



THE STATE  
*of* **ALASKA**  
GOVERNOR BILL WALKER

**Department of  
Administration**

DIVISION OF RETIREMENT AND BENEFITS

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# Memorandum

To: All Commissioners, Deputy Directors ASDs and HRMs

From: Leslie Ridle, Commissioner  
Department of Administration

Date: November 20, 2018

Subject: Updated FAQ's Leaving State Employment

We have developed the following FAQs to answer questions about the possible resignations of PX/EX employees. These FAQs will be posted on the Division of Personnel's website and on the Division of Retirement and Benefits websites.

If your employees have questions that are not answered here, they can contact Kate Sheehan at [kate.sheehan@alaska.gov](mailto:kate.sheehan@alaska.gov).

Thank you.

## FAQs for the Transition

**Q. If a person doesn't hear back from the transition team by 12/3, do they assume they are getting laid off at noon on Monday, or will they get a definitive statement either way?**

A. If you are interested in keeping your position and have indicated this to the transition team, you should continue working until you hear otherwise from the transition team. Therefore, there should be no assumptions and you should report to work on 12/3. Rather, employees will be advised if their resignation is accepted or not.

**Q. Does a person who wants to stay need to put an application on the website or does their email suffice?**

A. No, a person needs to express interest on the website only if interested in a different position.

**Q. Are there more emails coming or was the 11/16 email the entire list of who will be asked to leave?**

A. More notices are forth coming. 11/16 was the first group of memorandums to be sent. The transition team is awaiting additional information before more notices are sent.

**Q. What is the email for the transition team if I have some questions I'd like to ask them directly?**

A. team2018@alaska.gov

**Q. What if I have a personnel question regarding the transition?**

A. You may email Kate Sheehan, Director of Personnel and Labor Relations at kate.sheehan@alaska.gov.

**FAQ's for the Deferred Compensation Plan (DCP)**

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**Q. What happens to my accrued personal leave if I leave state service on or before December 31, 2018?**

A. If you do nothing else, the dollar value of your accrued personal leave will be paid out to you in your final paycheck. The amount paid to you will be subject to applicable taxes.

**Q. How is the dollar value of my accrued personal leave derived?**

A. In accordance with 2 AAC 08.045, personal leave balances are converted monthly to a cash value, by multiplying the hours accrued by the annualized hourly rate of pay for the pay period.

**Q. Is there a way to defer paying taxes on my accrued personal leave?**

A. Yes. If you participate in the State's deferred compensation plan you can direct some or all of your leave (depending on what you have contributed so far in the tax year) to your deferred compensation account. You must submit a request to the Division of Retirement Benefits, Attention Natalya Khomyakova at [doa.drb.dcp@alaska.gov](mailto:doa.drb.dcp@alaska.gov). There is a deadline for submitting the request, however.

**Q. What is the deadline for submitting a request to convert leave for deposit into my deferred compensation account?**

A. Under the terms of the Alaska Deferred Compensation Plan, requests must happen in the month prior to termination. Therefore, if you know the month in which you plan to terminate state employment, you must submit the conversion request anytime during the prior month. You should submit the conversion request prior to November 30, 2018 even if you are unsure if you are being retained. If you are retained, the request will not be processed as there will be no termination leave to convert. If you are not retained, we will be able to process the leave conversion to DCP.

**Q. What if I am not currently enrolled in the Deferred Compensation plan?**

A. If you would like to enroll in the Deferred Compensation Plan you can either complete your enrollment online at: <https://akdrb.empower-retirement.com> or you can fill out the enrollment form and submit it to Empower Retirement at the fax number listed on the form. If you need a pin number for the website you can contact Empower Retirement at (800) 232-0859.

**Q. When can I access my account?**

A. You can access your account after you have terminated employment or there is an unforeseeable emergency (as defined by the Alaska Deferred Compensation Plan).

When you qualify for a distribution, your account value may be applied to the distribution option(s) you choose. These options include:

- Do nothing and defer payment until you have obtained the age of Required Minimum Distribution
- Lump-sum payment (full or partial)
- Five-, 10- and 15-year period certain annuity
- Single life annuity
- Single life annuity with 10- or 15-year period certain
- 50% or 100% joint/survivor annuity
- Periodic payment
- Direct rollover to an eligible retirement plan as set forth in the Alaska Deferred Compensation Plan.

