

SENATE BILL NO. 183

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY SENATORS ELTON, McGuire, Ellis, Wielechowski

Introduced: 5/16/07

Referred: Labor and Commerce, State Affairs, Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act repealing the defined contribution retirement plans for teachers and for public**
2 **employees; making conforming amendments; and providing for an effective date."**

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

4 *** Section 1.** AS 14.25.008 is repealed and reenacted to read:

5 **Sec. 14.25.008. Definitions.** In AS 14.25.001 - 14.25.008,

6 (1) "plan" means a retirement plan established under AS 14.25.009 -
7 14.25.220;

8 (2) "system" means the Teachers' Retirement System of Alaska.

9 *** Sec. 2.** AS 14.25.009 is repealed and reenacted to read:

10 **Sec. 14.25.009. Defined benefit retirement plan under AS 14.25.009 -**
11 **14.25.220.** AS 14.25.009 - 14.25.220 set out a defined benefit retirement plan as the
12 teachers' retirement plan.

13 *** Sec. 3.** AS 14.25.040(a) is amended to read:

14 (a) Unless a teacher or member participates in a university retirement program

1 under AS 14.40.661 - 14.40.799, has filed an election under AS 14.25.043(b), or has
 2 elected under **former** AS 14.25.540 to participate in the plan established in **former**
 3 AS 14.25.310 - 14.25.590, a teacher or member contracting for service with a
 4 participating employer is subject to AS 14.25.009 - 14.25.220.

5 * **Sec. 4.** AS 14.25.143(a), as that subsection read following amendment by sec. 3, ch. 146,
 6 SLA 1980, until amended by sec. 12, ch. 106, SLA 1988, as amended by sec. 18, ch. 9,
 7 FSSLA 2005, is amended to read:

8 (a) When the administrator determines that the cost of living has increased and
 9 that the financial condition of the retirement fund permits, the administrator shall
 10 increase benefit payments to persons receiving benefits under this plan. [FOR
 11 PURPOSES OF THIS SUBSECTION, THE FINANCIAL CONDITION OF THE
 12 FUND WOULD ONLY PERMIT AN INCREASE IN BENEFITS WHEN THE
 13 RATIO OF TOTAL FUND ASSETS TO THE ACCRUED LIABILITY MEETS OR
 14 EXCEEDS 105 PERCENT. IN THIS SUBSECTION, "ACCRUED LIABILITY"
 15 MEANS THE PRESENT VALUE OF ALL MEMBER BENEFITS ACCRUED BY
 16 MEMBER SERVICE IN THIS PLAN.]

17 * **Sec. 5.** AS 14.25.143(a), as that subsection read following amendment by sec. 12, ch. 106,
 18 SLA 1988, until amended by sec. 12, ch. 97, SLA 1990, as amended by sec. 19, ch. 9, FSSLA
 19 2005, is amended to read:

20 (a) When the administrator determines that the cost of living has increased and
 21 that the financial condition of the retirement fund permits, the administrator shall
 22 increase benefit payments to persons receiving benefits under this plan. [FOR
 23 PURPOSES OF THIS SUBSECTION, THE FINANCIAL CONDITION OF THE
 24 FUND WOULD ONLY PERMIT AN INCREASE IN BENEFITS WHEN THE
 25 RATIO OF TOTAL FUND ASSETS TO THE ACCRUED LIABILITY MEETS OR
 26 EXCEEDS 105 PERCENT. IN THIS SUBSECTION, "ACCRUED LIABILITY"
 27 MEANS THE PRESENT VALUE OF ALL MEMBER BENEFITS ACCRUED BY
 28 MEMBER SERVICE IN THIS PLAN.]

29 * **Sec. 6.** AS 14.25.220(1) is amended to read:

30 (1) "active member" means a member who is employed by an
 31 employer, is receiving compensation on a full-time or part-time basis and is making

1 contributions to the plan, or a member making contributions under **former**
 2 AS 14.20.330 or 14.20.345;

3 * **Sec. 7.** AS 14.40.671(e) is amended to read:

4 (e) An employee whose rights to transfer assets out of a state retirement
 5 system are subject to a qualified domestic relations order is entitled to transfer assets
 6 from the state retirement system to a university retirement program only if the
 7 requirements for receiving a refund under AS 14.25.150(b), **former AS 14.25.360**
 8 [14.25.360], AS 39.35.200(c), or **former AS 39.35.760** [39.35.760], as appropriate,
 9 are met.

