



## *Employers' Edge*

Employer news from the  
Alaska Division of  
Retirement and Benefits

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## Division to launch redesigned web site on December 27

The Division of Retirement and Benefits web site has been redesigned to make the site more user-friendly for employees and retirees as well as employers. The new site will go live on December 27. [Read more about the new site and get a preview of the new look and navigation system.](#) A screen shot of the new home page appears below.



## Division staff gives presentations at ALASBO conference

Three staff members from the division attended the recent *Alaska Association of School Business Officials* (ALASBO) conference in Anchorage. Staff gave PowerPoint presentations on *e*Reporting and the on-behalf true-up process to school district employers. Thanks to all the employers who attended and for your valuable feedback. We have posted the presentations in PDF format on our [Employer Services web page](#), under the "Of Interest" and "Quick Links" headings on the right.

## Retirement dates are *always* effective the 1st of the month

**When it comes to dates, there is a big difference between terminating employment and retiring**

**There is a *significant* difference, when it comes to termination dates, between an employee who is *simply* leaving a position and an employee who is terminating *and* retiring from a position. Do you know the difference?**

Some employers are telling employees who are terminating that they must work on the 1st of the month to have health insurance coverage, *even if they are planning to retire that month. This is not correct!*

For all employees who are *retiring*, their retirement *effective date* is the **1st of the month**. If they work the 1st day of any given month, they must then delay their retirement effective



date until the 1st of the *following* month, making them unhappy campers! For example, employees wanting to retire **May 1** must terminate *no later than* April 30. The division has had some employees who have had to wait an extra month to retire because their employers told them they must work on the 1st of the month.

Employees who retire, and who are eligible for system-paid medical, have health insurance coverage immediately. A retiring employee (PERS Tiers II/III or TRS Tier II) who is not eligible for system-paid medical (because of age or insufficient years of credited service) can opt to purchase health insurance coverage immediately upon retirement or during an open enrollment period.

When a state employee, who is *not* retiring, terminates, health insurance coverage continues through the *end of the month* in which the person terminated. This is also the case for most, but not all, political subdivision employees (depending on the employer). For example, if a state employee terminates on the 1st, 2nd, or 3rd etc. day of a month, his/her health insurance coverage continues to the end of the month.

**Bottom line** – an employee who wants to *retire* on the 1st of a given month, must not work the 1st of that month.

## Remember to submit termination dates

**Speaking of termination dates, it is very important to submit them to the Division in a timely manner.** When employees terminate, they have the option to take a refund of their account balance. A refund to an employee can only be issued *60 days from a person's termination date*. We have employees for whom we cannot process their refund request because we have not received their termination date.

## Employer eReporting - Electronic payment option is less expensive, more efficient (for political subdivisions and school districts)

### Electronic Payment Option-- Less Expensive, More Efficient

**Using the eReporting electronic payment option will save you time and money compared to any other payment method.** There is no check stock expense, no postage expense, and no cost for check processing. We encourage all employers to use electronic payment. The Division of Treasury in the Department of Revenue is phasing out the use of Automated Clearing House (ACH) payments and supports the movement to **eReporting** electronic payment.

The **eReporting** option is similar to the ACH transfer

that some employers are currently using; both are electronic movement of funds from one bank account to another. However, the electronic payment option requires less administrative work for all involved and the full cost of the transaction shifts to the Division of Retirement and Benefits (DRB).

With the ACH transfer, the employer initiates, and pays for, the electronic transaction and sends the ACH instructions via fax to both DRB and the Division of Treasury. Treasury then has to manually watch for the transaction to clear, process it into DRB's accounts, and then notify DRB that the transaction has cleared.

### **We Pay the Transaction Fee**

If you use the **eReporting** electronic payment option, our system will initiate the transaction and **we will pay the transaction fee**. There is no need to send ACH instructions and there is no manual intervention from the Division of Treasury. DRB obtains the information needed to process the payment from the Employer Summary Report at the end of the payroll submission process.

### **Remove Debit Blocks**

**You must ensure that "Debit Blocks" are removed from your bank account in order for an eReporting electronic payment to process successfully.** You will need to contact your bank and have the debit blockers removed for our Company ID "0000957001." This will ensure the authorized transactions are not blocked. Also note that a prenote transaction will not detect a debit block.

If you need assistance in setting up a **Banking Tab** or have questions please contact your payroll contact person at (800) 821-2251 or at the phone number or email listed below.

Please see the [eReporting User's Guide](#) for additional information, available on the [Employer Services](#) web page under **Of Interest**.

