



## **PRESS RELEASE**

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Today, January 19, 2007, the Alaska Labor Relations Agency (ALRA) heard a case brought by the Alaska Correctional Officers Association (ACOA) against the State concerning the State's new defined contribution retirement scheme also referred to as Tier IV.

The Alaska Labor Relations Agency (ALRA), charged with overseeing the State's dealings with its employees, had ordered a hearing over the Alaska Correctional Officers Association's (ACOA) charge that the State violated the bargaining law and ACOA's rights by refusing to bargain regarding the State's new defined contribution "retirement" scheme.

ACOA challenged the State of Alaska's unilateral change in the retirement system, which was implemented on July 1, 2006, and its refusal to bargain the "retirement" program forced upon the Association's members. ACOA filed a ULP with ALRA on August 16, 2006.

Association Business Manager, Brad Wilson, said, "The State's new retirement scheme will have a devastating effect on the State's ability to hire and retain quality employees. We believe the new Tier IV retirement scheme makes it very tough for the State to compete with the private sector. With State employees' wages already lagging behind the private sector, the benefit package was the only shining light. This new retirement scheme basically puts that light out."

Wilson also said, "The affect of this new retirement system will be felt by the public at large as time goes by. Fewer and fewer State employees, diminishing services, and in some areas even possible safety concerns. The new retirement scheme not only hurts State employees by affecting their staffing levels but in time will hurt all Alaskans. We believe this new retirement scheme is not in Alaskans best interest."

The State relied on a 1978 ruling by the Attorney General that the State's retirement system was not negotiable. The State questioned why the retirement system had not been challenged previously. Mr. Wilson explained that ACOA was a new Association. "We were not around in 1978 when the Attorney General made his ruling or when Tier II and Tier III were enacted. We do not know why previous changes in the retirement system were not challenged, but we felt it needed to be challenged."

ACOA representative, Art Chance, said, "The State's case was basically "we don't have to bargain retirement because we said we don't. We are confident that the agency will follow the bargaining law and order the State to bargain retirement."