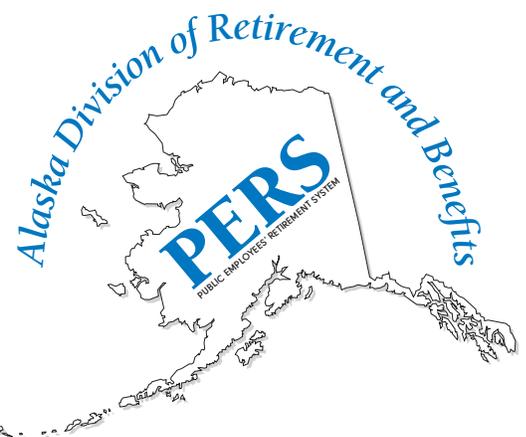


S T A T E O F A L A S K A

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

# *Employer Manual*



2014



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# I – Overview of the PERS

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Welcome to the State of Alaska Public Employees' Retirement System Employer (PERS) Manual. This manual is designed to be your resource guide when you have questions regarding the PERS, and to identify who to contact if you have additional questions.

## Reporting Contact – Accounting

[Alaska.gov/drb/employer](http://Alaska.gov/drb/employer)

- Payroll Reporting
- SBS Reporting
- Employer Contribution Rates

## Benefits Contact – Regional Counselor

[Alaska.gov/drb/reps](http://Alaska.gov/drb/reps)

- Eligibility and Entitlement
- Member Classification
- participation agreements
- Retirement Education

This summary provides a brief overview of the system, including both the Defined Benefit and Defined Contribution Plans. **Throughout this manual, a “member” is one who participates in and is eligible for coverage under the PERS system.**

## Defined Benefit Retirement Plan

The original plan established in 1961 is a Defined Benefit (DB) Plan.

Members are those who first entered the PERS:

- Before July 1, 1986, are in Tier I;
- On or after July 1, 1986, but before July 1, 1996, are in Tier II;
- On or after July 1, 1996, but before July 1, 2006, are in Tier III.

The benefits under this plan are defined in Alaska Statute and the pension is based on a formula. Included with the monthly pension are medical benefits also paid by the retirement system. The plan also offers disability and death benefits.

## Defined Contribution Retirement Plan

The second plan, established on July 1, 2006, is a Defined Contribution Retirement (DCR) Plan.

Members are those who first entered the PERS:

- On or after July 1, 2006, are in Tier IV.

The Defined Contribution Retirement (DCR) Plan is a hybrid plan that includes benefits for occupational death, occupational disability, and retiree health care in addition to the defined contribution retirement income benefit. Members can elect to participate in the State of Alaska's retiree major medical insurance plan. Additional health benefits include a medical expense reimbursement account, funded entirely by employer contributions.

## Statutes and Regulations

[Alaska.gov/drb/pers/employee/resources/statsRegs.html](http://Alaska.gov/drb/pers/employee/resources/statsRegs.html)

*NOTE: For detailed information regarding the PERS, please refer to Alaska Statute 39.35 and Alaska Administrative Code 2 AAC.35. This manual is only a summary. The PERS statutes and regulations will prevail whenever there is a difference in interpretation between this handbook and the statutes or regulations.*

### Administration of the PERS

The Chief Pension Officer of the Division of Retirement and Benefits (Division) serves as the Administrator of the PERS by appointment of the Commissioner of Administration. The Administrator oversees the day-to-day operation of the system.

The Alaska Retirement Management Board (ARMB) assumed fiduciary responsibility for the assets of the state's retirement systems as of October 1, 2005.

The Systems and Plans for which the ARMB manages and invests funds are the:

- Public Employees' Retirement System
- Teachers' Retirement System
- Judicial Retirement System
- National Guard/Naval Militia Retirement System
- Alaska Supplemental Annuity Plan
- Alaska Deferred Compensation Plan
- Alaska Defined Contribution Plan

The board consists of nine trustees and is staffed by the Department of Revenue – Treasury Division. The board appoints an Investment Advisory Council (IAC) composed of three members who possess experience and expertise in financial investments and management of investment portfolios. The ARMB also contracts with an external consulting firm for assistance with asset allocation, strategy, performance measurement, general consulting purposes and with a consulting firm for assistance with investing the real estate portfolio.

### *Alaska Retirement Management Board (ARMB)*

[Treasury.dor.alaska.gov/armb](http://Treasury.dor.alaska.gov/armb)

## II – Participation Agreements

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Each employer in PERS has a participation agreement on file with the Division of Retirement and Benefits. The participation agreement identifies the date of the employer's entry into the PERS, members by group or type eligible to participate, and current or past-service recognition. You should maintain a copy of your original participation agreement and all amendments to the agreement in your files. Contact your Regional Counselor with questions regarding your participation agreement or amendments to the agreement.

### Designation of Covered Members

- You may designate departments, groups, or other classifications of members eligible to participate in the system. It is possible to include or exclude certain groups of members from coverage, if desired. If the inclusion or exclusion is not contained in the original participation agreement, an amendment must be submitted and approved by the Administrator of the plan.
- If you decide not to cover a department, group or other classification of members, all members of that group will be removed from the plan as of the effective date of the amendment. An employer is not allowed to exclude only certain members of a group from plan coverage while allowing others in the group to continue to participate.

For example, you may not exclude only elected officials who are elected after a certain date but continue to cover existing elected officials. Nor can you exclude specific members; you must exclude the entire department, group or other classification. For example, if you have a job class series of Police Officer I, II and III positions, you may not exclude just the Police Officer I positions from participation in the PERS. You would be required to exclude the entire job class series.

If a singular position exists, for example the Chief of Police, you may choose to exclude this position from participation in the PERS.

### Elected Official PERS Participation

#### *Employers who included elected officials in participation agreements prior to June 6, 2007*

If the employer **included** elected officials in their participation agreement prior to June 6, 2007, enrollment of newly elected officials is dependent upon the tier of benefits under which the new officer is eligible.

- **Defined Benefit Elected Officials (PERS Tiers I, II, III):** Newly elected officials who are already members of the PERS defined benefit plans (first entered the PERS prior to July 1, 2006) can be enrolled in PERS as long as they are compensated for their services. Defined Benefit elected officials with a participating employer who included elected officials prior to June 6, 2007 do not have to meet the \$2,001 monthly compensation requirement to remain in PERS.
- **Defined Contribution Elected Officials (PERS Tier IV):** Newly elected officials who have not previously been members of the PERS or who are defined contribution PERS members, must be compensated at a rate of \$2,001 per month to be eligible for PERS participation.

#### *Employers who included elected officials in participation agreements on or after June 6, 2007*

If the employer **did not include** elected officials in their participation agreement prior to June 6, 2007, amended their agreement to add elected officials on or after June 6, 2007 or is presently amending their participation agreement to include elected officials, **all** elected officials, both defined benefit and defined contribution, must be compensated at the rate of \$2,001 per month to be eligible for PERS participation.

## Probationary Periods Before Enrollment

Some employers require members to serve a probationary period before they are eligible to enroll in the PERS. This requirement is identified in the employer's participation agreement.

Please be aware that if you require a probationary period before enrolling the member in PERS, the service period is not PERS-eligible and cannot be claimed. In addition, it does not meet the definition of full-time temporary employment and the member may not claim it for credit in the system.

## Part-Time and Seasonal Members

Part-time and seasonal members are eligible to participate in the PERS and should be reported to the system. The only exception to this is if you have amended your participation agreement to exclude these position types.

## Amendment Process

- Contact Regional Counselor
- Resolution passed by governing body
- Participation Amendment forms submitted
- Approval by the Plan Administrator

The employer may request that its participation agreement be amended. The request may be made only after adoption of a resolution by the legislative body of the political subdivision and approval of the resolution by the person authorized to approve the resolution, or, in the case of a public organization, after adoption of a resolution by the governing body of that public organization. A **certified** copy of the resolution will be filed with the PERS Administrator.

The resolution must state the effective date of the amendment, identify which members by group or type that will be included or excluded, and the name and title of the person authorized to sign the agreement on behalf of the governing body. The provisions stated in the resolution must match the provisions outlined in the participation agreement. **Any discrepancy between the participation agreement and the resolution will result in a delay in acceptance of the agreement until a revised agreement or resolution is received by the PERS.**

The amendment to the participation agreement must be submitted on the required amendment form. Be sure to complete and submit two amendment forms with original signatures. When approved, one original of the amendment will be returned to you for your records.

The effective date of amended coverage is designated in the amendment. It must be the first of a month and must be prospective. The amendment must also be numbered.

## Process and Cost of Removing Members From Coverage

There is a process and differing costs to remove members from coverage depending upon when the employer began participation in the PERS.

### *Employers who began participation in the system on or before June 30, 2006*

- Contact Regional Counselor
- Resolution passed by governing body
- Termination Study completed
- Amendment to participation agreement submitted

If you are considering excluding coverage of a department, group, or other classification of members, you must contact Buck Consultants to have a termination study done. This study will tell you what your one-time termination cost is. This cost represents the amount necessary to fully fund the costs to the plan for members who become vested through this process and for other changes in actuarial assumptions, like earlier than expected retirement, that arise because of the act of termination from coverage. Benefits due to terminated members must be funded by the employer and the employer must

either pay the amount in a lump sum within 60 days of termination or enter into a payment plan that is acceptable to the PERS Administrator.

In addition to this cost, you will continue to make contributions toward the unfunded liability for your defined benefit members (Tiers I, II and III) each pay period by the amount determined by applying the past-service rate times the salary of the individuals you are removing. The current past-service rate for FY 2011 is 20.90%. This rate will change with each new Fiscal Year.

