

Senate Bill 28



A Shared Risk Public Employee Retirement Plan



Senate Labor & Commerce

Senator Cathy Giessel

March 21, 2025

CHALLENGE

Alaska's Recruitment and Retention Crisis

CAUSE (WHY?)

2005 Alaska withdrew from Defined Benefit retirement

SOLUTION

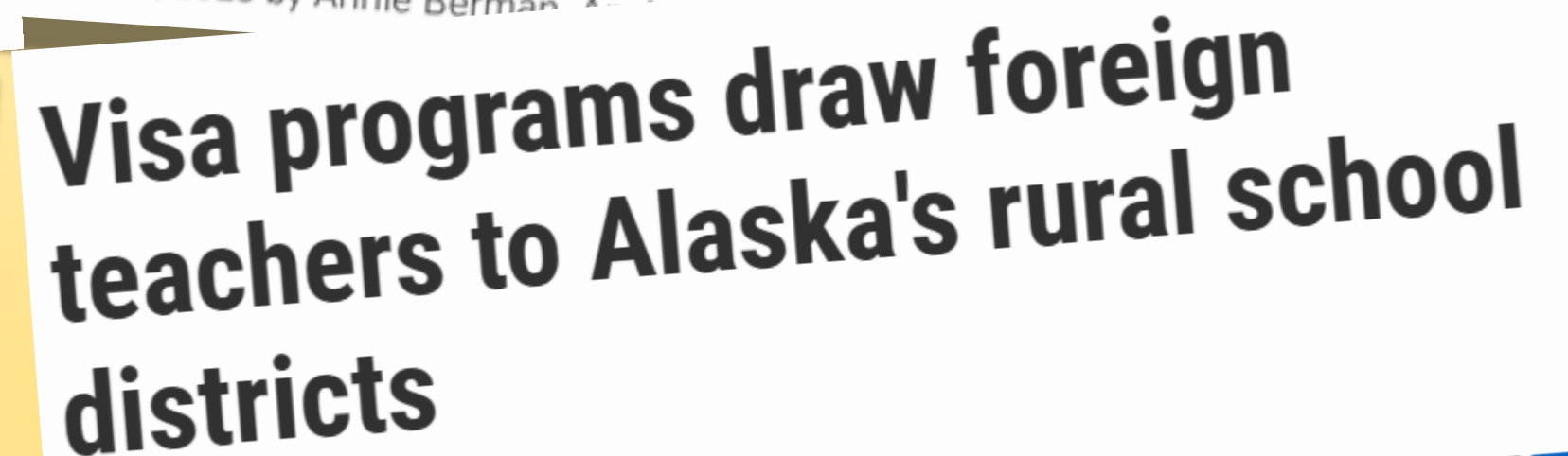
A retirement system with reasonable costs and fair benefits

SUMMARY

- Alaska has a strong interest in ensuring quality public servants fill the ranks of our public service agencies

CHALLENGE

- Recruitment and Retention has collapsed
- Staggering vacancy rates



“We’re sending Troopers to domestic violence by themselves. Bad things happen. Either we end up hurting the person... or a Trooper gets assaulted and gets hurt. I mean this is ridiculous, really, when you think about it.”
DPS Commissioner James Cockrell, Joint House and Senate State Affairs, February 7, 2023

WHY IS THIS HAPPENING?

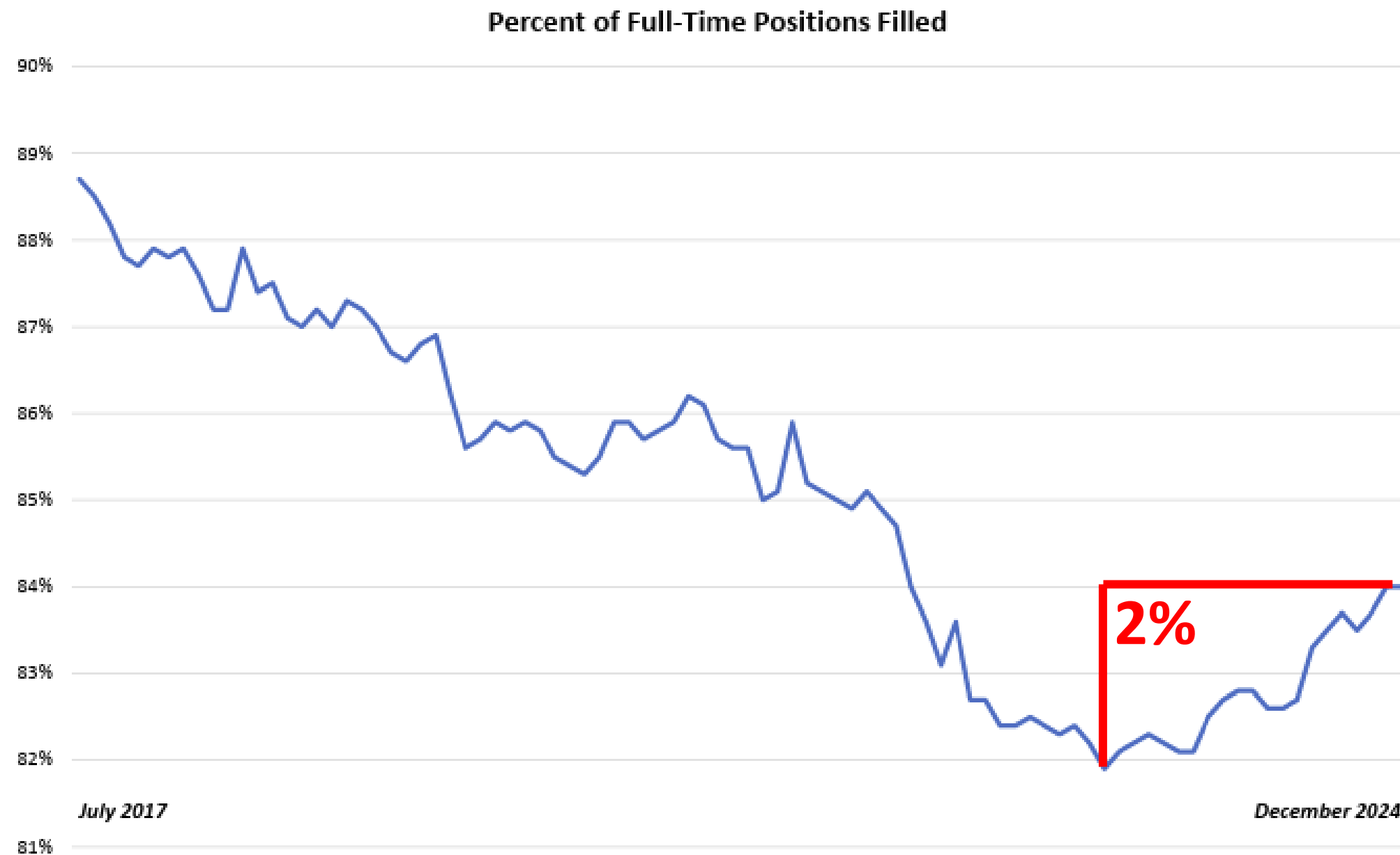
*“A lot of our vacancies and our cyclic throughput on employees really began increasing since 2006. If you remember that was the break point between Tier III and Tier IV employees for the State of Alaska so **once the pension benefits disappeared** and we became contribution or matching based employer, those benefits became transportable. **Our ability to retain employees, really much longer than four or five years anymore, and no more than ten years became largely impacted by trends and portability of those benefits.**”*

***-Wolfgang Junge, DOT&PF Central Region Director,
House Finance, February 15, 2022***



Vacancy Rates

% Vacant Positions	December 2024
DOA	13.7%
DCCED	20.6%
DOC	12.2%
DEED	13.4%
DEC	8.0%
DFCS	16.2%
DFG	15.5%
Gov	29.7%
DOH	19.0%
DOL&WD	21.4%
Law	18.4%
DMVA	13.3%
DNR	19.7%
DPS	17.2%
DOR	14.7%
DOT&PF	15.1%
Total	16.0%