You may begin receiving funds immediately or defer receipt until to any date up to April 1 of the year after attaining age 70½. You will be allowed to take partial distributions, and there is no limit on the number of payments that can be taken; however, if you do not receive payment of your entire account, you must maintain a minimum \$1,000 account balance

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**FAQ's for SBS****Q. Do I have to take my SBS account when I terminate?**

A. No. You do not have to make any decision about your SBS account immediately. Distributions are not required until the later of the first day of April of the calendar year following the calendar year in which you attain age 70 ½ or the date of actual retirement. You can leave your account balance in the plan and continue to control the investments. You can continue to participate in Managed Accounts or Investment Advice.

**Q. Do I have to refund all of my account balance?**

A. No, you can take a partial refund.

**Q. When can I make a withdrawal?**

A. You are first eligible to receive payment of your account 60 days after you have been terminated from employment. If you are re-hired before the 60-day period has passed, the withdrawal request will be canceled and a new 60-day period will begin at the next termination. However, if you terminate, and select an annuity payment, the annuity payment you are receiving will not be affected by subsequent re-employment. Partial lump sum withdrawals will cease upon re-employment. Actual payment mailing occurs after you have been terminated 60 days and the Plan administrator approves your distribution. The only exception to payment eligibility earlier than 60 days after termination is for a qualified hardship. There are very strict criteria that must be met for a hardship distribution.

**Q. What payment options are available?**

A. Payment options include:

- Do nothing and defer payment until you have obtained the age of Required Minimum Distribution (RMD)
- Lump-sum payment (full or partial)
- Five-, 10- and 15-year period certain annuity
- Single life annuity
- Single life annuity with 10- or 15-year period certain
- 50% or 100% joint/survivor annuity
- Periodic payment
- Direct rollover to an eligible retirement plan as set forth in the Alaska Supplemental Annuity Plan Document.

Lump-sum payments to participants, former spouse alternate payees, and spouse beneficiaries are eligible for direct transferor rollover to an eligible retirement plan as set forth in the Alaska Supplemental Annuity Plan. A rollover is a payment of your Plan benefits to another eligible plan. A payment from the plan that is eligible for “rollover” can be taken in two ways: You can have your payment paid in a direct rollover or paid to you and rolled over within 60 days of distribution.

**Q. How will a distribution affect my taxes?**

A. You should consult with a qualified tax advisor to determine how the different distribution options will affect your taxes.

This FAQ provides general information regarding the State of Alaska Supplemental Annuity Plan. In the event of a conflict between this FAQ and the plan document, the plan document controls.

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**FAQ's for PERS DCR Tier IV****Q. Do I have to make a decision about my account balance before I terminate?**

A. No you do not. You can leave your account balance in the plan and continue to control the investment options and participate in the Managed Accounts or Investment Advice.

**Q. When can I make a withdrawal?**

A. You are first eligible to receive payment of your account 60 days after you have terminated employment.

**Q. What are the Plan payment options?**

A. After you have met the 60-day termination of employment requirement, you are eligible to select the payment option you choose. Payment options include:

- Do nothing and defer payment until you have obtained the age of Required Minimum Distribution
- Single life annuity
- Period certain annuity (five, 10 and 15 years)
- Single life with period certain annuity (10 or 15 years)
- Joint and survivor (50% or 100%; may be chosen only by members)
- Lump-sum payment (full or partial, two partial allowed per year)
- Direct rollover to an eligible retirement plan as set forth in AS 14.25.360 and AS 39.35.760 as applicable.

This FAQ provides general information regarding the State of Alaska TRS/PERS Defined Contribution Retirement Plans. In the event of a conflict between this FAQ and the plan documents, the plan documents control.

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**FAQ's for PERS DB Tier I, II, III****Q. When can I retire?**

A. Your retirement benefit is effective the first day of the month following termination from employment and receipt of your application. You must be eligible for retirement.

- All tiers must have five paid up years of service in order to be eligible for retirement.
- Tier I are eligible for normal retirement at age 55 or age 50 for an early benefit.
- Tier II and III are eligible for normal retirement at age 60 or early retirement at age 55.
- All tiers are eligible for normal retirement with 30 years of paid up service.
- Peace Officer and Firefighters are eligible for normal retirement with 20 years of paid up Peace Officer or Firefighter service.