- Each member whose coverage is terminated is considered fully vested in the accrued retirement benefits effective the date of termination.
- Each member affected by termination has a choice of taking a refund of their contributions or receiving a vested benefit in the PERS. The member has 60 days to submit their decision in writing to the administrator of the plan.
- If the member elects to receive a refund, they will forfeit all service with the terminating employer and the service cannot be reinstated at a later date.

### ***Employers who began participation in the system on or after July 1, 2006***

- Contact Regional Counselor
- Resolution passed by governing body
- Termination Cost Assessed
- Amendment to participation agreement submitted

If you are considering excluding coverage of a department, group, or other classification of members, the Administrator of the Plan will assess a termination cost that is determined to be actuarially required to fully fund the costs to the plan for members whose coverage is terminated. This cost includes the employer's share of retiree health benefits, occupational death and disability benefits and continuing lifetime pension benefits elected by qualifying peace officers or firefighters.

The termination cost is borne by the employer. Benefits due to terminated members must be funded by the employer and the employer must either pay the amount in a lump sum within 60 days of termination or enter into a payment plan that is acceptable to the PERS Administrator.

- Each member whose coverage is terminated is considered fully vested in the employer contributions and in their own contributions effective the date of termination.
- If the member is later employed with a participating employer, all service earned during the employment period with the terminated employer is credited for purposes of determining vesting in employer contributions and eligibility for medical benefits.

## **Termination of Participation**

### ***Employers who began participation in the system on or before June 30, 2006***

- Contact Regional Counselor
- Resolution passed by governing body
- Termination Study completed
- Termination cost paid within 60 days or payment plan entered into

The employer may request that its participation agreement be terminated. The employer must give the plan administrator 90 days notice prior to termination. The request may be made only after adoption of a resolution by the legislative body of the political subdivision and approval of the resolution by the person required by law to approve the resolution, or, in the case of a public organization, after adoption of a resolution by the governing body of that public organization. A **certified** copy of the resolution will be filed with the PERS Administrator.

If you are considering terminating participation, you must contact Buck Consultants to have a termination study done. This study will tell you what your one-time termination cost is. This cost represents the amount necessary to fully fund the costs to the plan for members who become vested

through this process and for other changes in actuarial assumptions, such as earlier-than-expected retirement, that arise because of the act of termination from coverage. Benefits due to terminated members must be funded by the employer and the employer must either pay the amount in a lump sum within 60 days of termination or enter into a payment plan that is acceptable to the PERS Administrator.

Termination of participation by an employer does not prohibit future participation by the same employer as long as the cost of the prior termination has been paid in full.

Termination of participation can involuntarily occur if the employer fails to make its mandatory contributions to the PERS within the established time limits. Should this occur, an extension of the payment of contributions may be granted. If at the end of the extension period the employer is still in default, their participation in the plan will be terminated. Notice of termination will be sent to the employer.

- All current or deferred members of a terminated employer are considered fully vested in the accrued retirement benefits effective the date of termination, providing they have not received a refund of their contributions.
- Each member affected by termination of participation has a choice of taking a refund of their contributions or receiving a vested benefit in the PERS. The member has 60 days to submit their decision in writing to the administrator of the plan.
- If the member elects to receive a refund, they will forfeit all service with the terminating employer and the service cannot be reinstated at a later date.

#### ***Employers who began participation in the system on or after July 1, 2006***

- Contact Regional Counselor
- Resolution passed by governing body
- Termination cost assessed

The employer may request that its participation agreement be amended. The request may be made only after adoption of a resolution by the legislative body of the political subdivision and approval of the resolution by the person authorized to approve the resolution, or, in the case of a public organization, after adoption of a resolution by the governing body of that public organization. A **certified** copy of the resolution will be filed with the PERS Administrator.

The Administrator of the Plan will assess a termination cost that is determined to be actuarially required to fully fund the costs to the plan for members whose coverage is terminated. This cost includes the employer's share of retiree health benefits, occupational death and disability benefits and continuing lifetime pension benefits elected by qualifying peace officers or firefighters. The termination cost is borne by the employer. Benefits due to terminated members must be funded by the employer and the employer must either pay the amount in a lump sum within 60 days of termination or enter into a payment plan that is acceptable to the PERS Administrator.

Termination of participation by an employer does not prohibit future participation by the same employer as long as the cost of the prior termination has been paid in full.

Involuntary termination of participation can also occur if the employer fails to make its mandatory contributions to the PERS within the established time limits. Should this occur, an extension of the payment of contributions may be granted. If at the end of the extension period the employer is still in default, their participation in the plan will be terminated. Notice of termination will be sent to the employer.

- Each member whose coverage is terminated is considered fully vested in the employer contributions and in their own contributions effective the date of termination.
- If the member is later employed with a participating employer, all service earned during the employment period with the terminated employer is credited for purposes of determining vesting in employer contributions and eligibility for medical benefits.

## III – Payment of Contributions

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### Requirements for Timely Reporting

Employer and member contributions should be transmitted to the plan for deposit in the retirement fund as soon as practicable following the close of each payroll period.

If the contributions are not submitted within 15 days of the close of each payroll period, interest will be assessed on the outstanding contributions at one and one-half times the most recent actuarially determined rate of earnings for the plan, effective the date that the contributions were originally due.

Employers who have not paid their contributions to the plan may be terminated from participation in the plan.

### Consequences to the DCR Member and Employer for Late Reporting

The defined contribution (DCR) member's account balance is comprised of contributions and investment gains and losses. If the contributions are reported late, the member may suffer substantial financial losses with market fluctuations and the employer may be assessed interest for late payment.

### Effect of Enrolling DCR Members in Error

The employer is responsible for administrative fees, investment fees, and investment losses charged to accounts resulting from contribution adjustments because the employer enrolled a member in the DCR plan in error.

### Refer to e-Reporting Manual for Other Questions

This web-based application provides employers who participate in the Alaska Public Employees' Retirement System (PERS) an electronic method for reporting required information. This application allows employers to report required information for both defined benefit (DB) and DCR members.

#### *eReporting User's Guide*

[Alaska.gov/drb/employer/ereporting/user\\_guide.html](http://Alaska.gov/drb/employer/ereporting/user_guide.html)

∞ PERS EMPLOYER MANUAL



# IV – Employer Responsibility for Member Plan Education

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## Paid for Through Employer Contributions

Funding to provide information and education to members of the PERS is included in the employer contribution rate. This includes both DB and DCR members.

It is important that members of the PERS receive education and counseling on their retirement benefits as soon as they enter the plan. This education should continue throughout their employment to ensure that they have the tools they need to appropriately prepare for retirement.

Members should be encouraged to take advantage of additional savings plans the employer may offer such as 401 tax sheltered annuity plans or 457 deferred compensation plans.

## Importance of Initial Seminars for DCR Members

When a DCR member retires, they will pay themselves in retirement based on the money accumulated in their accounts. With this in mind, it is important that they understand the investment options available to them and the suite of services offered through Reality Investing.

These members should be encouraged to attend the various retirement seminars presented by the Division of Retirement and Benefits and Great-West Retirement Services. These seminars will provide them valuable information on Tier IV entitlements and financial education on their retirement accounts.

## Importance of Work Release Time for Seminar Attendance

As an employer, part of the full benefit package that you offer members is a retirement system. The Division strives to educate your members on this valuable benefit you provide.

Employers are encouraged to allow members time off work to attend the various educational seminars presented by the Division and Great-West Retirement Services on their retirement accounts. This can be done by implementing a liberal leave policy or allowing a flexed work week when local seminars are offered.

## Importance of Field Visits

Retirement Regional Counselors provide regular on-site visits to areas throughout the State of Alaska. The field visit is a valuable tool to provide accurate and complete information to both the employer and the member. In addition, the Division offers Benefits Fairs in various areas of the state on a regular basis.

Regional Counselors provide the following services to the employers:

- Training in the benefits and entitlements of the PERS
- Interpretation of PERS statutes and regulations
- Classification of members
- Process of amending participation agreements

Regional Counselors provide the following services for members:

- Individual counseling appointments
- Seminars for large groups
- Job-site visits, and small group meetings

If it is not possible for a retirement representative to physically visit a community, a regional counselor can provide seminars, group meetings, and individual counseling via teleconference, video conference and via the Internet.

## Assistance for Field Visits – What the Counselor Needs

When a regional counselor is visiting sites in the field, the employer's help is required to make the visit a success. The employer should advertise and encourage their members to attend the seminars and set up individual counseling appointments. Where possible, the employer should allow employees time from work to attend.

It is the employer's responsibility to designate an employer contact that will coordinate the visit with the Regional Counselor by securing a meeting space and scheduling the individual counseling appointments for members. It is important that the employer notify all their members of the date and time of the on-site visit. This will ensure that all members have the opportunity to meet with the retirement representative. This can be done by posting flyers in common areas, sending emails to all members, and announcing the visit in work site publications.

# V – Beneficiary Designations

The employer is required to provide newly hired members with the appropriate beneficiary forms for their applicable accounts. The most current beneficiary forms can be found on the Division Web site.

## **Beneficiary Forms Packet**

[Alaska.gov/drb/forms/beneficiary-forms.html](http://Alaska.gov/drb/forms/beneficiary-forms.html)

There are separate PERS beneficiary forms for DB and DCR members. In addition, there are beneficiary forms for the State of Alaska's Supplemental Annuity Benefit System (SBS) and Deferred Compensation (DC) plans.

It is important that beneficiary forms are submitted timely for new members and updated on a regular basis for existing members. In the event of a death, the member's account will be paid based on their most recent valid beneficiary designation that the Division or its designee, Great-West Retirement Services, has on file.