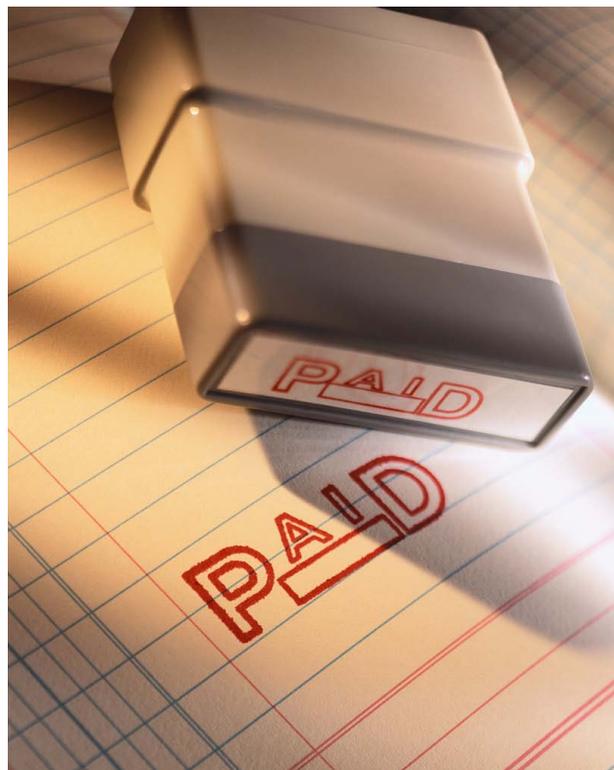
## **Fiscal Year 2012 Employer Contribution Rates Available**

**The Alaska Retirement Management Board (ARMB) has established Fiscal Year 2012 (FY12) employer contribution rates for the PERS/TRS Defined Benefit (DB) and Defined Contribution Retirement (DCR) Plans.**

Please refer to the [FY12 Employer Contribution Rates on our website](#) for complete information. The link to the PERS and TRS FY12 Rates is under **Quick Links** on the [Employer Services web page](#).

The Division will be sending rate letters to each employer electronically, as we did with FY11 rates, in April 2011 when the Health Reimbursement Arrangement (HRA) rates are available. The rates will be effective for pay period end dates between July 1, 2011, and June 30, 2012.

For additional information regarding the actuarial determined rates, please refer to the June 30, 2009 PERS



and TRS actuarial valuations which determined the fiscal year 2012 rates:

[PERS Actuarial Valuation](#)

[TRS Actuarial Valuation](#)

For questions about employer contribution rates, please contact Christina Maiquis at (907) 465-1845 or via email at [Christina.Maiquis@alaska.gov](mailto:Christina.Maiquis@alaska.gov).



## PERS and TRS publications available online

The following PERS and TRS publications are available at the "[Publications](#)" link on the [Division of Retirement and Benefits website](#):

### [PERS Publications:](#)

[PERS Comprehensive Annual Financial Report](#)

[Actuarial Valuation Reports and Supplemental to the Valuation Reports](#)

[Financial Statements](#)

### [TRS Publications:](#)

[TRS Comprehensive Annual Financial Report](#)

[Actuarial Valuation Reports](#)

[Financial Statements](#)

**To navigate to any division reports, follow these steps:**

1. Go to the division's website at [www.doa.alaska.gov/drb/](http://www.doa.alaska.gov/drb/)
2. In the "Quick Links" column on the right, click on "[Publications](#)"
3. Click on the appropriate system, plan or fund.
4. Select the report you want to view.

If you prefer a hard copy of these reports, please contact the Division of Retirement and Benefits at (907) 465-5711.

## Updated Forms and Brochures

The following forms and brochures have been updated since the last newsletter. Please be sure to use only the updated forms. Printing from the [Forms & Brochures page](#) on the division website will assure you always have the most current version.

Form No.	Description
gen012 (poli-sub)	<a href="#">Employer Services LogonID Request - Political Subdivisions</a>

gen012 (state)	<a href="#">Employer Services LogonID Request - State of Alaska</a>
trs032	<a href="#">TRS Workers' Compensation and LWOP Claim and Verification</a>

We hope you find this employer newsletter helpful. If you have any questions or suggestions please feel free to contact us. Any feedback from you will be greatly appreciated. Click here for [past issues](#) back to 2008. Email any comments to the editor, [Barbara Kelly](#).

<a href="#">Accounting Section</a> (907) 465-5700	<a href="#">Pension Adjustments Unit</a> (907) 465-5700
<a href="#">Audit Section</a> (907) 465-5707	<a href="#">Pre-Retirement Services Unit</a> (907) 465-5700
<a href="#">Benefits Section</a> (907) 465-8600	<a href="#">Retiree Payroll Section</a> (907) 465-5700
<a href="#">Deferred Compensation Plan</a> (907) 465-5700	<a href="#">Retirement Processing Unit</a> (907) 465-5700
<a href="#">Dependent Care Assistance Plan</a> (907) 465-4464	<a href="#">Supplemental Annuity Plan</a> (907) 465-5700
<a href="#">Disability Unit</a> (907) 465-5700	<a href="#">Survivor Benefits Unit</a> (907) 465-5700
<a href="#">Divorce/Dissolution Unit</a> (907) 465-5700	

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