

**From:** [Whistler, Shannon H \(DOA\)](#)  
**To:** [Azabel Ordaz](#)  
**Subject:** RE: HB 17 Disabled Veterans: Retirement Benefits Bill Hearing  
**Date:** Monday, May 4, 2026 2:17:08 PM

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Afternoon Azabel,

Spoke it into existence, see below answers to your follow up questions.

1. **Senator Kiehl wondered if there might be an unintended consequence of one of the repealers in the bill. The Senator mentioned that when someone claims their time, they have the option of paying it in a lumpsum or they could also pay it over time in installments. If you don't have it paid off by the time you are ready to take a PERS retirement, then your benefit is reduced and the time effectively doesn't count. He thought the bill might repeal that. Is that correct?**
  - a. AS 39.35.340(d) is proposed to be repealed by this bill. If this were to become effective, all member of the PERS would be able to claim their military service as eligible service for counting towards the requisite number of years required for a normal retirement. For example, for P/F employees, claimed military service would count towards the 20-year service requirement and for the A-time (all other) member, claimed military service would count towards the 30-year service requirement.
  
2. **Senator Kiehl mentioned that today up to five years of military time can count towards your benefit at the end but it can't count towards getting you vested.**
  - a. Correct.
  
3. **Does this allow them to count that towards getting vested in the pension benefit?**
  - a. No.
  
4. **Or the health benefit for service-disabled veterans?**
  - a. PERS tier III has a minimum service requirement of 10 years and age 60 and any service claimed that is used in the calculation of the member's benefit will count towards this 10-year requirement.
  
5. **He wonders whether that changes for peace officers and firefighters again with a different repealer section and wanted to know the mechanics.**

- a. A member must be vested in order to claim their military service. The repeals do not impact this requirement. The requirement for being vested in order to claim military service is located in AS 39.35.340(a).
  
6. **Senator Stedman expressed concern over the repealers, particularly referencing the first repealer: “By repeal of this section, all members of the PERS would be able to use military service to meet the 30 years of service required to retire at any age but would pay only 8.5% of their annualized first salary in a PERS covered position”.**
  - a. As the bill is currently written, Senator Stedman is correct.
  
7. **He asked that the Department look at it closely and asked where the 8.5% came from and the ramifications.**
  - a. The 8.5% rate came from a change effective January 1, 1987, to ensure employees pay a rate closer to the actuarial value of purchasing past service. Before January 1, 1987, the rate was 6% and the 8.5% rate was established to reflect updated, higher cost associated with purchasing service for later-hired employees.
  
8. **Lastly, can we get a thorough review of all three repealers? This includes a clear explanation of the statues being repealed and what that means for the bill along with any unintended consequences that may occur with repealing these sections.**
  - a. The fiscal note for this bill was updated 4/16/2026 with a comprehensive review of all the repeals provided in the analysis section.

Thank you,

*Shannon Whistler*

Acting Legislative Liaison

Department of Administration

Phone: 907.465.3225

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