All married members who name someone other than their spouse as the primary beneficiary of their accounts must have the spouse's signature on the Spousal Consent section on the form.

If more than one beneficiary is named in the primary or contingent beneficiary category, the surviving beneficiaries in that category will share equally unless otherwise indicated.

If the primary and contingent beneficiaries die before the member does or if no beneficiary is named, the account will be paid based on the terms of the Plan Document or appropriate state law.

Members should use caution when designating a minor child as a beneficiary. When a minor child is designated as the beneficiary, the death benefit will be paid to the child's parent or legal guardian. Members may want to consider establishing a Trust for their minor child and designate the Trust as the beneficiary. They should provide the name and contact information of the Trustee on the form.

Changes to the designated beneficiary can be made by submitting a new beneficiary designation form at any time.

## **DB Process**

The DB member will complete the *Beneficiary Designation Defined Benefit Plan for Active and Deferred Members* (02-822) and submit it directly to the Division address listed at the top of the form.

[Alaska.gov/drb/pdf/forms/02-822.pdf](http://Alaska.gov/drb/pdf/forms/02-822.pdf)

## **DCR Process**

The DCR member will complete either the *Beneficiary Designation 401(a) Plan State of Alaska Public Employee's Tier IV Defined Contribution Retirement Plan* form (PERS Defined Contribution Retirement Plan Beneficiary Designation) and submit it directly to Great-West Retirement Services (GWRS) at the address listed on the last page of the form or designate beneficiaries online at [Akdrb.gwrs.com](http://Akdrb.gwrs.com). Members can update their beneficiaries any time.

[DCprovider.com/PDF/alaska/98214-04/98214-04\\_Beneficiary.pdf](http://DCprovider.com/PDF/alaska/98214-04/98214-04_Beneficiary.pdf)

## **Supplemental Annuity Benefits System (SBS) Process**

The DB or DCR member will complete the *Beneficiary Designation 401(a) Plan State of Alaska Supplemental Annuity Plan form* (Supplemental Annuity Plan Beneficiary Designation) and submit it directly to Great-West Retirement Services (GWRS) at the address listed on the last page of the form or designate beneficiaries online at [Akdrb.gwrs.com](http://Akdrb.gwrs.com). Members can update their beneficiaries any time.

[DCprovider.com/PDF/alaska/98214-03/98214-03\\_Beneficiary.pdf](http://DCprovider.com/PDF/alaska/98214-03/98214-03_Beneficiary.pdf)

## Deferred Compensation Plan (DCP) Process

The DCR member will complete the *Beneficiary Designation Governmental 457(b) Plan State of Alaska Deferred Compensation Plan* form (Deferred Compensation Plan Beneficiary Designation) and submit it directly to Great-West Retirement Services (GWRS) at the address listed on the last page of the form or designate beneficiaries online at [Akdrb.gwrs.com](http://Akdrb.gwrs.com). Members can update their beneficiaries any time.

[DCprovider.com/PDF/alaska/98214-01/98214-01\\_Beneficiary.pdf](http://DCprovider.com/PDF/alaska/98214-01/98214-01_Beneficiary.pdf)

## Employer is Not the Agent or Designee of the Plan Administrator

Only beneficiary designation forms filed with the Division are considered valid. If your members submit forms to you and these forms are not forwarded to either the Division or to Great-West, whichever is appropriate, we cannot use the information provided on them. Only forms that have been received by the Division or its designee will be used in the event of a member's death.

# VI – The Defined Contribution Member (Tier IV)

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## Enrollment

Members who first entered the PERS:

- On or after July 1, 2006, are in Tier IV
- Non-vested members who elected to convert to the Defined Contribution plan are in Tier IV

Tier status is established when a member first begins making contributions to the PERS. Your new member may have participated in the system prior to their employment with you. Before reporting new members to the system, be sure to confirm the correct tier status for them. This can be done by using the New Employee Tier Look-Up on the Division's Employer Access Web site or by contacting your Regional Counselor.

### *Those Not Covered Under the PERS DCR Plan*

- Temporary (nonpermanent);
- Those who work less than 15 hours per week;
- Those who participate in the University of Alaska's Optional Retirement Plan (ORP);
- Those who first entered PERS before July 1, 2006 and did not convert to the DCR Plan; or
- Those excluded from the employer's participation agreement.

## Hiring a PERS DCR Retired Member

There are IRC codes that prohibit a retired member from making "in service" contributions to their retirement account while they are receiving a distribution from that account. Employers should encourage the DCR retired member to seek the advice of a qualified tax consultant for guidance on the IRC codes. Failure to inform the retired member of this could result in significant financial repercussions for the retired member.

PERS retired members who come back to PERS-eligible employment retain the amount of service that they had accrued prior to retirement. Upon reemployment in the PERS, the service counts toward vesting in the employer contributions, medical eligibility, the Health Reimbursement Arrangement (HRA) and for retirement eligibility.

## Classification

The following members are covered under the PERS and earn membership service in the PERS:

- Permanent full-time or part-time and seasonal members of the State of Alaska; and
- Permanent full-time or part-time and seasonal members of participating political subdivisions or public organizations, unless specific member group or type, or job classifications are excluded by Alaska Statutes or participation agreements.

A full-time member is one who is occupying a permanent position that regularly requires working 30 or more hours a week. A part-time member is one who is occupying a permanent position that regularly requires working at least 15 hours but less than 30 hours a week.

### *Elected Officials*

Elected officials who are compensated at a minimum of \$2,001 a month for their services may be covered by the PERS DCR Plan if the employer includes elected officials in their participation agreement.

An elected official can waive their participation in the PERS by filing a written waiver of coverage, PERS Elected Official Participation/Waiver form (dcr006) within 30 days of the date that the elected official's

term of office begins. A waiver is irrevocable for the remainder of the elected official's service as an elected official or other member of the employer.

***PERS Elected Official Waiver Form***

[alaska.gov/drb/pdf/forms/dcr006.pdf](http://alaska.gov/drb/pdf/forms/dcr006.pdf)

**Occupation Code**

The occupation codes identify various member types in the PERS. The employer will be reporting the correct code for members with each payroll processing. The most common ones used are listed below.

- PERS        A        All Others
- PERS        C        Masters, Mates and Pilots (State of Alaska only)
- PERS        E        Elected Officials
- PERS        F        Fire Fighter
- PERS        M        IBU (Inland Boatmen Union) (State of Alaska only)
- PERS        P        Peace Officer

The following definitions will help in determining the correct occupational code for your members.

***“P” Peace Officer***

A member occupying a position as a peace officer, chief of police, regional public safety officer, probation officer, correctional officer or correctional superintendent. It does not include a village public safety officer.

***“F” Fire Fighter***

A member occupying a position as a fire fighter or a fire chief. It does not include volunteer fire fighters.

**No Claimed Additional Service**

With the exception of a call to active military duty, DCR members may not claim other types of service for credit in the PERS.

**Calls to Active Military Duty While Employed in the PERS**

Per the 1994 Uniformed Services Employment and Reemployment Rights Act (USERRA) military personnel who are currently working for a PERS employer and called out to a period of active duty may be entitled to claim the period as regular service credit upon their return to the employer. In most cases, the cumulative period(s) of call to active duty cannot exceed five years.

The member is to be granted reasonable time off prior to the beginning of the active duty period to take care of personal affairs and to travel to the reporting site. In addition, the member is to be granted a period of rest before returning to work. The period of time the member has to report back to work varies depending upon the length of the active duty period, not to exceed 90 days after discharge from active duty.

This time frame may be extended due to medical circumstances. If the member suffers a disability upon their return to employment, the employer is required to make reasonable accommodations to return the member to active employment.

If you have a member who is called to active duty:

- Contact Regional Counselor
- Inform member of right to claim service upon return to employment
- Report the leave of absence through payroll reporting
- Inform member of the process to claim service upon return to employment

Calls to active duty must be claimed for credit in the PERS by the member once they return to employment. The member is required to write a memo requesting to claim the period of active duty for service credit in the PERS. The memo plus documentation verifying the release from active duty with an honorable discharge, typically a DD214, is sent to Retirement and Benefits for processing.

Once claimed, the entire period of the military leave of absence (prior days and up to 90 days after discharge) is credited as regular service in the PERS. The service counts toward vesting in the employer contributions, medical eligibility, the Health Reimbursement Arrangement (HRA) and for retirement eligibility.

DCR members may elect to make up all or part of their contributions for the period of military leave of absence once they have returned to the employer. The employer will make their contributions to the members account proportionate to what the member makes up. If the member does not elect to make up their contributions, they will not receive the employer match to their accounts.

DCR members who participate in the State of Alaska's Supplemental Annuity Plan (SBS) and/or the State of Alaska's Deferred Compensation Plan (DCP) may elect to make up all or part of their contributions for the period of active duty once they have returned to the employer.

Members of other tax sheltered plans offered through their employers should contact their human resource or payroll staff for information on how to make up missed contributions in those plans.

The allowable time frame for making up the contributions is up to three times the length of the period of the military leave of absence, not to exceed five years. Missed contributions must be made through direct payroll deductions.

Employers and members are encouraged to contact their Regional Counselor for information on calls to active military service.

If you have questions about USERRA you may contact:

USERRA – Federal Register 20 CFR Part 1002

Juneau (907) 465-5881

[DOL.gov/vets](https://www.dol.gov/vets)

ESGR – Employer Support of the Guard and Reserves is a Department of Defense agency established to gain and maintain active support from all public and private employers.

Toll-free (800) 336-4590

[ESGR.mil](https://www.esgr.mil)

## Service Accrual

A year of service is the equivalent of 52 weeks of permanent full-time employment, which may consist of a combination of permanent full-time or permanent part-time membership service.

