

HOUSE BILL NO. 108

IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE RAUSCHER

Introduced: 2/17/25

Referred: State Affairs, Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to participation of certain peace officers in the defined benefit and**
2 **defined contribution plans of the Public Employees' Retirement System of Alaska; and**
3 **providing for an effective date."**

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

5 * **Section 1.** AS 39.35.095 is amended to read:

6 **Sec. 39.35.095. Applicability of AS 39.35.095 - 39.35.680.** The
7 [FOLLOWING] provisions of AS 39.35.095 - 39.35.680 [THIS CHAPTER] apply
8 only to members first hired

9 **(1) before July 1, 2006; or**

10 **(2) after June 30, 2006, who are state troopers and**

11 **(A) are former members of the defined contribution**
12 **retirement plan under AS 39.35.700 - 39.35.990; or**

13 **(B) have not been members of the defined contribution**
14 **retirement plan under AS 39.35.700 - 39.35.990 [: AS 39.35.095 -**

1 39.35.680].

2 * **Sec. 2.** AS 39.35.370(a) is amended to read:

3 (a) Subject to AS 39.35.450, a terminated employee **who first became a**
4 **member before July 1, 2006,** is eligible for a normal retirement benefit

5 (1) at age 60 with at least five years **of** credited service;

6 (2) with at least 20 years of credited service as a peace officer or
7 firefighter; or

8 (3) with at least 30 years of credited service for all other employees.

9 * **Sec. 3.** AS 39.35.370 is amended by adding a new subsection to read:

10 (l) Subject to AS 39.35.450, a terminated employee who first becomes a
11 member after June 30, 2006, and who is a state trooper at the time of termination is
12 eligible for a normal retirement benefit

13 (1) at age 60 with at least five years of credited service as a state
14 trooper; or

15 (2) with at least 20 years of credited service as a peace officer,
16 including at least five years of credited service as a state trooper.

17 * **Sec. 4.** AS 39.35.680 is amended by adding a new paragraph to read:

18 (44) "state trooper" means a peace officer who is employed by the
19 Department of Public Safety and charged under AS 18.65.080 with the duties of a
20 member of the state troopers.

21 * **Sec. 5.** AS 39.35.720 is amended to read:

22 **Sec. 39.35.720. Membership. Except as provided in AS 39.35.095, an** [AN]
23 employee who becomes a member on or after July 1, 2006, shall participate in the plan
24 set out in AS 39.35.700 - 39.35.990.

25 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
26 read:

27 RETIREMENT PLAN ELECTION. A state trooper or a former state trooper
28 employed by the state, who was first hired after June 30, 2006, and before the effective date
29 of this Act, and who is a member of the defined contribution retirement plan of the public
30 employees' retirement system under AS 39.35.700 - 39.35.990, may, within 90 days after the
31 effective date of this Act, make a one-time election to participate in the defined benefit

1 retirement plan under AS 39.35.095 - 39.35.680 and to transfer to that plan all contributions to
 2 the defined contribution retirement plan for service the member completes before the effective
 3 date of the member's participation in the defined benefit retirement plan. The transferred
 4 contributions shall be used to purchase credited service in the defined benefit retirement plan
 5 on an actuarial equivalent basis determined by the Alaska Retirement Management Board
 6 established under AS 37.10.210. In this section, "state trooper" has the meaning given in
 7 AS 39.35.680, as amended by sec. 4 of this Act.

8 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
 9 read:

10 **RETIREMENT PLAN ELECTION PROCEDURE.** (a) An election made under sec. 6
 11 of this Act to participate in the defined benefit retirement plan under AS 39.35.095 -
 12 39.35.680 must be made in writing on one or more forms and in the manner prescribed by the
 13 administrator. Before an eligible member makes an election under sec. 6 of this Act, the
 14 administrator shall provide to the member

15 (1) written notice of the member's eligibility; and

16 (2) information about potential consequences of the member's election,
 17 including calculations that illustrate the effect of changing the member's retirement plan from
 18 the defined contribution retirement plan to the defined benefit retirement plan.

19 (b) An election made under sec. 6 of this Act to participate in the defined benefit
 20 retirement plan is irrevocable. On the effective date of the election, an eligible member who
 21 makes the election shall be enrolled in the defined benefit retirement plan, and the member's
 22 participation in the plan shall be governed by the applicable provisions of the defined benefit
 23 retirement plan. The member's enrollment in the defined benefit retirement plan is retroactive
 24 to the date of hire. An election made by an eligible member who is married is not effective
 25 unless the election is signed by the member's spouse.

26 (c) When an eligible member makes a one-time election under sec. 6 of this Act, the
 27 administrator shall cause the total amount of the member's employee and employer
 28 contributions, with investment earnings and losses through the day of the member's election to
 29 participate as a member in the defined benefit retirement plan, to be actuarially calculated
 30 and, subject to (d) of this section, transferred to the pension fund in the defined benefit
 31 retirement plan. On the effective date of the member's participation in the defined benefit

1 retirement plan, the member shall be credited with service in the defined benefit retirement
2 plan that may be purchased under an actuarial equivalent purchase formula as determined by
3 the board. The board shall establish transfer procedures by regulation, but the actual transfer
4 may not occur later than 30 days after the date the administrator receives the member's
5 completed forms under (a) of this section, unless the major financial markets for securities
6 available for a transfer are seriously disrupted by an unforeseen event that also causes the
7 suspension of trading on any national securities exchange in the country where the securities
8 were issued. In that event, the 30-day period may be extended by a resolution of the board. A
9 transfer is not commissionable or subject to other fees and may be in the form of cash or a
10 security as determined by the board. A security shall be valued on the date of receipt in the
11 member's account.

12 (d) If the value actuarially calculated under (c) of this section is insufficient to pay for
13 service credit equal to the member's actual service, the administrator shall allow the member
14 the option of creating an indebtedness up to the amount needed to eliminate the insufficiency;
15 however, if that value exceeds the amount needed to pay for a service credit equal to the
16 member's actual service, the administrator shall cause the excess to remain in the member's
17 retirement plan established under AS 39.35.700 - 39.35.990. An excess under this subsection
18 may not be used to purchase service credit in a retirement plan administered under AS 39.35.

19 (e) The provisions of this section are subject to the requirements of the Internal
20 Revenue Code and the limitations under AS 39.35.115, 39.35.678, 39.35.710(c) and (d), and
21 39.35.895.

22 (f) In this section,

23 (1) "administrator" means the commissioner of administration or the person
24 designated by the commissioner of administration under AS 39.35.003 for a public
25 employees' retirement plan;

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

28 (3) "defined benefit retirement plan" means the retirement plan established
29 under AS 39.35.095 - 39.35.680 for a public employee;

30 (4) "defined contribution retirement plan" means the retirement plan
31 established under AS 39.35.700 - 39.35.990 for a public employee;

1 (5) "Internal Revenue Code" has the meaning given in AS 39.35.990.

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