

34-LS0301M
Wayne
5/13/25

CS FOR SENATE BILL NO. 55(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATORS STEDMAN, Myers, Shower, Cronk

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to supplemental employee benefits; and providing for an effective**
2 **date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 39.30.150(a) is amended to read:

5 (a) Except as provided in (d) of this section, in [IN] place of contributions to
6 the federal social security system that would have been required on behalf of an
7 employee had the participating employer belonged to the social security system, the
8 participating employer shall contribute an amount equal to 6.13 percent of the wages
9 of the employee up to the taxable wage base then in effect in the social security
10 system. This contribution shall be paid into an individual employee annuity account in
11 the Department of Administration under the terms of the State of Alaska Supplemental
12 Annuity Plan. The department shall pay 6.13 percent of the wages of the employee up
13 to the taxable wage base then in effect in the social security system into the individual
14 employee annuity account established under this subsection. This wage reduction shall

1 be treated as an employer contribution under 26 U.S.C. 414(h)(2). All costs of
 2 establishing and administering the programs established under AS 39.30.150 -
 3 39.30.180 shall be paid from the contributions made to the individual employee
 4 annuity accounts under this section.

5 * **Sec. 2.** AS 39.30.150 is amended by adding a new subsection to read:

6 (d) An employer who first becomes a participating employer after June 30,
 7 2026, and an employee of that employer, shall each contribute under (a) of this section

8 (1) for the first 12-month period, an amount equal to two percent of the
 9 wages of the employee up to the taxable wage base then in effect in the social security
 10 system;

11 (2) for the second 12-month period, an amount equal to four percent of
 12 the wages of the employee up to the taxable wage base then in effect in the social
 13 security system; and

14 (3) after the second 12-month period, the amount required under (a) of
 15 this section.

16 * **Sec. 3.** AS 39.30.170(a) is amended to read:

17 (a) An employer **in either the teachers' retirement system (AS 14.25) or the**
 18 **public employees' retirement system (AS 39.35) that does not participate in the**
 19 **federal social security system shall**

20 **(1) [MAY] become a participating employer in the employee benefits**
 21 **program under AS 39.30.150 - 39.30.180; or**

22 **(2) provide a different benefit program supplemental to the**
 23 **retirement system that requires the employer and each employee who is a**
 24 **member of the retirement system to contribute an amount equal to 6.13 percent**
 25 **of the wages of the employee up to the taxable wage base then in effect in the**
 26 **social security system** [, IF

27 (1) THE EMPLOYER PARTICIPATES AS AN EMPLOYER IN
 28 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM UNDER AS 39.35; AND

29 (2) THE EMPLOYER

30 (A) IS ELIGIBLE FOR MEMBERSHIP IN BUT HAS
 31 NEVER ELECTED TO BECOME A MEMBER OF THE FEDERAL

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SOCIAL SECURITY SYSTEM; OR
(B) WITHDRAWS FROM MEMBERSHIP IN THE
FEDERAL SOCIAL SECURITY SYSTEM].

* **Sec. 4.** AS 39.30.180(3) is amended to read:

(3) "participating employer" means

(A) the State of Alaska; [AND]

(B) an employer, other than the Board of Regents of the
University of Alaska, who

(i) [WHO] is an employer as defined in AS 14.25.220,
14.25.590, AS 39.35.680, or 39.35.990; and

(ii) does not participate [WHO HAS NEVER
PARTICIPATED IN OR HAS WITHDRAWN FROM
PARTICIPATION] in the federal social security system [; AND

(iii) WHOSE PARTICIPATION IN THE
SUPPLEMENTAL EMPLOYEE BENEFIT PROGRAM HAS BEEN
APPROVED BY THE COMMISSIONER].

* **Sec. 5.** This Act takes effect July 1, 2026.