*“...probably the biggest challenges that faces our state agencies right now in terms of executing on the programs in the appropriations they've been entrusted with, and that is **the challenge of recruiting and retaining the staff to actually do the work.**”*

*OMB Director Neil Steininger
S FIN 1-24-23*

DB vs DC Comparison

PERS - Tier III and Tier IV Comparison All Other Members

(From Slide# 7)

Hypothetical Salaries			V/S	Actual Salaries as of 2022					
PERS All Other	DB Plan	DC Plan (Projected ROR=7%)		Actual Plan Data (as of 2/1/2023)					
Total Service	A: Salary Replacement Ratio	B: Salary Replacement Ratio		Comparable Salaries		All Salaries		RoR >= 7% Projection	
				Members	C: Salary Replacement Ratio	Members	D: Salary Replacement Ratio	Members	E: Salary Replacement Ratio
5	9.48%	5.75%		23	5.29%	296	5.27%	48	6.44%
6	11.37%	7.05%		25	6.53%	480	6.22%	53	8.46%
7	13.27%	8.40%		28	7.65%	445	7.39%	56	9.22%
8	15.17%	9.81%		24	9.34%	448	8.73%	59	11.46%
9	17.06%	11.27%		21	9.71%	419	9.91%	56	12.42%
10	18.96%	12.80%		28	11.68%	402	11.06%	56	13.97%
11	21.09%	14.38%		10	13.58%	324	12.84%	47	16.21%
12	23.22%	16.04%		18	13.96%	303	14.25%	55	17.63%
13	25.36%	17.76%		12	16.40%	215	15.80%	42	19.28%
14	27.49%	19.55%		10	16.69%	214	16.65%	27	21.20%
15	29.62%	21.42%		10	19.22%	207	17.96%	20	23.55%
16	31.75%	23.37%		5	20.11%	138	18.67%	8	25.84%
17	33.89%	25.39%		0		10	20.98%	1	25.99%
Total Actual Members:>				214		3,901		528	



Additional details for the analysis are shown in the appendix (Slides 23 and 24)

TRS - Tier II and Tier III Comparison Teachers

(From Slide# 9)

Hypothetical Salaries			V/S	Actual Salaries as of 2022					
TRS	DB Plan	DC Plan (Projected ROR=7%)		Actual Plan Data (as of 2/1/2023)					
Total Service	A: Salary Replacement Ratio	B: Salary Replacement Ratio		Comparable Salaries		All Salaries		RoR >= 7% Projection	
				Members	C: Salary Replacement Ratio	Members	D: Salary Replacement Ratio	Members	E: Salary Replacement Ratio
5	9.73%	6.64%		2	6.28%	35	5.77%	2	7.44%
6	11.68%	8.13%		14	6.93%	226	6.66%	14	9.22%
7	13.63%	9.69%		28	8.18%	214	7.93%	7	10.92%
8	15.58%	11.31%		21	9.52%	252	9.49%	19	12.45%
9	17.52%	13.00%		18	11.22%	198	10.76%	8	14.21%
10	19.47%	14.76%		25	13.21%	196	12.48%	10	15.91%
11	21.42%	16.60%		22	15.03%	152	14.05%	10	18.12%
12	23.36%	18.51%		15	17.03%	153	15.90%	13	19.58%
13	25.31%	20.49%		8	19.05%	124	17.64%	8	22.46%
14	27.26%	22.56%		16	20.16%	149	19.25%	9	26.26%
15	29.20%	24.72%		15	19.59%	120	19.78%	3	27.09%
16	31.15%	26.96%		19	21.99%	109	21.08%	1	27.36%
17	33.10%	29.30%		12	23.70%	60	22.30%	1	29.89%
Total Actual Members:>				215		1,988		105	



Additional details for the analysis are shown in the appendix (Slides 25 and 26)

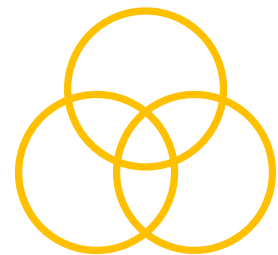


Additional details for the analysis are shown in the appendix (Slides 23 and 24)

PERS - Tier III and Tier IV Comparison

Peace Officers/Firefighters

Public Safety DB VS DC COMPARISON*



(From Slide# 8)

Hypothetical Salaries		
PERS PO/FF	DB Plan	DC Plan (Projected ROR=7%)
Total Service	A: Salary Replacement Ratio	B: Salary Replacement Ratio
5	9.73%	5.75%
6	11.68%	7.05%
7	13.63%	8.40%
8	15.58%	9.81%
9	17.52%	11.27%
10	19.47%	12.80%
11	21.90%	14.38%
12	24.34%	16.04%
13	26.77%	17.76%
14	29.20%	19.55%
15	31.64%	21.42%
16	34.07%	23.37%
17	36.51%	25.39%
Total Actual Members:>		

V/S

Actual Salaries as of 2022					
Actual Plan Data (as of 2/1/2023)					
Comparable Salaries		All Salaries		RoR >= 7% Projection	
Members	C: Salary Replacement Ratio	Members	D: Salary Replacement Ratio	Members	E: Salary Replacement Ratio
1	4.92%	48	4.90%	1	5.80%
3	6.16%	87	5.72%	3	7.71%
2	6.95%	81	6.58%	1	8.69%
1	7.81%	75	8.08%	7	10.54%
2	9.80%	67	8.98%	2	11.80%
4	10.27%	55	10.09%	3	14.49%
5	12.06%	56	12.21%	8	16.41%
3	15.14%	51	14.17%	12	17.32%
1	14.31%	22	14.24%	1	18.12%
1	18.39%	31	15.19%	2	19.76%
1	19.08%	65	16.87%	5	22.29%
2	19.17%	31	16.99%	2	24.78%
0		3	18.91%	0	
26		672		47	

*Other working group
comparisons may be
found in the addendum



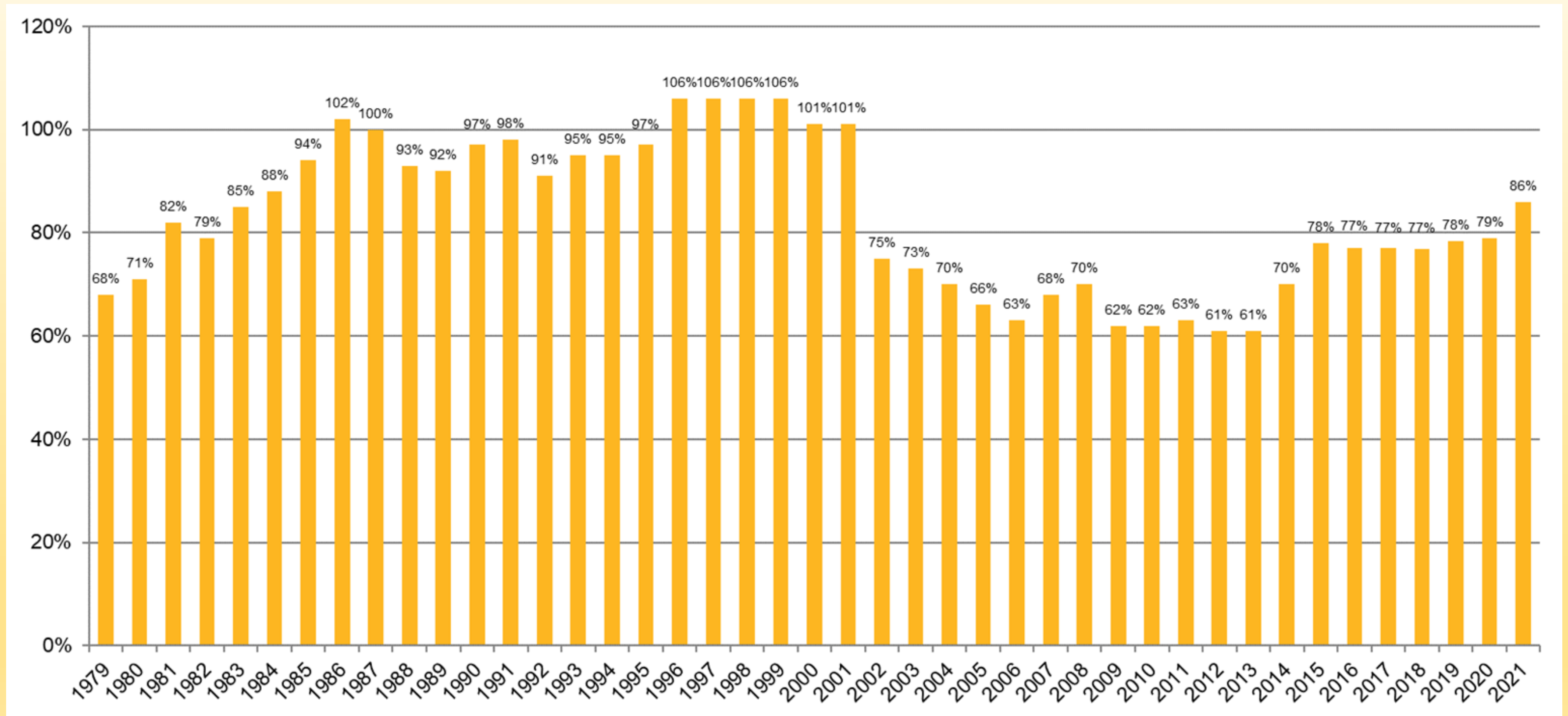
Additional details for the analysis are shown in the appendix (Slides 23 and 24)

