

**From:** [Bart Meinhardt](#)  
**To:** [Rep. Chuck Kopp](#)  
**Subject:** House Bill 79  
**Date:** Tuesday, May 7, 2019 4:21:49 PM

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Dear Representative Kopp,

First and foremost, thank you for all your hard work and support in getting House Bill 79 this far!

My name is Bart Meinhardt. I live in Anchorage with my wife Evaleen and we have raised 3 children here. I've been a fire inspector with the Anchorage Fire Department 2007 to 2010 and 2016 to present.

I'm writing to you today to express my grave concern about the inadequacies of the current Tier IV retirement system that all Public Safety employees, hired since 2007, are members of. The Tier IV plan is incredibly flawed. As a result, recruitment and retention of Public Safety Employees is down. House Bill 79 goes a long way towards fixing that. Unfortunately members of Tier IV are provided absolutely no financial security for their retirement futures. The current 401K program does little for retirement possibilities in the future, as with the Tier IV Police and Fire retirement program an employee has to contribute 8% and it is only matched with 5% of an employee's wage. Based on my current wage I contribute \$318.34 per pay check to my retirement and the Municipality of Anchorage contributes \$198.96 per pay check directly to the 401K retirement. What no one is talking about is that the Municipality of Anchorage has to pay verses what an employee receives. See the following:

- \$875.42 per pay check to the State of Alaska retirement system
  - o \$198.96 goes to the employee 401K account (5%)
  - o \$39.39 goes to Health Plan (0.99%)
  - o \$119.38 estimate to a HRA (3% of all employees)
  - o \$52.92 goes to occupational death and disability

Total deductions of \$410.65 every 2 weeks from the \$875.42 paid by the MOA to the State of Alaska, so where does the remaining \$464.77 go every 2 weeks or \$12,084.02 annually? It appears that Tier 4 personnel are paying for the Tier 1, 2 and 3 retirement system or the administrative cost is approximately 112% of what the Municipality of Anchorage puts into the program.

Additionally Anchorage Fire Department employees do not pay into Social Security Program as a Tier IV 20 year police and fire employee. With this anyone that does not have their Social Security 40 quarter completed have no or limited Social Security benefits at retirement. Thus resulting in no stable projected retirement income for employees who WILL NOT have enough to live on and provide for their families in retirement. As a result, there is a high likelihood that I and others will eventually seek positions with other departments outside the State of Alaska. There are many fire departments in the Northwest that regularly offer "laterals" from one department to another. And many of them are still offering a defined benefit retirement plan.

Since 2007 the State of Alaska and local municipalities have been losing highly trained people to these lateral transfers at an alarming rate and it will only increase unless Tier IV is replaced with something that can offer some financial security. HB 79 is a good start towards correcting that in a practical way which is good for both the State of Alaska as well as the hard

working people who serve it.

Please continue to support House Bill 79 and encourage your colleagues on the House Finance Committee to do the same. The cost to the State of Alaska in supporting this bill will be far less than if we do nothing at all.

Sincerely,

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