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April 1, 2022

Representative Grier Hopkins
Alaska Legislature
Juneau, AK 99801

RE: HB220 Support

Dear Rep Hopkins;

Older Alaskans deserve to retire with independence, security and dignity. As you may know, AARP is the largest nonprofit, nonpartisan organization representing the interests of Americans age 50 and older and their families. Financial and health security are key components of our advocacy agenda. AARP strongly believes that all individuals have the right to be self-reliant and live with dignity in retirement. We further believe that Americans of all ages, including those in Alaska, are faced with a crisis where the goal of achieving an adequate and secure retirement is becoming increasingly difficult.

For these reasons, AARP Alaska thanks you for bringing HB220 forward. We support giving public employees the option to participate in a defined benefit pension plan. We believe that a defined benefit pension plan is essential for providing retirement security to employees and their families; helping to attract and retain qualified teachers, public safety and other public sector workers; providing for an orderly progression of personnel through the public workforce (hiring through retiring); and keeping total compensation costs manageable for Alaska's taxpayers. For most Americans, Social Security income is the foundation of financial security in retirement. As Alaska's public employees do not participate in Social Security, their reliance on the state's retirement system is greater. Offering employees the option to participate in a defined benefit pension plan will provide those who make this choice a modest but stable retirement benefit that cannot be outlived.

According to the National Institute on Retirement Security, defined benefit pension income remains an extremely significant source of retirement income for the middle class. In Alaska, where teachers and other public employees do not participate in Social Security, the average pension benefit is between \$1,898 - \$2,913 per month. At the same time, retiree defined benefit pension benefits support 8,778 jobs and a total of \$1.6 billion in total economic output in Alaska.



AARP Alaska supports HB220 to improve retirement savings options for Alaska's public employees.

On behalf of the fastest growing senior population in the nation and our 77,000 AARP Alaska members, and for the benefit of all Alaskans, we thank you for your leadership on this issue. We urge your support and action to move and pass HB220, an Act relating to the Public Employees' Retirement System of Alaska.

Respectfully, Marge Stoneking
Advocacy Director, AARP Alaska

cc: Cosponsoring Reps Fields, Drummond, Story, Snyder, Schrage, Ortiz, Spohnholz, Hannan, Tarr, Claman, Edgmon, Zulkosky

