HB 220 establishes a benefits calculator for DB participants based on a variety of factors. The benefit will be determined by years of service and the average of your 5 highest salary years. For educators, this means 2% each year for the first 10 years, 2.25% for the next 10 years, and 2.5% thereafter. Public education employees would receive roughly 67.5% after 30 years of service.

HB 220 removes the requirement that employees must retire directly from the employer to access Health Reimbursement Arrangement (HRA) and insurance premium coverage. Like the prior health care plan under the DC plan, Medicare eligibility is when the employer-provided benefit kicks in. Retirement before Medicare eligibility creates a choice, to join the health coverage plan immediately and pay the full premium or wait until Medicare eligibility to receive the employer portion of the health insurance premium payment. Additionally, HB 220 provides that the employer will contribute 3% of an employee's average salary to an HRA account which will be used to pay insurance premiums and non-covered medical expenses such as deductibles and co-pays. All employees vest in medical insurance premium coverage after 10 years of service, with the employer paying 70% of insurance premiums after 10 years (the retiree must be Medicare eligible (65) to receive insurance coverage after retirement).

Public employees who remain in Alaska after retirement would be eligible for a 10% increase in pension amount through a Cost of Living Adjustment. A 90-day absence from Alaska would eliminate this benefit. HB 220 also establishes a Post Retirement Pension Adjustment when the DB system is 90% funded, at which time the benefit could go up based on the Consumer Price Index in Anchorage.

HB 220 reinforces existing language in the Alaska State Constitution that retirement benefits shall not be diminished or impaired.