

# House Bill 78: Retirement Security for Alaska's Public Servants

## WHAT IS HB 78?

HB 78 proposes a **new defined benefit plan** for public employees, teachers, and public safety workers. The bill has safeguards that the **state actuary says will not create unfunded liability**.

## WHO BENEFITS?

Teachers (TRS)	Public Safety (PERS-PS)	Public Workers (PERS-NPS)
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## WHAT ARE KEY FEATURES?

<b>Vesting</b>	5 years for all employees.
<b>Retirement Age</b>	Public Safety: Age 50 with 25 years or Age 55 with 20 years. Teachers & Public Employees: Age 60 or any age with 30 years of service.
<b>Pension Calculation</b>	Public Safety: 2.0% for first 10 yrs, 2.5% after that × highest 5 yrs salary. Teachers & Public Employees: 2.0% first 10 yrs, 2.25% next 10, 2.5% after × highest 5 yrs.
<b>Employee Contributions</b>	8% of pay, which may be increased to maintain a 90% plan funding ratio.
<b>Employer Contributions</b>	PERS: 12-22.5%   TRS: 12-12.56%. Contributions are capped to protect local municipalities. The state covers any additional contributions above the cap. Employers may opt-out of the new DB plan and will pay at 22% current rate.
<b>PRPA</b>	Retirees receive Post-Retirement Pension Adjustments (PRPA) – inflation protection. Alaska residents get full amount; non-residents get 50%.
<b>Healthcare &amp; Benefits</b>	Health Reimbursement Account (HRA) supplements Medicare at 65. Employers contribute 3% for TRS & PERS-NPS, and 4% for PERS-PS to employees' HRA. Non-occupational and occupational disability & death benefits included.

## WHAT ABOUT CURRENT & NEW EMPLOYEES?

Current Employees	New Employees
Choice to opt-in new DB plan or keep their DC	Choice to opt-in the DB or DC plan

## WHAT IS COST: HB 78 INVESTMENT VS. DOING NOTHING?

HB 78 Investment	Cost of Doing Nothing
Competitive benefits attract qualified candidates	Positions vacant; filled with inexperienced candidates
Low Turnover = Less \$\$ spent on recruiting & training	Constant turnover = More \$\$ on recruiting & training
Experienced workforce = Better quality services & less mistakes being made	Inexperienced & under supported staff = Lower quality services & loss of institutional knowledge
Built In Safeguards: Shared risk, adjustable contributions, separate accounting, fund performance	Hidden Costs: Overtime in understaffed departments, consultant fees, hiring bonuses, reduced productivity

## HOW WILL HB 78 HELP ALASKA?

- Recruit qualified professionals & retain experienced employees
- Keep families in Alaska, supporting local economies
- Saves money long-term through better employee retention & reduced turnover costs
- Control long-term costs through built-in safeguards and risk-sharing

**Questions? Contact your Representative!**