Cause & History

- Prior to 2002 the DB system was well funded
- 2002 to 2004 – Erroneous actuarial advice by Mercer compromised the DB system
- 2006 – The Defined Contribution plan was implemented
- 2007 State of Alaska ARM Board filed suit against Mercer for covering up its malpractice, SOA prevailed



DB System Funded Ratio History



Source: Buck Actuarial Valuation Report - May 2022

Will this happen again?

**NOT
LIKELY!**

Triple Safeguards Since 2006

1. Gallagher (formerly Buck Consulting), State Actuary, provides annual review of pension assets and liabilities
2. ARM Board Actuary reviews Gallagher work every year
3. Every 4th year a third Actuary reviews ARMB and Gallagher actuarial reports.

A Proposed Solution

Senate Bill 28

**A retirement system with reasonable costs
and fair benefits**



Structural Features of SB 28

- Builds on best practices of other states
- Shares risk between employees, employers, and retirees
- Ensures system will remain solvent



SB 28 Structure

EMPLOYEE CONTRIBUTION

PERS & TRS

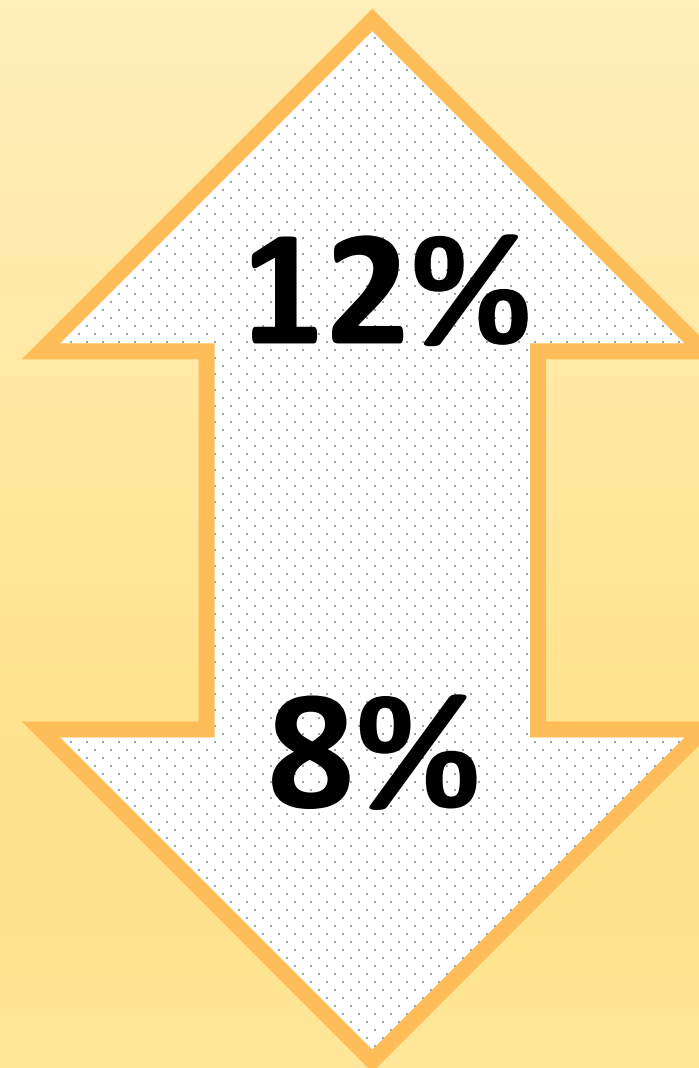
- 8–12% adjustable by ARM Board
- Employees share the risk contributing more during poor market returns



EMPLOYEE CONTRIBUTION

States that use a Variable Employee Contribution Rate

- Arizona
- Colorado
- Idaho
- Iowa
- Maine
- Montana
- Nevada



SB 28 Structure

EMPLOYER CONTRIBUTION

PERS

- 22% is no longer fixed (22%–12%)

TRS

- 12.56% is no longer fixed (12.56%–12%)

- Provides relief when full actuarial cost drops below existing contribution rates, to a lower limit of 12%
- Remains the same and aligns with current rates set by DB and DC tiers



2024 ACTUAL EMPLOYER CONTRIBUTION RATES

	PERS				TRS			
	FY26 PERS Total Payroll *		\$ 2,598,836,000		FY26 TRS Total Payroll		\$ 767,012,000	
	Preliminary	Contribution	Adopted	Contribution	Preliminary	Contribution	Adopted	Contribution
DB Pension Plan - Normal Cost	2.14%	55,615,000	2.14%	55,615,000	2.21%	16,951,000	2.21%	16,951,000
DB Pension Plan - Past Service Cost	18.63%	484,163,000	19.29%	501,315,000	21.12%	161,993,000	21.47%	164,677,000
DB Health Plan - Normal Cost	1.97%	51,197,000	0.00%	-	2.15%	16,491,000	0.00%	-
DCR Plan	6.90%	179,320,000	6.90%	179,320,000	7.65%	58,676,000	7.65%	58,676,000
	29.64%	770,295,000	28.33%	736,250,000	33.13%	254,111,000	31.33%	240,305,000
State Of Alaska Contributions	29.64%	383,145,000	28.33%	366,211,000				
Non-State Employer Contributions	22.00%	287,358,000	22.00%	287,358,000	12.56%	96,337,000	12.56%	96,337,000
Additional State Contributions	7.38%	96,396,000	6.33%	79,807,000	19.86%	152,329,000	18.77%	138,982,000

* PERS Non-State Employers Total Payroll:	\$ 1,306,174,000
PERS State as an Employer Total Payroll:	<u>1,292,662,000</u>
FY26 PERS Total Payroll:	\$ 2,598,836,000

Total Savings: **\$34,045,000 (PERS) + \$13,806,000 (TRS) = \$ 47,851,000**

(NOTE: some totals may not add due to rounding)



Source: Gallagher, September 2024 (information consolidated for presentation, and some amounts may be off due to rounding)

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SB 28 Structure

EMPLOYER FEE FOR LATE CONTRIBUTIONS PERS and TRS

- Reduced to normal interest rate from current law of 1.5 x interest rate
- Intended to provide financial relief to employers

SB 28 Structure

VESTING

PERS and TRS

- Vested at **5** years for both PERS and TRS
- PERS is consistent with prior Defined Benefits (DB) plan
- Aligns TRS with PERS vesting period

QUALIFICATION FOR RETIREMENT

PERS (Public Safety only)

- 50 years of age with 25 years of service

OR

- 55 years of age with 20 years of service

- Allows Public Safety employees to reach retirement eligibility prior to 60 years of age



SB 28 Structure

QUALIFICATION FOR RETIREMENT

PERS (Non-Public Safety)

TRS (Teachers)

- 60 years of age **OR** 30 years of service
- Aligns TRS with PERS qualification for retirement.



