

Sponsor Statement Senate Bill 177

[SB 177](#), “An act relating to cost-of-living benefits for retired members in the public employees’ retirement system and the teachers’ retirement system who are called to active military duty; and providing for an effective date.”

An Alaska Cost-of-Living Allowance is payable to benefit recipients of the public employees’ and teachers’ retirement system who remain domiciled in Alaska after retirement. The allowance is 10% of their base pay. A person receiving a COLA is not entitled to the allowance if absent from the state for a time period in excess of 90 continuous days, except that a person may be absent from the state for not more than six months without a loss of COLA if the absence is the result of illness and required by order of a licensed physician.

Upon return to the state and upon notification to the Department of Administration the person is again entitled to receive the monthly cost-of-living allowance, commencing with the first monthly benefit payment.

Our retired public employees currently receiving COLA in the State and who are called to active duty in the military would not be eligible for the COLA payment while serving our country, under existing statute. SB 177 rectifies this situation and allows retired public employees eligible to continue to receive their COLA while on active military duty.