A PERS permanent full-time member earns a day of service credit for each day they are actively employed in a PERS covered position. This includes holidays or regularly scheduled days off (RDO), as long as they are in pay status the day before and the day after the holiday or RDO.

A PERS permanent part-time member receives proportionate credit for the number of hours they work compared to a full-time member. A total of 1,560 hours must be earned to receive a year of service credit. However, service accrued for a stated period of part-time service may not exceed the full-time equivalent.

A permanent full-time or part-time seasonal member earns service credit for the period of time they are actually working. Seasonal leave without pay periods do not earn PERS service credit.

## Simultaneous PERS and TRS Credit

Members working in both the PERS DCR plan and the TRS DCR plan at the same time may receive partial service credit under both systems. To be eligible, they must be employed at least half-time in both systems concurrently and making the required contributions.

The total PERS DCR and TRS DCR service credit that a member may earn during a school year (July 1 through June 30 of the following year) may not exceed one year.

## Vesting

The DCR member is immediately and fully vested in their own contributions and related earnings beginning with their first contribution. They become vested in the employer contributions based on years of service in the PERS.

- After 2 full years of service - 25% vested
- After 3 full years of service - 50% vested
- After 4 full years of service - 75% vested
- After 5 full years of service - 100% vested

## Effects of LWOP and Reporting Process

For a full-time member, a leave of absence without pay (LWOP) that does not exceed 10 accumulated days in any calendar year is not considered an interruption or break in service. However, if the leave of absence exceeds 10 accumulated days, whether taken consecutively or through intermittent hours scattered throughout the calendar year, their service credit for that year will be reduced by the equivalent number of days they were on leave of absence without pay.

For example; a full-time member scheduled to work a 40-hour work week (8 hours a day) could accumulate up to 80 hours of LWOP each calendar year and still receive a full year of service credit. However, once the accumulated LWOP exceeds 80 hours in the calendar year, the entire period of LWOP will not be credited PERS service, including the 80 hours.

Continuous periods of LWOP for full-time members should be reported to the PERS with each payroll processing. Currently, scattered LWOP for full-time members is not reported to the PERS; however, this reporting option may become available in the future. The employer will be required to verify all hours of LWOP for full-time members when completing the *Verification of Service* form (02-1883).

Part-time members receive credit in the PERS based on the number of hours worked and the 10-day rule is not applicable.

## Workers Compensation Procedures

If you have a member on a period of Workers Compensation (WKC) leave without pay (LWOP), the LWOP time should be reported through the payroll process.

The period of workers compensation leave without pay cannot be claimed for credit in the Defined Contribution Plan.

## Occupational Disability

A member that is injured and becomes totally and presumably permanently disabled because of a physical or mental condition caused by an injury or hazard that happens while performing their job may be eligible to receive a monthly occupational disability benefit from the PERS.

The cost for providing occupational disability benefits to members is borne by the employer and is included in the employer contribution rates.

If the member has already met the requirements for a normal retirement based on age or years of service, they are not eligible to receive occupational disability benefit. Those on disability benefits revert to a regular retirement benefit once they meet the age or years of service requirements.

Receiving an occupational disability benefit is not automatic. There is an application process, medical certification requirements, and the disability must be approved by the administrator of the plan.

The member must file an application for the occupational disability benefit with the Division within 90 days after termination of their employment. Members can file the disability application while they are still working.

The monthly occupational disability benefit will be equal to 40% of their gross monthly compensation immediately before they terminated employment due to the disability. Members receiving occupational disability benefits continue to earn PERS service credit while they are receiving the occupational disability benefits. **No medical insurance is provided until the member is eligible for a normal retirement.**

The member is immediately vested in the employer contributions once they are appointed to occupational disability regardless of the total years of service. The employer continues to make all required contributions as if the member were still working, including the member's required contributions to an account established for the member in the Occupational Death and Disability Trust. Members cannot elect a refund of their member account balance or elect a distribution option of the account while they are receiving occupational disability benefits.

Disability benefits cease when the member becomes eligible for normal retirement with 10 years of service and Medicare eligible age, or at any age with 25 years of peace officer or firefighter service, or at any age with 30 years of service for all others.

When a member converts to normal retirement, they have access to their account balance and they elect when and how to take distribution on their DCR account. There are various distribution options available, which include lump-sum payments, annuities, and rollovers to other qualified pre-tax plans.

**NOTE: When a peace officer or firefighter becomes eligible for a normal retirement, the member may choose between a continuing lifetime pension benefit based on high salaries and years of service, or access to their account balance.**

Medical insurance is available to members who have reached normal retirement eligibility.

## Occupational Death

If a member dies due to an occupational reason, the survivor will receive 40% of the member's salary at the time of death. Survivors include spouse or qualified same-sex partner, and dependent children.

The employer continues to make the employer and member contributions into the Occupational Death and Disability Trust for the survivor, and the Health Reimbursement Arrangement (HRA) account until the participant would have reached normal retirement eligibility. Survivors cannot elect a refund of the members account balance or elect a distribution option of the account while they are receiving occupational death benefits.

Occupational death benefits cease when the member would have become eligible for normal retirement with 10 years of service and Medicare eligible age, or at any age with 25 years of peace officer or firefighter service, or at any age with 30 years of service for all others.

When the member would have converted to normal retirement, the survivor has access to the members account balance and the contributions paid to the Occupational Death and Disability Trust account on their behalf. The survivor will elect when and how to take distribution on the DCR account. There are various distribution options available, which include lump-sum payments, annuities, and rollovers to other qualified pre-tax plans.

## Non-Occupational Death

When a member dies from non-occupational causes before retiring, the spouse or qualified same-sex partner, or other eligible beneficiary, is entitled to the member's contributions, the vested portion of the employer contributions, plus investment earnings and they elect when and how to take distribution on the DCR account. There are various distribution options available, which include lump-sum payments, annuities, and rollovers to other qualified pre-tax plans.

## Divorce or Dissolution

Retirement accounts are marital assets and if there is a divorce or dissolution during any period of a member's PERS employment, the member is required to submit court certified copies of the divorce or dissolution documents and the property settlement to the Division. These documents will be placed in their permanent record with the Division.

If the documents stipulate or contain an order by the judge entitling the former spouse to a portion of an account, a Qualified Domestic Relations Order (QDRO) must also be submitted.

If the documents indicate there was an agreement about the division of retirement benefits, but no separate agreement is included in the documents, the member must provide a court certified copy of the separate agreement or the magistrate or judge's notes from the court hearing.

If the documents are silent on the retirement plans, the account will be considered free from attachment.

## Terminations

It is the employer's responsibility to report terminations of employment timely to the PERS. The termination action should be reported as soon as possible after the member's last day of work.

## Distribution Elections

When a member terminates employment, they elect when and how to take distribution on their DCR account. There are various distribution options available which include lump-sum payments, annuities, and rollovers to other qualified pre-tax plans.

The refundable amount to a terminated member includes:

- Members mandatory contributions;
- Vested portion of employer contributions
- Investment gains and losses

Members must be terminated from employment for at least 60 days before distribution can occur. They must complete and submit the *Great-West Retirement Services Distribution/Direct Rollover 401(a) Plan form (Separation from Employment Withdrawal Request 98214-04 form)* to commence distribution.

### ***PERS Defined Contribution Refund Election Form***

**[DCprovider.com/PDF/alaska/98214-04/98214-04\\_Distribution.pdf](http://DCprovider.com/PDF/alaska/98214-04/98214-04_Distribution.pdf)**

Terminated members who are married may not receive a refund of their member contribution account (if balance is greater than \$5,000) unless their spouse gives written consent. Terminated members who are divorced may not receive a refund of their member contribution account unless they can show that their former spouse was not granted an entitlement to the account.

If a qualified domestic relations order (QDRO) has been filed awarding the former spouse a monthly benefit, the court would have to amend the QDRO to allow for a refund of the members contribution account as a lump-sum pay out.

All accrued service in the PERS remains in the account and should the member return to work for a PERS employer in the future, the service will be reinstated.

## Retirement

Normal retirement is the age set for Medicare eligibility at the time the member retires. A retired member in the DCR plan is a person who has elected to receive medical benefits.

## Effects of PERS on Social Security Benefits

Not all PERS employers participate in Social Security. If you need information on whether you participate in Social Security, contact your Regional Counselor or the Division's Audit section.

Employees of employers who do not participate in Social Security may have their Social Security benefit reduced. Two laws affect Social Security benefit entitlement—The Windfall Elimination Provision and the Government Pension Offset. For information on these federal provisions, employees should be encouraged to contact Social Security toll-free at 800 772-1213, or visit the Social Security Administration Web site at [SSA.gov](http://SSA.gov).

## Retired Member Medical Benefits

DCR members may have access to a retiree medical plan when they retire. In order to access the retired member's medical benefits plan the member must:

- Retire directly from the plan and;
- Have been active at least 12 months prior to separation, and;
- Have at least 30 years of service as a teacher or “all other” member; or
- Have at least 25 years as a peace officer or firefighter; or
- Have at least 10 years of service and be eligible for Medicare.

If the DCR retired member has not yet reached Medicare eligible age, they will pay the full premium for the medical benefits plan if they want the coverage. Once the retired member reaches Medicare age eligibility, they will pay a percentage of the monthly premium based on years of service, as follows:

- 10 percent with 30 or more years of service
- 15 percent with 25 to 29 years of service
- 20 percent with 20 to 24 years of service
- 25 percent with 15 to 19 years of service
- 30 percent with 10 to 14 years of service

The DCR retired member medical benefits plan is currently being developed. The plan will basically include payment of covered expenses at 80% from the plan with a 20% payment from the member. The plan is supplemental to Medicare. Once the plan has been finalized, the plan documents will be available to employers and members online at the Division Web site.

