

# TRS News Break

Alaska Teachers' Retirement System

## Division launches redesigned web site

**T**he Division of Retirement and Benefits web site, [alaska.gov/drb](http://alaska.gov/drb), has been redesigned to make it more user-friendly for employees and retirees and went live to the public on December 27. The easiest way to navigate the site is to start with the **Use Your RnB** section, linked near the bottom of the home page, that asks what kind of user you are, i.e. employee, retiree, survivor, etc. Begin your search for answers to your questions at the **Your RnB** link or by using the "Search" function, which has been enhanced to make it easier to find information.

The main sections of the new site (e.g. Home, Retirement, Benefits, Employer Services) are color-coded to visually distinguish them from each other. Check the **Headlines** from time to time to keep up-to-date on the latest news from the Division.

**Retirees, please note:** any events, such as a change in taxes, insurance premiums or Post Retirement Pension Adjustments (PRPAs) that affect the amount of retiree checks will be posted on our home page, under **Headlines** and/or **Hot Topics > Retiree Updates**.

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## IRS 1099-R forms mailed in late January

**I**f you are a retiree, survivor or dependent, including members who took a refund during calendar year 2010, your 2010 IRS Form 1099-R was mailed at the end of January. Detailed information related to this form is available on our web site under **Hot Topics > Retiree Updates**. The web page includes an introduction to your 1099-R and describes various scenarios that could apply to retirees and beneficiaries who received distributions in 2010. If you would like us to mail you a copy of the 1099-R *News*, please call the Retirement Customer Service Center at 800-821-2251 (phone hours 10 a.m. to 3:30 p.m. Alaska time), option 1, or send an e-mail to [doa.drb.retireepayroll@alaska.gov](mailto:doa.drb.retireepayroll@alaska.gov).

## Benefit Fair coming to Ketchikan April 15-16

**A** Benefit Fair will be held in Ketchikan, April 15-16, 2011, at the University of Alaska Southeast, Ketchikan campus. PERS and TRS members of *all* ages are invited to attend. There will be educational workshops to help you plan now for your future retirement security. The fair will provide state employees covered under the **ALASKACARE Employee Health Plan** an opportunity to learn more about available benefits. There will also be sessions on *Optional Benefits* (formerly Supplemental Benefits) and the *Supplemental Annuity Plan*.

Watch for more details about upcoming fairs on our web site, [alaska.gov/drb](http://alaska.gov/drb).

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# To marry or not... that is the question

## Marriage or partnership and how it may affect your retirement benefit

**W**hen it comes to retirement, the benefit you receive will be partially determined by whether or not you are married or in a same-sex partnership\* at the time of retirement, whether or not you elect a survivor option (if eligible), and the type of survivor option you elect. The following summarizes most of the possible scenarios and describes the applicable benefits:

### You are married prior to your retirement effective date:

1. If you elect one of the three survivor options, there is a lifetime reduction to your retirement benefit. After your death, your spouse receives a lifetime monthly benefit. If you elected medical coverage, dental/vision/audio (DVA), and/or long-term care (LTC) for you and your spouse, he/she may continue to be covered under these plans.
2. If you do not elect a survivor option and you take the "Regular" retirement benefit, there is no reduction to your pension. However, your spouse needs to sign the waiver on the retirement application waiving entitlement to any continued benefits. If you elected medical coverage for you and your spouse, your spouse is covered under the retiree health plan while you are alive, but in the event of your death, all benefits cease.



### You are NOT married prior to your retirement effective date:

- The "Regular" benefit is your only choice. There is NO joint and survivor reduction to your retirement benefit and there are NO survivor benefits.

### You are NOT married *prior* to your retirement effective date, but you marry AFTER your retirement effective date:

- There will be no change in the Regular benefit election (no reduction to your pension). You may add your spouse to your medical coverage; if you are not eligible for **ALASKACARE** system-paid medical, you must pay the appropriate monthly premium to add your spouse. If you elected DVA or LTC for yourself at retirement, and you still have those plans and are paying the premiums, then you can also elect those plans for your spouse and pay the additional costs. Your written request to increase coverage must be postmarked or received within 120 days of the date of the event. There are NO continued benefits for your spouse after your death.

