



# Minimum Requirements for Retirement and Service Credit

Public Employees' Retirement System

## Age Requirements

You will be eligible to retire and receive monthly benefits when you reach retirement age and meet the minimum service requirements. If you were first hired under the PERS:

- before July 1, 1986, you may retire at age 55 for normal retirement or age 50 for early.
- after June 30, 1986, you may retire at age 60 for normal retirement or age 55 for early.

Under early retirement, your monthly benefit is actuarially reduced based on age. The closer you are to normal retirement age, the smaller the reduction. Under normal retirement, your monthly benefit is not reduced.

Vested members who have terminated PERS employment and reached normal retirement age will not receive larger monthly benefits by waiting until they are older to retire.

**CAUTION:** If you request a refund of your PERS contributions and interest, you will not be eligible for PERS retirement benefits.

## Vesting

You will be vested when you have at least five paid-up years of creditable PERS service.

Once you are vested, you may terminate PERS employment and still receive a monthly retirement benefit when you reach retirement age. However, you must leave your contributions in the PERS to stay vested.

## Credited Service

Members receive credit for each day of PERS-covered employment. Permanent part-time employees who work at least 15 hours per week, but less than 30 hours, receive credit on a proportionate basis. For instance, employees who work four hours a day receive only four hours of credit.

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## Service Requirements

You will be eligible to retire after you reach retirement age and satisfy the following service requirements.

### You must have at least:

- five paid-up years of PERS service;
- 60 days of paid-up PERS service if you were an employee of the legislature during each of five legislative sessions and you were first hired under the PERS before May 30, 1987;
- 80 days of paid-up PERS service if you were an employee of the legislature during each of five legislative sessions and you were first hired under the PERS after May 29, 1987; or
- two paid-up years of PERS service if you are vested in the Teachers' Retirement System (TRS).

### You may retire at any age and receive a normal (unreduced) benefit if you have:

- × 30 paid-up years of PERS service; or
- × 20 paid-up years of PERS service as a peace officer or fire fighter.

Military and temporary credit may NOT be used to satisfy the 20 or 30 years needed to retire at any age.

If you have received a refund of any of your PERS contributions, please review *Reinstatement of Service* and *Payment of Indebtedness* in the *PERS Information Handbook*.

Retired Teachers' Retirement (TRS) members who are eligible for PERS benefits for elected municipal credit should review *Special Provision for Elected Municipal Officials* on page 5.

Your service and salaries will be verified by your employer(s) before you are appointed to retirement. If there is an error in your records, it will be corrected at that time. It is always a good idea to ask your employer(s) to verify your PERS service before you terminate employment. Verifying your service is especially important if: (1) you have worked part-time, or (2) you just barely have enough PERS service to retire.

## Credited Service – continued

The following types of PERS service count toward retirement eligibility:

- ▶ permanent full-time and part-time employment with a PERS employer while the employer is participating in the PERS. Some PERS employers have agreed to pay additional contributions to allow employees to receive credit for their earlier service before the employer joined the PERS.
- ▶ part-time State of Alaska service from 1961-1975.
- ▶ earlier service before January 1, 1961.
- ▶ past peace and correctional officer, fire fighter and special officer service.
- ▶ elected official service.
- ▶ Alaska Bureau of Indian Affairs service.
- ▶ service earned while on occupational disability.
- ▶ leave without pay (LWOP) service after June 13, 1987, while receiving Workers' Compensation.

LWOP that exceeds 10 working days in any calendar year is not creditable under the PERS. If you have received credit for LWOP on your *PERS Statement of Credited Service*, you should notify your employer immediately so your records may be corrected.

Military and temporary service do not count toward retirement eligibility, but they will increase your PERS service.

Contact the PERS if you have refunded any of your PERS contributions and you are interested in reinstating your refunded service.

