

Adopted

34-LS0493\N.3
Wayne
4/30/25

AMENDMENT #1

OFFERED IN THE HOUSE

BY REPRESENTATIVE

Josephson

TO: CSHB 78(FIN), Draft Version "N"

1 Page 4, line 9:

2 Delete "member's"

3 Insert "teacher's"

4

5 Page 4, line 24, following "section":

6 Insert "to participate in the plan under AS 14.25.009 - 14.25.220"

7

8 Page 33, line 26, following "employee":

9 Insert "was first hired after June 30, 2006, and before July 1, 2025, and, if not
10 employed by an employer on July 1, 2025, is reemployed by an employer after July 1, 2025,
11 and, before the date of reemployment,"

12

13 Page 33, lines 27 - 31:

14 Delete all material.

15

16 Page 34, line 1:

17 Delete "(A)"

18 Insert "(1)"

19

20 Page 34, line 4:

21 Delete "(B)"

22 Insert "(2)"

23

1 Page 34, line 26, following "section":

2 Insert "to participate in the plan under AS 39.35.095 - 39.35.680"

3

4 Page 51, line 6:

5 Delete ", 14.25.061, 14.25.540; and AS 39.35.940"

6 Insert "and 14.25.061"

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AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE _HANNAN_____

TO: CSHB 78(FIN), Draft Version "N"

1 Page 8, line 10:

2 Delete "may"

3 Insert "shall"

4

5 Page 21, line 31, following "board":

6 Insert ", including a policy to prevent each fund from having an unfunded liability

7 greater than 10 percent"

8

9 Page 23, lines 3 - 4:

10 Delete "determined by a level percent of pay method"

11 Insert "[DETERMINED BY A LEVEL PERCENT OF PAY METHOD]"

12

13 Page 37, line 28:

14 Delete "may"

15 Insert "shall"

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4/30/25

#3

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE _SCHRAGE_____

TO: CSHB 78(FIN), Draft Version "N"

1 Page 15, line 24:

2 Delete "directly"

3

4 Page 15, lines 27 - 28:

5 Delete "the member has been an active member for at least 12 months before
6 application for retirement and"

7

8 Page 20, following line 31:

9 Insert a new bill section to read:

10 "* **Sec. 33.** AS 14.25.470(a) is amended to read:

11 (a) In order to obtain medical benefits under AS 14.25.480, a member must
12 retire [DIRECTLY] from the plan. A member is eligible to retire from the plan if
13 [THE MEMBER HAS BEEN AN ACTIVE MEMBER FOR AT LEAST 12
14 MONTHS BEFORE APPLICATION FOR RETIREMENT AND]

15 (1) the member has at least 25[30] years of service; or

16 (2) the member reaches the normal retirement age and has at least 10
17 years of service."

18

19 Renumber the following bill sections accordingly.

20

21 Page 30, lines 21 - 22:

22 Delete ", except members do not have to retire directly from the system"

23 Insert "[, EXCEPT MEMBERS DO NOT HAVE TO RETIRE DIRECTLY FROM

1 THE SYSTEM]"

2

3 Page 45, line 10:

4 Delete "directly"

5

6 Page 45, lines 13 - 14:

7 Delete "the member has been an active member for at least 12 months before
8 application for retirement and"

9

10 Page 50, following line 12:

11 Insert a new bill section to read:

12 "** **Sec. 90.** AS 39.35.870(a) is amended to read:

13 (a) In order to obtain medical benefits under AS 39.35.880, an active member
14 must retire [DIRECTLY] from the plan. A member is eligible to retire from the plan if
15 [THE MEMBER HAS BEEN AN ACTIVE MEMBER FOR AT LEAST 12
16 MONTHS BEFORE APPLICATION FOR RETIREMENT AND]

17 (1) the member has at least 20 [25] years of membership service as a
18 peace officer or firefighter or at least 25 [30] years of membership service for all other
19 employees; or

20 (2) the member reaches the normal retirement age and has at least 10
21 years of membership service."

22

23 Renumber the following bill sections accordingly.

24

25 Page 52, line 5:

26 Delete "secs. 37 and 38"

27 Insert "secs. 38 and 39"

28

29 Page 52, line 10:

30 Delete "secs. 1 - 36 and 39 - 94"

31 Insert "secs. 1 - 37 and 40 - 96"

1

2 Page 52, line 16:

3 Delete "Section 95"

4 Insert "Section 97"

5

6 Page 52, line 17:

7 Delete "sec. 96"

8 Insert "sec. 98"

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4/30/25

AMENDMENT #4

OFFERED IN THE HOUSE

BY REPRESENTATIVE

Josephson

TO: CSHB 78(FIN), Draft Version "N"

- 1 Page 40, line 2:
- 2 Delete "2008"
- 3 Insert "2025 [2008]"

