

HB 286 Sectional Analysis

Department of Administration

Section 1: Amends Teachers' Retirement System statute AS 14.25.195 to add new subsections.

Subsection (b) provides that in the event a member dies while performing qualified military service, the survivors can have access to additional benefits that would have been provided had the member resumed employment and then terminated on account of death. Benefits include accelerated vesting, ancillary life insurance benefits, and benefits that are contingent on the member being actually employed at the time of death (does not include duplicative credited service accrual).

Subsection (c) provides that differential wage payments (these are payments that some employers pay for employees called to military service—they are the difference between what the military pays, and what the employer paid) shall be treated as compensation (not benefits) for purposes of retirement plan qualification. This statute pertains to the TRS defined benefit plan.

Section 2: Amends TRS statute AS 14.25.582 to add the same subsections as section 1. This statute pertains to the TRS defined contribution plan.

Section 3: Amends AS 18.55.470(4) to also include a veteran having served between August 2, 1990, and January 2, 1992; September 11, 2001 and ending on the day prescribed by presidential proclamation or by law as the last date of Operation Iraqi Freedom; or any of the time periods listed in federal code 5 U.S.C. 2108(1). This will bring the Alaska Statute referring to the “veterans” definition into alignment with the federal definition.

Section 4: Amends Judicial Retirement System statute AS 22.25.110 to add the same subsections as section 1. JRS is only a defined benefit plan.

Section 5: Amends AS 26.15.130(a) relating to eligibility for veterans' loans in the Department of Commerce, Community, and Economic Development.

Section 6: Amends AS 26.15.160 extending the chapter to members of the United States Armed forces, removing references to specific conflicts, and updating qualifying dates of service.

Section 7: Amends AS 39.25.159(f)(5) to include the more recent range of service dates, including the 1991 Gulf War and Operation Iraqi Freedom, and incorporate by reference the corresponding federal statute related to veterans' preferences (5 U.S.C. 2108) so that the state statutes will not need further updating when future service dates arise.

Section 8: Amends Public Employees Retirement System statute 39.35.677 to add the same subsections as section 1.

Section 9: Amends PERS statute AS 39.35.972 to add the same subsections as section 2. This statute pertains to the PERS defined contribution plan.

Section 10: This section provides for retroactive effect of the HEART Act sections of the bill (1, 2, 4, 8, 9). The sections that pertain to providing survivor access to benefits had the employee resumed service are retroactive to January 1, 2007 [AS 14.25.195 (b), AS 14.42.582 (b), AS 22.25.110 (b), AS 39.35.677 (b), and AS 39.35.972 (b)]. The sections that pertain to the impact of differential wage payments on plan qualification are retroactive to January 1, 2009 [AS 14.25.195 (c), AS 14.25.582 (c), AS 22.25.110 (c), AS 39.35.677(c) and AS 39.35.972 (c)].