

SENATE BILL NO. 293

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY SENATOR ELTON

Introduced: 2/14/06

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the teachers' and public employees' retirement systems and creating**
2 **defined contribution and health reimbursement plans for members of the teachers'**
3 **retirement system and the public employees' retirement system who are first hired after**
4 **July 1, 2008; providing for an effective date by amending the effective date section of**
5 **sec. 148, ch. 9, FSSLA 2005; and providing for an effective date."**

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1.** AS 14.25.009 is amended to read:

8 **Sec. 14.25.009. Applicability of AS 14.25.009 - 14.25.220.** The provisions of
9 AS 14.25.009 - 14.25.220 apply only to members first hired before July 1, **2008**
10 [2006].

11 * **Sec. 2.** AS 14.25.012(c) is amended to read:

12 (c) Employees first hired after June 30, **2008** [2006], are not eligible to
13 participate in the plan established in AS 14.25.009 - 14.25.220.

1 * **Sec. 3.** AS 14.25.310 is amended to read:

2 **Sec. 14.25.310. Applicability of AS 14.25.310 - 14.25.590.** The provisions of
3 AS 14.25.310 - 14.25.590 apply only to teachers who first become members on or
4 after July 1, **2008** [2006], or to members who transfer into the defined contribution
5 plan under AS 14.25.540.

6 * **Sec. 4.** AS 14.25.320(b) is amended to read:

7 (b) The defined contribution retirement plan includes a plan in which savings
8 are accumulated in an individual account for the exclusive benefit of the member or
9 beneficiaries. The plan is established effective July 1, **2008** [2006], at which time
10 contributions by employers and members begin.

11 * **Sec. 5.** AS 14.25.330(a) is amended to read:

12 **Sec. 14.25.330. Membership.** (a) A teacher who first becomes a member on or
13 after July 1, **2008** [2006], shall participate in the plan as a member of the defined
14 contribution retirement plan.

15 * **Sec. 6.** AS 39.30.300 is amended to read:

16 **Sec. 39.30.300. State of Alaska Teachers' and Public Employees' Retiree**
17 **Health Reimbursement Arrangement Plan established.** The State of Alaska
18 Teachers' and Public Employees' Retiree Health Reimbursement Arrangement Plan is
19 established for teachers who first become members of the defined contribution plan of
20 the teachers' retirement system under AS 14.25.310 - 14.25.590 on or after July 1,
21 **2008** [2006], and employees of the state, political subdivisions of the state, and public
22 organizations of the state who first become members of the defined contribution plan
23 of the public employees' retirement system under AS 39.35.700 - 39.35.990 on or after
24 July 1, **2008** [2006].

25 * **Sec. 7.** AS 39.30.310(b) is amended to read:

26 (b) The plan becomes effective July 1, **2008** [2006], at which time
27 contributions by employers begin.

28 * **Sec. 8.** AS 39.35.095 is amended to read:

29 **Sec. 39.35.095. Applicability of AS 39.35.095 - 39.35.680.** The following
30 provisions of this chapter apply only to members first hired before July 1, **2008**
31 [2006]: AS 39.35.095 - 39.35.680.

1 * **Sec. 9.** AS 39.35.700 is amended to read:

2 **Sec. 39.35.700. Applicability of AS 39.35.700 - 39.35.990.** The provisions of
3 AS 39.35.700 - 39.35.990 apply only to members first hired on or after July 1, **2008**
4 [2006], or to members who transfer into the defined contribution plan under
5 AS 39.35.940.

6 * **Sec. 10.** AS 39.35.710(b) is amended to read:

7 (b) The defined contribution retirement plan is a plan in which savings are
8 accumulated in an individual retirement account for the exclusive benefit of the
9 member or beneficiaries. The plan is established effective July 1, **2008** [2006], at
10 which time contributions by employers and members begin.

11 * **Sec. 11.** AS 39.35.720 is amended to read:

12 **Sec. 39.35.720. Membership.** An employee who becomes a member on or
13 after July 1, **2008** [2006], shall participate in the plan set out in AS 39.35.700 -
14 39.35.990.

15 * **Sec. 12.** AS 39.35.750(c) is amended to read:

16 (c) Notwithstanding (b) of this section, the employer contribution for retiree
17 major medical insurance for fiscal year **2009** [2007] shall be 1.75 percent of each
18 member's compensation from July 1 to the following June 30.

19 ***Sec. 11.** Section 148, ch. 9, FSSLA 2005, is amended to read:

20 Sec. 148. Sections 2, 8, 35, 40, 46, 61, 69, 80, 82, 122, and 134 of this Act take
21 effect July 1, **2008** [2006].

22 * **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to
23 read:

24 **CONDITIONAL RETROACTIVITY.** If secs. 1 - 13 of this Act take effect after
25 July 1, 2006, secs. 1 - 13 of this Act are retroactive to July 1, 2006.

26 * **Sec. 14.** This Act takes effect immediately under AS 01.10.070(c).