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AMENDMENT #5

OFFERED IN THE HOUSE

BY REPRESENTATIVE STAPP

TO: CSHB 78(FIN), Draft Version "N"

1 Page 1, line 12, through page 2, line 13:

2 Delete all material and insert:

3 "** Sec. 2. AS 14.25.040(a) is amended to read:

4 (a) A teacher or member who elects under AS 14.25.044(a) to participate
5 in the defined benefit retirement plan and who contracts for service with a
6 participating employer is subject to AS 14.25.009 - 14.25.220 unless the [UNLESS
7 A] teacher or member participates in a university retirement program under
8 AS 14.40.661 - 14.40.799. A teacher or member who does not elect to participate
9 in the defined benefit retirement plan and who contracts for service with a
10 participating employer is not subject to AS 14.25.009 - 14.25.220 if the teacher or
11 member became a member after June 30, 2006, and before July 1, 2025, or has
12 elected under former AS 14.25.540 to participate in the plan established in
13 AS 14.25.310 - 14.25.590 [, A TEACHER OR MEMBER CONTRACTING FOR
14 SERVICE WITH A PARTICIPATING EMPLOYER IS SUBJECT TO AS 14.25.009
15 - 14.25.220]."

16

17 Page 3, line 22:

18 Delete "reemployed"

19

20 Page 3, lines 25 - 29:

21 Delete all material and insert:

22 "(1) is first hired after June 30, 2025;

23 (2) is an active member of the defined contribution plan under

1 Following "section":

2 Insert "to participate in the plan under AS 14.25.009 - 14.25.220"

3

4 Page 8, line 1:

5 Delete "12"

6 Insert "14"

7

8 Page 8, line 10:

9 Delete "may"

10 Insert "shall"

11

12 Page 8, lines 13 - 15:

13 Delete "The board may not increase the member contribution unless the board
14 increases the employer contribution under AS 14.24.070(a)(2) by an equal amount."

15

16 Page 9, line 7, following "employer":

17 Insert "**, except as provided in (j) of this section,**"

18

19 Page 9, line 21:

20 Delete "a new subsection"

21 Insert "new subsections"

22

23 Page 9, line 23:

24 Delete the second occurrence of "contribution"

25 Insert "contributions"

26 Following "(a)":

27 Insert "and (j)"

28

29 Page 9, following line 24:

30 Insert a new subsection to read:

31 "(j) In addition to a contribution an employer may be required to make under

(a) of this section for employees who became members of the system before July 1, 2025, each employer that employs employees who first became members of the plan after June 30, 2025, shall contribute to the system every payroll period an amount calculated by applying a rate established by the board under AS 37.10.220 to the total of all base salaries paid by the employer to active members of the system. The rate must be sufficient to pay the actuarially determined employer normal cost, all contributions required under AS 39.30.370 and AS 39.35.750, and past service costs for members of the system. This subsection does not apply to the state as an employer."

Page 14, line 23:

Delete "may"

Insert "shall"

Page 32, line 27:

Delete "[: AS 39.35.095 - 39.35.680]"

Insert ", who elect under AS 39.35.159 to participate in the retirement plan under

AS 39.35.095 - 39.35.680"

Page 33, line 24:

Delete "reemployed"

Page 33, following line 26:

Insert a new paragraph to read:

"(1) is first hired after June 30, 2025;"

Renumber the following paragraphs accordingly.

Page 33, line 28, following "2025;":

Insert "or"

1 Page 33, lines 29 - 31:

2 Delete all material and insert:

3 "(3) was first hired after June 30, 2006, and before July 1, 2025, and, if
4 not employed by an employer on July 1, 2025, is reemployed by an employer after
5 July 1, 2025, and, before the date of reemployment,

6 (A) is not fully vested in the employer contributions made on
7 the teacher's behalf under AS 39.35.790;"

8

9 Reletter the following subparagraphs accordingly.

10

11 Page 34, line 9:

12 Delete "An"

13 Insert "Subject to (c) of this section, an"

14

15 Page 34, line 10:

16 Delete "reemployment. A reemployed"

17 Insert "employment or reemployment. Unless first hired after June 30, 2025, an"

18

19 Page 34, line 25, following "hire.":

20 Insert "Notwithstanding (b) of this section, an employee who fails within 180 days
21 after employment or reemployment to make an election under (a) of this section to participate
22 in the plan under AS 39.35.095 - 39.35.680 may later make an election under (a) of this
23 section to participate in that plan if the employee is not fully vested in the employer
24 contributions made on the employee's behalf under AS 39.35.790."