10 * **Sec. 8.** AS 14.40.799(3) is amended to read:

11 (3) "contribution account" means the member contribution account
 12 under AS 14.25.009 - 14.25.220, the individual account under **former** AS 14.25.310 -
 13 14.25.590, the employee contribution account under AS 39.35.095 - 39.35.680, or the
 14 individual account under **former** AS 39.35.700 - 39.35.990, whichever is appropriate;

15 * **Sec. 9.** AS 37.10.220(a) is amended to read:

16 (a) The board shall

17 (1) hold regular and special meetings at the call of the chair or of at
 18 least five members; meetings are open to the public, and the board shall keep a full
 19 record of all its proceedings;

20 (2) after reviewing recommendations from the Department of
 21 Revenue, adopt investment policies for each of the funds entrusted to the board;

22 (3) determine the appropriate investment objectives for the defined
 23 benefit plans established under the teachers' retirement system under AS 14.25 and the
 24 public employees' retirement system under AS 39.35;

25 (4) assist in prescribing the policies for the proper operation of the
 26 systems and take other actions necessary to carry out the intent and purpose of the
 27 systems in accordance with AS 37.10.210 - 37.10.390;

28 (5) provide a range of investment options and establish the rules by
 29 which participants can direct their investments among those options with respect to
 30 accounts established under

31 (A) **former** AS 14.25.340 - 14.25.350 (teachers' retirement

1 system defined contribution individual accounts);

2 (B) AS 39.30.150 - 39.30.180 (State of Alaska Supplementary
3 Annuity Plan);

4 (C) **former** AS 39.35.730 - 39.35.750 (public employees'
5 retirement system defined contribution individual accounts); and

6 (D) AS 39.45.010 - 39.45.060 (public employees' deferred
7 compensation program);

8 (6) establish the rate of interest that shall be annually credited to each
9 member's individual contribution account in accordance with AS 14.25.145 and
10 AS 39.35.100 and the rate of interest that shall be annually credited to each member's
11 account in the health reimbursement arrangement plan under AS 39.30.300 -
12 39.30.495; the rate of interest shall be adopted on the basis of the probable effective
13 rate of interest on a long-term basis, and the rate may be changed from time to time;

14 (7) adopt a contribution surcharge as necessary under AS 39.35.160(c);

15 (8) coordinate with the retirement system administrator to have an
16 annual actuarial valuation of each retirement system prepared to determine system
17 assets, accrued liabilities, and funding ratios and to certify to the appropriate
18 budgetary authority of each employer in the system

19 (A) an appropriate contribution rate for normal costs; and

20 (B) an appropriate contribution rate for liquidating any past
21 service liability;

22 (9) review actuarial assumptions prepared and certified by a member
23 of the American Academy of Actuaries and conduct experience analyses of the
24 retirement systems not less than once every four years, except for health cost
25 assumptions, which shall be reviewed annually; the results of all actuarial assumptions
26 prepared under this paragraph shall be reviewed and certified by a second member of
27 the American Academy of Actuaries before presentation to the board;

28 (10) contract for an independent audit of the state's actuary not less
29 than once every four years;

30 (11) contract for an independent audit of the state's performance
31 consultant not less than once every four years;

1 (12) obtain an external performance review to evaluate the investment
 2 policies of each fund entrusted to the board and report the results of the review to the
 3 appropriate fund fiduciary;

4 (13) by the first day of each regular legislative session, report to the
 5 governor, the legislature, and the individual employers participating in the state's
 6 retirement systems on the financial condition of the systems in regard to

7 (A) the valuation of trust fund assets and liabilities;

8 (B) current investment policies adopted by the board;

9 (C) a summary of assets held in trust listed by the categories of
 10 investment;

11 (D) the income and expenditures for the previous fiscal year;

12 (E) the return projections for the next calendar year;

13 (F) one-year, three-year, five-year, and 10-year investment
 14 performance for each of the funds entrusted to the board; and

15 (G) other statistical data necessary for a proper understanding
 16 of the financial status of the systems;

17 (14) submit quarterly updates of the investment performance reports to
 18 the Legislative Budget and Audit Committee; and

19 (15) develop an annual operating budget.

