

SENATE/HOUSE
CONFERENCE COMMITTEE
On SB 125
February 20, 2008
8:06 a.m.

CALL TO ORDER

Co-Chair Hoffman called the Conference Committee meeting to order at [8:06:31 AM](#).

MEMBERS PRESENT

Senator Lyman Hoffman, Chair
Senator Charlie Huggins
Senator Con Bunde

Representative Kevin Meyer, Chair
Representative Ralph Samuels
Representative Beth Kerttula

MEMBERS ABSENT

None

ALSO PRESENT

Annette Kreitzer, Commissioner, Department of Administration

PRESENT VIA TELECONFERENCE

None

SUMMARY

CSSB 125(FIN)

"An Act relating to the accounting and payment of contributions under the retirement plans of the Public Employees' Retirement System of Alaska and the Teachers' Retirement System, to calculations of contributions under those retirement plans, and to participation in, and termination of and amendments to participation in, the defined benefit plans of those systems; relating to employer contributions to the health reimbursement arrangement plan; making conforming amendments; and providing for an effective date."

And

HCS CSSB 125(FIN)

"An Act relating to the accounting and payment of contributions under the retirement plans of the Public Employees' Retirement System of Alaska and the

Teachers' Retirement System, to calculations of contributions under those retirement plans, and to participation in, and termination of and amendments to participation in, the defined benefit plans of those systems; relating to recovery of an award of damages or other recovery by those systems; relating to employer contributions to the health reimbursement arrangement plan; relating to participation in the public employees' defined contribution plan by certain elected officials; making conforming amendments; and providing for an effective date."

Co-Chair Hoffman noted that the two versions of SB 125 were before the Committee. He observed that that there were some minor changes that could be made under limited powers of free conference, but he recommended that a Free Conference Committee make these changes in order to expedite the passage of SB 125.

8:07:48 AM

ANNETTE KREITZER, COMMISSIONER, DEPARTMENT OF ADMINISTRATION, explained that the SB 123 technical amendments were passed. Sections from SB 123 were inserted into SB 125:

- Substantive Changes Requiring Powers of Free Conference:
- Removing all references to SB 123 which become law June 7, 2007
Both bills made adjustments to retirement system statutes and were traveling in tandem last year. Since SB 123 become law and SB 125 didn't, contingent references to SB 123 need to be removed.
- Updated Effective Date Clauses as a result of one year delay
- Remove "Catch up" provision dealing with elected officials participating in the PERS Defined Benefit Plan. This provision is no longer necessary.
- Due to one-year delay, must reconfigure contribution rate percentages for employers in the "Hold Harmless" category (current actuary rates below 22%) and the "Heroes" category (contributed excess amounts into the unfunded liability during 2005-2007) lists, based on the latest actuary report (June 30, 2006 data) and current FY07 payroll data.
- Restate employers' salary base floor from FY07 to FY08

- Restate fiscal year effective dates.

[8:09:37 AM](#)

Co-Chair Hoffman related that it was his belief that this committee cannot reach agreement on the provisions of SB 125, without limited powers of free conference. Therefore, I would like to entertain a motion that we sign a letter addressed to the Speaker of the House of Representatives and the President of the Senate requesting that the Conference Committee on SB 125 be discharged and a free conference committee be appointed.

Senator Huggins MOVED to ADOPT a letter addressed to the Speaker of the House of Representatives and the President of the Senate requesting that the Conference Committee on SB 125 be discharged and a free conference committee be appointed.

There being NO OBJECTION, it was so ordered.

[8:10:04 AM](#)

Senator Bunde questioned how action on pension obligation bonds would affect SB 125. Ms. Kreitzer did not think they would affect SB 125.

[8:11:07 AM](#)

ADJOURNMENT

The meeting was adjourned at 8:11 AM.