

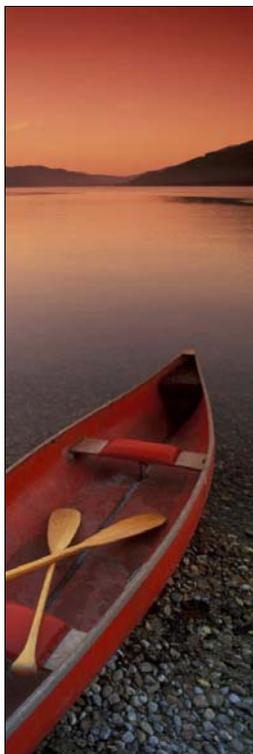
PERS Vesting



Division of Retirement and Benefits
PO Box 110203
Juneau, AK 99811-0203
(907) 465-4460

Welcome to the Division of Retirement and Benefits presentation on vesting in the Public Employees' Retirement System, commonly referred to as the PERS.

This presentation is for Tier I, II and III members of the PERS, and does not apply to Tier IV members of the new Defined Contribution Retirement Plan.



Introduction

Understanding the requirements and benefits of becoming vested

- Tier I
 - Members who first entered the PERS before July 1, 1986.
- Tier II
 - Members who first entered the PERS after June 30, 1986, but before July 1, 1996.
- Tier III
 - Members who first entered the PERS after June 30, 1996, but before July 1, 2006.



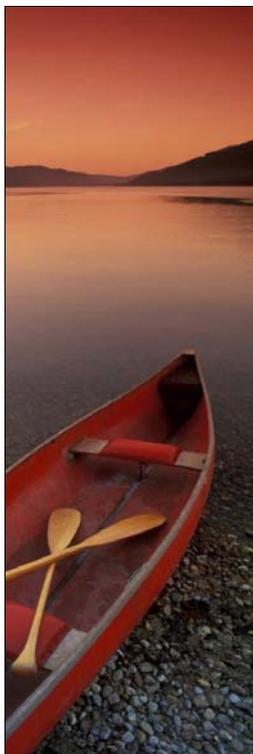
This presentation was designed to help you understand the requirements and the benefits of becoming vested in the Public Employees Retirement System.

But first we will begin by defining Tiers I, II, and III in the PERS:

You are a member of Tier I if you first entered the PERS before July 1, 1986.

You are a member of Tier II if you first entered the PERS after June 30, 1986, but before July 1, 1996.

And you are a member of Tier III if you first entered the PERS after June 30, 1996, but before July 1, 2006.

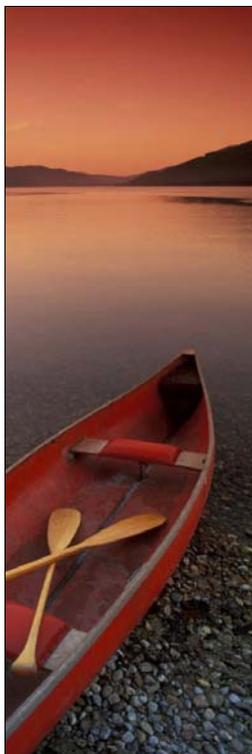


Topics of Discussion

- How to become vested
- Benefits while actively working
- Vesting for pension and health benefits when you retire



The topics of discussion in this presentation will be:
How to become vested;
The benefits of being vested while you are actively working;
And
Vesting for pension and health benefits when you retire.



How to Become Vested

- 5 years of paid-up PERS service
- Full-time — One day of service for each calendar day from hire to a break in service
- Part-time — service based on hours worked (*not more credit than full-time for same period*)



How to become vested

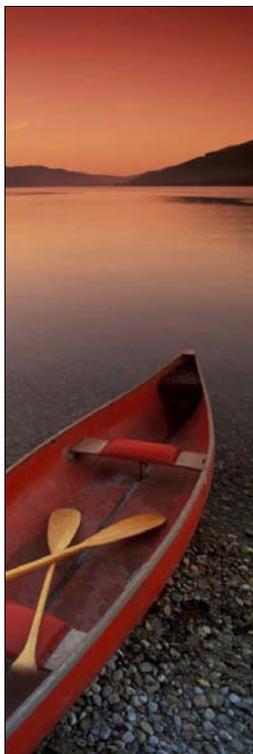
You must have 5 years of paid-up PERS service to become vested.

As a permanent full-time employee:

You will accrue one day of service for each calendar day from your date of hire until a break in service. You will receive credit for weekends and holidays if you are in pay status the day before and the day after the weekend or holiday.

As a permanent part-time employee:

Your service is credited proportionately based on the number of hours you work. Part-time service cannot earn more than full-time credit.

