

# ALASKA STATE LEGISLATURE

*Interim – May-December:*  
**1292 Sadler Way Rm. 323**  
**Fairbanks, AK 99701**  
**907-452-1088**



*Session – January-April:*  
**State Capitol Rm 500**  
**Juneau, AK 99801**  
**907-465-3004**

## Representative Will Stapp

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May 7, 2025

### HB 78 Amendment 34-LS0493\N.5

Amendment #5

#### Amendment location

#### Bill location & Description

Page 1, line 1:

#### **SECTION 2**

Deletes all material in the current section 2 of the current bill and replaces it with the language reflected on page 1, lines 3 – 15 of the amendment.

- Allows teachers who opt into the defined benefit plan outlined in this bill to be subject to AS 14.25.009 – 14.25.220.
- Teachers who do not opt-in are not subject to those statutes.

Page 1, line 17:

#### **SECTION 4**

Deletes the word 'reemployed' from page 3, line 22 of the current bill. Section 4 would now show the new subsection added to AS 14.25 to be: "Sec. 14.25.044. Election of defined benefit plan by teachers."

Page 1, line 20:

Deletes all material from page 3, line 25 – 29 of the current bill partially detailing the criteria for a teacher to opt into the defined benefit plan and replaces it with the language reflected on page 1, line 22 – page 2, line 6 of the amendment.

- Allows open enrollment into the defined benefit plan if an individual has not vested in the current defined contribution plan.

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- Page 2, line 10: Adds 'subject to (c) of this section' to subsection (b) which discusses opt in language.
- Page 2, line 14: Specifies that the 180-day timeline to opt-in is for all new and rehired teachers.
- Page 2, line 18: Changes the word 'members' the specify 'teachers'.
- Page 2, line 22: Adds an additional clause to subsection (c) to clarify that newly hired or rehired employed teachers who do not make an election to opt into the defined benefit plan within the 180-day window can still opt into the plan as long as they are not vested in the current defined contribution plan.
- Page 2, line 24: Includes language specifying that subsection (d) applies to new teachers and rehired teachers who were first hired between June 30, 2006 and July 1, 2025 who made the choice to opt into the defined benefits plan.
- SECTION 8**
- Page 3, line 4: Increases the maximum employee contribution from 12% to 14%.
- Page 3, line 8: Replaces the word 'may' with 'shall' thus specifying that the ARM Board SHALL increase member contributions if the defined benefits plan is funded below 90%.
- Page 3, line 12: Removes the language stating that the ARM board could not increase the employees' contributions unless employers' contributions were increased at an equal amount.
- SECTION 10**
- Page 3, line 16: Adds 'except as provided in (j) of this section' to AS 14.25.070(a) detailing employer contributions.
- SECTION 11**
- Page 3, line 19: Clarifies that multiple subsections are added.
- Page 3, line 23: Clarifies different employer contributions, includes reference to subsection (j)
- Page 3, line 29: Adds subsection (j) which states that the employer contribution for non-state employed members who opt into the defined benefit plan shall contribute at a rate that is sufficient to pay the actuarially determined normal cost, the cost of the healthcare reimbursement under AS 39.30.370, and the cost of employer contributions under AS 39.35.750.

Page 4, line 11:	<p><b><u>SECTION 23</u></b></p> <p>Replaces the word ‘may’ with ‘shall’ thus specifying that the ARM Board SHALL reduce Post-Retirement Pension Adjustment (PRPA) if the defined benefits plan is funded below 90%.</p>
Page 4, line 15:	<p><b><u>SECTION 57</u></b></p> <p>Specifies that individuals hired after July 1, 2025, can elect to opt into the new defined benefit plan.</p>
Page 4, line 20:	<p><b><u>SECTION 60</u></b></p> <p>Deletes the word ‘reemployed’ from page 33, line 24 of the current bill. Section 60 would now show that the new subsection added to article 3 of AS 39.35 to be: “Sec 39.35.159. Election of defined benefit retirement plan by employees.”</p>
Page 4, line 23:	Adds new opt-in criteria for the new defined benefit plan of employees rehired or first hired after June 30, 2025.
Page 4, line 29:	Adds ‘or’ to page 33, line 28 of the current bill after ‘2025’
Page 5, line 1:	<p>Deletes all material on Page 33, lines 29 – 31 of the current bill and replaces it with language reflected on page 5, line 3 – line 7 of the amendment.</p> <ul style="list-style-type: none"> <li>- Allows open enrollment into the defined benefit plan if an individual has not vested in the current defined contribution plan.</li> </ul>
Page 5, line 11:	Adds ‘subject to (c) of this section’ to subsection (b) which discusses opt in language.
Page 5, line 15:	Specifies that the 180-day timeline to opt-in is for all new and rehired state employees.
Page 5, line 19:	Adds an additional clause to subsection (c) to clarify that newly hired or rehired employees who do not make an election to opt into the defined benefit plan within the 180-day window can still opt into the plan as long as they are not vested in the current defined contribution plan.
Page 5, line 26:	Includes language specifying that subsection (d) applies to new employees and rehired employees who were first hired between June 30, 2006 and July 1, 2025 who made the choice to opt into the defined benefits plan.

**SECTION 62**

Page 6, line 1: Increases the maximum employee contribution from 12% to 14%.

Page 6, line 5: Replaces the word ‘may’ with ‘shall’ thus specifying that the ARM Board SHALL increase member contributions if the defined benefits plan is funded below 90%.

Page 6, line 9: Removes the language stating that the ARM board could not increase the employees’ contributions unless employers’ contributions were increased at an equal amount.

**SECTION 67**

Page 6, line 13: Adds a reference to subsection (k).

**SECTION 68**

Page 6, line 16: Clarifies that multiple subsections are added.

Page 6, line 20: Clarifies different employer contributions, includes reference to subsection (k)

Page 6, line 26: Adds subsection (k) which states that the employer contribution for non-state employed members who opt into the defined benefit plan shall contribute at a rate that is sufficient to pay the actuarially determined normal cost, the cost of the healthcare reimbursement under AS 39.30.370, and the cost of employer contributions under AS 39.35.750.

**SECTION 76**

Page 7, line 8: Replaces the word ‘may’ with ‘shall’ thus specifying that the ARM Board SHALL reduce Post-Retirement Pension Adjustment (PRPA) if the defined benefits plan is funded below 90%.

**SECTION 93**

Page 7, line 12: Removes the language that repealed the statues allowing any defined benefits teachers or state employees who have not vested in their defined benefits plan to opt into the defined contribution plan.