



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

WHAT IS HB 78?

HB 78 proposes a **new defined benefit option plan** for public employees, teachers, and public safety workers.

WHO BENEFITS?

Teachers (TRS)

Public Safety (PERS-PS)

Public Workers (PERS-NPS)

WHAT ARE THE 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 <i>Note: You do not have to work 30 years to earn a pension. 30 years maximizes your total pension.</i>
Pension Calculation	Public Safety: 2.0% each year for first 10 yrs, 2.5% each year after that × highest 5 yrs salary Teachers & Public Employees: 2.0% each year for years 1-10, 2.25% each year for years 11-20, 2.5% each year after × highest 5 consecutive years salary for PERS (TRS is highest any 5 years and includes addenda)
Employee Contributions	8% contribution may be adjusted up with no cap.
Employer Contributions	PERS: 12-22.5% 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	Default is DB. Can transfer to DC anytime before vested

IMPLEMENTATION TIMELINE & EMPLOYER PARTICIPATION REQUIREMENTS

- School districts will have 6 months to decide to opt out for PERS employees only. Then, TRS/PERS members will have a choice between DB and DC will have 6 months to decide.
- Only **NON-STATE PERS EMPLOYERS** can opt out of offering the new DB tier for their employees. This would include our NEA-Alaska PERS members.
- School districts **MUST** offer the new DB tier to TRS employees.
- New employees would have a choice between DC and DB.

The bill now has a delayed effective date of 7/1/2027.