



ALASKA STATE LEGISLATURE

HOUSE FINANCE COMMITTEE



Rep. Andy Josephson
State Capitol, Room 505
(907) 465-4939

Rep.Andy.Josephson@akleg.gov

Rep. Calvin Schrage
State Capitol, Room 410
(907) 465-4931

Rep.Calvin.Schrage@akleg.gov

Rep. Neal Foster
State Capitol, Room 511
(907) 465-3789

Rep.Neal.Foster@akleg.gov

HOUSE BILL 78

Retirement Systems; Defined Benefit Opt.

SPONSOR STATEMENT

HB 78 would provide a competitive retirement plan in Alaska critical to addressing the state's ongoing workforce recruitment and retention challenges. A new shared-risk defined benefit plan will be a powerful tool in attracting and retaining skilled workers. HB 78 offers a level of financial security that the current defined contribution retirement system is unable to meet.

According to the Alaska Department of Labor and Workforce Development, between 2013 and 2024, approximately 47,000 more residents left Alaska than arrived, citing high living costs, insufficient benefits, and limited job opportunities as key factors.

Competitive and responsible retirement plans offer a clear recruitment advantage. They make public-sector jobs more attractive by providing long-term financial stability, helping to offset Alaska's geographic isolation and high cost of living. HB 78 would signal that Alaska values and invests in its workforce, giving professionals a compelling reason to work and stay in the state.

Public employee retention is equally critical. High turnover disrupts essential services and imposes significant costs for recruitment and training. A pension fosters loyalty by guaranteeing predictable, secure retirement income, reducing the likelihood that employees will leave for better opportunities elsewhere. This is particularly important in public safety, education, and other high trust positions, where vacancies and burnout are common and damaging to morale and effective service delivery.

HB 78 proposes a shared-risk pension that is completely different from the pre-2006 pension system which placed all the risk on the employer. This plan will be more cost-effective and less risk prone than individual savings plans due to pooled resources and professional management. The reduction in turnover facilitated by HB 78 will lower recruitment and training costs while preserving institutional knowledge and service quality.

HB 78 is a strategic investment in Alaska's workforce, economy, and future. It provides a competitive retirement security plan that will build a stable, thriving public workforce and contribute to making Alaska an attractive, orderly, and safe place to live.