20 * **Sec. 10.** AS 37.10.390(4) is amended to read:

21 (4) "retirement systems" or "systems" means the teachers' retirement
 22 system, the judicial retirement system, the Alaska National Guard and Alaska Naval
 23 Militia retirement system, the public employees' retirement system, the **former** State
 24 of Alaska Teachers' and Public Employees' Retiree Health Reimbursement
 25 Arrangement Plan, and the elected public officers' retirement system under former
 26 AS 39.37.

27 * **Sec. 11.** AS 39.30.090(a) is amended to read:

28 (a) The Department of Administration may obtain a policy or policies of group
 29 insurance covering state employees, persons entitled to coverage under AS 14.25.168,
 30 **former AS 14.25.480** [14.25.480], AS 22.25.090, AS 39.35.535, **former**
 31 **AS 39.35.880** [39.35.880], or former AS 39.37.145, employees of other participating

1 governmental units, or persons entitled to coverage under AS 23.15.136, subject to the
2 following conditions:

3 (1) A group insurance policy shall provide one or more of the
4 following benefits: life insurance, accidental death and dismemberment insurance,
5 weekly indemnity insurance, hospital expense insurance, surgical expense insurance,
6 dental expense insurance, audiovisual insurance, or other medical care insurance.

7 (2) Each eligible employee of the state, the spouse and the unmarried
8 children chiefly dependent on the eligible employee for support, and each eligible
9 employee of another participating governmental unit shall be covered by the group
10 policy, unless exempt under regulations adopted by the commissioner of
11 administration.

12 (3) A governmental unit may participate under a group policy if

13 (A) its governing body adopts a resolution authorizing
14 participation, and payment of required premiums;

15 (B) a certified copy of the resolution is filed with the
16 Department of Administration; and

17 (C) the commissioner of administration approves the
18 participation in writing.

19 (4) In procuring a policy of group health or group life insurance as
20 provided under this section or excess loss insurance as provided in AS 39.30.091, the
21 Department of Administration shall comply with the dual choice requirements of
22 AS 21.86.310, and shall obtain the insurance policy from an insurer authorized to
23 transact business in the state under AS 21.09, a hospital or medical service corporation
24 authorized to transact business in this state under AS 21.87, or a health maintenance
25 organization authorized to operate in this state under AS 21.86. An excess loss
26 insurance policy may be obtained from a life or health insurer authorized to transact
27 business in this state under AS 21.09 or from a hospital or medical service corporation
28 authorized to transact business in this state under AS 21.87.

29 (5) The Department of Administration shall make available bid
30 specifications for desired insurance benefits or for administration of benefit claims and
31 payments to (A) all insurance carriers authorized to transact business in this state

1 under AS 21.09 and all hospital or medical service corporations authorized to transact
2 business under AS 21.87 who are qualified to provide the desired benefits; and (B) to
3 insurance carriers authorized to transact business in this state under AS 21.09, hospital
4 or medical service corporations authorized to transact business under AS 21.87, and
5 third-party administrators licensed to transact business in this state and qualified to
6 provide administrative services. The specifications shall be made available at least
7 once every five years. The lowest responsible bid submitted by an insurance carrier,
8 hospital or medical service corporation, or third-party administrator with adequate
9 servicing facilities shall govern selection of a carrier, hospital or medical service
10 corporation, or third-party administrator under this section or the selection of an
11 insurance carrier or a hospital or medical service corporation to provide excess loss
12 insurance as provided in AS 39.30.091.

13 (6) If the aggregate of dividends payable under the group insurance
14 policy exceeds the governmental unit's share of the premium, the excess shall be
15 applied by the governmental unit for the sole benefit of the employees.

16 (7) A person receiving benefits under AS 14.25.110, AS 22.25,
17 AS 39.35, or former AS 39.37 may continue the life insurance coverage that was in
18 effect under this section at the time of termination of employment with the state or
19 participating governmental unit.

20 (8) A person electing to have insurance under (7) of this subsection
21 shall pay the cost of this insurance.

22 (9) For each permanent part-time employee electing coverage under
23 this section, the state shall contribute one-half the state contribution rate for permanent
24 full-time state employees, and the permanent part-time employee shall contribute the
25 other one-half.