\*The scenarios described above for marriage also apply to a same-sex partnership; however, there is no waiver requirement if the member elects a benefit that does not include a joint and survivor benefit. If you wish to designate a same-sex partner to receive survivor benefits or to enroll him/her in the retiree medical plan, you must complete the Same-Sex Partner Supplement in addition to the Retirement Application. Included in the Supplement are the Same-Sex Partner Affidavit, which you and your partner must sign, and the Declaration of Tax Status Alaska Benefit Plans.

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

**S**ome 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!*

If you are an active member who has worked a full school year (minimum 172 days) during your last school year, your retirement effective date will be July 1. (You must terminate employment no later than June 30 to be eligible for retirement benefits effective July 1.) If you work less than a full year (less than 172 days), your retirement will be effective the 1st of the month following your last day of work. If you work on the first day of any given month, you must then delay your retirement effective date until the 1st of the *following* month. 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.



If you are eligible for **ALASKACARE** system-paid medical when you retire, you have health insurance coverage immediately. If you are not eligible for system-paid medical when you retire, because of age or insufficient years of credited service, you can opt to purchase health insurance coverage immediately upon retirement or during an annual open enrollment period.

For most, but not all, school district and state of Alaska TRS employees, if you are terminating your position, but *not* retiring, health insurance coverage continues through the *end of the month* in which you terminate. Check with your employer to determine when your health coverage will end.

**Bottom line** – if you want to *retire* on the 1st of a given month, you *must not work* the 1st of that month.

## Returning to work with a TRS employer *after* retirement

**A**laska Statute 14.25.043 prohibits retirees who first entered a Teachers' Retirement System (TRS) position *prior* to July 1, 2006, from working in a TRS-covered position while receiving TRS retirement benefits.

If you are retired and go back to work in a TRS position, your retirement benefit will be suspended until you terminate employment. If you receive a contract for 172 days or more, the reemployment date is July 1, the beginning of the school year, and retirement benefits will stop effective June 30. Upon reemployment, TRS contributions will be deducted from your paycheck and you will accrue TRS service. You will retain the same tier status you held at the time you retired. You will **NOT** be reemployed into the Defined Contribution Retirement (DCR) Plan *unless* you work for an employer who first entered into participation with the TRS *after* July 1, 2006. You are required to pay back any retirement benefits you receive while simultaneously earning TRS credit. This amount must be paid in full before you retire again.

When you retire again, your first retirement benefit will be restarted once we receive notification that you have terminated employment. You must apply for the additional retirement benefit



*(continued on pg. 5)*

# Survivor Benefits—What you need to know

**W**hen a member dies, a benefit payment, designed to provide some financial security, is provided to survivors. The type of payment is determined by whether the death was occupational or nonoccupational, and by whether or not the member was retired.

## Nonoccupational death before retirement

When a member dies from nonoccupational causes *before retiring*, the spouse, qualified same-sex partner, or other eligible beneficiary is entitled to the following survivor benefit unless benefits are payable under the Supplemental Contributions Provision.

### Survivor of nonvested member

For a member with *less than one year* of TRS service (or an inactive member not yet vested), the survivor benefit is the balance of the employee's contribution account, which includes mandatory contributions, indebtedness principal and interest payments, any supplemental contributions, and interest accrued to the account.

For an active member with *at least one year* of TRS service but not yet vested, the survivor benefit is the balance of the employee's contribution account (same as above), plus

1. a lump-sum payment of \$1,000;
2. \$100 multiplied by the years of membership service; and
3. \$500 if the member is survived by at least one dependent child at the time of death. This benefit is payable only if the member's dependent child or that child's parent or legal guardian is the designated beneficiary.