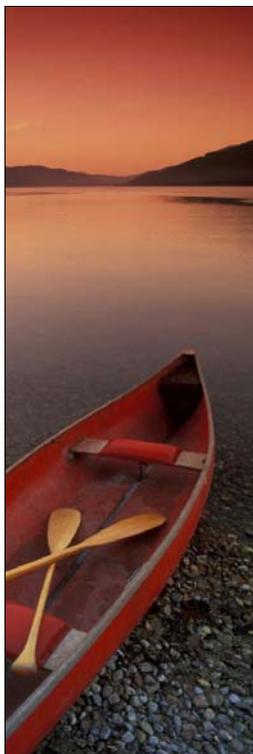


Leave-Without-Pay

- You will not receive credit for leave-without-pay (LWOP) for more than 10 days in a calendar year



Please note: leave-without-pay that exceeds 10 days in a calendar year is not creditable in the PERS.



Benefits of Being Vested While Actively Working

- ***Nonoccupational*** death and disability benefits once you are vested and eligible

(Includes health insurance options for member and surviving spouse)

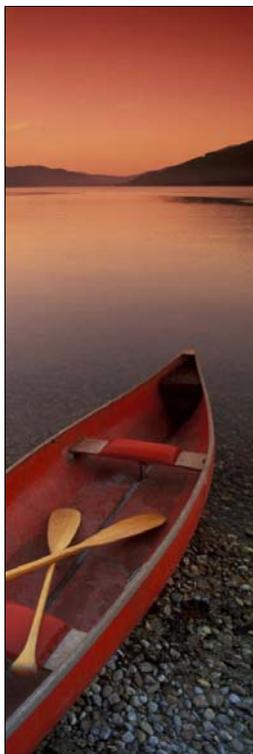
- You may claim qualified service



There are benefits of being vested while you are actively working:

If you are vested, you are eligible for nonoccupational death and disability benefits. These benefits include health insurance options for members and surviving spouse's.

Being vested also makes you eligible to claim qualified service, such as Military or Temporary service, that can increase your monthly pension benefit at retirement.



Future Pension and Health Benefits

Vesting guarantees pension benefits when eligible to retire:

- For your lifetime
- Can include continuing benefits for your surviving spouse
- Includes retirement health



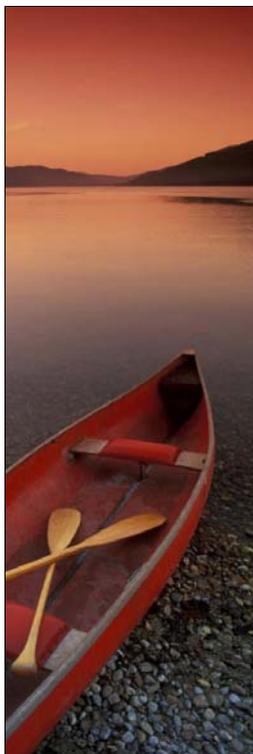
Vesting also gives you pension and health benefits for the future.

Vesting guarantees pension benefits when you are eligible to retire.

This pension benefit is for your lifetime.

The pension can include continuing benefits for your surviving spouse's lifetime in the event of your death.

The pension will include retirement health insurance options for you and all eligible dependents.



Refunding Contributions

- All PERS members can refund contributions when they end employment
- Refunds may mean — no longer vested and no benefits
- Must be re-employed in a PERS or TRS covered position before July 1, 2010, to pay back refunds



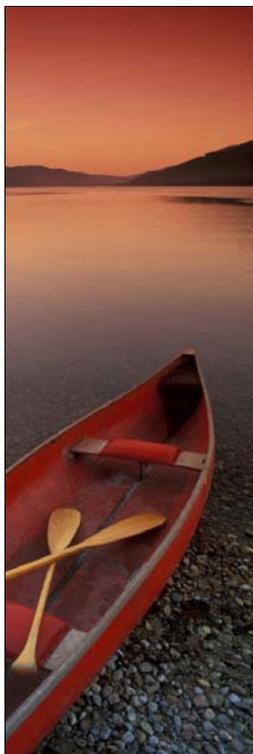
Refunding Contributions

All PERS members are eligible to refund member contributions plus any interest earned when they end employment.

If you take a refund, this means that you are no longer vested and therefore not eligible for any benefits.

You must become re-employed in a PERS or TRS covered position before July 1, 2010, to be eligible to pay back refunds plus interest.

You are not required to have the indebtedness paid off before July 1, 2010, you simply must have returned to covered employment before that date. If you do not, you will forfeit your service and your tier. The right to reinstate service will be repealed as of July 1, 2010.



To Review

- Vesting — 5 paid-up years of PERS service
- Vesting means pension and health benefits when eligible to retire
- Refunded contributions — service doesn't count towards vesting



To review what has been covered in this presentation:

Vesting is acquired by accruing 5 years of paid-up PERS service.

Vesting means being eligible for lifetime pension and health benefit options when you are eligible to retire.

Refunding of PERS contributions makes the service ineligible to count toward vesting unless the refund **plus interest** is repaid to the PERS.



More Information

For more information about PERS vesting, see your *Public Employees' Retirement System Information Handbook* or visit our website: www.state.ak.us/drb



For more information about PERS vesting, please see your Public Employees Retirement System Information Handbook or visit our website, where you may read the handbook, at: www.state.ak.us/drb