

ALASKA STATE LEGISLATURE

SESSION

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Sectional Analysis **CS for Senate Bill 55 (FIN)** Version 34-LS0301\G

Section 1: Allows for the phased-in approach of contributions by new entrants to the Supplemental Annuity Plan (SBS).

Section 2: Establishes a phased-in approach of contributions by new entrants to the SBS system. Subsection (d) sets forth the following schedule for employee and employer contributions:

- Year 1: 1% of employee's annual wage
- Year 2: 2% of employee's annual wage
- Year 3: 3% of employee's annual wage
- Year 4: 4% of employee's annual wage
- Year 5: 5% of employee's annual wage
- Year 6: 6.13% of employee's annual wage

Subsection (e) allows an employee to contribute up to 6.13% of their annual wage beginning in year 1 of participation.

Section 3: Allows an employer to offer a benefit other than SBS or Social Security the achieves the same level of savings as SBS. Contributions to an alternative benefit system will be made by the employee and employer as follows:

- Year 1: 1% of employee's annual wage
- Year 2: 2% of employee's annual wage
- Year 3: 3% of employee's annual wage
- Year 4: 4% of employee's annual wage
- Year 5: 5% of employee's annual wage
- Year 6: 6.13% of employee's annual wage

Section 4: Allows an employee to contribute up to 6.13% of their annual wage beginning in year 1 of participation.

Section 5: Amends the definition of "participating employer" in the SBS statutes to include all PERS and TRS participants that do not participate in the federal Social Security system, while excluding the Board of Regents of the University of Alaska from this requirement.

Section 6: Establishes an effective date of July 1, 2029.

March 25, 2026

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