

CS FOR SENATE BILL NO. 55(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 3/26/25

Referred: Finance

Sponsor(s): SENATORS STEDMAN, Myers, Shower, Cronk

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to supplemental employee benefits; and providing for an effective**
2 **date."**

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

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

5 (a) In place of contributions to the federal social security system that would
6 have been required on behalf of an employee had the participating employer belonged
7 to the social security system, **a** [THE] participating employer **in the public**
8 **employees' retirement system (AS 39.35)** shall contribute an amount equal to 6.13
9 percent of the wages of the employee up to the taxable wage base then in effect in the
10 social security system, **and a participating employer in the teachers' retirement**
11 **system (AS 14.25) shall contribute an amount required under (d) of this section.**
12 **For each employee, the contributions required under this subsection and (d) - (g)**
13 **of this section** [THIS CONTRIBUTION] shall be paid into an individual employee
14 annuity account in the Department of Administration under the terms of the State of

1 Alaska Supplemental Annuity Plan. The department shall pay 6.13 percent of the
 2 wages of the employee up to the taxable wage base then in effect in the social security
 3 system into the individual employee annuity account established under this subsection.
 4 This wage reduction shall be treated as an employer contribution under 26 U.S.C.
 5 414(h)(2). All costs of establishing and administering the programs established under
 6 AS 39.30.150 - 39.30.180 shall be paid from the contributions made to the individual
 7 employee annuity accounts under this section.

8 * **Sec. 2.** AS 39.30.150 is amended by adding new subsections to read:

9 (d) A participating employer in the teachers' retirement system (AS 14.25)
 10 shall contribute an amount equal to 6.13 percent of the wages of the employee up to
 11 the taxable wage base then in effect in the social security system, less a contribution
 12 by the department, if applicable, under (e) of this section.

13 (e) Of the amount under (d) of this section equal to 6.13 percent of the wages
 14 of the employee up to the taxable wage base then in effect in the social security
 15 system, the department shall contribute

16 (1) for the fiscal years ending June 30, 2027, through June 30, 2029,
 17 100 percent;

18 (2) for the fiscal years ending June 30, 2030, through June 30, 2033,
 19 66 and two-thirds percent;

20 (3) for the fiscal years ending June 30, 2034, through June 30, 2037,
 21 33 and one-third percent.

22 (f) An employee in the teachers' retirement system (AS 14.25) shall contribute
 23 an amount equal to 6.13 percent of the wages of the employee up to the taxable wage
 24 base then in effect in the social security system, less a contribution by the department,
 25 if applicable, under (g) of this section.

26 (g) Of the amount under (f) of this section equal to 6.13 percent of the wages
 27 of the employee up to the taxable wage base then in effect in the social security
 28 system, the department shall contribute

29 (1) for the fiscal years ending June 30, 2027, through June 30, 2029,
 30 100 percent;

31 (2) for the fiscal years ending June 30, 2030, through June 30, 2033,

1 66 and two-thirds percent;

2 (3) for the fiscal years ending June 30, 2034, through June 30, 2037,
3 33 and one-third percent.

4 * **Sec. 3.** AS 39.30.170(a) is amended to read:

5 (a) An employer **in either the teachers' retirement system (AS 14.25) or the**
6 **public employees' retirement system (AS 39.35) that does not participate in the**
7 **federal social security system shall** [MAY] become a participating employer in the
8 employee benefits program under AS 39.30.150 - 39.30.180 [, IF

9 (1) THE EMPLOYER PARTICIPATES AS AN EMPLOYER IN
10 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM UNDER AS 39.35; AND

11 (2) THE EMPLOYER

12 (A) IS ELIGIBLE FOR MEMBERSHIP IN BUT HAS
13 NEVER ELECTED TO BECOME A MEMBER OF THE FEDERAL
14 SOCIAL SECURITY SYSTEM; OR

15 (B) WITHDRAWS FROM MEMBERSHIP IN THE
16 FEDERAL SOCIAL SECURITY SYSTEM].

17 * **Sec. 4.** AS 39.30.180(3) is amended to read:

18 (3) "participating employer" means

19 (A) the State of Alaska; [AND]

20 (B) an employer **who**

21 (i) [WHO] is an employer as defined in **AS 14.25.220,**
22 **14.25.590, AS 39.35.680, or 39.35.990; and**

23 (ii) **does not participate** [WHO HAS NEVER
24 PARTICIPATED IN OR HAS WITHDRAWN FROM
25 PARTICIPATION] in the federal social security system [; AND

26 (iii) WHOSE PARTICIPATION IN THE
27 SUPPLEMENTAL EMPLOYEE BENEFIT PROGRAM HAS BEEN
28 APPROVED BY THE COMMISSIONER].

29 * **Sec. 5.** This Act takes effect July 1, 2026.