## Military Service Credit

You may be eligible to receive up to five years of PERS credit for your active military service in the U.S. Armed Forces, if you are vested and you were not dishonorably discharged. However, members first hired under the PERS after June 30, 1986, are not eligible for PERS military credit if they are eligible for a federal benefit for the same service. PERS retirees, deferred vested members, and surviving spouses of members who had served in the armed forces, may also be eligible to receive this credit.

Military service also includes active service as:

- (1) a foreign service officer, foreign service reserve officer, or limited foreign service reserve officer with the U.S. Department of State in Vietnam, Cambodia or Laos from August 4, 1964, through November 7, 1975; and
- (2) a member of the U.S. Merchant Marines from December 1941, through September 30, 1945.

Although military credit does **not** count toward retirement eligibility, it will increase both your PERS service and your monthly benefits.

### You may claim your military service by:

- completing side 1 of an *Application and Salary Verification for Military Service Credit* (form 02-1895);
- attaching the required military documentation; and
- requesting that your employer complete the *Salary Verification* section on side 2 of the application form and submit it to the PERS.

After your application is received and accepted, an indebtedness will be established and you may begin making payments.

### The Cost

The cost for claiming military service (indebtedness) will depend on when you are first eligible to claim it.

### Members first eligible:

- ▶ after December 31, 1986, will be charged 8.5% of their annualized vesting year salary for each year claimed.
- ▶ before January 1, 1987, will be charged 6% of their 1976 or annualized vesting year salary, whichever is later, for each year claimed.

Interest on an indebtedness for service under (1) and (2) begins accruing on July 1, 1987, or one year following the member's vesting date, whichever is later. For other military service, interest begins accruing on July 1, 1977, or one year following vesting, whichever is later. Seven percent interest will continue to accrue until the indebtedness is completely paid or you retire, whichever occurs first.

If you are employed by a PERS employer on the date that you enter the military and you return to PERS employment within 90 days following your discharge, you are not required to pay contributions for that period of military service.

The total military credit that may be claimed in the PERS and Teachers' Retirement System (TRS) is five years for those persons who have served in both systems.

## Simultaneous PERS and TRS Credit

If you are a member of the PERS and Teachers' Retirement System (TRS) at the same time, you may receive partial credit under both systems. To be eligible, you must be employed at least half-time in both the PERS and the TRS concurrently and you must make the required contributions.

The total combined PERS and TRS credit that you may earn during a school year (July 1 through June 30 of the following year) may not exceed one year.

## *Claiming Earlier Service*

You may also receive credit for your earlier PERS or TRS half-time service. Contact the PERS to find out how to claim earlier service. After your claim is received and accepted, an indebtedness will be established and you may begin making payments. Your indebtedness will be equal to the full actuarial cost of providing benefits for the service.

Seven percent interest will begin accruing on the indebtedness beginning on July 1, 1989, or the date that you are first eligible to claim the service, whichever is later. Interest will continue to accrue until the indebtedness is completely paid or you retire, whichever occurs first.

## *Part-time State of Alaska Service Credit*

You may receive PERS credit for your permanent, part-time employment with the State of Alaska after December 31, 1960, and before January 1, 1976.

Contact the PERS to find out how to claim part-time service. After your claim is received and accepted, an indebtedness will be established and you may begin making payments. Your indebtedness will be equal to the contributions that you would have had to pay had the service been creditable at the time you worked.

Seven percent interest will begin accruing on the indebtedness on July 1, 1980, and will continue to accrue until the indebtedness is completely paid or you retire, whichever occurs first.

Part-time credit counts toward vesting and retirement eligibility if the indebtedness is completely paid.

A permanent part-time employee is one who occupies a permanent position that regularly requires working at least 15 hours, but less than 30 hours per week.

## *Earlier Service Credit before January 1, 1961*

You may receive PERS credit for your permanent full-time employment before January 1, 1961, with the State, former Territory of Alaska, or U.S. Government in Alaska (excluding the armed forces). To qualify for this credit, you must have at least three paid-up years of PERS service with the State of Alaska after January 1, 1961.

Contact the PERS to find out how to claim earlier service. Contributions are not required for earlier service.