## Health Reimbursement Arrangement

The employer is making contributions to the Health Reimbursement Arrangement (HRA). The contribution amount is based on the average salary of all PERS and TRS members in the DCR plans and it is calculated as a flat monthly dollar amount. This amount is deposited into a separate account for each member of the PERS while they are employed in the PERS.

The balance in the HRA account consists of the employer contributions and any interest that has accrued.

DCR retired members will have access to this account when they meet one of the following requirements:

- 30 years of service as a teacher or all-other employee; or
- 25 years of service as a peace officer or firefighter; or
- at least 10 years of service and are eligible for Medicare.

Members do not have to retire directly from the system to access their HRA.

The money in the HRA can be used to pay for medical expenses for the retired member and their eligible dependents, or it can be used to pay premiums for supplemental medical coverage plans.

If the member terminates employment prior to accruing at least 10 years of service, they will not have access to the HRA. Should they come back to employment with a PERS employer, the HRA is reinstated, with interest added for the period of time they were not contributing to the PERS.

## Optional Health and Life Plans

DCR retired members may elect to pay a premium for additional health and life coverage as follows:

- Dental-Vision-Audio (DVA) coverage for self, spouse or same-sex partner, and eligible dependent children;
- Long-Term Care (LTC) coverage for self and spouse or same-sex partner; and
- Optional Life Insurance (if participating in the state-sponsored Optional Life Insurance Plan at retirement).

Retired members will pay the monthly premiums for as long as they want the coverage.

Members seeking more information regarding the optional health plans please contact our insurance benefit section or refer to *State of Alaska Retiree Insurance Information Booklet*.

### *AlaskaCare Retiree Health Booklet*

[AlaskaCare.gov/retiree/publications/booklets.html](http://AlaskaCare.gov/retiree/publications/booklets.html)

For more information regarding the optional LTC plans, including enrollment restrictions, refer to the *State of Alaska Long-Term Care Booklet*.

### *State of Alaska Long-Term Care Booklet*

[AlaskaCare.gov/retiree/publications/booklets.html](http://AlaskaCare.gov/retiree/publications/booklets.html)

### *Retiree Health Care Premiums*

[AlaskaCare.gov/retiree/information/premiums.html](http://AlaskaCare.gov/retiree/information/premiums.html)

Members seeking more information on the retired members medical coverage, DVA and LTC, and the requirements to continue the Optional Life Insurance should contact their Regional Counselor.

## Medicare

Members should contact Medicare about three months before their 65th birthday to sign up for Medicare. They can sign up with Medicare even if they do not plan to retire at age 65. Members who are still working and covered by an employer-sponsored health insurance plan may be able to defer enrollment in Medicare. Employers should encourage their members to contact Medicare to ensure they comply with the current requirements.

There are several parts to Medicare and there are time limit requirements to enroll timely to avoid penalty at a later date.

For more information regarding Medicare benefits, employers and members should contact the local Medicare office, or call the toll-free number at (800) 772-1213, or visit the Medicare Web site at [Medicare.gov](http://Medicare.gov).

# VII – The Defined Benefit Member (Tiers I, II, III)

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## Enrollment

Members who first entered the PERS:

- Before July 1, 1986, are in Tier I;
- On or after July 1, 1986, but before July 1, 1996, are in Tier II;
- On or after July 1, 1996, but before July 1, 2006 are in Tier III.

Tier status is established when a member first begins making contributions to the PERS. Keep in mind that your new member may have participated in the system prior to their employment with you. Before reporting a new member to the system, be sure to confirm the correct tier status for them. This can be done by using the New Employee Tier Look Up on the Division's Employer Access Web site, or by contacting your Regional Counselor.

## Employees Not Covered Under the PERS DB Plan

- Temporary (nonpermanent);
- Those who work less than 15 hours per week;
- Those who participate in the University of Alaska's Optional Retirement Plan (ORP);
- Those who first entered PERS on or after July 1, 2006;
- Former members; or
- Those excluded from the employer's participation agreement

## Hiring a PERS DB Retired Member

Retired members can come back to work in the PERS under the Standard Option, however, their retirement benefit must be stopped. To avoid an overpayment of benefits it is important to:

- Contact Regional Counselor
- Provide member with appropriate form
- Provide member with COBRA information, if applicable

A PERS retired member who comes back to PERS eligible employment must complete the *PERS Standard Option – Reemployed Retiree* form. It is the member's responsibility to submit this form to the Division.

### ***Standard Option – Reemployed Retiree Form***

**[Alaska.gov/drb/pdf/forms/pers018.pdf](http://Alaska.gov/drb/pdf/forms/pers018.pdf)**

When a retired member becomes reemployed in a PERS position, their pension check is suspended for the period of reemployment. If medical coverage with the employer is not available, the retired member may continue the AlaskaCare Retiree Health Plan using COBRA coverage. If medical coverage with the employer is available, the AlaskaCare Retiree Health Plan is suspended during the period of reemployment. If the employer medical coverage is not effective immediately upon reemployment, the member may need to be advised of COBRA coverage.

If the retiree was participating in the AlaskaCare Dental-Vision-Audio (DVA) program while retired, they have a choice to suspend the coverage during the period of reemployment, or to self-pay the premiums of the plan while they are reemployed.

If the retired member was participating in the Long Term Care (LTC) program, they must self-pay the premiums of the plan during the period of reemployment to continue the coverage. Failure to self-pay the premiums will result in permanent loss of coverage.

Failure to inform the Division of a return to work could result in significant financial repercussions for a retired member.

## Classification

The following members are covered under the PERS and earn membership service in the PERS:

- Permanent full-time or part-time and seasonal members of the State of Alaska; and
- Permanent full-time or part-time and seasonal members of participating political subdivisions or public organizations, unless specific member group or type, or job classifications are excluded by Alaska Statutes or participation agreements.

A full-time member is one who is occupying a permanent position that regularly requires working 30 or more hours a week. A part-time member is one who is occupying a permanent position that regularly requires working at least 15 hours but less than 30 hours a week. When reporting an employee's status to the PERS, PERS statutes apply regardless of any contrary designation by employers.

## Elected Officials

Elected officials who are compensated for their services may be covered by the PERS DB Plan providing the employer includes elected officials in their participation agreement. Please see *Section II, Elected Officials Hired After June 7, 2007*, for more details.

An elected official can waive participation in the PERS by filing a written waiver of coverage, *PERS Elected Official Participation/Waiver* form (02-1832). An elected official cannot receive credited service while the waiver is in effect.

### **PERS Elected Official Waiver Form**

[Alaska.gov/drb/pdf/forms/02-1832.pdf](http://Alaska.gov/drb/pdf/forms/02-1832.pdf)

An elected official who has waived coverage can choose to have future service covered by revoking the waiver.

**IMPORTANT NOTE:** *There are special provisions for Elected Public Officials who are concurrently employed in the Teachers' Retirement System DB Plan. Please contact your Regional Counselor for more information on this provision.*

## Occupation Code

The occupation code identifies the various member types in the PERS. The employer is to report the correct code for members with each payroll processing. The most common codes used are listed below:

- PERS      A      All Others
- PERS      C      Masters, Mates and Pilots (State of Alaska only)
- PERS      D      Special School District
- PERS      E      Elected Officials
- PERS      F      Fire Fighter
- PERS      M      IBU (Inland Boatmen Union) (State of Alaska only)
- PERS      P      Peace Officer
- PERS      X      Alternate Elected Officials

The following definitions will help in determining the correct occupational code for your members.

### **“D” Special School District Alternate Option (SB9)**

A non-certified member of a school district first hired after July 1, 1999 may elect to pay a higher contribution rate to receive a full year of service credit in the PERS. Service is credited using the teacher's definition of a school year. This option is available for full-time and part-time members who are scheduled to work less than a full year, typically 10-month members.

To receive a full year of service credit, the full-time member must work a minimum of 172 days each school year. To receive .5 years of service credit, the part-time member must work a minimum of 172 days each school year. This option may or may not benefit part-time members depending upon the number of scheduled work hours each day. Part-time members cannot receive more than .5 of a day of credit for each day worked.

To be eligible to participate in the alternate option, the 10-month member must elect it within 90 days of entering the plan. Once enrolled, the member will continue to participate in the alternate option, even if they change school districts.

If the members work schedule changes from 10 months to 12 months, they can revoke the election of the alternate option only between July 1 and September 30 of the following school year. Likewise, if the member changes from 12 months to 10 months, they can elect the alternate option only between July 1 and September 30 of the following school year. Changing from part-time to full-time or vice versa does not allow the opportunity to revoke or enroll in the alternate option.

Contact your Regional Counselor for more information on the Alternate Option.

### ***“P” Peace Officer***

A member occupying a position as a peace officer, chief of police, regional public safety officer, probation officer, correctional officer or correctional superintendent. It does not include a village safety officer.

### ***“F” Fire Fighter***

A member occupying a position as a fire fighter or a fire chief. It does not include volunteer fire fighters.

### ***“X” Alternate Elected Officials***

An elected public official that is retired under the Teachers Retirement System (TRS) and working in the PERS.

## **Claimed Additional Service**

Members of the PERS may be eligible to claim other types of service for credit in the system. Claimed service may serve to increase the amount of the member’s pension check upon the final calculation of their retirement benefit, but is rarely used to determine vesting or retirement eligibility.

The process to claim the service and the cost for the service differs depending on the type of service the member is claiming. Typically, the member completes a claim form and submits that form to the employer where the service was performed. The employer will verify the type of service and the specific dates of the service.