**Q. When is my retiree medical insurance effective?**

A. If you are eligible for the system paid retiree medical it will be effective the first day of the month in which your retirement benefit is effective. If you are not eligible for system paid retiree medical, you have the option to elect to self-pay for medical benefits effective the first day of the month in which your retirement benefit is effective, or during the annual open enrollment period in November to be effective the following January.

**Q. What are my options regarding my contribution account balance if I terminate my position?**

A. You always have the option of leaving the money in your account. If you are a vested member intending to retire in the future or are a non-vested member and intend to become re-employed in a covered position in the future, it may be wise to do so.

To obtain a refund of your contribution account balance you must complete a Refund Election Form.

If you are non-vested (less than five paid years of service) or single, completing the form is sufficient. If you are a married and vested member, your spouse must consent to the refund on a form provided by the Division of Retirement and Benefits. This form must be notarized. If the rights to your refund are subject to a Qualified Domestic Relations Order (QDRO), you must also provide the notarized consent of each person entitled under the order.

**CAUTION: If you refund your contributions you will forfeit the service and your tier. If you return to TRS-covered employment on or after July 1, 2010, you will be enrolled in the PERS/TRS DCR Plan.**

If you refund your account, you become a former member and forfeit any rights you had as a member, including eligibility for medical benefits. If you refund your account, you must take a full refund. You cannot obtain a partial refund.

**Q. When can I expect to receive the refund of my account balance?**

A. You should have completed form GEN008, [Refund Election form](#) [PDF 142K], which tells us your intentions concerning your refund. If you did not, contact your employer or contact us directly.

There is a minimum waiting period of 60 days from your termination date or 30 days from the receipt of your application, whichever is later, before your refund will be processed. This is to make sure your employer has transmitted all of your contributions and your account can be refunded in full. There would be another week to ten days processing and mailing time once the waiting period has been met.

**Q. How do I arrange for a direct transfer of my refund?**

A. You must arrange for another qualified plan, such as an Individual Retirement Arrangement Account (IRA), to accept a direct transfer of your taxable contribution account balance. Once you have arranged for an institution to accept this transfer, you would complete a Notification of Termination/Refund Application filling in the appropriate information. Be sure to include the plan name, address, plan contact person, and your account number.

**Q. In an emergency, is there any way to obtain a refund of my account prior to the 60-day waiting period?**

A. The Division of Retirement and Benefits takes a critical view of what constitutes an emergency. For any emergency consideration, you must request a waiver in writing, and provide sufficient proof of your emergency. If you have other extenuating circumstances that you feel warrant consideration, you must provide a written detailed description to us along with your request for a waiver. If a waiver is granted in that case, a refund will be processed as soon as your employer has transmitted all of the contributions that were withheld from your pay.

This FAQ provides general information regarding the State of Alaska TRS/PERS Defined Benefit Retirement Plans. In the event of a conflict between this FAQ and the plan documents, the plan documents control.

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**FAQ's PERS Voluntary Savings****Q. I participate in Voluntary Savings. Do I have to do something with it?**

A. If you are a member of the PERS Defined Benefit Plan, and have been participating in the PERS Voluntary Savings Plan, and you are retiring you, must take your voluntary savings also. If you are not retiring you may take your voluntary savings in a lump sum, an annuity, in installments or leave it in the account until you retire.

**Q. What payment options are available?**

- Lump Sum Payment
- Life Time Annuity
- Five or Ten Year Period Certain Annuities.
- Monthly Installments. The balance plus interest divided by the number of months you designate.

For additional information about your retirement accounts please contact the Division of Retirement and benefits. There are Counselors available to speak with you about your benefits and assist you with any questions you may have.

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**Health Insurance****Q. What about my health insurance?**

A. Your health insurance as an active employee will end the last day of the month in which you stop working. So, if you work for four hours on December 3, you will have health insurance through the month of December.

The following benefits will be affected:

- Health Insurance
- Health Flexible Spending Account (HFSAs)
- For those in the Consumer Choice plan, your Health Reimbursement Arrangement (HRA) account

- Basic and Optional Life Insurance.