Earlier service credit counts toward vesting and retirement eligibility.

## *Benefits Reduced for Federal Annuities*

Monthly PERS benefits paid to members for their earlier service will be reduced if they are receiving benefits from the federal government for the same service. The reduction will equal the federal benefit that is being paid for that service.

## *Past Peace and Correctional Officer, Fire Fighter and Special Officer Credit*

You may receive PERS credit for your permanent full-time or part-time employment after January 1, 1961, as a:

- (1) peace officer, correctional officer or fire fighter with a municipality before it joined the PERS, if the municipality belongs to the PERS now and you were an active peace officer, correctional officer or fire fighter in the PERS on or before January 1, 1983; or
- (2) special officer commissioned by the Alaska State Troopers, if you have not yet received PERS credit for that employment; you were employed in the PERS on or before January 1, 1983; and you have been an active special officer, peace officer, correctional officer or fire fighter in the PERS.

To qualify for this credit, you must be vested and have at least three paid-up years of PERS service with the State of Alaska after January 1, 1961. Contact the PERS to find out how to claim past service.

Peace officer, correctional officer, fire fighter and special officer credit counts toward retirement eligibility if you have paid for it.

## *The Cost*

After your claim is received and accepted, an indebtedness will be established and you may begin making payments. Your indebtedness will be equal to:

- 6% of your annualized 1980 salary for each year of service claimed, if you were vested before or during 1980; or
- 6% of your annualized vesting year salary for each year of service claimed, if you became vested after 1980.

Seven percent interest will begin accruing on the indebtedness on July 1, 1983, or one year following vesting, whichever is later. Interest will accrue until the indebtedness is completely paid or you retire, whichever occurs first.

## Special Provision for Peace Officers and Fire Fighters

Vested members, who are not eligible to claim the peace officer and fire fighter credit on page 3, may claim their past peace officer or fire fighter service with municipalities before they joined the PERS under another provision. Permanent full-time and part-time employment after January 1, 1961, with a municipality that is currently participating in the PERS may be claimed.

Contact the PERS to find out how to claim past service. After your claim is received and accepted, an indebtedness will be established and you may begin making payments. Your indebtedness will be equal to the full actuarial cost of providing benefits for the service.

Seven percent interest will accrue on the indebtedness until it is paid in full or you retire, whichever occurs first.

Peace officer and fire fighter credit counts toward retirement eligibility if the indebtedness has been paid.

## Earlier Probation Officer Credit

Members who were employed as probation officers before May 15, 1990, are NOT automatically covered under the "20 and out" peace officer provision. However, members may convert earlier probation officer employment to peace officer service BEFORE retirement.

Probation officer service after May 14, 1990, is automatically covered under the peace officer provision, unless a member elects to terminate the peace officer coverage.

Contact the PERS if you would like to convert your earlier service. When earlier service is converted, an indebtedness is established equal to the additional contributions that are required for peace officers. Peace officers must contribute 7.5% of their salaries whereas all other members contribute 6.75%.

Seven percent interest will begin accruing on your indebtedness on July 1, 1991, and will continue to accrue until your indebtedness is paid in full or you retire, whichever occurs first.

Peace officer credit counts toward retirement eligibility if the indebtedness has been paid.

## Temporary Credit

You may receive PERS credit for your full-time temporary service with a PERS employer if you are vested. Temporary employment with the State of Alaska before January 1, 1961, or a political subdivision before it joined the PERS is NOT creditable.

Contact the PERS to find out how to claim temporary service. After your service is received and accepted, an

indebtedness will be established and you may begin making payments. Your indebtedness will be equal to the full actuarial cost of providing benefits for the service. Seven percent interest will begin accruing on the indebtedness on:

- ▶ July 1, 1981, or one year after your initial vesting date, whichever is later, if the service is claimed no more than one year after vesting;
- ▶ your vesting date, if you vested after June 30, 1980, the service occurred before you vested, and it is claimed more than one year after vesting;
- ▶ July 1, 1980, if you vested before July 1, 1980, the service occurred before you vested, and is claimed after June 30, 1981;
- ▶ one year after completing the service, if you were vested on the last day of your temporary employment, and the service is claimed no more than one year after it was completed; or
- ▶ on the date of completing the service, if you were vested on the last day of your temporary employment, and the service is claimed more than one year after it was completed.

