

AMENDMENT # 1

OFFERED IN THE SENATE

BY SENATOR _____

TO: SCS CSHB 78(FIN), Draft Version "T"

1 Page 34, line 4, following "2026":

2 Insert ",

3 (A) by the State of Alaska; or

4 (B) by an employer that is a political subdivision or public
5 organization of the state that elects to provide defined benefits under
6 AS 39.35.095 - 39.35.680 to employees who first become members of the
7 plan after June 30, 2006"

8

9 Page 34, line 11:

10 Delete "by an employer"

11 Following "July 1, 2026":

12 Insert ", by the state or by an employer that elects to provide defined benefits
13 under AS 39.35.095 - 39.35.680 to employees who first become members of the plan
14 after June 30, 2006"

15

16 Page 35, line 2, following "employee":

17 Insert "of the state or of an employer that elects to provide defined benefits under
18 AS 39.35.095 - 39.35.680 to employees who first become members of the plan after June 30,
19 2006,"

20

21 Page 39, line 4:

22 Delete "AS 39.35.255(a)(2)"

23 Insert "AS 39.35.255(k)(2)"

1

2 Page 39, line 8, following "contribution":

3 Insert "required"

4

5 Page 39, line 9:

6 Delete "AS 39.35.255(a)(2)"

7 Insert "AS 39.35.255(k)(2)"

8

9 Page 39, line 11:

10 Delete "AS 39.35.255(a)"

11 Insert "AS 39.35.255(k)"

12

13 Page 40, line 28, following "(h)":

14 Insert "and (k)"

15

16 Page 40, line 29:

17 Delete "the lesser of"

18

19 Page 40, line 30:

20 Delete "(1)"

21 Delete "24 [22]"

22 Insert "22"

23

24 Page 41, line 1:

25 Delete "(A) [(1)]"

26 Insert "(1)"

27

28 Page 41, line 2, following "system":

29 Insert "and who first became members of the retirement plan under AS 39.35.095

30 - 39.35.680 before July 1, 2006,"

31

1 Page 41, line 4:

2 Delete "**(B)** [(2)]"

3 Insert "(2)"

4

5 Page 41, line 7:

6 Delete "**(i)** [(A)]"

7 Insert "(A)"

8

9 Page 41, line 8:

10 Delete "**(ii)** [(B)]"

11 Insert "(B)"

12

13 Page 41, line 9:

14 Delete "**(i) of this subparagraph** [(A) OF THIS PARAGRAPH]"

15 Insert "(A) of this paragraph"

16

17 Page 41, line 12:

18 Delete "**; or**"

19 Insert "."

20

21 Page 41, lines 13 - 18:

22 Delete all material and insert:

23 "*** Sec. 71.** AS 39.35.255(d) is amended to read:

24 (d) Notwithstanding (a) **and (k)** of this section, the annual employer
25 contribution rate may not be less than the rate sufficient to allow payment of the
26 employer normal cost and the employer contributions required under AS 39.30.370
27 and AS 39.35.750."

28

29 Renumber the following bill sections accordingly.

30

31 Page 41, line 19:

1 Delete "a new subsection"

2 Insert "new subsections"

3

4 Page 41, line 21, following "(a)":

5 Insert "and (k)"

6

7 Page 41, following line 22:

8 Insert a new subsection to read:

9 "(k) Notwithstanding (a) of this section, and except as provided in (h) of this
10 section, the state and each employer that elects to provide defined benefits under
11 AS 39.35.095 - 39.35.680 to employees who first become members of the plan after
12 June 30, 2006, shall contribute to the system every payroll period the lesser of

13 (1) an amount calculated by applying a rate of 24 percent of the greater
14 of the total of all base salaries

15 (A) paid by the employer to employees who are active
16 members of the system, including any adjustments to contributions required by
17 AS 39.35.520; or

18 (B) paid by the employer to employees who were active
19 members of the system during the corresponding payroll period for the fiscal
20 year ending

21 (i) June 30, 2008; or

22 (ii) June 30, 2012, if that total is less than the total
23 under (i) of this subparagraph, and the employer is a municipality in
24 which the population decreased by more than 25 percent between 2000
25 and 2010, according to the decennial census conducted by the United
26 States Bureau of the Census; or

27 (2) an amount calculated by applying a rate established by the board
28 under AS 37.10.220 to the total of all base salaries paid by the employer to active
29 members of the system; the rate must be at least 12 percent and be sufficient to pay the
30 actuarially determined employer normal cost, all contributions required under
31 AS 39.30.370 and AS 39.35.750, and the past service cost attributable to active

1 members of the system who first became members of the retirement plan under
2 AS 39.35.095 - 39.35.680 after June 30, 2006."

3

4 Page 43, line 6, following "**member**":

5 Insert "**of the plan**"

6

7 Page 49, line 24:

8 Delete "first hired [ON OR]"

9 Insert "**who first become members of the plan** [FIRST HIRED ON OR]"

10

11 Page 50, line 5:

12 Delete "**first hired**"

13 Insert "**who first becomes a member of the plan**"

14

15 Page 50, lines 27 - 28:

16 Delete "**and before July 1, 2026,**"

17

18 Page 51, lines 6 - 9:

19 Delete all material.

20

21 Renumber the following bill sections accordingly.

22

23 Page 54, line 7:

24 Delete ", before January 1, 2027,"

25

26 Page 54, line 11, following "plan.":

27 Insert "The election may be made before January 1, 2027, by an employee of the state,
28 or during the period beginning October 1, 2026, and ending December 31, 2026, by an
29 employee of an employer that elects under sec. 101 of this Act to provide defined benefits
30 under AS 39.35.095 - 39.35.680 to employees who first become members of the plan after
31 June 30, 2006."

1

2 Page 54, following line 15:

3 Insert a new bill section to read:

4 **** Sec. 101.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 TRANSITION: EMPLOYER PARTICIPATION IN THE DEFINED BENEFIT
7 RETIREMENT PLAN. An employer that is a political subdivision or public organization of
8 the state may, during the period beginning July 1, 2026, and ending September 30, 2026, elect
9 to provide defined benefits under AS 39.35.095 - 39.35.680 to employees who first become
10 members of the plan after June 30, 2006, and who do not participate in the defined
11 contribution retirement plan under AS 39.35.700 - 39.35.990."

12

13 Renumber the following bill sections accordingly.

14

15 Page 54, line 30:

16 Delete "Section 101"

17 Insert "Section 102"

18

19 Page 54, line 31:

20 Delete "sec. 102"

21 Insert "sec. 103"