The sum of 1 and 2 cannot exceed \$3,000.

### Survivor of vested member

For vested members, the survivor benefit is the same as that described above for nonvested members with at least one year of service. A

beneficiary who is the spouse or qualified same-sex partner may choose instead a monthly 50% joint and survivor benefit.

If someone other than the spouse or qualified same-sex partner is the designated beneficiary, including dependent children, the survivor benefit is the same as for nonvested members with at least one year of service.

### Monthly benefit

The 50% joint and survivor benefit is calculated on the member's average base salary and years of TRS service at the time of death.

Benefits accrue from the first day of the month following the member's death and are payable at the end of the month. Benefits stop when the spouse or qualified same-sex partner dies.

### Occupational death

When a member dies from job-related causes before retiring, the spouse, qualified same-sex partner, or other eligible beneficiary is entitled to the survivor benefit described below, unless benefits are payable under the Supplemental Contributions Provision. **A member does not need to be vested to qualify for occupational death benefits.**

### Monthly benefit

The monthly survivor's pension is 40% of the member's last base contract salary, divided by 12 months. The benefit changes on the date the member would have been eligible for normal retirement. The new benefit is based on the member's average base salary at the time of death and total TRS service, including potential service accrued as if the member had worked until eligible for normal retirement.

Benefits accrue from the first day of the month following the member's death and are payable at the end of the month.

*(continued on pg. 5)*



## Pat Shier appointed acting director of ETS

**O**n February 4, 2011, the Commissioner's Office of the Department of Administration (DOA) announced a personnel change to all DOA staff. Anand Dubey's resignation was accepted as director of the Division of Enterprise Technology Services (ETS) and our director, Pat Shier, was named as acting director of ETS until a permanent replacement has been found. Jim Puckett was named as acting director of the Division of Retirement and Benefits while Pat is at ETS.

## Survivor Benefits *(continued from pg. 4)*

The spouse is automatically the designated beneficiary provided that the spouse was married to the member during part of the member's employment and a waiver of benefits was not received by the Division. If there is no surviving spouse, but there is a surviving qualified same-sex partner, the partner will receive the monthly survivor's pension. If there is no surviving spouse or qualified same-sex partner, but the member has dependent children, the survivor's pension will be divided equally among those children.

Benefits stop when there is no longer a surviving spouse, qualified same-sex partner, or eligible dependent child(ren).

### Survivor benefits for retired members

When a member dies after retiring, the beneficiary is entitled to the benefit check for the month in which the member dies, if not already paid to the member. However, a check payable to a deceased member must be returned to the Division and reissued in the beneficiary's name. It is illegal to cash a deceased member's check.

If the member was participating in the Supplemental Contributions provision, survivor benefits will be paid under that provision.

If the member selected a joint and survivor option at retirement, the spouse or qualified same-sex partner will start receiving that benefit.

## Survivor Benefits *(continued)*

If the member did not select a joint and survivor option, the beneficiary will receive the balance remaining in the employee contribution account, if any.

If the member was deferred vested, the beneficiary will be paid under the nonoccupational death provision.

### Supplemental Contributions Provision

Under this provision, members who first entered the TRS before July 1, 1982, could elect to contribute an additional one percent of their base contract salary. Either a spouse's pension or a survivor's allowance is payable upon the member's death. If this provision applies to you, contact the Division for eligibility requirements and more detailed information.

### Beneficiary designation

Your beneficiary designation may determine who receives your survivor benefit. Please refer to the TRS *Information Handbook* for more detailed information.

Payment of benefits is based on the last designation received by the TRS.

If there is no surviving spouse, qualified same-sex partner, or dependent child(ren), the designated beneficiary will receive the balance of the employee's contribution account plus the lump sum amount described in 1 and 2 above (subject to the \$3,000 limit).

## Returning to work *(continued from pg. 3)*

earned during reemployment. The additional benefit will be calculated using your back-to-work employment segment and salaries. You may elect a new survivor option for your additional retirement benefit if you have had a change in marital status since your previous retirement.

