

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version:	CSSB 198(L&C)
Fiscal Note Number:	1
(S) Publish Date:	2/9/2026

Identifier: SB198-DOA-DRB-01-27-2026
 Title: PERS/TRS RETIREMENT & MEDICAL ELIGIBILITY
 Sponsor: KAUFMAN
 Requester: (S) LABOR & COMMERCE

Department: Department of Administration
 Appropriation: Centralized Administrative Services
 Allocation: Retirement and Benefits
 OMB Component Number: 64

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2027 Request	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
OPERATING EXPENDITURES	FY 2027	FY 2027					
Personal Services							
Travel							
Services							
Commodities	10.7		10.7	10.7	10.7	10.7	10.7
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	10.7	0.0	10.7	10.7	10.7	10.7	10.7

Fund Source (Operating Only)

1004 Gen Fund (UGF)	10.7		10.7	10.7	10.7	10.7	10.7
Total	10.7	0.0	10.7	10.7	10.7	10.7	10.7

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? TBD

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:	Retirement & Benefits	Date:	01/27/2026
Approved By:	Stefanie Bingham, Administrative Services Division	Date:	01/27/26
Agency:	Department of Administration		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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Analysis

This bill amends several statutes related to the Defined Contribution Retirement Plan in the Public Employees' Retirement System and the Teachers' Retirement System. These amendments remove the requirement for a member who is retiring on a service-based retirement to retire directly from the plan and change the number of years required for a service-based retirement from 30 to 25 years for teachers and all other employees and from 25 to 20 years of service for peace officers and firefighters. The amendments will require a member who is retiring at the normal retirement age who has at least 10 years of service to have been an active member for 12 months immediately before retirement from the plan. The Health Reimbursement Arrangement is amended by removing the adjustment for inflation based on the consumer price index for the Anchorage area for an employee who has terminated service and later returns to service and is replaced with interest added by the administrator for each year between the date of termination and the person's return to employment at the rate established by the Alaska Retirement Management Board. Provides and effective date of July 1, 2026.

Enactment of this bill will have a fiscal impact of \$10.7 to update and reissue division handbooks, forms, benefit summaries, and educational materials.