SB 28 Structure

BENEFIT CALCULATION FORMULA

PERS (Public Safety only)

- 2.00% first 10 years
- 2.50% thereafter
- New plan is consistent with PS PERS Tier III



BENEFIT CALCULATION FORMULA

PERS (Non-Public Safety)

TRS (Teachers)

- 2.00% first 10 years
- 2.25% next 10 years
- 2.50% thereafter
- Aligns TRS with PERS benefit calculation

FINAL AVERAGE SALARY

PERS

- Highest **5** consecutive years of service

TRS

- Highest **5** non-consecutive (contract) years of service





SB 28 Structure

ALASKA COST OF LIVING (COLA)

PERS and TRS

- No COLA is provided for new **PERS** or **TRS**
Defined Benefit (DB) plans
- Keeps the plan solvent





SB 28 Structure

POST RETIREMENT PENSION ADJUSTMENTS (PRPA) aka Inflation Protection

- ARM Board may provide, reduce or withhold PRPA to retirees if Defined Benefit (DB) Trust Fund valuation drops below **90%**
- Nonresident retirees receive a 50% reduction in PRPA
- This keeps the plan solvent regardless of funding level

SB 28 Structure

POST RETIREMENT PENSION ADJUSTMENTS (PRPA)

Inflation Protection

States with PRPA contingent on fund performance

Louisiana
Maryland
Massachusetts
Nebraska
South Dakota
Wisconsin

RETIREMENT MEDICAL COVERAGE PERS & TRS

- Coverage is consistent with PERS Tier IV and TRS Tier III Defined Contributions (DC) Plans for all employees
- Employer makes contribution of **3%** to employee Health Reimbursement Arrangement (HRA)
- HRA can be used for any qualifying medical need
- Keeps the plan solvent

DEATH & DISABILITY BENEFIT PERS

- Non-occupational disability benefits calculated as normal retirement, death benefit is provided
- Occupational disability or death provides **40%** of the gross monthly compensation
- Added non-occupational benefits to provide minimal protection to employees and families should they have career ending injuries or disabilities occur off the job

DEATH & DISABILITY BENEFITS

TRS

- Non-occupational and occupational disability benefits is 50% of member's base salary immediately before disability plus 10% for each dependent child up to four
- Occupational death provides **40%** of the average base salary until retirement age and then normal retirement.
- Non-occupational death provides a lump sum or 50% joint & survivor option

SB 28 Structure

REQUIREMENT OF SEPARATE ACCOUNTING

- In the past, no separate accounting for prior DB tiers
- Plan administrator and ARM Board are required to account for and track contributions, assets, earnings, and liabilities of the members of the new plan
- This will maintain separate attribution of assets and liabilities



SB 28 Structure

REQUIREMENT OF SUB-TRUSTS

- Creation of pension and medical sub-trusts for the new DB plans, along with existing HRA sub-trusts enable better tracking of assets and liabilities and increase protection from prior past service costs
- The ARM Board shall establish the sub-trust



SB 28 Structure

TRS Members w/ PERS Service
PERS Members w/ TRS Service



- Employees that are members of both TRS **AND** PERS may elect to have their earnings included in the base salary of their selected DB plan to potentially count toward their pension benefit calculation



What will happen to **CURRENT** employees hired after 2006?

PERS & TRS

- Current PERS IV and TRS II members would have the option to convert from their Defined Contribution (DC) plan to the new Defined Benefit (DB) system by January 1, 2026

SB 28 Structure

What happens to employees who convert to the new DB plan if service credit is different?

PERS & TRS

- If the DC account value provides fewer DB years than worked, the employee may elect to accept those service years or pay up to full-service time
- If the value is more than full-service time, the member maintains the remainder in the DC account



SB 28 Structure

What will happen to NEW employees after SB 28 effective date?

PERS & TRS

- New employees would automatically be enrolled in the Defined Benefit (DB) system





SB 28 Structure

What will happen to FORMER DC employees with active accounts who return to service ?

PERS & TRS

- These returning employees have the option to convert to the new DB plan within a four-month window





SB 28 Structure

What will happen to FORMER DC employees with inactive accounts who return to service ?

PERS & TRS

- These returning employees will become members of the new DB plan

- **Option:** if the employee account was rolled over to an IRA and is rolled back into their DC account, they may remain with DC

Current DC Employee Trends

What's happening now...



Alaska Retirement Management Board

Div. Of Retirement & Benefits

Supplement to the Treasury Report

January 31, 2025

- **Over last 7 months, withdrawals of TRS DC and PERS DC are approximately \$105 million dollars**
- **90% of these withdrawals came after 5 years, or 100% vesting**
- **On average \$15 million/month is being withdrawn from the DC systems**
- **Hundreds of millions of dollars are leaving the system and potentially the state each year**

Alaska Retirement Management Board (ARMB) Schedule of Non-Investment Changes By Fund

ALASKA RETIREMENT MANAGEMENT BOARD
SCHEDULE OF NON-INVESTMENT CHANGES BY FUND
(Supplement to the Treasury Division Report)
For the Seven Months Ending January 31, 2025

This report is only for the previous 7 months

PARTICIPANT DIRECTED DISBURSEMENTS BY PLAN AND TYPE						
Type	PERS DCR Plan	TRS DCR Plan	Supplemental Annuity Plan	Deferred Compensation	TOTAL	% of Total
Payment to Beneficiary	\$ 93,163	\$ 38,500	\$ 715,207	\$ 275,629	\$ 1,122,499	0.3%
Death Benefit	3,515,481	425,709	14,519,733	3,733,197	22,194,120	5.0%
Disability / Hardship	171,186	-	69,519	75,979	316,684	0.1%
Minimum Required Distribution	195,482	54,516	11,126,589	4,364,988	15,741,575	3.6%
Qualified Domestic Relations Order	1,226,834	93,000	5,247,526	634,784	7,202,144	1.6%
Separation from Service / Retirement	73,100,701	34,979,894	220,381,932	60,588,780	389,051,307	88.5%
Purchase of Service Credit	7,770	-	1,582,545	224,853	1,815,168	0.4%
Transfer to a Qualifying Plan	-	-	-	416,570	416,570	0.1%
59-½ In-service Distribution	-	-	-	1,899,245	1,899,245	0.4%
Qualified Birth / Adoption Expense	-	-	-	37,868	37,868	0.0%
DCR to DB Conversion	4,804	225	-	-	5,029	0.0%
TOTAL	\$ 78,315,421	\$ 35,591,844	\$ 253,643,051	\$ 72,259,234	\$ 439,809,550	100.0%
* Employer distributions sent to the DB plan are shown as "DCR to DB Conversion". Employee funds sent to the DB plan are included with "Purchase of Service Credit". Excess employee money sent to employee after conversion are included in "Separation from Service".						

But it shows that \$389 million was withdrawn from the system. It shows withdrawals of PERS DC, TRS DC, Supplemental Annuity (SBS) and Deferred Compensation (voluntary)

Withdrawals from the TRS DC and PERS DC plans alone were north of \$73 million dollars

PERS & TRS PARTICIPANT DIRECTED DISBURSEMENTS BY PLAN AND VESTED PERCENTAGE				
Vesting	PERS DCR Plan	TRS DCR Plan	TOTAL	% of Total
100% Vested	\$ 70,656,382	\$ 31,997,233	\$ 102,653,615	90.1%
75% Vested	1,462,893	851,945	2,314,838	2.0%
50% Vested	1,443,771	1,015,573	2,459,344	2.2%
25% Vested	1,802,123	774,713	2,576,836	2.3%
0% Vested	2,950,252	952,380	3,902,632	3.4%
TOTAL	\$ 78,315,421	\$ 35,591,844	\$ 113,907,265	100.0%

A very interesting and notable point is that 90% of these withdrawals came after 5 years, or 100% vested. People waited to leave until they could take all of their employer contributions?

