

SENATE BILL NO. 198

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

BY SENATOR KAUFMAN

Introduced: 5/19/25

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the teachers' defined contribution retirement plan; relating to the**
2 **public employees' defined contribution retirement plan; and providing for an effective**
3 **date."**

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

5 * **Section 1.** AS 14.25.470(a) is amended to read:

6 (a) In order to obtain medical benefits under AS 14.25.480, a member must
7 retire [DIRECTLY] from the plan. A member is eligible to retire from the plan if
8 [THE MEMBER HAS BEEN AN ACTIVE MEMBER FOR AT LEAST 12
9 MONTHS BEFORE APPLICATION FOR RETIREMENT AND]

10 (1) the member has at least **25** [30] years of service; or

11 (2) the member reaches the normal retirement age, [AND] has at least
12 10 years of service, **and has been an active member for at least 12 months**
13 **immediately before retirement from the plan.**

14 * **Sec. 2.** AS 14.25.480(g) is amended to read:

1 (g) The cost of premiums for retiree major medical insurance coverage for an
2 eligible member or surviving spouse who is

3 (1) not eligible for Medicare is an amount equal to the full monthly
4 group premiums for retiree major medical insurance coverage;

5 (2) eligible for Medicare is the following percentage of the premium
6 amounts established for retirees who are eligible for Medicare:

7 (A) 30 percent if the member had 10 or more, but less than 15,
8 years of service;

9 (B) 25 percent if the member had 15 or more, but less than 20,
10 years of service;

11 (C) 20 percent if the member had 20 or more, but less than 25,
12 years of service;

13 (D) [15 PERCENT IF THE MEMBER HAD 25 OR MORE,
14 BUT LESS THAN 30, YEARS OF SERVICE];

15 (E)] 10 percent if the member had 25 [30] or more years of
16 service.

17 * **Sec. 3.** AS 39.30.380 is amended to read:

18 **Sec. 39.30.380. Termination of employment.** A person who terminates
19 employment before meeting the eligibility requirements of AS 14.25.470 or
20 AS 39.35.870 loses any right to the contributions made on behalf of the person to the
21 teachers' and public employees' retiree health reimbursement arrangement trust fund.
22 If a person returns to employment with a participating employer by December 31 of
23 the year in which the person reaches 65 years of age, the person's account balance
24 shall be restored in the amount recorded on the date of termination from the trust **plus**
25 **interest added by the administrator for each year between the date of**
26 **termination and the date of the person's return to employment** [, ADJUSTED
27 FOR INFLATION] at the rate **established by the board under AS 39.30.370** [OF
28 THE CONSUMER PRICE INDEX FOR ANCHORAGE, ALASKA]. The earlier
29 period of employment with a participating employer shall be credited toward
30 eligibility for medical benefits.

31 * **Sec. 4.** AS 39.35.870(a) is amended to read:

1 (a) In order to obtain medical benefits under AS 39.35.880, an active member
 2 must retire [DIRECTLY] from the plan. A member is eligible to retire from the plan if
 3 [THE MEMBER HAS BEEN AN ACTIVE MEMBER FOR AT LEAST 12
 4 MONTHS BEFORE APPLICATION FOR RETIREMENT AND]

5 (1) the member has at least 20 [25] years of membership service as a
 6 peace officer or firefighter or at least 25 [30] years of membership service for all other
 7 employees; or

8 (2) the member reaches the normal retirement age, [AND] has at least
 9 10 years of membership service, **and has been an active member for at least 12**
 10 **months immediately before retirement from the plan.**

11 * **Sec. 5.** AS 39.35.880(g) is amended to read:

12 (g) The cost of premiums for retiree major medical insurance coverage for an
 13 eligible member or surviving spouse who is

14 (1) not eligible for Medicare is an amount equal to the full monthly
 15 group premiums for retiree major medical insurance coverage;

16 (2) eligible for Medicare is the following percentage of the premium
 17 amounts established for retirees who are eligible for Medicare:

18 (A) 30 percent if the member had 10 or more, but less than 15,
 19 years of service;

20 (B) 25 percent if the member had 15 or more, but less than 20,
 21 years of service;

22 (C) 20 percent if the member had 20 or more, but less than 25,
 23 years of service;

24 (D) [15 PERCENT IF THE MEMBER HAD 25 OR MORE,
 25 BUT LESS THAN 30, YEARS OF SERVICE;

26 (E) 10 percent if the member had 25 [30] or more years of
 27 service.

28 * **Sec. 6.** This Act takes effect July 1, 2026.