

CS FOR SENATE BILL NO. 198(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 2/9/26

Referred: Finance

Sponsor(s): SENATOR KAUFMAN

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 39.30.380 is amended to read:

1 **Sec. 39.30.380. Termination of employment.** A person who terminates
 2 employment before meeting the eligibility requirements of AS 14.25.470 or
 3 AS 39.35.870 loses any right to the contributions made on behalf of the person to the
 4 teachers' and public employees' retiree health reimbursement arrangement trust fund.
 5 If a person returns to employment with a participating employer by December 31 of
 6 the year in which the person reaches 65 years of age, the person's account balance
 7 shall be restored in the amount recorded on the date of termination from the trust **plus**
 8 **interest added by the administrator for each year between the date of**
 9 **termination and the date of the person's return to employment** [, ADJUSTED
 10 FOR INFLATION] at the rate **established by the board under AS 39.30.370** [OF
 11 THE CONSUMER PRICE INDEX FOR ANCHORAGE, ALASKA]. The earlier
 12 period of employment with a participating employer shall be credited toward
 13 eligibility for medical benefits.

14 * **Sec. 3.** AS 39.35.870(a) is amended to read:

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

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

22 (2) the member reaches the normal retirement age, [AND] has at least
 23 10 years of membership service, **and has been an active member for at least 12**
 24 **months immediately before retirement from the plan.**

25 * **Sec. 4.** This Act takes effect July 1, 2026.