Seven percent interest will continue to accrue until the indebtedness is completely paid or you retire, whichever occurs first.

Although temporary credit does not count toward retirement eligibility, it will increase your PERS service.

## Elected Official Credit

Elected officials who are employed by participating PERS employers are automatically covered under the PERS, unless they elect to waive participation. See *Membership in the PERS* in the *PERS Information Handbook* for details.

Current and former elected officials may receive PERS credit for earlier elected official service with a PERS employer before January 1, 1981. There is no deadline for claiming this service.

Your elected official service is NOT creditable if

- (1) you were receiving a PERS benefit during the time that you were employed as an elected official;
- (2) credit was previously waived, or
- (3) you were not compensated for the service.

Members who were receiving PERS benefits on January 1, 1981, are NOT eligible to claim this service, unless they return to work for a PERS employer. It is not necessary to work in an elected official position.

Contact the PERS to find out how to claim earlier service. After your claim is received and accepted, an indebtedness will be established and you may begin making payments. Your indebtedness will be equal to the contributions that

would have been required from the time you took the oath of office. The contribution rate may not be less than the rate that was in effect on January 1, 1961.

Seven percent interest will begin accruing on the indebtedness on July 1, 1984, and will continue to accrue until it is paid in full. Your indebtedness must be completely paid before monthly benefits begin in order for you to receive a benefit for your elected service.

Elected official service counts toward vesting and retirement eligibility if the indebtedness is completely paid.

## *Special Provision for Elected Municipal Officials*

Under a separate provision, retired Teachers' Retirement System (TRS) members may receive PERS retirement benefits for their elected public official service with municipalities and political subdivisions.

To qualify for PERS benefits under this provision, TRS employees must have concurrent elected official service with a municipality or political subdivision that was participating in the PERS at the time the service was performed.

You will be eligible to receive PERS benefits for your elected official service if:

- (1) your elected service occurs while you are a full-time TRS employee;
- (2) your elected service is with a municipality or political subdivision that is participating in the PERS at the time the elected service occurs;
- (3) you are compensated for the elected service; and
- (4) you pay the mandatory PERS contributions for your elected service (6.75% of salary). You should contact your "political subdivision" personnel office to begin making PERS contributions if you want to receive this credit.

## *Benefits Begin*

You must be retired from the TRS before PERS benefits will be paid. Benefits will begin on the first of the month following the date that:

- you meet the eligibility requirements under this provision;
- you terminate PERS employment; and
- your written *Application for Retirement Benefits* (form 02-1824) is either received by the Division of Retirement and Benefits or postmarked.

Benefits begin accruing on the first of the month after the above requirements are met and are paid at the end of the month. Therefore, if you are appointed to retirement on July 1, your first check will be sent to you at the end of July. If there is a delay in processing your retirement, benefits will be paid retroactively.

## *Monthly Benefits*

Monthly benefits for elected official service are calculated by multiplying 2% times the average monthly compensation (AMC) times the number of years of elected official service. The AMC is based on the PERS salaries earned while employed as an elected official.

## *Other PERS Benefits*

Credit under this provision does NOT count toward vesting under the PERS. TRS members are NOT covered under the PERS disability, death, medical, and minimum benefit provisions.

If a TRS member dies while eligible for PERS retirement benefits, the designated beneficiary will receive the balance in the member's employee contribution account.

## *Reinstating Service*

You may reinstate elected official service that has been refunded by paying back the refund amount plus the interest that has accrued. Seven percent interest will accrue on the indebtedness from the date of the refund and will continue to accrue until the indebtedness is paid in full.

