ALASKA STATE LEGISLATURE

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SENATOR JAMES KAUFMAN

Sectional Analysis for SB 198 – Bill Version N

"An Act relating to the teachers' defined contribution retirement plan; relating to the public employees' defined contribution retirement plan; and providing for an effective date."

Section 1:
Amends the eligibility requirements for retired **defined contribution teachers** to access the Retiree Major Medical Insurance Plan (RMMIP) and the Health Reimbursement Arrangement (HRA) in the following ways:

1. Removes the requirement that they retire directly into their retirement health benefits after working at least the preceding 12 months.
2. Reduces the years of service required to qualify for benefits to 25 years (from 30 years).

Note that if a teacher reaches retirement age after serving 10 years, they still must retire directly into the plan after working the preceding 12 months.

Section 2:
Amends the HRA account procedures so that defined contribution teachers and public employees who return to state service before they turn 65 will have the equivalent of yearly interest as set by the ARM board (instead of inflation) credited to their existing HRA account.

Section 3:
Amends the eligibility requirements for retired **defined contribution public employees** to access the Retiree Major Medical Insurance Plan (RMMIP) and the Health Reimbursement Arrangement (HRA) in the following ways:

1. Removes the requirement that they retire directly into their retirement health benefits after working at least the preceding 12 months.
2. **Peace officers and firefighters:** Reduces the years of service required to qualify for benefits to 20 years (from 25 years).
3. **All other public employees:** Reduces the years of service required to qualify for benefits to 25 years (from 30 years).

Note that if a peace officer or public employee reaches retirement age after serving 10 years, they still must retire directly into the plan after working the preceding 12 months.

Section 4: Sets a July 1, 2026, effective date.

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