Special provisions apply to those whose first retirement was early or under the Retiree Incentive Program (RIP). Contact the Retirement Customer Service Center for additional information if you fall into one of these categories and are thinking of returning to work.

# TRS Performance in Fiscal Year 2010

The Division of Retirement and Benefits (Division) prepares a Comprehensive Annual Financial Report (CAFR) which is available online at [alaska.gov/drb/trs/trscafr.html](http://alaska.gov/drb/trs/trscafr.html). The Teachers' Retirement System (TRS) CAFR provides comprehensive financial, investment, actuarial and statistical data.

The Division also posts the results of the annual actuarial valuation online at [alaska.gov/drb/trs/actuarial-valuation.html](http://alaska.gov/drb/trs/actuarial-valuation.html). This report contains the funding status of the TRS, as well as the data, assumptions, and methods used to develop contribution rate recommendations. As of June 30, 2009, the date of the latest actuarial valuation, the Defined Benefit Unfunded Accrued Liability was \$3,374,556,000.

A summary of the TRS Financial Statements as of June 30, 2010 is reported below.

## Summary of Fiscal Year (FY) 2010

- There were 8,226 TRS DB employees and 2,269 TRS DCR employees working for 58 TRS employers.
- \$36 million in interest was credited to TRS employees' accounts.
- TRS employers paid 12.56% of each employee's gross salary in addition to contributions paid by the covered employees. The state paid an extra 26% to meet the actuarially determined contribution rate of 38.56%.
- 10,255 people received monthly TRS pension benefits in FY 2010, an increase of 2.3% over FY 2009. TRS retirees and beneficiaries received an average of \$32,000 annually in FY 2010.
- The Alaska Retirement Management Board settled a lawsuit against its former actuary, Mercer. The settlement agreement amounted to \$500 million in exchange for dismissal of the lawsuit. The amount allocated to the TRS was \$44 million after legal fees were deducted.

## Changes in TRS Assets During Fiscal Year 2010



	Defined Benefit	Defined Contribution
<b>Additions and Deductions</b>		
Net Assets on June 30, 2009 .....	\$3,727,466,000	...\$35,480,000
<b>Additions</b>		
Employer Contributions .....	76,494,000	.....15,865,000
Plan Member Contributions .....	56,671,000	.....11,051,000
State of Alaska Contributions .....	173,462,000	.....
Net investment income .....	394,049,000	.....2,368,000
Legal Settlement .....	54,585,000	.....
Other .....	4,459,000	.....
<b>Total Additions .....</b>	<b>759,720,000</b>	<b>...29,284,000</b>
<b>Deductions</b>		
Pension Benefits Paid .....	332,690,000	.....
Healthcare Benefits Paid .....	110,313,000	.....
Refunds to Members .....	3,472,000	.....930,000
Legal Settlement Fees .....	10,592,000	.....
Administrative Expenses .....	5,926,000	.....123,000
<b>Total Deductions .....</b>	<b>462,993,000</b>	<b>... 1,053,000</b>
<b>Net Assets on June 30, 2010 .....</b>	<b>\$4,024,193,000</b>	<b>\$63,711,000</b>

## Statement of TRS Assets as of June 30, 2010

<b>Assets</b>		
Short-Term Investments .....	\$38,836,000	.....\$443,000
Great-West Account .....	.....	.....1,389,000
Legal Settlement Receivable .....	54,586,000	.....
Other Receivables .....	13,252,000	.....1,775,000
Investments, at Fair Value .....	3,944,000,000	.....60,505,000
Other Assets .....	985,000	.....
<b>Total Assets .....</b>	<b>4,051,659,000</b>	<b>.. 64,112,000</b>
<b>Liabilities</b>		
Accrued Expenses and Other Liabilities .....	27,466,000	.....401,000
<b>Total Liabilities .....</b>	<b>27,466,000</b>	<b>..... 401,000</b>
<b>Net Assets on June 30, 2010 .....</b>	<b>\$4,024,193,000</b>	<b>\$63,711,000</b>