DEFINED BENEFIT REFUNDS BY PLAN, TIER, CONTRIBUTION TYPE AND VESTED STATUS									
Contribution Type	PERS DB Pension Plan				TRS DB Pension Plan			TRS	TOTAL
	Tier 1	Tier 2	Tier 3	Total	Tier 1	Tier 2	Total	DB Pension Plan	DB Pension Plan
Mandatory Vested	\$ 146,276	\$ 350,556	\$ 2,209,623	\$ 2,706,455	\$ -	\$ 91,493	\$ 91,493	\$ 79,848	\$ 2,877,796
Mandatory Non-Vested	60,609	437,961	931,077	1,429,647	181,356	983,475	1,164,831.00	-	2,594,478
Geographic Differential	-	151,385	98,785	250,170	-	-	0.00	-	250,170
Voluntary Full	34,727	278,088	1,710,530	2,023,345	-	-	0.00	-	2,023,345
Indebtedness, Lagging & Partial	43,752	38,485	274,699	356,936	-	4,951	4,951.00	-	361,887
TOTAL	\$ 285,364	\$ 1,256,475	\$ 5,224,714	\$ 6,766,553	\$ 181,356	\$ 1,079,919	\$ 1,261,275	\$ 79,848	\$ 8,107,676


Return to Social Security?

Legislative Research Report (Jan. 2011)

- PERS return to Social Security considered
- Alaska must alter its “Section 218” agreement with the Social Security Administration
- All employees must be allowed to vote
- High complexity to replace Supplemental Benefit System (SBS) with equivalent value Social Security

LEGISLATIVE RESEARCH REPORT

JANUARY 27, 2011



REPORT NUMBER 11.096

RETURNING ALASKA STATE EMPLOYEES TO SOCIAL SECURITY COVERAGE

BY CHUCK BURNHAM, LEGISLATIVE ANALYST

SUMMARY2

BACKGROUND ON SOCIAL SECURITY3

Public Employee Participation in Social Security4

Alaska State Employee Participation in Social Security5

Process for Rejoining Social Security5

OBSTACLES TO REJOINING SOCIAL SECURITY AND IMPACTS ON THE STATE OF ALASKA6

Table 1: PERS Membership, Salaries, and State SBS-AP Contributions, 20107

IMPACTS ON ALASKA STATE EMPLOYEES 10

Benefit Reduction Due to Government Pension Offset Provisions10

You asked us to examine the costs and consequences of returning the Alaska state employees who are members of the Public Employees’ Retirement System Tier IV defined contribution retirement plan to coverage under the federal Social Security program. Specifically, you were interested in the impact of making those employees eligible for Social Security’s “Old-Age, Survivors, and Disability Insurance” benefits.

Return to Social Security?

**VERY
DIFFICULT!**

- **Even with actuarial assessment of equivalency it would likely be left to courts to determine amounts**
- **The consistent message is extending Social Security to current non-covered employees raises overall cost of retirement plans substantially**

Supplemental Benefit System (SBS)

aka Alaska Supplemental Annuity Plan

- **Created by the State to replace Social Security**
- **Most School Districts and Municipalities did not join SBS**
- **Therefore, large number of Public Employees are without either SS or SBS**

Health Reimbursement Arrangement (HRA)

- **A HRA must be funded solely by an employer per IRS**
- **Not paid through voluntary salary reduction agreement on the part of employee**
- **Employee pays no federal taxes or employment taxes on money put in HRA by employer**
- **Used tax free for qualified medical expenses, not included in employee's income**
- **Unused amounts can be carried forward for years**

SB 28 FISCAL IMPACT

Past service cost is WELL FUNDED!

“Collectively on **PERS** its about **86% funded** and on the **TRS** it is about **92% funded**, so the rating agencies look at that positively.”

SOA Debt Manager Fadil Limani

Monday, February 5, 2024

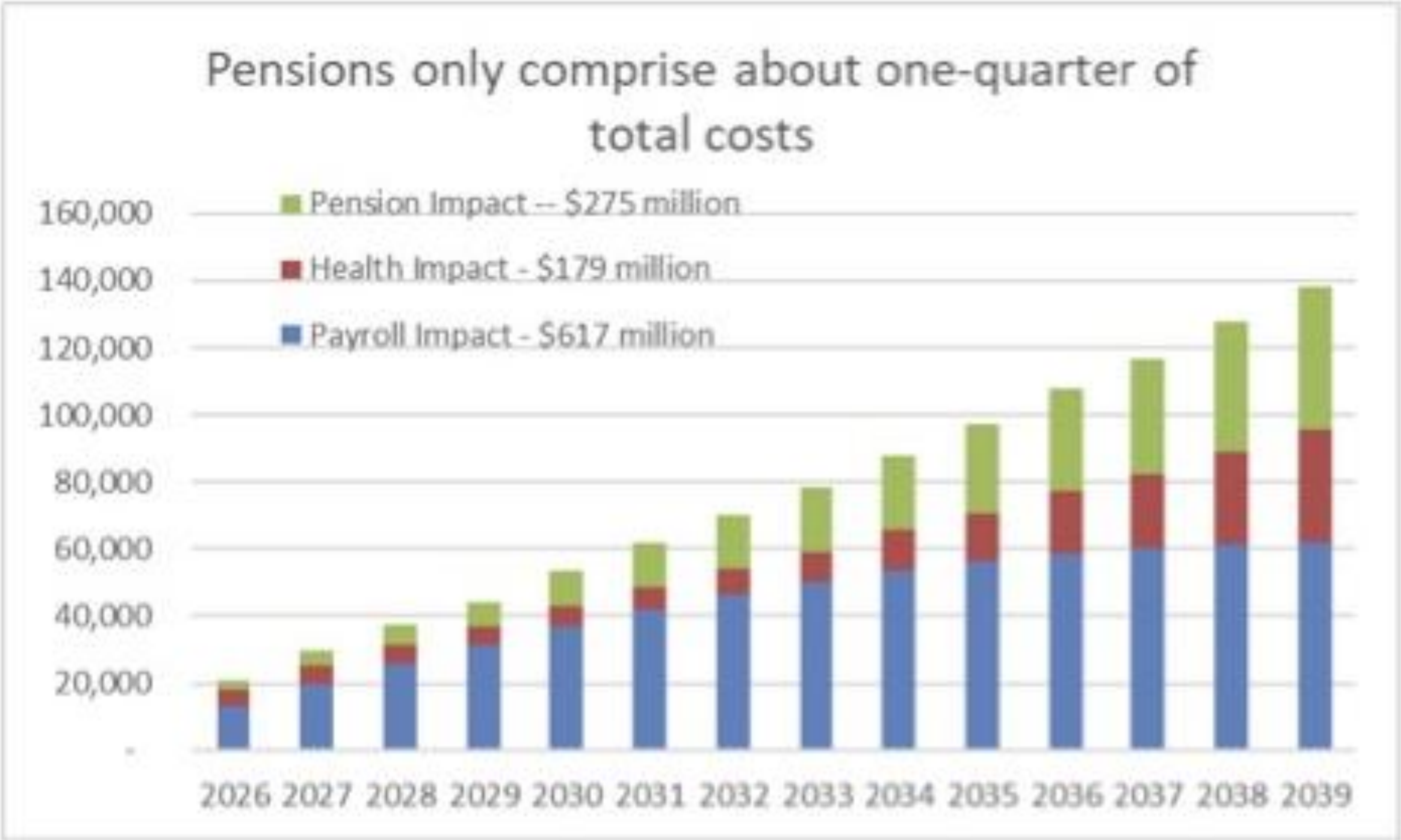
House Finance Committee presentation

“State of Alaska: Credit Rating Outlook and Debt Summary”