26 (10) A person receiving benefits under AS 14.25, AS 22.25, AS 39.35,
27 or former AS 39.37 may obtain auditory, visual, and dental insurance for that person
28 and eligible dependents under this section. The level of coverage for persons over 65
29 shall be the same as that available before reaching age 65 except that the benefits
30 payable shall be supplemental to any benefits provided under the federal old age,
31 survivors, and disability insurance program. A person electing to have insurance under

1 this paragraph shall pay the cost of the insurance. The commissioner of administration
2 shall adopt regulations implementing this paragraph.

3 (11) A person receiving benefits under AS 14.25, AS 22.25, AS 39.35,
4 or former AS 39.37 may obtain long-term care insurance for that person and eligible
5 dependents under this section. A person who elects insurance under this paragraph
6 shall pay the cost of the insurance premium. The commissioner of administration shall
7 adopt regulations to implement this paragraph.

8 (12) Each licensee holding a current operating agreement for a vending
9 facility under AS 23.15.010 - 23.15.210 shall be covered by the group policy that
10 applies to governmental units other than the state.

11 * **Sec. 12.** AS 39.30.300 is amended to read:

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

21 * **Sec. 13.** AS 39.30.380 is amended to read:

22 **Sec. 39.30.380. Termination of employment.** A person who terminates
23 employment before meeting the eligibility requirements of former AS 14.25.470 or
24 former AS 39.35.870 loses any right to the contributions made on behalf of the person
25 to the teachers' and public employees' retiree health reimbursement arrangement trust
26 fund. If a person returns to employment with a participating employer by
27 December 31 of the year in which the person reaches 65 years of age, the person's
28 account balance shall be restored in the amount recorded on the date of termination
29 from the trust, adjusted for inflation at the rate of the Consumer Price Index for
30 Anchorage, Alaska. The earlier period of employment with a participating employer
31 shall be credited toward eligibility for medical benefits.

1 * **Sec. 14.** AS 39.30.390 is amended to read:

2 **Sec. 39.30.390. Eligibility and reimbursement.** Persons who meet the
3 eligibility requirements of **former** AS 14.25.470 and **former** AS 39.35.870 are
4 eligible for reimbursements from the individual account established for a member
5 under the plan, except members do not have to retire directly from the system. A
6 person who is the dependent child of an eligible member is eligible for
7 reimbursements if the eligible member and surviving spouse have both died so long as
8 the person meets the definition of dependent child.

9 * **Sec. 15.** AS 39.30.400 is amended to read:

10 **Sec. 39.30.400. Benefits payable from the individual account.** (a) The
11 administrator may deduct the cost of monthly premiums from the individual account
12 for retiree major medical insurance on behalf of an eligible person who elected retiree
13 major medical insurance under **former** AS 14.25.480 or **former** AS 39.35.880.

14 (b) Upon application of an eligible person, the administrator shall reimburse to
15 the eligible person the costs for medical care expenses as defined in 26 U.S.C. 213(d).
16 Reimbursement is limited to the medical expenses of

17 (1) an eligible member, the spouse of an eligible member, and the
18 dependent children of an eligible member; or

19 (2) a surviving spouse and the dependent children of an eligible
20 member dependent on the surviving spouse.

21 (c) When the member's individual account balance is exhausted, the insurance
22 premium deductions under (a) of this section and the reimbursement of medical care
23 expenses under (b) of this section end.

24 (d) If all eligible persons die before exhausting the member's individual
25 account, the account balance shall revert to the plan.

26 * **Sec. 16.** AS 39.30.495(3) is amended to read:

27 (3) "compensation" has the meaning given in **former** AS 14.25.590;

28 * **Sec. 17.** AS 39.30.495(5) is amended to read:

29 (5) "eligible person" means a person who meets the eligibility
30 requirements of **former** AS 14.25.470 or **former** AS 39.35.870;

31 * **Sec. 18.** AS 39.30.495(6) is amended to read:

1 (6) "employer" has the meaning given in **former** AS 14.25.590 for
 2 employers of teachers in the defined contribution plan established in **former**
 3 AS 14.25.310 - 14.25.590 and has the meaning given in **former** AS 39.35.990 for
 4 employers of public employees in the defined contribution plan established in **former**
 5 AS 39.35.700 - 39.35.990;

