

**From:** [Rustin Krafft](#)  
**To:** [Senate Finance Committee](#)  
**Subject:** HB 17  
**Date:** Tuesday, May 12, 2026 10:25:03 PM

---

Members of the Senate Finance Committee, thank you for allowing me to submit my testimony on HB17.

I have been tracking HB17 from it's initial introduction into the house in it's earlier form through the actions that have brought it to you today. There are many benefits to the program and although there may be a cost to the state, I believe the magnitude has been amplified by confusion and perhaps some misinformation. I would like to offer some clarifications and also some of the reasons I support this.

Some discussions on this bill have inferred that this would open the door to all veterans to take this early out and that the ability to buy in would have a negative impact on the retirement system. This concern is overblown as this bill is tailored to a very small segment of the veteran population and the changes to the laws regarding buy in do not apply to all veterans.

Retired veterans are **not eligible** to purchase service credit and nothing in this bill would change that. If a veteran is collecting a retirement, that time is ineligible as service credit purchase. This removes a large portion of the veteran population in the workforce from buying time in and taking advantage of the system.

Most Defined Benefit non-retired veterans are already approaching normal retirement age and service level and may not even desire to utilize the option to include the purchased credit toward retirement. As an example, I served 9 years, worked several years in the private sector before entering the state system and am now at 24 years in the system approaching 60 y/o. Leaving early might offer a year or 2 more retirement, however it also removes a year or more of time accrual as well as a year(s) of credit towards my high five computation. Mathematically it not as attractive as it may seem.

If a Tier 2 or 3 veteran did not buy in during their vesting year, the mandated interest likely cost prohibitive to buy in at this point. To buy my credit in today, I would be looking at a 6 figure buy in based on my vesting salary and vesting year of 2007. The return on investment is likely not worth it.

What is the positive of the program?

I work side by side with fellow veterans who's careers in the military were cut short by service related disabilities. Often these veterans are nowhere near retirement age and after separating they then enter the civillian workforce. Their service is extremely valuable to the state and local governments based on the work ethics, training and discipline. They proudly

served in the military and proudly served with the state, unfortunately for many, their injuries and illnesses brought on by military service are making showing up for work difficult and they are also facing the realization that their life expectancies are far less than the average civilian. What HB 17 will do is allow them to retire from the state and live out their remaining years with the families and take advantage of the small retirement benefits earned in their short careers with the state.

For the individuals in the TIER III, most of them are already, or soon will be eligible for early retirement so HB 17 may only offer a couple years of earlier retirement, which in turn will open the door for new employees to either continue in the Tier IV system, or if signed into law, begin supporting the new defined benefit system.

In closing, benefits of HB 17 cannot be measured because it is offering time. Time for our veterans to spend with their families and friends while getting only what they are entitled to through the state. For most, that is simply being able to access their defined contribution pension. The cost to the state is minimal when compared to the other programs offered statewide. At a time when the state is looking to retain and fill positions in the state, veterans represent a specific and targeted group that are ready to come work, ready to contribute and ready to help the state succeed. In addition, the less time a Tier II or III employee remains active, the lower the monthly retirement benefit is translating in a lower long term burden on the system. A review of the actuarial tables will show that even with employee and local contribution in place, it doesn't take long to get to a negative. And while some of them can only offer 5-10 years, that time is beyond value considering what they bring to the workforce.

In closing, I urge you to move HB17 to a floor vote and finish the work started in the house, passed unanimously last year.

Rustin Krafft  
USAF Veteran and proud employee of the Mat-Su Borough

Sent from my iPhone