Total Cost Through 2039*

SB 88 FISCAL IMPACT



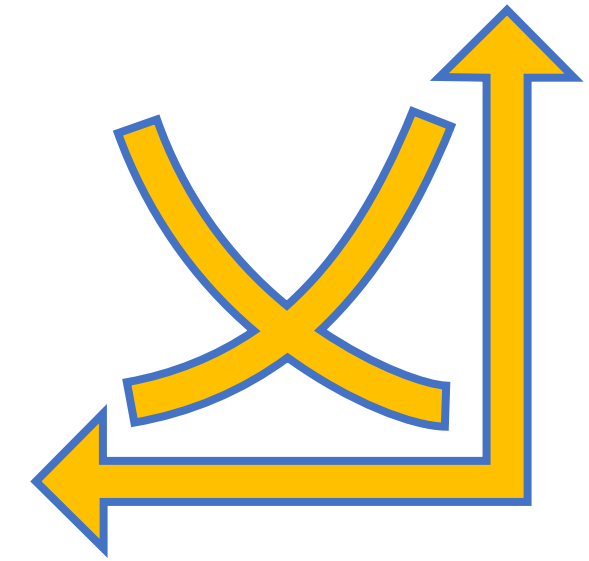
Pension Impact
25%

Health Impact
16%

Payroll Impact
56%

*2039 Projected Date
of Past Service Debt
to be satisfied

The Economic Benefits of SB88

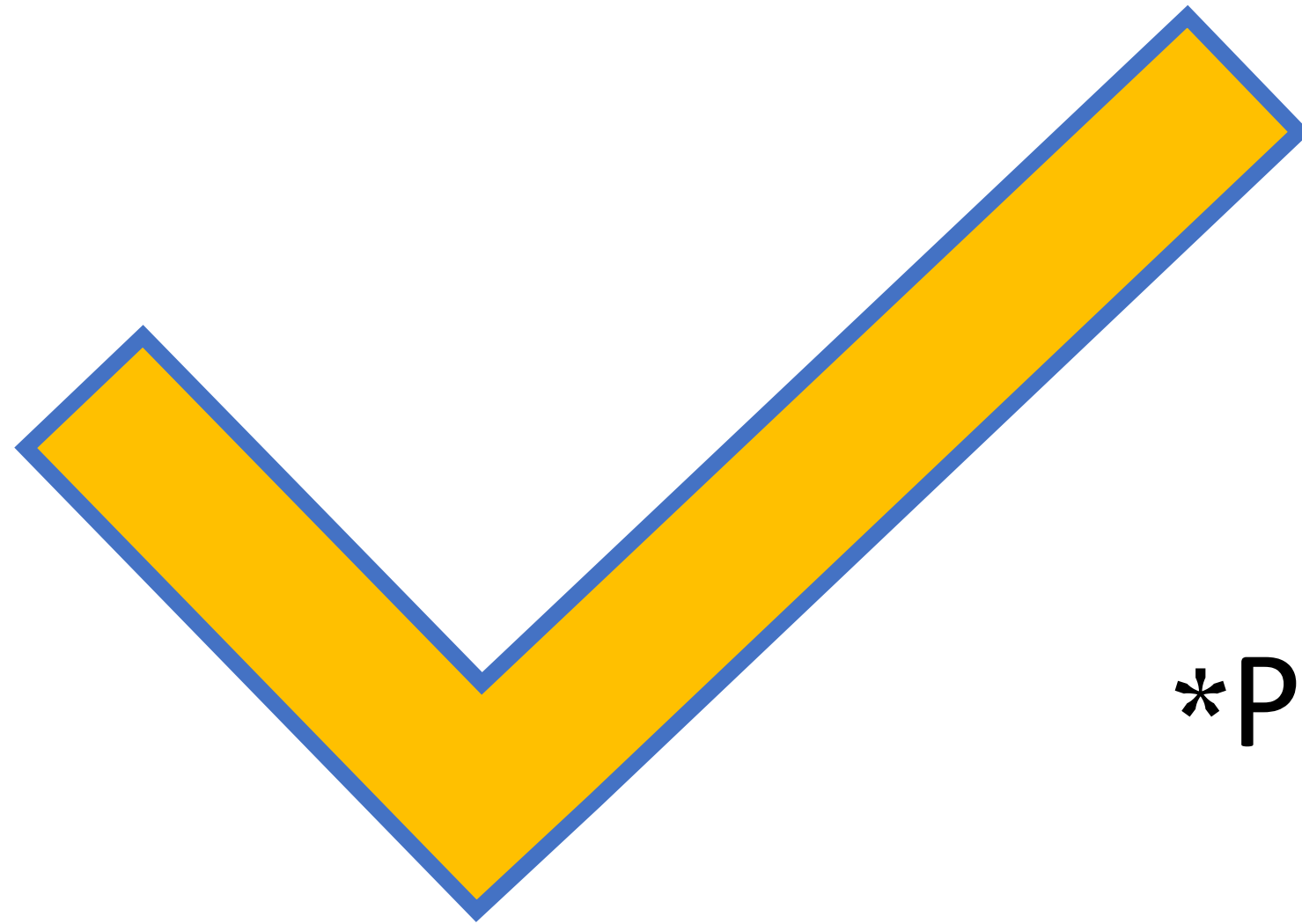


- **\$76 million** per year **savings** reported by Economist, Dr. Teresa Ghilarducci to the Senate Finance Committee
- Recruitment and Retention will improve, **saving in training costs and lost workforce hours**
- Returns Alaska to a **Functioning State Government**

Source:<https://bit.ly/AKGhilarduccireport>

Alaskans overwhelmingly say...

YES!



- *Data For Progress
(Public survey)

- *Patinkin Research Surveys
(Public survey)

- *State of Alaska DPS
(Public Safety survey)

Alaska Voters Support Creating New Retirement Program for State Employees

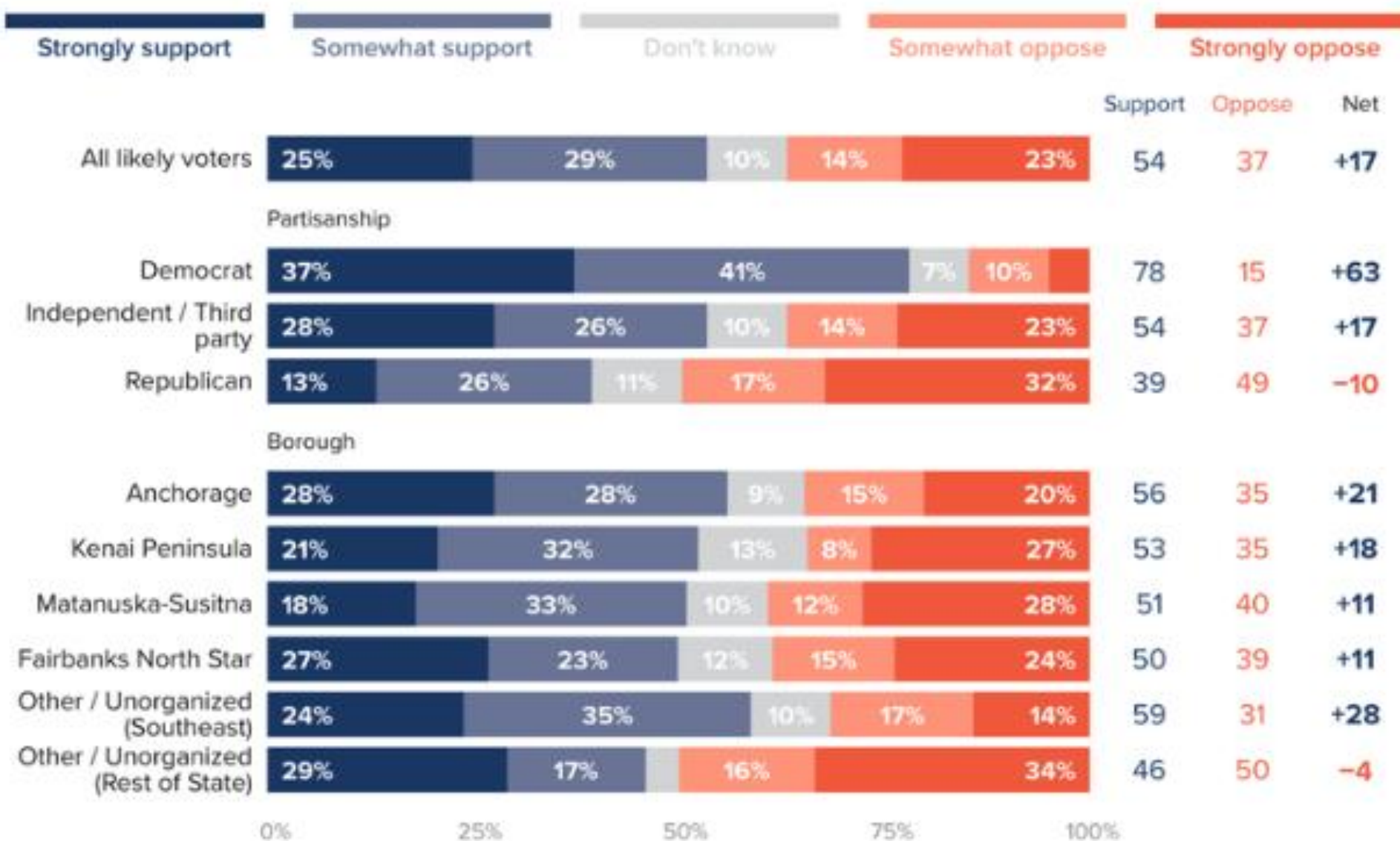
Alaska has not offered a guaranteed pension for new public employees since 2006, replacing it with a 401(k)-like program.

