

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.

WHO BENEFITS?

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

Vesting	5 years for all employees
Retirement Age	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
Pension Calculation	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
Employee Contributions	8% contribution may be adjusted up to 12% of pay to maintain a 90% plan funding ratio.
Employer Contributions	PERS: 12-22% TRS: 12-12.56%. Contributions are capped to protect local municipalities. The state covers any additional contributions above the cap.
PRPA	Retirees receive Post-Retirement Pension Adjustments (PRPA) – inflation protection. Alaska residents get full amount; non-residents get 50%.
Healthcare & Benefits	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
Opt-in new DB plan or keep their DC	Auto enroll in the new DB 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 w/underqualified candidates
Lower turnover. Less \$\$ spent on recruiting & training	Constant turnover. Recruiting and training costs \$\$.
Experienced workforce=better services/less mistakes	Always training=lower quality & loss of expertise
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 who provide continuity and expertise
- 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 legislator!