

Social Security, Medicare, and Your PERS/TRS Retirement Benefit



This information pertains to the effect your PERS/TRS benefit may have on the benefits you receive from Social Security and the effect of Medicare on your retiree health benefits. It does not provide detailed information regarding Social Security or Medicare benefits. For detailed information, contact Social Security directly.

Social Security and Your PERS/TRS Retirement Benefits

If you are a PERS member, your PERS pension benefit may reduce the amount of benefits you are entitled to under Social Security IF you did not pay Social Security taxes during your employment with your PERS employer. **If you paid Social Security taxes during your PERS covered employment, there will be no reduction to your Social Security benefits.** Not all PERS employees participate in Social Security. If you don't know whether you paid Social Security taxes, please contact your employer for this information.

If you are a TRS member, your TRS pension benefit may reduce the amount of benefits you are entitled to under Social Security. Alaska teachers do not pay Social Security taxes during their TRS employment.

For those 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 your Social Security benefits. One of them affects the way your Social Security retirement benefits are calculated and is called the **Windfall Elimination Provision**. The second affects Social Security benefits you may be eligible to receive as a spouse or widow(er), and is called the **Government Pension Offset**.

Windfall Elimination Provision

The **Windfall Elimination Provision** affects people who have earned a pension from the PERS/TRS, and did not pay Social Security taxes during their PERS/TRS employment, but who also worked at other jobs where they paid Social Security taxes long enough to qualify for retirement benefits. If you are

subject to the **Windfall Elimination Provision**, a different formula is used to calculate your Social Security retirement benefits to prevent a windfall in benefits.

The **Windfall Elimination Provision** does not apply if you first became eligible to retire prior to 1985, or if you have 30 years of "substantial" earnings during your Social Security covered employment.

For more information regarding the **Windfall Elimination Provision**, please contact your local Social Security office and request Publication No. 05-10045, or call Social Security at (800) 772-1213 or visit the Social Security Web site at www.ssa.gov.

Governmental Pension Offset

The **Governmental Pension Offset** affects Social Security benefits you may be eligible to receive as a spouse or widow(er). Under the offset provisions, some or all of your Social Security spouse's or widow(er's) benefit may be offset by your PERS/TRS pension if you did not pay Social Security taxes during your PERS/TRS employment.

For more information regarding the **Government Pension Offset**, please contact your local Social Security office and request Publication No. 05-10007, call Social Security at (800) 772-1213, or visit Social Security online at www.ssa.gov.

Medicare

Medicare is available for people age 65 or older. If you receive Medicare from your spouse, they must be age 65 before you would receive Medicare benefits. Medicare has two parts, Part A (Hospital Insurance) and Part B (Medical Insurance). You are eligible for premium-free Part A if you are age

65 or older and you or your spouse worked and paid Medicare taxes for at least 10 years.

The retiree health plan requires you or your eligible dependent to elect Medicare Part A and B at age 65, regardless of any other coverage you have.

If you or your eligible dependent are eligible for Medicare, the benefits available under the Alaska Retiree Health Plan become supplemental to your Medicare coverage. The claims administrator will assume that you and/or your spouse have coverage under both Medicare Part A and Medicare Part B when you or your spouse reach age 65. If you are not provided with Medicare Part A free of charge, you should submit a copy of your letter from Medicare stating that you are not eligible to the division. **Everyone is eligible for Medicare Part B.**

If you do not enroll in Medicare coverage, the estimated amount Medicare would have paid will still be deducted from your claim before processing by the Retiree Health Plan. If you receive care outside the United States, Medicare does not cover your expenses and the retiree plan will take this into account when processing your claims.

More information regarding the retiree health plan's coordination with Medicare is available in the plan booklet.

Medicare Enrollment

The Social Security Administration handles Medicare eligibility and enrollment. You can visit Medicare online at www.medicare.gov for more information or contact the Social Security Administration at (800) 772-1213 to enroll in Medicare or find out whether you are eligible.

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Customer Service Center

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