Some lawmakers are proposing creating a new retirement program for state employees, an act that could bring new benefits to as many as 37,000 Alaskans.

Supporters say this would help address worker shortages, particularly among police, teachers, and state agencies, as Alaska is one of only two states without a pension system for new employees.

Opponents point out that past pension costs were underestimated, creating billions in unfunded liabilities. They argue the state cannot afford a new program without risking Permanent Fund dividends and the state budget.

Do you support or oppose this proposal?



Data for Progress

Feb 28-Mar 7, 2025

[Oil Taxes, Rural Subsistence, Public School Funding: These Are a Few of Alaska Voters' Favorite Things](#)

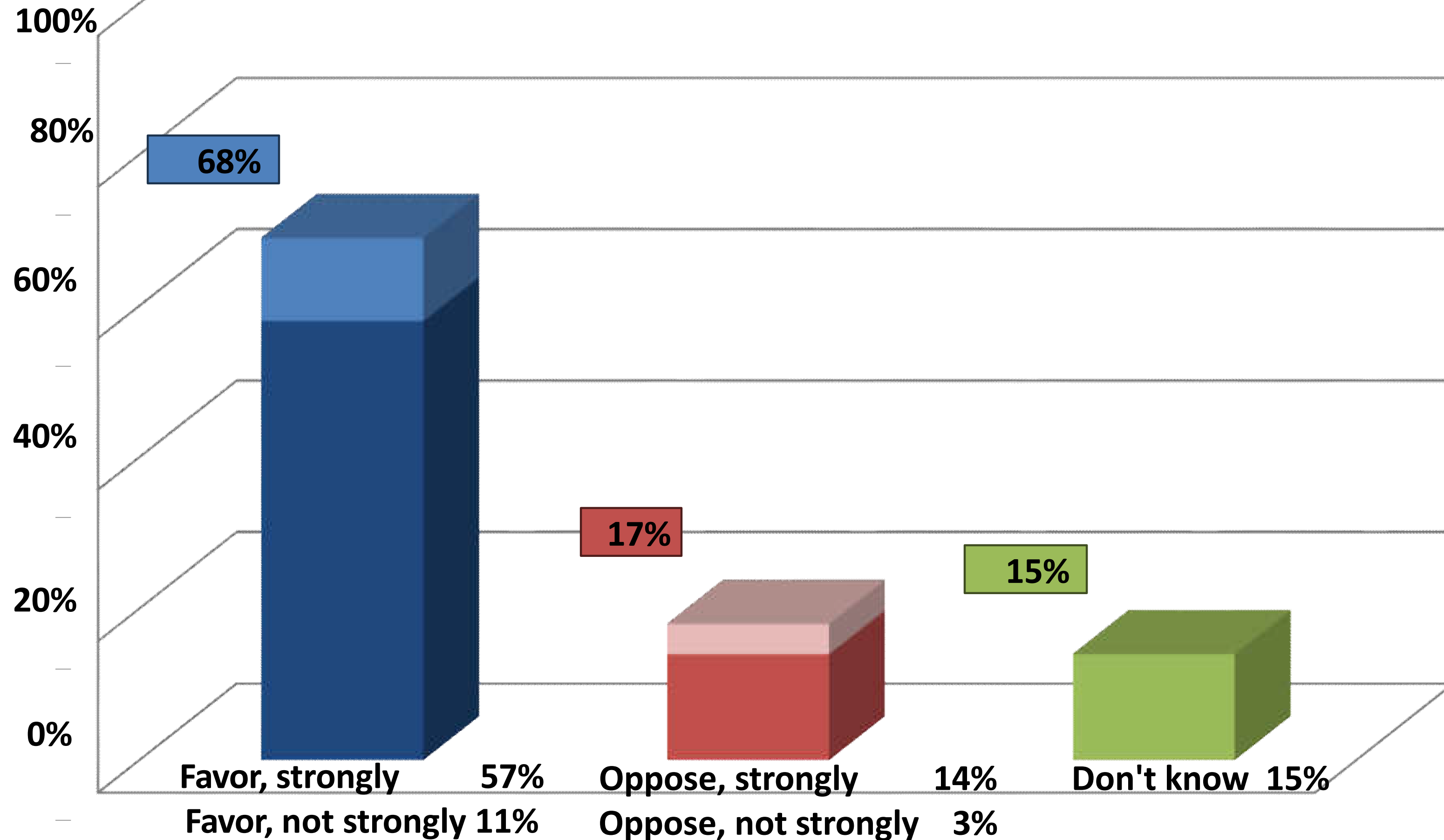


Creating a Modest Pension for Frontline Public Employees

Patinkin Research Surveys,
November 2023

Nearly Seven-in-10 Back Pension Reform After a Brief Explanation of the Plan

*Breakout of samples may
be found in the addendum

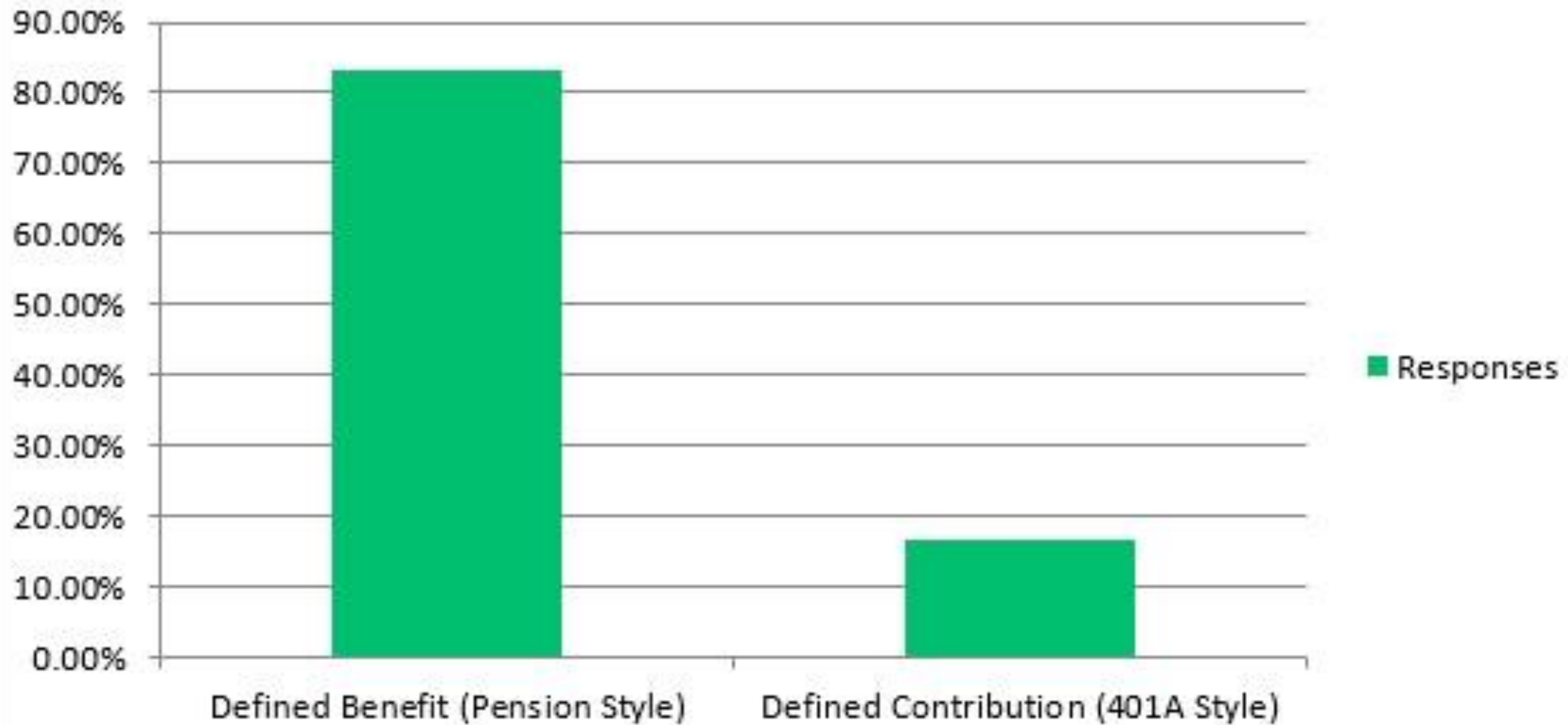




Department of Public Safety Internal Retirement Survey

Release date: March 2024

Which style of retirement system do you prefer?



SB 28 Summary:

Safeguards in place

- **Protect against downside risk**
- **Triggers to increase contributions**
- **Suspend or decrease benefits if needed**
- **Conservative rate of return**

Cost Savings

- **Retain employees**
- **Save recruitment costs**
- **Save onboarding costs**
- **Retain experience & knowledge**

THANK YOU



Questions?

Senator Cathy Giessel

District E

(907) 465-4843

sen.cathy.giessel@akleg.gov



ADDENDUM

- . DB VS DC other working groups**
- . Buck SB88 Analysis**
- . Patinkin Survey Demo Breakout**

PERS - Tier III and Tier IV Comparison

All Other Members

(From Slide# 7)

Hypothetical Salaries			V/S	Actual Salaries as of 2022					
PERS All Other	DB Plan	DC Plan		Actual Plan Data (as of 2/1/2023)					
		(Projected ROR=7%)		Comparable Salaries		All Salaries		RoR >= 7% Projection	
Total Service	A: Salary Replacement Ratio	B: Salary Replacement Ratio		Members	C: Salary Replacement Ratio	Members	D: Salary Replacement Ratio	Members	E: Salary Replacement Ratio
5	9.48%	5.75%		23	5.29%	296	5.27%	48	6.44%
6	11.37%	7.05%		25	6.53%	480	6.22%	53	8.46%
7	13.27%	8.40%		28	7.65%	445	7.39%	56	9.22%
8	15.17%	9.81%		24	9.34%	448	8.73%	59	11.46%
9	17.06%	11.27%		21	9.71%	419	9.91%	56	12.42%
10	18.96%	12.80%		28	11.68%	402	11.06%	56	13.97%
11	21.09%	14.38%		10	13.58%	324	12.84%	47	16.21%
12	23.22%	16.04%		18	13.96%	303	14.25%	55	17.63%
13	25.36%	17.76%		12	16.40%	215	15.80%	42	19.28%
14	27.49%	19.55%		10	16.69%	214	16.65%	27	21.20%
15	29.62%	21.42%		10	19.22%	207	17.96%	20	23.55%
16	31.75%	23.37%		5	20.11%	138	18.67%	8	25.84%