An indebtedness for refunded elected official service must be paid in full before you may begin receiving PERS benefits, unless the indebtedness is for earlier service before May 31, 1989. An indebtedness for pre-May 31, 1989, service does not have to be paid in full. Instead, PERS benefits may be actuarially reduced to pay off the indebtedness amount.

It is not necessary to be reemployed under the PERS to reinstate this type of service.

## *Claiming Earlier Service*

You may receive credit for earlier elected official service if:

- ▶ the elected official service occurred before May 31, 1989, and while you were a full-time TRS employee;
- ▶ you were compensated for the service; and
- ▶ the service was with a municipality or political subdivision that was participating in the PERS at the time it occurred.

Contact the PERS to find out how to claim earlier service. After your claim is received and accepted, an indebtedness will be established and you may begin making payments. Your indebtedness will be equal to the full actuarial cost of providing benefits for the service.

Seven percent interest will begin accruing on the indebtedness on July 1, 1989. It will continue to accrue until the indebtedness is paid in full or you retire, whichever occurs first.

## Alaska Bureau of Indian Affairs Credit

You may receive PERS credit for your nonteaching service with an Alaska BIA school if you have at least three paid-up years of PERS service.

The cost will vary depending on when you are first eligible to claim the service. Members first eligible:

- after December 31, 1986, will be charged 8.5% of their annualized salary for each year claimed.
- before January 1, 1987, will be charged 6% of their annualized salary for each year claimed.

In most cases, the salary earned during the second year of PERS employment will be used to determine the cost.

After you claim this service and have it verified, an indebtedness will be established. Seven percent interest will begin accruing on the indebtedness on the date that you are first eligible to claim the service. It will continue to accrue until you pay the indebtedness in full or you retire, whichever occurs first.

Alaska BIA service counts toward vesting and retirement eligibility if you have paid for it.

### Benefits Reduced for Federal Annuities

Monthly PERS benefits paid to members for their BIA service will be reduced if they are receiving benefits from the federal government for the same service. The reduction will equal the federal benefit that is being paid for that service.

## Leave Without Pay Credit for Occupational Injury or Illness

You may receive credit for a leave of absence without pay (LWOP) if you received Workers' Compensation benefits while you were on LWOP. Only LWOP that occurs AFTER June 12, 1987, is creditable. Normally, all LWOP that exceeds 10 working days during a calendar year is not creditable.

Contact the PERS to find out how to claim Workers' Compensation LWOP. After your claim is received and accepted, an indebtedness will be established and you may begin making payments. Your indebtedness will be equal to the PERS contributions that you would have had to pay had you continued working.

If you worked part-time during your LWOP, the indebtedness will be reduced by any contributions already paid. Further, contributions are not required for the first 10 days of LWOP.

Seven percent interest will begin accruing on the indebtedness on the date that you return to work or terminate employment. It will continue to accrue until you pay the indebtedness in full or you retire, whichever occurs first.

LWOP claimed under this provision counts toward vesting and retirement eligibility if the indebtedness is completely paid.

## Working After Retirement

Retired members who return to PERS covered employment are not entitled to PERS retirement benefits while they are reemployed. Members who become reemployed should notify the Division of Retirement and Benefits to stop their benefits as soon as possible to avoid being overpaid.

Members who retired under a Retirement Incentive Program (RIP) will forfeit the three years of incentive credit received and are indebted to the PERS 110% of additional benefits received as a result of participation in the program, including any costs for health insurance.

While reemployed, members earn retirement credit and contribute to the PERS. When they retire again, an additional benefit (calculated on the salary and service earned while reemployed) will be added to their first benefit.

The original retirement election and benefit amount will not change. If a joint and survivor (J&S) option was elected, the new benefit must be paid under the same option unless the member is divorced. Members who did not elect a J&S

option for their original benefit may elect a J&S option for the new benefit.

Actuarial adjustment(s) to the new benefit that may be necessary for early or level income retirement, a J&S option, or indebtedness will be based on the current age of the member and spouse, if applicable. Members must submit a new *Application for Retirement Benefits* (form 02-1824) to retire again.

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