



Minimum Requirements for Retirement and Service Credit

Teachers' 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 TRS:

- before July 1, 1990, you may retire at age 55 for normal retirement or age 50 for early.
- after June 30, 1990, 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 TRS 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 TRS contributions and interest, you will not be eligible for TRS retirement benefits.

Vesting

You will be vested when you have at least:

- eight paid-up years of membership service; or
- five paid-up years of membership service and three paid-up years of Alaska Bureau of Indian Affairs (BIA) service; or
- fifteen years of paid-up credited service, if the last five years are membership service and you were first hired under the TRS before July 1, 1975; or
- twelve paid-up years of combined part-time and full-time TRS membership service. You must have at least one-half year of membership service as a part-time teacher or one full year of membership service as a full-time teacher in each of 12 school years.

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

Service Requirements

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

You must have at least:

- eight paid-up years of TRS membership service;
- five paid-up years of TRS membership and three paid-up years of Alaska Bureau of Indian Affairs (BIA) service;
- fifteen paid-up years of TRS credited service, if the last five years are membership service and you were first hired under the TRS before July 1, 1975;
- twelve paid-up years of combined part-time and full-time TRS membership service (you must have at least one-half year of membership service as a part-time teacher or one full year of membership service as a full-time teacher in each of 12 school years); or
- two paid-up years of TRS membership service if you are vested in the Public Employees' Retirement System.

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

- twenty paid-up years of TRS membership service;
- twenty paid-up years of combined TRS membership and Alaska BIA service, if the last five years are membership service;
- twenty paid-up years of combined part-time and full-time TRS membership service (you must have at least one-half year of membership service as a part-time teacher or one full year of membership service as a full-time teacher in each of 20 school years); or
- twenty-five paid-up years of credited service, if the last five years are TRS membership service.

When you retire from the TRS, you may also be eligible for monthly benefits from the Public Employees' Retirement System (PERS) if you have received the *Elected Public Official Credit* described on page 4.

If you have refunded any of your TRS contributions, please review *Reinstatement of Service* and *Payment of Indebtedness* in the *TRS Information Handbook*.

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 TRS 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 TRS service to retire.

Membership Service Credit

TRS members receive credit for membership service based on the number of days worked during the school year (July 1 to June 30 of the following year). Membership service is credited as follows:

Full-Time Service After June 30, 1969	
<i>Days Worked</i>	<i>Service Credit</i>
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
Full-Time Service Before July 1, 1969	
<i>Days Worked</i>	<i>Service Credit</i>
0 to 19 days	= no credit
20 to 34 days	= 0.2 year
35 to 48 days	= 0.3 year
49 to 62 days	= 0.4 year
63 to 76 days	= 0.5 year
77 to 90 days	= 0.6 year
91 to 104 days	= 0.7 year
105 to 118 days	= 0.8 year
119 to 132 days	= 0.9 year
133 days or more	= 1.0 year

Part-time members must work at least 50 percent of the normal workweek on a regular basis to receive TRS credit. Part-time members receive one-half day of credit for each day worked.

Employees are not eligible for TRS coverage if:

- (1) they work less than 50 percent of the normal workweek on a regular basis; or
- (2) they are employed as assistants, graduate assistants, or on a substitute, temporary or per-diem basis.

Simultaneous TRS and PERS Credit

If you are a member of the TRS and the Public Employees' Retirement System (PERS) 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 TRS and the PERS concurrently and you must make the required contributions.

The total TRS and PERS 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 TRS or PERS half-time service. Contact the TRS 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. It will continue to accrue until you have paid the indebtedness in full or you retire, whichever occurs first.

Sabbatical Leave Credit

You may receive membership credit while you are on approved sabbatical leave if:

- (1) you pay the employee and your employer pays the employer contributions to the TRS each month (contributions are based on the contract salary that you would have earned had you worked instead of taken sabbatical leave); and
- (2) you return to your teaching position for a full year after your sabbatical leave ends. If you are unable to return because of sickness, injury or death, this requirement does not apply.