17	33.89%	25.39%		0		10	20.98%	1	25.99%
Total Actual Members:>				214		3,901		528	



Additional details for the analysis are shown in the appendix (Slides 21 and 22)

TRS - Tier II and Tier III Comparison

Teachers

(From Slide# 9)

Hypothetical Salaries			V/S	Actual Salaries as of 2022					
TRS	DB Plan	DC Plan (Projected ROR=7%)		Actual Plan Data (as of 2/1/2023)					
Total Service	A: Salary Replacement Ratio	B: Salary Replacement Ratio		Comparable Salaries		All Salaries		RoR >= 7% Projection	
				Members	C: Salary Replacement Ratio	Members	D: Salary Replacement Ratio	Members	E: Salary Replacement Ratio
5	9.73%	6.64%		2	6.28%	35	5.77%	2	7.44%
6	11.68%	8.13%		14	6.93%	226	6.66%	14	9.22%
7	13.63%	9.69%		28	8.18%	214	7.93%	7	10.92%
8	15.58%	11.31%		21	9.52%	252	9.49%	19	12.45%
9	17.52%	13.00%		18	11.22%	198	10.76%	8	14.21%
10	19.47%	14.76%		25	13.21%	196	12.48%	10	15.91%
11	21.42%	16.60%		22	15.03%	152	14.05%	10	18.12%
12	23.36%	18.51%		15	17.03%	153	15.90%	13	19.58%
13	25.31%	20.49%		8	19.05%	124	17.64%	8	22.46%
14	27.26%	22.56%		16	20.16%	149	19.25%	9	26.26%
15	29.20%	24.72%		15	19.59%	120	19.78%	3	27.09%
16	31.15%	26.96%		19	21.99%	109	21.08%	1	27.36%
17	33.10%	29.30%		12	23.70%	60	22.30%	1	29.89%
Total Actual Members:>				215		1,988		105	



Additional details for the analysis are shown in the appendix (Slides 25 and 26)

Data For Progress

- **Survey Methodology**
- From February 28 to March 7, 2025, Data for Progress conducted a survey of 1,008 likely voters in Alaska using SMS and web panel respondents. The sample was weighted to be representative of likely voters by age, gender, education, race, geography, and recalled vote. The survey was conducted in English. The margin of error associated with the sample size is ± 3 percentage points. Results for subgroups of the sample are subject to increased margins of error. Partisanship reflected in tabulations is based on self-identified party affiliation, not partisan registration. For more information please visit dataforprogress.org/our-methodology.

The pension proposal is extraordinarily popular across all major demographic groups				
	Favor	Oppose	Undecided	Favor Margin
Men	64%	21%	15%	+43
Women	72%	13%	15%	+59
Under age 50	69%	16%	15%	+53
Over age 50	70%	16%	14%	+54
Over age 70	74%	15%	11%	+59
No college	65%	19%	16%	+46
College+	72%	14%	14%	+58
White	66%	17%	17%	+49
Alaskan Native	84%	7%	9%	+77
POC	65%	23%	12%	+42
TOTAL	68%	17%	15%	+51 ⁶²

The proposal garners majorities in every region of the state Mat-Su included				
	Favor	Oppose	Undecided	Favor Margin
Union HHs	83%	8%	9%	+75
Non-union HHs	64%	20%	16%	+44
Interior	76%	3%	21%	+73
Kenai	78%	13%	9%	+65
Southeast	68%	19%	12%	+49
Anchorage	67%	18%	15%	+49
Fairbanks	64%	22%	14%	+42
Mat-Su	60%	21%	20%	+39
TOTAL	68%	17%	15%	+51

