

**State of Alaska
Division of Retirement & Benefits**

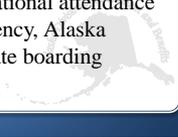
Alternate Option (SB9)

Presented by the Division of Retirement & Benefits



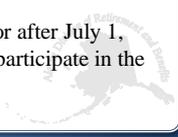
Applicability of Alternate Option

- In accordance with Alaska Statutes 39.35.300(c) and 39.35.310(c), a seasonal non-certificated employee may elect to pay a higher contribution (9.6%) and have their service calculated under the provisions of TRS.
- The legislation became effective July 1, 1999, and applies to non-certificated Tier I, II or III members of a school district, regional educational attendance area, special education service agency, Alaska Vocational Technical Center or state boarding school.



Applicability of Alternate Option

- An Alternate Option election is irrevocable unless the employee changes positions from working less than 12 months to working 12 months or visa verse.
- The election is irrevocable for all periods of school district employment, not just with the current employer.
- Members first entering PERS on or after July 1, 2006 (Tier IV) are not eligible to participate in the Alternate Option.



Enrollment

- The Election of Standard or Alternate Option form can be found at:
<http://doa.alaska.gov/drb/pdf/forms/pers004.pdf>
- A Tier I, II or III member working in a non-certificated position for a school district has 90 days from when they first joined PERS or first began working for a school district, to make an irrevocable election for the Alternate Option.

Enrollment

- If no election is made within 90 days, the employee will irrevocably default to the Standard Option.
- An initial election (including the default) applies to the service earned for the school year in which the election was made (July 1 to June 30), and all subsequent employment as a non-certificated employee of a school district (with the exception of a qualified change in employment).

Qualified Change in Employment

- A member who previously elected the Alternate Option, who thereafter changes employment status from working less than a full year, to working the full year, may change their election between July 1 and September 30 of any subsequent school year.
- The change will be made retroactive to July 1st of the school year in which the change is elected.

Non-qualified Changes

- A change in employment from full-time (regularly scheduled to work 30 hours or more per week) to part-time (regularly scheduled to work at least 15 hours but less than 30 hours per week) is not a qualified change in employment unless the employee also changes from working less than 12 months to working 12 months.
- A termination/rehire is not a qualified change in employment. The initial election applies to subsequent employment as a non-certificated employee.

Service Calculation

- The service is calculated under the provisions of the Teachers' Retirement System based on a full year of credit for a minimum of 172 days of service between July 1st and June 30th.
- Part-time service (regularly scheduled to work a minimum of 15 hours per week) will be credited in proportion to the amount of credit they would receive as full-time (6 hours per day).

TRS Service Credit

Days Worked Service Credit

0 to 8 days	=	no credit
9 to 26 days	=	0.1 year
27 to 44 days	=	0.2 year
45 to 62 days	=	0.3 year
63 to 80 days	=	0.4 year
81 to 99 days	=	0.5 year
100 to 117 days	=	0.6 year
118 to 135 days	=	0.7 year
136 to 153 days	=	0.8 year
154 to 171 days	=	0.9 year
172 days or more	=	1.0 year

For part-time you would divide the hours worked per day by 6 (full-time equivalent) and multiply by the days worked (to a maximum of 172). For example, an employee working 4.5 hours per day would get $4.5/6 \times 172 = 129$ days or 0.7 year of service.

Standard Option

- Under the standard option the contribution rate is 6.75%. The member earns 1/365th of a year of service for each day of active employment. This includes weekends (regular days off) and holidays, as long as they were in pay status the day before and the day after the weekend or holiday.
- Cumulative periods of leave without pay exceeding 10 days will be considered an interruption of employment and service credit will not be granted.

Average Monthly Salary

- All leave without pay must be reported to PERS even if the member elected the Alternate Option. This includes summer breaks, scattered leave without pay and also spring or winter breaks (if without pay).
- Alternate option only applies to how service is calculated. The average monthly salary is still calculated under normal PERS provisions.