When you retire, the actual salary that you were paid while on sabbatical leave will be used in the benefit calculation if it is one of your three highest.

Sabbatical leave is membership service and counts toward vesting and retirement eligibility.

Leave of Absence without Pay (LWOP)

You may receive TRS credit for LWOP if your LWOP was authorized by your employer.

Contributions for LWOP are required and are based on the salary that you would have earned had you continued to work instead of taken LWOP. There are two types of LWOP.

ACTIVE LWOP

You must pay both the employee and employer contributions to the TRS each month while on LWOP. Contributions should be paid through your payroll office.

INACTIVE LWOP

You are not required to pay TRS contributions while on LWOP. When you return to work and claim LWOP, an indebtedness equal to the employee and employer contributions will be established.

If you want to receive credit for inactive LWOP, ask your employer to send the TRS a *Certification of Leave of Absence Without Pay (LWOP)* form. Once that form is received and accepted, an indebtedness will be established and you may begin making payments.

Interest at the prescribed rate will accrue on the indebtedness from the date that the LWOP began and will continue until you pay the indebtedness in full or you retire, whichever occurs first.

Although LWOP credit does not count toward vesting and retirement eligibility, it will increase your TRS credit.

CAUTION:

If you are participating in the 1% supplemental contributions provision, you should make sure that you do not jeopardize that coverage by going on inactive LWOP.

Alaska Bureau of Indian Affairs Credit

You may be eligible for additional TRS credit for your employment with a Bureau of Indian Affairs (BIA) school in Alaska. To qualify for this credit, you must have Alaska BIA service as:

- (1) a certificated full-time teacher in a position which requires a teaching certificate as a condition of employment; or
- (2) a professional educator.

Alaska BIA service will increase your TRS service and monthly benefits and may count toward vesting and retirement eligibility.

How to Claim

You may claim your Alaska BIA service by:

- completing the top portion of a *Verification of Service* (form 02-808); and
- requesting that your BIA employer verify your service on the form and send it to the TRS.

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

The Cost

The cost for claiming Alaska BIA service (indebtedness) will depend on when you were first hired under the TRS.

Members first hired:

- after June 30, 1990, will be charged 8.65% of their base salary for each year claimed.
- after June 30, 1970, but before July 1, 1990, will be charged 7% of their base salary for each year claimed.
- before July 1, 1970, will be charged 5% of their base salary for each year of pre-July 1, 1970, service claimed.

Your annual, base contract salary when you were first hired under the TRS will be used to calculate your indebtedness, unless your Alaska BIA service occurred following termination from TRS employment and is claimed upon reemployment. In that case, your reentrance salary will be used.

Interest at the prescribed rate will begin accruing on July 1, 1963, or the date of your TRS employment, whichever is later. If the BIA service occurs after you terminate TRS employment and it is claimed upon reemployment, interest will accrue from the date of your reemployment or July 1, 1963, whichever is later.

Interest will continue to accrue until you pay the indebtedness in full or you retire, whichever occurs first.

Benefits Reduced for Federal Annuities

Monthly TRS benefits paid to members first hired under the TRS after June 30, 1978, will be reduced if benefits are received from the federal government for the same service. The reduction will equal the federal benefit that is being paid for that service.

Alaska Native Language and Culture Credit

Your employment as a teacher of Alaska Native language and culture is covered under the TRS if you were working for a TRS employer in a permanent full-time or part-time position on or after June 4, 1988, and you:

- (1) teach Alaska Native language and culture;
- (2) learned the subject being taught by living in the culture or using the language in daily life; and
- (3) are qualified to teach elementary or secondary students according to Department of Education regulations.

EXCEPTION:

If you were employed as a teacher of Alaska Native language and culture on June 3, 1988, under the Public Employees' Retirement System (PERS) and you did not elect to transfer to the TRS before September 3, 1988, your employment is covered by the PERS.

