

SENATE BILL NO. 209

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 3/28/16

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to increasing employer contributions to the defined benefit plan in the**
2 **Public Employees' Retirement System of Alaska."**

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

4 * **Section 1.** AS 39.35.255(a) is repealed and reenacted to read:

5 (a) Each employer shall contribute to the system every payroll period

6 (1) the employer contributions required under AS 39.30.370 and
7 AS 39.35.750 and the adjustments to contributions required under AS 39.35.520(a);
8 and

9 (2) the lesser of

10 (A) an amount calculated by applying to the employer's payroll
11 the contribution rates certified by the trustees of the Alaska Retirement
12 Management Board under AS 37.10.220(a)(8); or

13 (B) an amount calculated by applying to the employer's payroll
14 the following rates:

(i) 22 percent before July 1, 2016;

(ii) 24.5 percent after June 30, 2016, and before July 1, 2017;

(iii) 25.5 percent after June 30, 2017, and before July 1, 2018;

(iv) 26.5 percent after June 30, 2018.

* **Sec. 2.** AS 39.35.255(h) is amended to read:

(h) In this section,

(1) "normal cost" means the cost of providing the benefits expected to be credited, with respect to service, to all active members of the plan during the year beginning after the last valuation date;

(2) "payroll" means the total of all base salaries paid by an employer to employees who are active members of the system.

* **Sec. 3.** AS 39.35.255(d) is repealed.