

SENATE BILL NO. 207

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 3/28/16
Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to increasing employer contributions to the defined benefit plan in the**
2 **teachers' retirement system."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 LEGISLATIVE INTENT. It is the intent of the legislature to appropriate additional
7 money to school districts annually to mitigate the annual increases to employer costs for the
8 first five complete fiscal years under this Act.

9 * **Sec. 2.** AS 14.25.070(a) is repealed and reenacted to read:

10 (a) Each employer shall contribute to the system every payroll period

11 (1) the employer contributions required under AS 14.25.350 and
12 AS 39.30.370 and the adjustments to contributions required under AS 14.25.173(a);
13 and

14 (2) the lesser of

1 (A) an amount calculated by applying to the employer's payroll
 2 the contribution rates certified by the trustees of the Alaska Retirement
 3 Management Board under AS 37.10.220(a)(8); or

4 (B) an amount calculated by applying to the employer's payroll
 5 the following rates:

6 (i) 12.56 percent before July 1, 2016;

7 (ii) 19 percent after June 30, 2016, and before July 1,
 8 2017;

9 (iii) 20 percent after June 30, 2017, and before July 1,
 10 2018;

11 (iv) 21 percent after June 30, 2018, and before July 1,
 12 2019;

13 (v) 22 percent after June 30, 2019.

14 * **Sec. 3.** AS 14.25.070(h) is amended to read:

15 (h) In this section,

16 **(1)** "normal cost" means the cost of providing the benefits expected to
 17 be credited, with respect to service, to all active members of the plan during the year
 18 beginning after the last valuation date;

19 **(2)** "**payroll**" means the total of all base salaries paid by an
 20 **employer to active members of the system.**

21 * **Sec. 4.** AS 14.25.070(d) is repealed.