

CS FOR HOUSE BILL NO. 302(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 5/11/24

Referred: Labor and Commerce, Finance

Sponsor(s): REPRESENTATIVE CARPENTER

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; relating to retirement benefits
3 of certain teachers hired after June 30, 2024; and providing for an effective 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.** The uncoded law of the State of Alaska is amended by adding a new section to
16 read:

17 STATE CONTRIBUTION FOR TEACHER RETIREMENT. The employer
18 contribution under AS 14.25.350(a) is 9.75 percent for the fiscal years ending June 30, 2025,
19 2026, and 2027. If the state is not the employer of a member, the employer shall contribute 7
20 percent of the member's compensation and the state shall contribute 2.75 percent of the
21 member's compensation.

22 * **Sec. 9.** This Act takes effect July 1, 2024.