



Alaska State Legislature Senate Majority News

Jeff Turner, Senate Majority Press Secretary
Room 413, State Capitol Building
Juneau, AK 99801
Phone: 907.465.3803

Web Site: <http://www.akrepublicans.org>

FOR IMMEDIATE RELEASE: March 14, 2005

CONTACT: Jeff Turner, Press Secretary: 907.465.3803

Retirement Security Act Introduced in State Senate **SB 141 Strengthens Retirement System For Existing and Future Public Employees**

(Juneau) – Today the Senate Finance Committee introduced the Retirement Security Act. The legislation instills fiscal responsibility and stability in the state’s public employee and teacher retirement systems, creates an attractive retirement plan for future generations of public employees and maintains current benefits for existing public employees.

Sen. Bert Stedman (R – Sitka) and Sen. Lyda Green (R- Wasilla) are leading the Senate’s effort to address the retirement crisis. “This is a multifaceted problem. We have a five billion dollar unfunded liability, systemic problems that created it, and the need for predictability into the future,” said Sen. Stedman.

The legislation improves the management of the current retirement systems. It also reduces future cost volatility by creating a defined contribution plan for public employees. Unlike a defined benefit plan in which employees are promised a benefit regardless of investment performance and system costs, a DC plan provides employees with a portable individual retirement account based on the contributions and earnings of employees and employers. “We’ve known for more than a year that our retirement system has significant problems and something has to be done. This bill is our solution,” said Sen. Green.

This session the legislature is being asked to appropriate \$108 million in state funds to make up for shortfalls in retirement funding for this year alone. This problem is not going away. “This massive liability is taking money away from everything else our state needs to fund. Roads, public safety and education all suffer because we have to keep pouring money into PERS/TRS,” said Senate President Ben Stevens (R- Anchorage).

Sen. Stedman will conduct a PowerPoint presentation on the Retirement Security Act to the Senate Finance Committee on Wednesday, March 16, at 9:00 am in room 532 of the State Capitol Building.

###