



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Administration

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June 1, 2016
House Labor & Commerce Committee
Department of Administration Responses

1. Rep. Colver: Are non-state-employee firefighters required to be part of PERS? What about volunteers?

Political subdivisions and other groups who elect to join PERS have the option to exclude certain groups such as peace officers/firefighters if they so choose.

No volunteers are covered under the PERS plan because they are not employed by the employer and receive no compensation for services rendered. Independent contractor or on-call firefighters are also not covered under PERS.

2. Rep. Colver: Does the statutory definition cover EMS?

Employees who are 100% Emergency Medical Services (EMS) in their position, with no primary duty to fight fire, are considered an "all other" employee and not covered by HB 4002. If EMS duties and firefighter duties are combined, those positions are covered under the statutory definition of "peace officer and firefighter" if the firefighter duties are primary and not incidental.

The PERS classification of the individual employee is reported by their respective employers as "peace officer/firefighter". The accuracy of employer reporting is audited on a periodic basis by the Division's auditors.

3. Rep. LeDoux - What happens if someone within the current system isn't killed in the line of duty but is disabled to the point where they can't work?

Peace officers/Firefighters who are Tier I, II & III members of PERS receive an occupational disability benefit equal to 40% of the employee's gross monthly compensation at the time of termination because of the disability. Disabled members and their eligible dependents are eligible for system paid medical both while on disability and when they convert to normal retirement.

Peace officers/Firefighters who are Tier IV members of PERS receive an occupational disability benefit equal to 40% of the employee's gross monthly compensation immediately before they terminated employment due to the disability. Participants who are receiving disability benefits are not eligible for medical benefits until the participant meets the eligibility requirements for normal retirement.

4. Rep. Olson – Please provide copies of the contracts.

Contracts for each bargaining units are available on our website:

<http://doa.alaska.gov/dop/LaborRelations/unionContracts/>

Below is a table of current bargaining unit contracts and the provisions related to these bargaining units:

Current Contracts:

| BU | Terms and Conditions |
|---------|--|
| ACOA | Life Insurance: \$10,000 Travel Accident Insurance: \$200,000 |
| ASEA | Life Insurance: \$10,000 Travel Accident Insurance: \$200,000 |
| AVTECTA | Life Insurance: \$2,000 Travel Accident: \$100,000 |
| CEA | Life Insurance: \$10,000 Employee Options Life: \$100,000 Travel and Accident Insurance: \$200,000 |
| IBU | None |
| LTC | Life Insurance: 10,000 Travel Insurance: \$100,000 |
| MEBA | Accidental Death: \$75,000 |
| MMP | None |
| PSEA | Travel Accident Insurance: \$200,000 |
| SU | Life Insurance: \$10,000 Employee Options Life: \$100,000 Travel and Accident Insurance: \$200,000 |
| TEAME | None |

5. Rep. LeDoux – Please explain the \$60 million fiscal note.

A previous version of HB 66 would have extended occupational death health benefits to all members of PERS and TRS, as well as remove a requirement for all DCR members to retire directly

from the plan. Draft analysis from Buck Consultants indicated that version of the bill would be significantly more costly than the current version of HB4002, but a formal fiscal note was not submitted by the Department.

6. Rep. LeDoux – Can you provide an actuarial analysis of covering all PERS employees (not just peace officers/firefighters) who leave behind a dependent child but no surviving spouse?

Additional actuarial analysis will be provided for committee substitutes, or after specific action has been taken by the committee.

7. Rep. Kito - Does Denali Kid Care apply to kids regardless?

Eligibility for Denali KidCare depends on a number of facts and circumstances unique to the individual, it is uncertain whether or all potentially eligible dependents would be eligible for Denali KidCare.

8. Rep. Olson – Provide an explanation of same sex partner provisions and the related court case.

As of January 1, 2016 all couples must be married in order to be eligible for medical benefit coverage for the spouse under the retiree medical plan.

Previous to that date, regulations were adopted that provided qualified same-sex partners could obtain medical benefit coverage under PERS and TRS. However, with the June 26, 2015 decision from the United States Supreme Court in *Obergefell v. Hodges*, that ruled that same-sex couples can marry nationwide, the Division of Retirement and Benefits repealed Title 2 Chapter 38 of the Alaska Administrative Code which had allowed for employment-related benefits for same-sex partners of retirees under the State's retirement systems.

For all periods, opposite-sex domestic partners have been required to be legally married to be eligible for coverage.