



Alaska State Legislature Senate Majority News

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Alaska Senate Passes Retirement Security Act *SB 141 Delivers Fiscal Certainty to Public Employee Retirement Systems*

(Juneau) – Today the state Senate passed the Retirement Security Act (SB 141) that reforms and strengthens the state’s public employee and teacher retirement systems. The legislation addresses the \$5.7 billion dollar shortfall in the retirement systems and gives future public employees more control over their retirement accounts.

Sen. Bert Stedman (R – Sitka) and Sen. Lyda Green (R – Wasilla) introduced the Retirement Security Act after months of research and hard work by the senators and their staffs. “This bill is designed to protect the benefit structure for existing retirees and current public employees while creating a more attractive retirement plan for future workers by giving them greater control over investment decisions,” said Sen. Stedman.

SB 141 creates a new defined contribution plan for future public employees, similar to the 401-K plans currently used by millions of American workers. The defined contribution plan gives employees greater control over their investment choices. It also gives them the ability to take their retirement account with them if they choose to leave state service before reaching retirement age.

SB 141 also creates an innovative savings mechanism to help retirees pay out-of-pocket medical expenses by creating Health Reimbursement Accounts. The employer funds the accounts over the working lifetime of public employees. Reimbursements are tax-free and unlimited until the retiree’s account balance is exhausted.

“PERS/TRS reform is long overdue in Alaska. The Retirement Security Act aligns the public retirement systems with modern employment practices of the 21st century. Defined contribution plans provide a safe, secure retirement for employees while giving employers certainty in how much they will have to contribute to their employee retirement plans,” said Senate President Ben Stevens.

The Retirement Security Act now moves to the State House.

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