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Sent: Wednesday, April 22, 2026 9:51 AM
To: Helen Phillips
Cc: Julia OConnor
Subject: HB210 - Committee follow up questions

Good Morning Helen,

During last week's hearing (4/16) in House Finance on HB210, there were a few questions for the Division to follow up on, answers are listed below for your convenience.

Representative Bynam

Q. Wanted to know if by increasing P/F occupational disability benefits from 40% to 75% per HB210, if the amount would become taxable?

A. The Alaska Division of Retirement and Benefits determines that PERS occupational disability benefits would continue to be excluded from federal income tax. This legislative increase does not change the tax treatment of these benefits. The benefit's exempt status is based on its occupational nature and being part of a governmental qualified retirement plan, not a percentage relative to salary. Increasing this allowance does not create a taxable event as the plan continues to meet the definition of occupational benefits under IRC guidelines. (IRC 104(a)(1) – Exclusion for Workers' Compensation)

Representative Hannan

Q. It was asked what is the completion date for BEARS?

A. The go-live date for BEARS is currently set at August of 2027.

Representative Hannan

Q. Are the definitions for occupational disability in DB and DCR administered the same way or differently for defining their disability?

A. There is no difference in the way the two definitions are administered for defining the employee's occupational disability.

Thank you!

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