6 * **Sec. 19.** AS 39.30.495(9) is amended to read:

7 (9) "member" means a member of the defined contribution plan of the
 8 teachers' retirement system in **former** AS 14.25.310 - 14.25.590 or a member of the
 9 public employees' retirement system in **former** AS 39.35.700 - 39.35.990;

10 * **Sec. 20.** AS 39.35.008(2) is repealed and reenacted to read:

11 (2) "plan" means a retirement plan established under AS 39.35.095 -
 12 39.35.680;

13 * **Sec. 21.** AS 39.35.008(3) is repealed and reenacted to read:

14 (3) "system" means the Public Employees' Retirement System of
 15 Alaska.

16 * **Sec. 22.** AS 39.35.095 is repealed and reenacted to read:

17 **Sec. 39.35.095. Defined benefit retirement plan under AS 39.35.095 -**
 18 **39.35.680.** AS 39.35.095 - 39.35.680 set out a defined benefit retirement plan as the
 19 public employees' retirement plan.

20 * **Sec. 23.** AS 39.35.475(a), as that subsection read following amendment by sec. 34, ch.
 21 146, SLA 1980, until amended by sec. 41, ch. 82, SLA 1986, as amended by sec. 112, ch. 9,
 22 FSSLA 2005, is amended to read:

23 (a) When the administrator determines that the cost of living has increased and
 24 that the financial condition of the retirement fund permits, the administrator shall
 25 increase benefit payments to persons receiving benefits under this plan. [FOR
 26 PURPOSES OF THIS SUBSECTION, THE FINANCIAL CONDITION OF THE
 27 FUND WOULD ONLY PERMIT AN INCREASE IN BENEFITS WHEN THE
 28 RATIO OF TOTAL FUND ASSETS TO THE ACCRUED LIABILITY MEETS OR
 29 EXCEEDS 105 PERCENT. IN THIS SUBSECTION, "ACCRUED LIABILITY"
 30 MEANS THE PRESENT VALUE OF ALL MEMBER BENEFITS ACCRUED BY
 31 MEMBER SERVICE IN THIS PLAN.]

1 * **Sec. 24.** AS 14.25.012(c), 14.25.310, 14.25.320, 14.25.330, 14.25.340, 14.25.345,
2 14.25.350, 14.25.360, 14.25.370, 14.25.380, 14.25.390, 14.25.400, 14.25.410, 14.25.420,
3 14.25.430, 14.25.440, 14.25.450, 14.25.460, 14.25.470, 14.25.480, 14.25.485, 14.25.487,
4 14.25.490, 14.25.500, 14.25.510, 14.25.520, 14.25.530, 14.25.540, 14.25.550, 14.25.560,
5 14.25.570, 14.25.580, 14.25.590; AS 39.35.700, 39.35.710, 39.35.720, 39.35.730, 39.35.740,
6 39.35.750, 39.35.760, 39.35.770, 39.35.780, 39.35.790, 39.35.800, 39.35.810, 39.35.820,
7 39.35.830, 39.35.840, 39.35.850, 39.35.860, 39.35.870, 39.35.880, 39.35.890, 39.35.892,
8 39.35.895, 39.35.900, 39.35.910, 39.35.920, 39.35.930, 39.35.940, 39.35.950, 39.35.955,
9 39.35.960, 39.35.965, 39.35.970, and 39.35.990 are repealed.

10 * **Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 **RETIREMENT PLAN ELECTION OPTION.** (a) A teacher who was hired on or after
13 July 1, 2006, and before the effective date of this section and who is an active member of the
14 defined contribution plan of the teachers' retirement system under former AS 14.25.310 -
15 14.25.590 may make a one-time election before September 1, 2007, or within 90 days after
16 the effective date of this section, whichever is later, to participate in the defined benefit
17 retirement plan under AS 14.25.009 - 14.25.220 and to transfer any contributions, including
18 employer contributions, made to the defined contribution plan before that date.

19 (b) A public employee who was hired on or after July 1, 2006, and before the
20 effective date of this section and who is an active member of the defined contribution plan of
21 the public employees' retirement system under former AS 39.35.700 - 39.35.990 may make a
22 one time election before September 1, 2007, or within 90 days after the effective date of this
23 section, whichever is later, to participate in the defined benefit retirement plan under
24 AS 39.35.095 - 39.35.680 and to transfer any contributions, including employer contributions,
25 made to the defined contribution plan before that date.