Claiming Earlier Service

You may receive TRS credit for your earlier Alaska Native language and culture teaching service. Contact the TRS to find out how to claim earlier service.

After your claim is received and accepted, a retroactive 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 accrue on your indebtedness from the date that you first became eligible to claim the service. It will continue to accrue until you pay the indebtedness in full or you retire, whichever occurs first.

Retroactive service counts toward vesting and retirement eligibility.

Elected Public Official Credit

Retired TRS members may receive retirement benefits from the Public Employees' Retirement System (PERS) for their elected public official service with a municipality or political subdivision (AS 39.35.381).

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) the service occurs while you are a full-time TRS employee;

- (2) the 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 the 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 you can begin receiving PERS benefits. 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.

PERS 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.

The AMC is determined by adding together the compensation earned during the three highest consecutive payroll years and dividing the total by the number of months worked during that same time period.

You must have at least 115 days of PERS credited service in the last payroll year worked to include that year as one of your three highest.

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 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 TRS 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.

Outside Credit

You may receive TRS credit for your employment in an out-of-state school or Alaska private school. Outside service includes employment as a:

- (1) certificated full-time elementary or secondary teacher or certificated employee in a full-time position which requires a teaching certificate as a condition of employment in an:
 - out-of-state public school either inside or outside of the United States supported by U.S. funds; or
 - approved or accredited nonpublic school either inside or outside the United States supported by U.S. funds;
- (2) full-time employee in an out-of-state institution of higher learning requiring academic standing and accreditation by a nationally recognized accrediting agency listed in

the Education Directory, Colleges and Universities, by the National Center for Education Statistics; or

- (3) full-time teacher in an approved or accredited nonpublic institution of higher learning in Alaska.

You may claim up to ten years of outside service (only full years are creditable). However, the combined total of outside and military service that may be claimed may not exceed ten years.

Although outside service is not membership service, in certain cases it does count toward vesting and retirement eligibility.

How to Claim

You may claim your outside service by:

- completing the top portion of a *Verification of Service* (form 02-808); and
- requesting that your "outside service" employer verify your service and submit the *Verification of Service* form to the TRS.

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

The Cost

The cost for claiming outside service (indebtedness) will depend on when you were first hired under the TRS.

If you were first hired:

- before July 1, 1978, you will be charged 7% of your base salary for each year claimed. However, if you were first hired before July 1, 1970, you will be charged 5% for each year of pre-July 1, 1970, service claimed.

Interest at the prescribed rate will begin accruing on your indebtedness on July 1, 1963, or the date of your TRS employment, whichever is later. If the outside service occurs after you terminate TRS employment, and it is claimed upon reemployment, interest will accrue from July 1, 1963, or the date of your reemployment, whichever is later.

- after June 30, 1978, you will be charged the full actuarial cost for providing benefits for the service. Seven percent interest will begin accruing on the date that your indebtedness is established.

Your annual, base contract salary when you were first hired under the TRS will be used to calculate your indebtedness, unless your outside service occurred following termination from TRS employment and is claimed upon reemployment. In that case, your reentrance salary will be used.

Interest will accrue on your indebtedness until it is paid in full or you retire, whichever occurs first.

Military Credit

You may be eligible for additional TRS credit for your military service in the U.S. armed forces. TRS members may claim up to five years of military service provided that they were not dishonorably discharged. See exceptions at right.

Military service will increase your TRS service and monthly benefits. Although military service is not membership service, in certain cases it may count toward vesting and retirement eligibility.

How to Claim

You may claim your military service by:

- completing side 1 of an *Application and Salary Verification for Military Service Credit* (form 02-830);
- 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 TRS.

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 were first hired under the TRS.

Members first hired:

- ▶ before July 1, 1990, will be charged 7% of their base salaries for each year claimed.
- ▶ after June 30, 1990, will be charged 8.65% of their base salaries for each year claimed.