25

26 Page 34, line 26:

27 Following "employee":

28 Insert "first hired after June 30, 2006, and before July 1, 2025,"

29 Following "section":

30 Insert "to participate in the plan under AS 39.35.095 - 39.35.680"

31

- 1 Page 37, line 20:
- 2 Delete "12"
- 3 Insert "14"
- 4
- 5 Page 37, line 28:
- 6 Delete "may"
- 7 Insert "shall"
- 8
- 9 Page 37, line 31, through page 38, line 2:
- 10 Delete "The board may not increase the employee contribution unless the board
- 11 increases the employer contribution under AS 39.35.255(a)(2) by an equal amount."
- 12
- 13 Page 39, line 23, following "(h)":
- 14 Insert "and (k)"
- 15
- 16 Page 40, line 14:
- 17 Delete "a new subsection"
- 18 Insert "new subsections"
- 19
- 20 Page 40, line 16:
- 21 Delete the second occurrence of "contribution"
- 22 Insert "contributions"
- 23 Following "(a)":
- 24 Insert "and (k)"
- 25
- 26 Page 40, following line 17:
- 27 Insert a new subsection to read:
- 28 "(k) In addition to a contribution an employer may be required to make under
- 29 (a) of this section for employees who became members of the system before July 1,
- 30 2025, each employer that employs employees who first became members of the plan
- 31 after June 30, 2025, shall contribute to the system every payroll period an amount

1 calculated by applying a rate established by the board under AS 37.10.220 to the total
2 of all base salaries paid by the employer to active members of the system. The rate
3 must be sufficient to pay the actuarially determined employer normal cost, all
4 contributions required under AS 39.30.370 and AS 39.35.750, and past service costs
5 for members of the system. This subsection does not apply to the state as an
6 employer."

7

8 Page 43, line 3:

9 Delete "may"

10 Insert "shall"

11

12 Page 51, line 6:

13 Delete ", 14.25.061, 14.25.540; and AS 39.35.940"

14 Insert "and 14.25.061"

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Wayne
5/4/25

#6

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE BYNUM

TO: CSHB 78(FIN), Draft Version "N"

1 Page 22, line 3, following "AS 39.35":

2 Insert "and annually determine a projected annual rate of return on investments
3 of the state retirement systems, not to exceed the rolling average rate of return for the
4 most recent period of 10 calendar years;"

5

6 Page 23, line 13, following the first occurrence of "assumptions":

7 Insert "and the rolling average rate of return on investments of the state
8 retirement systems for the most recent period of 10 calendar years"

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5/2/25

AMENDMENT #7

OFFERED IN THE HOUSE

BY REPRESENTATIVE STAPP

TO: CSHB 78(FIN), Draft Version "N"

1 Page 28, following line 16:

2 Insert new bill sections to read:

3 **** Sec. 43.** AS 39.30.150(a) is amended to read:

4 (a) In place of contributions to the federal social security system that would
5 have been required on behalf of an employee who first became a member of the
6 defined benefit retirement plan under AS 39.35.009 - 39.35.680 before July 1,
7 2006, had the participating employer belonged to the social security system, the
8 participating employer shall contribute an amount equal to 6.13 percent of the wages
9 of the employee up to the taxable wage base then in effect in the social security
10 system. This contribution shall be paid into an individual employee annuity account in
11 the Department of Administration under the terms of the State of Alaska Supplemental
12 Annuity Plan. The department shall pay 6.13 percent of the wages of the employee up
13 to the taxable wage base then in effect in the social security system into the individual
14 employee annuity account established under this subsection. This wage reduction shall
15 be treated as an employer contribution under 26 U.S.C. 414(h)(2). All costs of
16 establishing and administering the programs established under AS 39.30.150 -
17 39.30.180 shall be paid from the contributions made to the individual employee
18 annuity accounts under this section.

19 *** Sec. 44.** AS 39.30.150(c) is amended to read:

20 (c) An employee who first became a member of the defined benefit
21 retirement plan under AS 39.35.009 - 39.35.680 before July 1, 2006, may
22 voluntarily elect additional wage reductions to be paid into special individual
23 employee benefit accounts in the Department of Administration. Money in these

1 accounts may only be used to purchase benefits selected by the employee under the
2 supplemental benefits plan established by the administrator."

3

4 Renumber the following bill sections accordingly.

5

6 Page 52, following line 1:

7 Insert a new subsection to read:

8 "(c) Notwithstanding AS 39.30.150(a) and (c), an employee who makes an election
9 under (b) of this section may not contribute to, or receive a benefit from, the supplemental
10 benefits system under AS 39.30.150 - 39.35.180."

11

12 Page 52, line 10:

13 Delete "39 - 94"

14 Insert " 39 - 96"

15

16 Page 52, line 16:

17 Delete "Section 95"

18 Insert "Section 97"

19

20 Page 52, line 17:

21 Delete "sec. 96"

22 Insert "sec. 98"