The most common types of service claimed for credit include:

- Full-time temporary service with a PERS employer;
- Active military service prior to PERS entry;
- Active military service served while an active PERS member, and
- Leave without pay due to Workers’ Compensation

### ***Temporary Service***

Member must be vested in the PERS to claim periods of full-time, temporary employment with a PERS employer. (Part-time temporary service is not eligible to be claimed.) The cost is the full actuarial cost to the system and interest which immediately begins to accrue until the indebtedness is paid in full, or the date of retirement, whichever comes first. In most cases, this claimed service will not count toward vesting and retirement eligibility.

Members should contact the Regional Counselor for information on how temporary service can be used for retirement eligibility.

### ***Prior Active Military Service***

Member must be vested in the PERS and can claim up to five years of active military service served prior to PERS entry for credit in the system. The cost is based on the vesting year salary times a percentage for each year claimed. Interest begins to accrue one year after vesting date and accrues until the indebtedness is paid in full, or the date of retirement, whichever comes first. This claimed service will not count toward vesting and retirement eligibility.

Tier II and III members cannot claim prior active military service if they retire from a regular branch of the armed forces and are entitled to receive a military retirement based on that service. There is an exception for Tier II and III members who retire from the National Guard or a Reserve Unit. These members are eligible to claim up to five years of active military service for credit in the system.

### ***Workers Compensation and Leave Without Pay***

Periods of Workers Compensation (WKC) leave without pay (LWOP) occurring after June 12, 1987 are eligible to be claimed for credit in the PERS. The member must claim the period of LWOP, it is not automatically credited. The cost is the contributions that the member would have made during the leave of absence and interest which begins to accrue until the indebtedness is paid in full, or the date of retirement, whichever comes first. If the indebtedness is paid in full, this service will count toward vesting and retirement eligibility.

Other types of claimed service include:

- Alaska Bureau of Indian Affairs;
- Territorial service
- Unlicensed Vessel Participant Annuity Retirement Plan;
- Village Public Safety Officer service;
- Rural Public Safety Officer service; and
- Temporary Legislative service prior to July 1, 1979.

Contact your Regional Counselor for information on these types of service and for specific instructions on how to claim service for credit in the system.

### **Calls to Active Military Duty While Employed in PERS**

Per the 1994 Uniformed Services Employment and Reemployment Rights Act (USERRA) military personnel who are currently working for a PERS employer and called out to a period of active duty may be entitled to claim the period as regular service credit upon their return to the employer. In most cases, the cumulative period(s) of call to active duty cannot exceed five years.

The member is to be granted reasonable time off prior to the beginning of the active duty period to take care of personal affairs and to travel to the reporting site. In addition, the member is to be granted a period of rest before returning to work. The period of time the member has to report back to work varies depending upon the length of the active duty period, not to exceed up to 90 days after discharge from active duty.

This time frame may be extended due to medical circumstances. If the member suffers a disability upon their return to employment, the employer is required to make reasonable accommodations to return the member to active employment.

If you have a member who is called to active duty you should:

- Contact Regional Counselor
- Inform member of right to claim service upon return to employment
- Report the leave of absence through payroll reporting per e-Reporting instructions
- Inform member of the process to claim service upon return to employment

Calls to active duty must be claimed for credit in the PERS by the member once they return to employment. The member is required to write a memo requesting to claim the period of active duty for service credit in PERS. The memo plus documentation verifying the release from active duty with an honorable discharge, typically a DD214, is sent to Retirement and Benefits for processing.

Once claimed, the entire period of the military leave of absence is credited as regular service in the PERS. There are no member contributions required for this period of service. The claimed military leave of absence period will count toward vesting and retirement eligibility.

PERS members that participate in the State of Alaska's Supplemental Annuity Plan (SBS) and or the State of Alaska's Deferred Compensation Plan (DCP) may elect to make up all or part of their contributions for the period of active duty once they have returned to the employer.

Members of other tax sheltered plans offered through their employers should contact their human resource or payroll staff for information on how to make up missed contributions in those plans.

The allowable time frame for making up the contributions is up to three times the length of the period of the military leave of absence, not to exceed five years. Missed contributions must be made through direct payroll deductions.

Employers and members are encouraged to contact their Regional Counselor for information on calls to active military service.

If you have questions about USERRA you may contact:

USERRA – Federal Register 20 CFR Part 1002

[DOL.gov/vets](http://DOL.gov/vets)

Juneau 1-907-465-5881

ESGR – Employer Support of the Guard and Reserves is a Department of Defense agency established to gain and maintain active support from all public and private employers.

[ESGR.org](http://ESGR.org)

Toll-free 1-800-336-4590

## Service Accrual

A PERS permanent full-time member earns one day of service credit for each day they are actively employed in a PERS covered position. This includes holidays or regularly scheduled days off (RDO), as long as the member is in pay status the day before and the day after the holiday or RDO.

A PERS permanent part-time member receives proportionate credit for the number of hours they work compared to a full-time member. A total of 1,560 hours must be earned to receive one full year of service credit. However, service accrued for a stated period of part-time service may not exceed the full-time equivalent.

A permanent full-time or part-time seasonal member earns service credit for the period of time they are actually working. Seasonal leave without pay periods do not earn PERS service credit.

## Simultaneous PERS and TRS Credit

Members working in both the PERS DB Plan and the TRS DB Plan at the same time may receive partial credit under both systems. To be eligible, they must be employed concurrently at least half-time in both systems, and making the required contributions.

The total PERS DB and TRS DB credit that a member may earn during a school year (July 1 through June 30 of the following year) may not exceed one year.

## Vesting

To vest in the PERS requires five years of accrued paid-up service. Once a member is vested, they are entitled to a lifetime defined retirement benefit based on their salary and service in the system. Vesting also allows members to claim some types of service in the PERS, and expands their death and disability benefits to include non-occupational causes.

If there has been a refund of any prior service and an indebtedness was established prior to July 1, 2010, that service cannot be used in calculating a vesting date until the indebtedness for the refund is paid in full. If a member has over five years of service, but indebtedness exists for all or part of that service, the member's vesting date will be the date the refund is paid or the date the member has accumulated additional service equal to five years, whichever occurs first. Members cannot reinstate prior refunded service after July 1, 2010.

## Effects of LWOP and Reporting Process

When status events are not reported to the Division, vesting dates and retirement eligibility dates are miscalculated resulting in serious consequences to the member.

For a full-time member, a leave of absence without pay (LWOP) that does not exceed 10 accumulated days in any calendar year is not considered an interruption or break in service. However, if the leave of absence exceeds 10 accumulated days, whether taken consecutively or through intermittent hours scattered throughout the calendar year, their service credit for that year will be reduced by the equivalent number of days they were on leave of absence without pay, including the 10 days.

For example; a full-time member scheduled to work a 40-hour work week (eight hours a day) could accumulate up to 80 hours of LWOP each calendar year and still receive a full year of service credit. However, once the accumulated LWOP exceeds 80 hours in the calendar year, the entire period of LWOP will not be credited PERS service.

Continuous periods of LWOP for full-time members should be reported to the PERS with each payroll processing. The employer will be required to verify all hours of LWOP for full-time members when completing the *Verification of Service* form (02-1883).

Part-time members receive credit in the PERS based on the number of hours worked and the ten day rule is not applicable.

## Workers Compensation Procedures

If you have a member on a period of Workers Compensation (WKC) leave without pay (LWOP), the LWOP time should be reported through the payroll process.

Should the member elect to claim the period of WKC LWOP, they will submit the *Workers' Compensation and LWOP Claim and Verification* form (pers008) to the employer for completion.

### ***Workers Compensation and LWOP Claim and Verification Form***

**[Alaska.gov/drb/pdf/forms/pers008.pdf](http://Alaska.gov/drb/pdf/forms/pers008.pdf)**

The employer will verify the date the WKC began and ended for each calendar year, the hourly rate of pay, the scheduled hours per week, and the hours the member was on WKC for each segment. The time the employer is verifying for the WKC claim is the period of time the member was paid by the WKC carrier and no contributions were paid to the system.

## Disability

If a member becomes totally and presumably permanently disabled from performing their duties or the duties of a comparable position for which the employer makes available and for which they are qualified, they may be eligible to receive a monthly disability benefit from the PERS.

The cost for providing disability benefits to members is borne by the employer and is included in the employer contribution rates. Employers should attempt accommodations or placement in a comparable job before terminating a member because of disability.

If the member has already met the requirements for a normal retirement based on age or years of service, they are not eligible to receive a disability benefit. Those on disability benefits revert to a regular retirement benefit once they meet the age or years of service requirement.

Members who are age eligible to retire early may apply simultaneously for early retirement and disability benefits. If the disability is later approved, they will be appointed to a disability benefit retroactive to the first of the month following termination of employment due to the disability and benefits will be adjusted accordingly. If the disability is denied, the member will remain on early retirement.

Receiving a disability benefit is not automatic. Members do not have to be terminated from employment to apply for benefits. There is an application process, medical certification requirements, and the disability must be approved by the administrator of the plan.

There are two types of PERS disability benefits; occupational and non-occupational.

Members should contact the Regional Counselor for more information on disability benefit requirements.

### ***Occupational Disability Benefits***

A member that is injured and becomes totally and presumably permanently disabled because of a physical or mental condition caused by an injury or hazard that happens while performing their job may be eligible for an occupational disability benefit.

The member must file an application for the disability benefit with the Division within 90 days after termination of their employment. Members can file the disability application while they are still working.

The monthly disability benefit will be equal to 40% of their gross monthly compensation immediately before they terminated employment due to the disability. They continue to earn PERS service credit while they are receiving the occupational disability benefits, and family medical coverage is provided.