Your annual, base contract salary when you were first hired under the TRS will be used to calculate your indebtedness. However, if the military service occurs after you terminate TRS employment and it is claimed upon reemployment, your reentrance salary will be used.

Seven percent interest will accrue on your indebtedness from July 1, 1976, or the date of your TRS employment, whichever is later. However, if the military service occurs after you terminate TRS employment and it is claimed upon reemployment, interest will accrue from July 1, 1976, or the date of your reemployment, whichever is later.

Interest will continue to accrue until you pay the indebtedness in full or you retire, whichever occurs first.

EXCEPTIONS:

- ▶ Members first hired under the TRS after June 30, 1990, are not eligible for TRS military credit if they are eligible for a federal benefit for the same service.
- ▶ The total military credit that may be claimed in the TRS and Public Employees' Retirement System (PERS) is five years for those persons who have served in both systems.
- ▶ The combined total of military and outside credit that may be claimed may not exceed ten years. However, members who were employed under the TRS immediately before entering the armed forces and who returned to TRS membership service within one year after their discharge may claim up to five years of military credit and ten years of outside credit.

Unused Sick Leave Credit

When you retire, you may receive additional TRS credit by claiming your unused sick leave. To be eligible,

- you must have been an active TRS member after June 30, 1977; and
- your claim for unused sick leave credit, as verified by your last employer, must be received by the TRS no later than one year after you are appointed to retirement.

Retired members who return to work under the TRS may claim unused sick leave earned while they are reemployed in the TRS. Unused sick leave earned while a member is participating in the University of Alaska's retirement program is not creditable in the TRS.

Contributions are not required for sick leave credit. Sick leave is credited on a day-for-day basis according to the current (top) *Membership Service Chart* on page 2 (only full days are creditable). For example, 172 days of sick leave equals 1.0 year of credit.

Unused sick leave credit will be added to your TRS service and your retirement benefit will be increased after you are on retirement for a period equal to the number of sick leave days claimed. The benefit increase will be effective on the first of the month following that date.

For instance, if you are claiming 94 days of sick leave, you will receive an additional .5 year credit on the first of the month after your 94th day of retirement. If you retired on July 1, your benefit would increase on November 1 (October 2 is the 94th day), and the check paid to you at the end of November would be larger.

Territorial Credit

You may claim up to five years of full-time nonteaching service with the Territory of Alaska. To be eligible,

- your service must have occurred before January 3, 1959 (federal government service is not creditable); and
- you must have at least 15 years of paid-up TRS membership service.

Contact the TRS to find out how to claim territorial service. After your claim is received and accepted, a retroactive 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 it occurred. Contributions are not required for service that occurred before July 1, 1955.

Seven percent interest will accrue on the indebtedness beginning July 1, 1980, or the date that you accumulate 15 years of TRS membership service, whichever is later. It will continue to accrue until you pay the indebtedness in full or you retire, whichever occurs first.

If you have already received credit for this service in the Public Employees' Retirement System (PERS), it is not creditable in the TRS.

Territorial service is not membership service, but in certain cases it may be used to satisfy the minimum requirements for retirement.

Other Retroactive Credit

You may claim TRS credit for other past Alaskan employment that is creditable now, but was not creditable at the time you were employed.

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. Contributions are not required for pre-July 1, 1955, service.

Interest at the prescribed rate will accrue on your indebtedness beginning July 1, 1966, or the date that you first became eligible to claim the service, whichever is later. It will continue to accrue until you pay the indebtedness in full or you retire, whichever occurs first.

Retroactive service counts toward vesting and retirement eligibility.

Working After Retirement

Retired members who return to TRS covered employment are not entitled to TRS 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.

Retired members who work a full school year will be required to pay back the benefits that they received during that year (July 1 through June 30 of the following year). Members who work less than a full school year will be required to pay back the benefits that they received while they were earning TRS credit.

While reemployed, members earn retirement credit and contribute to the TRS. 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 member's 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 adjustments(s) to the new benefit that may be necessary for early 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 02-819) to retire again.

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