**Q. Can I continue coverage?**

A. Yes you can continue your health insurance coverage if you are not retiring. You must enroll within 60 days from the date coverage ends. Select Benefits members should contact the Division of Retirement and Benefits. Aetna, through their subsidiary PayFlex, will send out the COBRA forms.

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**FAQs for Unemployment**

**Q. Will I be eligible for unemployment if I am an exempt or partially exempt employee?**

A. If a specific job class is not referred to in [AS 23.20.526](#), the wages may be useable to file an unemployment insurance claim. We would encourage these state employees to file an unemployment insurance claim so you receive an official determination with appeal rights about the usability of the wages earned as an appointed official. Commissioners and Directors are explicitly excluded under statute while other Special Assistants and appointees are not.

**Q. If someone is asked to resign as part of the change in administration, is that a voluntary resignation or is it more like a dismissal? What if I submit a resignation and don't re-apply or don't submit a resignation at all?**

A. Unfortunately, there is no simple answer. If a person is terminated for reasons outside their control, then disqualifications may not apply. ALL employees who, for whatever reason, find themselves unemployed as a result of the administration change should be encouraged to apply for UI benefits so they can receive an official determination of eligibility. The determination also provides the employee with appeal rights should benefit be denied.

**Q. How do I file an unemployment insurance claim?**

A. We encourage claimants to file their unemployment insurance claim on-line using [myAlaska](#)

**Q. What unemployment insurance resources are available online?**

A. The following are available:

- File for benefits: <https://my.alaska.gov/PrerequisiteProcess?pubid=bif>
- UI handbook: <http://www.labor.alaska.gov/unemployment/uihadbook.pdf>
- Frequently asked questions: <http://www.labor.alaska.gov/unemployment/faq.htm>
- Unemployment insurance web page: <http://www.labor.alaska.gov/unemployment/home.htm>
- UI Online Help Guide: [http://www.labor.alaska.gov/unemployment/UI\\_Online\\_Help\\_Guide.pdf](http://www.labor.alaska.gov/unemployment/UI_Online_Help_Guide.pdf)
- UI terms and definitions: <http://www.labor.alaska.gov/unemployment/ui-defined.htm>

**Q. Who do I contact for additional questions regarding unemployment insurance?**

A. You can speak to unemployment insurance claim center staff using the following contact information:

- Anchorage UI Claim Center (907) 269-4700
- Fairbanks UI Claim Center (907) 451-2871
- Juneau UI Claim Center (907) 465-5552
- Toll free for remote locations: (888) 252-2557

## **General FAQs**

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### **Q. What should I turn in upon leaving state service?**

A. All state-issued devices—phone; laptop; hand-held devices—must be turned in to the Division of Administrative Services before your departure, as should any state-issued key-card or purchasing card. Just a reminder that all information on state issued devices is under the control of the State of Alaska upon your departure.

### **Q. What are the APOC reporting requirements for staff required to file annual Personal Financial Disclosures?**

A. On or before the 90th day after leaving office, a former public official shall file a final statement covering any period during the official's service in that office for which the public official has not already filed a statement.

### **Q. What are restrictions on employment after leaving my current job?**

- Under AS 39.52.180(a), a two-year prohibition applies to certain post-state employment activities. For two years after leaving state service, a former state officer may not "represent, advise, or assist a person for compensation regarding a matter that was under consideration by the administrative unit served by that public officer, and in which the officer participated personally and substantially through the exercise of official action." The Department of Law reads this provision consistent with the legislature's intent that AS 39.52.180 be narrowly applied. Thus, subsection 180(a) prohibits an activity during the two-year post-state employment period only if the activity meets each of the elements of that subsection.
- Under AS 39.52.180(d), former public officers who have held certain senior positions in state service "may not engage in activity as a lobbyist under AS 24.45 for a period of one year after leaving service." The identified positions are: governor; lieutenant governor; the head, deputy head, division director and legislative liaison of a principal department in the executive branch; a legislative liaison, administrative assistant or other employee of the offices of the governor and lieutenant governor in a policy-making position; a member of a state board or commission with regulatory-making authority, except those listed in AS 08.01.010; and a member of a governing board and an executive officer of a state public corporation.
- Go to the following link for additional information: <http://law.alaska.gov/doclibrary/ethics/Outside-PostStateEmploy.html>