



HB 338

Alaska Work and Save

By Representative Mia Costello



Summary

HB 338 will create a system like other states, providing small business a mechanism for their employees to save for retirement.

Employees would automatically have 5% deducted from each paycheck and invested into an Individual Retirement Arrangement (IRA) account managed through the department of revenue.

This will allow for competition between big and small businesses for quality talent. HB 338 will help Alaskans better prepare for their future, improving their quality of life.

What is Alaska Work & Save?

- Establishes an automatic Individual Retirement Arrangement (IRA) program for all Alaskan employees who qualify.
- Requested and supported by AARP as priority nationwide.

Why does
Alaska need
an auto
Individual
Retirement
Arrangement
program?

54% of households have no
retirement savings⁽⁴⁾

Alaskans aged 60+ account for
20% of the population and
growing⁽³⁾

Median retirement savings for
ages 65-74 is \$200,000, age 75+ is
\$130,000⁽⁵⁾

HB 338 Supports Small Businesses



Work and Save eliminates the high costs and bureaucracy for businesses



Allows small businesses to:

Better recruit and retain employees
Stay competitive with larger businesses

Other States have already started

As of this year, 17 other states have enacted their own auto-Individual Retirement Arrangement programs (8)

Of those 17 states, 7 of them have entered partnership agreements.

Colorado Partnership for a Dignified Retirement (PDR): Colorado, Maine, Delaware, Vermont, Nevada

MyCT Savings Program: Connecticut and Rhode Island



Interstate partnerships allow for faster enactment and possibly lower fees. Similar federal legislation has recently been proposed.



Thank you

Any Questions?

Sources

1. <https://www.adn.com/business-economy/2024/01/15/alaskas-working-age-populationcontinues-its-long-decline-a-headwind-for-the-economy/> 2.
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5. https://www.federalreserve.gov/econres/scf/dataviz/scf/table/#series:Retirement_Accounts;demographic:agecl;population:all;units:median
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