When the member becomes eligible for a normal benefit, the disability benefit will cease and they will be appointed to a normal retirement. The monthly benefit will be based on the member's total PERS service and average monthly compensation.

For Tier I members, age 55 or 30 years of paid-up service determines normal retirement eligibility; Tier II and III members, age 60 or 30 years of paid-up service. Tier I peace officer or firefighter, age 55 or 20 years of paid-up service; Tier II and III peace officer or firefighter, age 60 or 20 years of paid-up service.

***NOTE: Tier II and III peace officers and firefighters must have 25 years of paid-up service to be eligible for the system-paid medical coverage at normal retirement. Occupationally disabled peace officers and firefighters with less than 25 years of paid-up service who are appointed to a normal retirement can apply for system-paid medical premiums at the time of retirement. The member must provide medical documentation with the application for system-paid premiums that will be reviewed by the Division's consulting physicians to determine if the member is presumable permanently disabled and there is an occupational cause. Once the determination is made, the member will be notified, and if approved, system-paid premiums will be retroactive to the retirement appointment date. If denied, the member has the option to continue paying premiums or discontinue the coverage.***

### ***Non-Occupational Disability Benefits***

Non-occupational disability benefits may be paid to a vested PERS member who becomes totally and permanently disabled because of a physical or mental condition that is unrelated to their employment.

The member must file an application for the disability benefit with the Division within 90 days after termination of their employment. Members can file the disability application while they are still working.

The monthly disability benefit will be calculated based on the members average monthly salary and total PERS service at the time they terminate employment because of the disability. They do not earn PERS service while they are receiving the non-occupational disability benefits; however, family medical coverage is provided.

When the member becomes eligible for a normal benefit, the disability benefit will cease and they will be appointed to a normal retirement. The monthly benefit will be based on the member's total PERS service at the time they terminate employment because of the disability and average monthly compensation.

For Tier I members, age 55 or 30 years of paid-up service determines normal retirement eligibility; Tier II and III members, age 60 or 30 years of paid-up service. Tier I peace officer or firefighter, age 55 or 20 years of paid-up service; Tier II and III peace officer or firefighter, age 60 or 20 years of paid-up service.

**NOTE: Tier II and III peace officers and firefighters must have 25 years of paid-up service to be eligible for the system-paid medical coverage at normal retirement. Peace officers and firefighters with less than 25 years of paid-up service who are appointed to a normal retirement can elect to pay the premiums of the medical coverage until they reach age eligibility for the system-paid medical coverage.**

## Death

When a member dies before they have retired, there may be death benefits payable to their survivors. Survivors include spouses or qualified same-sex partners, and in some cases dependent children.

There are two types of PERS death benefits; occupational and non-occupational.

Members or survivors should contact their Regional Counselor for more information on death benefits.

### **Occupational Death Before Retirement**

When a member dies from occupational causes before retirement, or while they are receiving occupational disability benefits, the spouse or qualified same-sex partner, or other eligible beneficiary is entitled to a survivor benefit. If there is no surviving spouse or qualified same-sex partner, and the member has dependent children, the dependent children will receive a monthly child's pension until they are no longer eligible.

The survivor benefit will change on the date that the member would have reached normal retirement by age or years of service. The new benefit will be based on the average monthly salary at the time of death and the total PERS service.

For Tier I members, age 55 or 30 years of paid-up service determines normal retirement eligibility; Tier II and III members, age 60 or 30 years of paid-up service. Tier I peace officer or firefighter, age 55 or 20 years of paid-up service; Tier II and III peace officer or firefighter, age 60 or 20 years of paid-up service.

### **Non-Occupational Death Before Retirement**

When a member dies from non-occupational causes before retiring, the spouse or qualified same-sex partner, or other eligible beneficiary is entitled to a death benefit.

### **Non-Vested Member Death Benefits**

For members with less than one year of PERS service the death benefit is the balance of their contribution account.

For members with at least one year of PERS service, the death benefit is the balance of their account plus a lump-sum amount, equaling \$100 times the total years of service, plus \$1,000.

### **Vested Member Death Benefits**

For a vested member that is single, the death benefit is the balance of their contribution account plus a lump-sum amount, equaling \$100 times the total years of service, plus \$1,000.

For a vested member with a spouse or qualified same-sex partner, the surviving spouse or qualified same-sex partner may elect a refund of the account balance plus a lump-sum amount, equaling \$100 times the total years of service, plus \$1,000; or they may elect a 50% joint and survivor benefit.

The 50% joint and survivor benefit will be calculated on the member's average monthly compensation and years of PERS credited service at the time of death.

## Death Benefits for Retired Members

When a retired member dies, the beneficiary is entitled to receive the final retirement check for the month in which the member dies.

If the member selected a joint and survivor option at the time of retirement, the spouse or qualified same-sex partner is eligible to receive a continuing lifetime survivor benefit.

If the member did not select a joint and survivor option at the time of retirement, the beneficiary will receive any remaining balance in the members contribution account.

## Divorce or Dissolution

Retirement accounts are marital assets and if there is a divorce or dissolution during any period of a member's PERS employment, the member is required to submit court certified copies of the divorce or dissolution documents and the property settlement to the Division. These documents will be placed in their permanent record with the Division.

If the documents stipulate or contain an order by the judge entitling the former spouse to a portion of an account, a Qualified Domestic Relations Order (QDRO) must be filed as well.

If the documents indicate there was an agreement about the division of retirement benefits, but no separate agreement is included in the documents, the member must provide a court certified copy of the separate agreement or the magistrate or judge's notes from the court hearing.

If the documents are silent on the retirement plans, the account will be considered free from attachment.

## Terminations

It is the employer's responsibility to report terminations of employment timely to the PERS. The termination action should be reported as soon as possible after the member's last day of work.

## Refunds

When a member terminates employment, they may request a refund of their account by completing the *Refund Election* form (gen008). The form is available on the Division's Web site.

### ***PERS Defined Benefit Refund Election Form***

[Alaska.gov/drb/pdf/forms/gen008.pdf](http://Alaska.gov/drb/pdf/forms/gen008.pdf)

**If a member refunds their PERS account, they forfeit all retirement benefits, including tier status, future pension, and medical coverage.**

The refundable amount to a terminated member includes:

- Member mandatory contributions;
- Any indebtedness principal and interest payments; and
- Interest earned on the contributions

Members must be terminated from employment for at least 60 days before a refund will be issued.

A refund of contributions does not include the employer contributions that have been made or the investment income earned.

Terminated members who are married may not receive a refund of their member contribution account (if balance is greater than \$5,000) unless their spouse gives written consent. Terminated members who are divorced may not receive a refund of their member contribution account unless they can show that their former spouse was not granted an entitlement to the account.

If a qualified domestic relations order (QDRO) has been filed awarding the former spouse a monthly benefit, the court would have to amend the QDRO to allow for a refund of the members contribution account as a lump-sum pay out.

## Retirement

Providing the member is vested in the system, they are first eligible to retire based on either age or years of service requirements. Three things must happen for a member to retire: they must be eligible to retire, they must terminate their employment, and they must submit a completed retirement application to the Division postmarked no later than the last day of the month prior to when benefits are to begin. The Division recommends applications be submitted 60 days in advance of retirement to enable timely payment of benefits.

Retirements are always effective the first day of the month. If a member works any day in the month they are not eligible to retire until the first day of the following month.

For example, to retire May 1, the Division would like the completed retirement application submitted in March. The last day that a retirement application would be accepted for a May 1 retirement is if it was postmarked or received no later than the last day of April.

### *Minimum Requirements for Age-Based Retirement*

- Vested and age 55 for normal retirement or age 50 for early retirement if member first entered the PERS before July 1, 1986 ( Tier I); or
- Vested and age 60 for normal retirement or age 55 for early retirement if member first entered the PERS on or after July 1, 1986 (Tier II or Tier III).

Under early retirement, the monthly pension check is actuarially reduced based on the member's age at the time of retirement. The reduction is six percent for each full year (or .5 percent for each month) prior to the normal age requirement. The early retirement reduction is effective for the lifetime of the pension benefit.

### *Minimum Requirements for Service-Based Retirement*

- 20 paid-up years of PERS service as a peace officer or fire fighter, or
- 30 paid-up years of PERS service as an all-others member.

Members retiring based on years of service are encouraged to have their service verified by the employer before terminating employment to ensure they have the required amount of service. This is important if they are terminating right on the date of reaching the 20 or 30 years, if they have part-time or seasonal employment, or if they have periods of leave with pay during their employment.

Military credit for service prior to PERS entry may not be used to satisfy the 20 or 30 years needed to retire. **Temporary credit** may be used to satisfy the 20 or 30 years needed to retire under certain circumstances.

Refunded service that has not been fully repaid will not count towards retirement eligibility.

Employers and members are encouraged to contact their Regional Counselor for more information on retirement eligibility.

## Conditional Service Benefit

Members may be eligible for a conditional service benefit from the PERS if they are vested in the Teachers' Retirement System (TRS) in either the defined benefit plan or the defined contribution plan, are eligible for a TRS retirement benefit, and have at least two paid-up years of PERS membership service.

Conditional service benefits, when both plans are defined benefit plans, are calculated based on the highest salaries that the member earns in either system. For example, if the TRS salary is higher than the PERS salary, the TRS salary will be used to calculate the PERS conditional benefit amount.

Conditional service benefits, when the vested TRS plan is a defined contribution plan, are calculated using only the PERS salaries.

For deferred members who elected to have their service reinstated prior to June 30, 2010, conditional service benefits will not be paid unless the reinstatement indebtedness is paid in full.

