

HOUSE BILL NO. 302

IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE CARPENTER

Introduced: 1/31/24

Referred: State Affairs, Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to supplemental employee benefits; relating to retirement benefits of**
2 **peace officers and firefighters hired after June 30, 2006; and providing for an effective**
3 **date."**

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

5 * **Section 1.** AS 39.30.150(a) is amended to read:

6 (a) In place of contributions to the federal social security system that would
7 have been required on behalf of **a participating** [AN] employee had the
8 [PARTICIPATING] employer belonged to the social security system, the
9 [PARTICIPATING] employer shall contribute an amount equal to 6.13 percent of the
10 wages of the **participating** employee up to the taxable wage base then in effect in the
11 social security system. This contribution shall be paid into an individual employee
12 annuity account in the Department of Administration under the terms of the State of
13 Alaska Supplemental Annuity Plan. The department shall pay 6.13 percent of the
14 wages of the **participating** employee up to the taxable wage base then in effect in the

1 social security system into the individual employee annuity account established under
2 this subsection. This wage reduction shall be treated as an employer contribution
3 under 26 U.S.C. 414(h)(2). All costs of establishing and administering the programs
4 established under AS 39.30.150 - 39.30.180 shall be paid from the contributions made
5 to the individual employee annuity accounts under this section.

6 * **Sec. 2.** AS 39.30.150(c) is amended to read:

7 (c) **A participating** [AN] employee may voluntarily elect additional wage
8 reductions to be paid into special individual employee benefit accounts in the
9 Department of Administration. Money in these accounts may only be used to purchase
10 benefits selected by the **participating** employee under the supplemental benefits plan
11 established by the administrator.

12 * **Sec. 3.** AS 39.30.160(a) is amended to read:

13 (a) The Department of Administration shall, in accordance with policies
14 prescribed by regulations adopted by the commissioner, provide to **participating**
15 employees for whom special individual employee benefit accounts are established
16 under AS 39.30.150(c) the following benefit options:

- 17 (1) supplemental health benefits;
- 18 (2) supplemental death benefits;
- 19 (3) supplemental disability benefits; and
- 20 (4) supplemental dependent care benefits.

21 * **Sec. 4.** AS 39.30.160(b) is amended to read:

22 (b) **A participating** [AN] employee may select the types and amounts of
23 supplemental benefits to be purchased with the money deposited in the employee's
24 special individual employee benefit accounts under AS 39.30.150. The selection for
25 **participating** employees described in AS 39.30.150(a) must be from the benefit
26 options listed in (a) of this section.

27 * **Sec. 5.** AS 39.30.170 is amended by adding a new subsection to read:

28 (e) An active employee member of the teachers' retirement system (AS 14.25)
29 or a person employed as a peace officer or firefighter by a political subdivision of the
30 state may elect to become a participating employee if employed by an employer who
31 is not

1 (1) a participating employer;

2 (2) a member of the federal social security system.

3 * **Sec. 6.** AS 39.30.180 is amended by adding a new paragraph to read:

4 (4) "participating employee" includes

5 (A) an employee of a participating employer;

6 (B) an employee who elects to participate in the supplemental
7 employee benefit plan under AS 39.30.170(e).

8 * **Sec. 7.** AS 39.35.750(a) is amended to read:

9 (a) An employer shall contribute to **the** [EACH MEMBER'S] individual
10 account **of each member who is not a peace officer or firefighter** an amount equal
11 to five percent of the member's compensation from July 1 to the following June 30.

12 **An employer shall contribute to the individual account of each peace officer or**
13 **firefighter an amount equal to 9.74 percent of the peace officer's or firefighter's**
14 **compensation from July 1 to the following June 30.**

15 * **Sec. 8.** This Act takes effect July 1, 2025.