

SB 55

Supplemental Employee Benefits

SENATE FINANCE COMMITTEE

MARCH 17, 2026

Employee DC Retirement Savings Comparison: PERS v. TRS

PERS TIER IV (WITH SBS)

Employee Contribution:	8%
Employer Contribution:	5%
SBS Employee Contribution:	6.13%
<u>SBS Employer Contribution:</u>	<u>6.13%</u>
Total Retirement Savings:	25.26%

TRS TIER III

Employee Contribution:	8%
Employer Contribution:	7%
SBS Employee Contribution:	--
<u>SBS Employer Contribution:</u>	<u>--</u>
Total Retirement Savings:	15.0%

PERS employees who participate in the SBS system are automatically saving *over 10% more* of their salary than TRS and non-SBS PERS employees

SB 55 version I Key Provisions

GOAL: Equalize retirement savings between State employees and non-state PERS and TRS employees

Require PERS and TRS Employers Provide a Supplemental Annuity Plan

- Requires participation in SBS if the employer is not currently a member of Social Security
- Opens the SBS statute to allow TRS employers to participate in the program alongside PERS employers
- Allows an exception for other equivalent retirement savings and the University of Alaska
- Establishes a graduated plan to phase in the additional SBS retirement contributions
 - 2% for both employer and employee in the first year
 - 4% for both employer and employee in the second year
 - 6.13% at full implementation for both employer and employee beginning in year three

SB 55 provides an option to improve retirement savings equity – without implementing an entirely new system

Participation in SBS

- Could provide additional retirement savings of 12.26%
- Contributions are made equally by employer and employee
- Phased in approach prevents major personnel increases in a single year
- Does not expose the state to increases in unfunded liability