of applying the Annual Additions and Annual Benefit limits under Section 415 of the Code.