# Benefit Fairs

## Ketchikan

University of Alaska Southeast, Ketchikan campus

April 15-16, 2011

Watch for more details on our web site

For upcoming Benefit Fair schedules and descriptions, check the **Seminar** page on our website at [alaska.gov/drb](http://alaska.gov/drb). For questions about the fairs, contact Judy Hall by e-mail at [judy.hall@alaska.gov](mailto:judy.hall@alaska.gov) or call 800-821-2251. Fair presentations are on a first-come, first-seated basis.

# Benefit Education Seminars\*

## The Retirement Process

Fairbanks - North Star Borough School District

## The Retirement Process

Juneau - State Office Building, 6th floor conf room

5:30 – 7:30 p.m.

April 14, 2011

1:30 – 3:30 p.m.

March 24, 2011

6:00 – 8:00 p.m.

May 11, 2011\*

\*School District Admin Center

\*Register for seminars online at [alaska.gov/drb](http://alaska.gov/drb) or call 800-821-2251 (in Juneau 465-6280)

Dates, times, and locations of seminars are subject to change or cancellation, depending on participation.

## Where Are You?

The Division of Retirement and Benefits is trying to locate the following people whose address is no longer correct in our system. If you have a current address or any other information for anyone listed below, please contact the division as indicated.

**Please note:** Some people might have the same name as you or may have a new last name due to marriage, divorce, or name change. Any information you can provide will be appreciated.

For the following people, please contact the **Accounting Section** toll-free at 800-821-2251. You may also email us at: [doa.drb.accountingsection@alaska.gov](mailto:doa.drb.accountingsection@alaska.gov)

Korkiala, Ray E

Mouftah, Patsy A

Somby, Ande

Vollom, Tammy

Korroch, Karrie J

Nishikawa, Misa I

Stalford, Kara

Walliser, Allan P

Lawhon, James N

Pionk, Darcy A

Stuenkel, Ashley E

Whinston, Amy

Lockhart, Nathan

Prall, Lisa M

Tampleton, Rebekah A

Wyman, Leisy Thornton

Morvari, Ashkan

Rigenhagen, Ruth A

Twarakavi, Navin Kumar C

Yaw, Patricia

Mosier, Robert C

Rulon, Phillip J

Vandecarr, Hillary L

Zaragoza, Ernestine L

For the following people, please contact Laurie Helfinstine in the **Retiree Payroll Section** toll-free at (800) 821-2251, ext. 3104 or (907) 465-3104.

Bruns, Charles T

Gower, Mark

Lee, Jeoung

Scott, Orian L

Felder, Jennie

Hendrickson, Maxine L

Nokes, Jan L

Wands, Elnora E

Casulucan, Ernesto E

Kendall, Richard G

Pease, II Charles T

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Jim Puckett, **Acting Director and Administrator**

Barbara Kelly, **Editor**

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TDD hearing impaired: (907) 465-2805

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The Alaska Department of Administration complies with Title II of the 1990 Americans with Disabilities Act (ADA). The TRS Newsbreak is available in alternative communication formats upon request. To make necessary arrangements, contact the ADA Coordinator for the Division of Retirement and Benefits, at 800-821-2251, or in Juneau (907) 465-4460, or contact the TDD for the hearing impaired at (907) 465-2805.

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

**April 28-29, 2011**

**Anchorage Marriott Downtown Hotel**

**June 16-17, 2011**

**Anchorage Marriott Downtown Hotel**

ARMB meetings are open to the public. Minutes of past meetings and meeting agendas can be found at the ARMB link on the Department of Revenue's web site at [dor.alaska.gov/treasury/programs](http://dor.alaska.gov/treasury/programs). If you have questions, call Judy Hall, ARMB liaison, at (907) 465-3749.