Also eligible for a conditional service benefit from the PERS are members who were first hired as a legislative member:

- Before May 30, 1987, who have at least 60 days of paid-up service during each of five legislative sessions; or
- After May 29, 1987, who have at least 80 days of paid-up service during each of five legislative sessions.

Contact your Regional Counselor for more information on conditional service benefits.

## Public Service Benefit

If a member has service in both the PERS and the Teachers Retirement System (TRS) and is not vested in either one, they may be able to combine their PERS and TRS service under the public service benefit provision in the PERS. They must have a minimum of two years in the PERS, and when combined with the TRS service, must have a total of five or more years to be eligible. There is a cost that is borne by the member for this benefit.

Members should be encouraged to contact their Regional Counselor or the Division's Customer Service Center for more information on this provision.

## Effects of PERS on Social Security Benefits

Not all PERS employers participate in Social Security. If you need information on whether you participate in Social Security, contact your Regional Counselor or the Division's audit section.

A PERS pension benefit may reduce the amount of benefits that a member is entitled to under Social Security if the member did not pay Social Security taxes during their PERS employment. If the member is paying into Social Security during their PERS employment, there will be no reduction to their Social Security benefits.

For members who did not pay Social Security taxes while working for the State of Alaska or a local government or school district, there are two laws that may reduce their Social Security benefits. One of them affects the way their Social Security retirement benefit is calculated and is called the Windfall Elimination Provision. The second affects Social Security benefits they may be eligible to receive as a spouse or widow(er), and is called the Governmental Pension Offset.

For information on these provisions, employers and members are encouraged to contact their local Social Security office, or call Social Security toll-free at 800 772-1213, or visit the Social Security Web site at [SSA.gov](http://SSA.gov).

## Retired Member Medical Benefits

Along with a monthly pension check, retirement benefits may include a family medical plan for retired members, disabled members, and survivors who are receiving a monthly PERS benefit. The retiree medical plan is a different plan than the coverage that you provide as an employer.

### *Medical Coverage at Retirement*

The following benefit recipients, their spouse or qualified same-sex partner, and eligible dependent children will be covered by the system-paid AlaskaCare Retiree Health Plan when they start receiving monthly benefits:

- All members regardless of date of hire if they are receiving PERS disability benefits;
- Members who retire after 30 years of membership service (25 years if a peace officer or fire fighter), and their survivors;
- Members who first entered the PERS before July 1, 1986 (Tier I), and their survivors.
- Members who first entered the PERS on or after July 1, 1986, but before July 1, 1996 (Tier II), and their survivors if they are at least age 60; and

- Members who first entered the PERS on or after July 1, 1996 (Tier III) and their survivors if they are at least age 60 and have at least **10 years of credited service**.

**Credited service includes all service claimed in the system as long as that service is used in the final calculation of the retired member’s pension check.**

Retiree medical coverage ends when the retired member or survivor dies, or is no longer eligible to receive monthly benefits.

Retired members who do not qualify for the system-paid medical coverage may purchase medical coverage for themselves, spouse or qualified same-sex partner, and eligible dependent children. These members will pay the monthly premium for as long as they want the coverage.

The retiree AlaskaCare plan covers major medical services and prescription drugs. There are limited preventative services covered under the plan. For more information regarding the medical plan including a current description of the benefits, please refer to the *AlaskaCare Retiree Health Insurance Information Booklet*.

***AlaskaCare Retiree Health Booklet***  
[AlaskaCare.gov/retiree/publications/booklets.html](http://AlaskaCare.gov/retiree/publications/booklets.html)

### Optional Health and Life Plans

PERS benefit recipients may elect to pay a premium for additional health and life coverage as follows:

- Dental-Vision-Audio (DVA) coverage for self, spouse or same-sex partner, and eligible dependent children;
- Long-Term Care (LTC) coverage for self and spouse or same-sex partner; and
- Optional Life Insurance (if participating in the state-sponsored Optional Life Insurance Plan at time of retirement).

Benefit recipients will pay the monthly premium for as long as they want the coverage.

For more information regarding the optional health plans, including enrollment restrictions, please refer to the *AlaskaCare Retiree Health Insurance Information Booklet*.

***AlaskaCare Retiree Health Booklet***  
[AlaskaCare.gov/retiree/publications/booklets.html](http://AlaskaCare.gov/retiree/publications/booklets.html)

Members seeking more information regarding the optional LTC plans, including enrollment restrictions, please refer to the *State of Alaska Long-Term Care Booklet*.

***State of Alaska Long-Term Care Booklet***  
[AlaskaCare.gov/retiree/publications/booklets.html](http://AlaskaCare.gov/retiree/publications/booklets.html)

The premium amounts for the retiree medical coverage, DVA and LTC, and the Optional Life Insurance will be deducted from the retired members monthly pension check. If the amount of the pension check is less than the total of the premiums due, the benefit recipient must pay the premiums directly to the claims administrator.

Contact your Regional Counselor for more information on the retiree medical coverage, DVA and LTC, and the requirements to continue the Optional Life Insurance.

### Medicare

Members should contact Medicare about three months before their 65th birthday to sign up for Medicare. They can sign up with Medicare even if they do not plan to retire at age 65. Members who are still working and covered by an employer sponsored health insurance plan may be able to defer enrollment in Medicare. Employers should encourage their members to contact Medicare to ensure they comply with the current requirements.

There are several parts to Medicare and there are time limit requirements to enroll timely to avoid penalty at a later date.

For more information regarding Medicare benefits, employers and members should contact the local Medicare office, or call the toll-free number 1-800-772-1213, or visit the Medicare Web site at **Medicare.gov**.

### ***Retired Member AlaskaCare Benefits Supplemental to Medicare***

When a retired member turns 65, Medicare becomes the primary health plan and the retired member's AlaskaCare plan becomes a supplemental plan. For services covered by both plans, the claims are paid first by Medicare and then by AlaskaCare.

AlaskaCare coordination may provide up to 100% of covered expenses, less any deductible that has not been met. For retired members who have not enrolled in Medicare at age 65, the AlaskaCare will estimate what Medicare would have paid and deduct that amount before paying medical expenses.

#### ***Medicare and the AlaskaCare Retiree Health Plan***

***AlaskaCare.gov/retiree/medicare***

Members seeking more information on coordination between Medicare and the AlaskaCare Retiree Health Plan, please contact the Division's Member Services Contact Center.

#### ***Division of Retirement and Benefits Member Services Contact Center***

***doa.drb.mscc@alaska.gov***

### **Voluntary Savings Plan**

The Voluntary Savings Plan is a separate post-tax account available to all DB members of the PERS.

Enrollment or changes in participation in the plan can occur at any time and will take effect the first of the month following receipt of the enrollment or change form. Members can contribute a minimum of \$5.00 and up to a maximum of 5% of their gross salary to the plan. The voluntary contributions earn 4.5% interest annually.

The money in the account becomes available to members 60 days after they retire or terminate their employment. Exceptions to the 60 day waiting period can be made for hardship situations.

Payment options include a lump-sum payment, life annuity, or installments over a designated period of time.

For more information, members should contact their Regional Counselor.

For information regarding setting up this payroll deduction, employers should contact their PERS e-Reporting contact.

#### ***Voluntary Savings Plan Brochure and Forms***

***Alaska.gov/drb/pers/employee/plan/voluntarySavingsPlan.html***



## VIII – Miscellaneous

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### Compensation

Member salaries in the PERS are based on the period that includes the first pay period ending in January of a year through the last pay period ending in December of that year. Salaries must be reported by payroll year even if the employer payroll year differs.

PERS salaries include payment for services provided to the employer such as hours worked, overtime, and on-call and standby pay. PERS salaries do not include payment for travel or per diem, uniform or tool allowance, or payment for leave cash-ins or terminal leave payouts or payments representing an employer expense.

### Leave Run Outs

To receive PERS service credit, members must be in pay status the regularly scheduled day before and the regularly scheduled day after the period of leave. Members are required to physically return to work after periods of paid leave to receive credit for the leave period in the PERS. Members cannot receive service credit, even if a return to work occurs, if the position the member occupied has been filled and the member effectively terminated employment the date leave began. The Division will investigate potential sham transactions.

Employers are responsible for correctly reporting member termination dates. If a member is on leave and terminates employment, the employer should back up the termination date to the last day the member actually worked.

### Verifications of Service

The employer may receive a request to verify periods of employment in the PERS for their past or current members. The verification request can be made by the Division or the member. It is most often requested at the time of retirement or when an anomaly is found with a member's service records. The member most often requests the verification if they are retiring based on years of service in the system. It is important that the employer provide complete accurate information on salary and service for members. The information verified by the employer will be used to determine retirement eligibility and other retirement benefits.

### Records Retention

As part of the employers participation agreement, it is the responsibility of the employer to verify service and salaries and to keep accurate records for each member. PERS is a 20- to 30-year retirement system and when a member retires, the employer may be asked to verify salary and service dates that occurred up to 30 or more years in the past.

Information that may be requested from the Division includes: hire and termination dates, salaries, member occupational codes, part-time or full-time status, elected official waivers, part-time hours worked, payroll reporting, calendar year salaries, seasonal leave and return dates, and all periods of leave without pay.

### Make-Whole Agreements and Grievance Settlements

- Contact Regional Counselor
- Provide tentative copy of agreement to the Division for approval of awards to member's retirement accounts
- Submit final agreement for service corrections

When the employer is entering into a make-whole agreement or a grievance settlement with a current or former member, the Division must approve any terms and conditions that affect the member's retirement accounts. This requirement is to ensure that the award is in compliance with the PERS statutes and regulations.

## **State of Alaska**

*Division of Retirement and Benefits  
Public Employees' Retirement System*

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*Telephone (907) 465-4460  
1-800-821-2251*

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