26 (c) In this section, "active member" means an employee who is employed by an
27 employer, is receiving compensation for seasonal, permanent full-time, or permanent part-
28 time services, and is making contributions to the defined contribution retirement plan
29 described in (a) or (b) of this section. In this section, "employer" has the meaning given in
30 AS 14.25.590 or AS 39.35.990, as applicable, as those sections read the day before the
31 effective date of sec. 24 of this Act.

1 * **Sec. 26.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 **RETIREMENT PLAN ELECTION PROCEDURE; REGULATIONS REQUIRED.**

4 (a) The election to participate in the defined benefit retirement plan under sec. 25 of this Act
5 must be made in writing on forms and in the manner prescribed by the administrator. Before
6 accepting an election to participate in the defined benefit retirement plan, the administrator
7 shall provide the employee planning on making an election to participate in the defined
8 benefit retirement plan with information, including calculations to illustrate the effect of
9 moving the employee's retirement plan from the defined contribution retirement plan to the
10 defined benefit retirement plan as well as other information to clearly inform the employee of
11 the potential consequences of the employee's election.

12 (b) An election made under sec. 25 of this Act to participate in the defined benefit
13 retirement plan is irrevocable. On making the election, the participant shall be enrolled as a
14 member of the defined benefit retirement plan, the member's participation in the plan shall be
15 governed by the provisions for the defined benefit retirement plan, and the member's
16 participation in the defined contribution retirement plan shall terminate. The participant's
17 enrollment in the defined benefit retirement plan shall be effective the first day of the month
18 after the administrator receives the completed enrollment forms. An election made by an
19 eligible member who is married is not effective unless the election is signed by the
20 individual's spouse.

21 (c) As directed by the participant, the Alaska Retirement Management Board shall
22 transfer or cause to be transferred the appropriate amounts to the designated account. The
23 administrator shall credit the participant with a service credit that is equal to the participant's
24 actual service or the actuarially calculated value of the employer and employee contribution
25 transferred, whichever is less. The board shall establish transfer procedures by regulation, but
26 the actual transfer may not be later than 30 days after the effective date of the member's
27 participation in the defined benefit retirement plan unless the major financial markets for
28 securities available for a transfer are seriously disrupted by an unforeseen event that also
29 causes the suspension of trading on any national securities exchange in the country where the
30 securities were issued. In that event, the 30-day period of time may be extended by a
31 resolution of the board. Transfers are not commissionable or subject to other fees and may be

1 in the form of securities or cash as determined by the board. Securities shall be valued on the
2 date of receipt in the participant's account.

3 (d) In this section,

4 (1) "administrator" means the person appointed or designated by the
5 commissioner of administration under AS 39.35.050 for a public employees' retirement plan
6 and under AS 14.25.003 for a teachers' retirement plan;

7 (2) "board" means the Alaska Retirement Management Board established
8 under AS 37.10.210;

9 (3) "defined benefit retirement plan" means the retirement plan established
10 under

11 (A) AS 14.25.009 - 14.25.220 for a teacher; or

12 (B) AS 39.35.095 - 39.35.680 for a public employee;

13 (4) "defined contribution retirement plan" means the retirement plan
14 established under

15 (A) former AS 14.25.310 - 14.25.590 for a teacher; or

16 (B) former AS 39.35.700 - 39.35.990 for a public employee.

17 * **Sec. 27.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 ADOPTION OF REGULATIONS. The commissioner of administration shall proceed
20 immediately to adopt regulations consistent with this Act, but in no event may the regulations
21 take effect before the effective date of sec. 25 of this Act.

22 * **Sec. 28.** The uncodified law of the State of Alaska is amended by adding a new section to
23 read:

24 INSTRUCTION TO REVISOR OF STATUTES. The revisor of statutes shall submit
25 to the Alaska Legislative Council a draft bill making conforming amendments to the statutes
26 of the State of Alaska consistent with this Act to clarify that the teachers' retirement system
27 and the public employees' retirement system consist only of defined benefit plans.

28 * **Sec. 29.** Sections 26 and 27 of this Act take effect immediately under AS 01.10.070(c).