

## IN THIS ISSUE:

- [Employer Question & Answer](#)
- [Benefits Fair Coming to Fairbanks this Month](#)
- [Seminar Registration Page Updated](#)
- [PERS and TRS Handbooks Available at Alaska.gov/drb](#)
  
- March 2012
- •
- Volume # 83

## Employer Question & Answer

### Frequently Asked Questions from Employers to the Division



#### Question:

Can we hire a PERS retiree as an independent contractor to fill a vacant position temporarily?

#### Answer:

In determining whether a person is an independent contractor or an employee, all information that provides evidence of the degree of control and independence must be considered.

This includes the following:

1. **Behavioral** – Does the company control or have the right to control what the worker does and how the worker does his/her job?
2. **Financial** – Are the business aspects of the worker's job controlled by the payer? (This includes things like how the worker is paid, whether expenses are reimbursed, and who provides tools/supplies)

3. **Type of Relationship** – Are there written contracts or employee type benefits (i.e. a pension plan, insurance, vacation/leave pay). Will the relationship continue and is the work performed a key aspect of the business?

An independent contractor would be expected to receive income from more than one source, have a business premises, and provide services to more than one business. Although we would expect an Independent Contractor to have liability insurance, possession of a business license does not make a valid independent contractor. There is no set number of factors that makes the worker an employee or an independent contractor.

If, after reviewing this information, it is still unclear whether a worker is an employee or an independent contractor, [Form SS-8: Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding](#) can be filed with the IRS.

The SS-8 can be filed by the worker or the employer. If the IRS determines the worker status is that of an independent contractor then the retiree could work for the limited period of time and not jeopardize his PERS retirement benefits.

If you determine that an employee is a contractor, and an audit later determines that the employee is not a contractor, the member will be responsible for repaying any and all retirement benefits received while working as a contractor. The member would also be responsible for paying any employee contributions that should have been paid. The employer will be responsible for paying any employer contributions to the PERS that should have been paid.

## **Benefits Fair Coming to Fairbanks this Month**

### **March 29, 30 and 31**

A Benefits Fair is scheduled for March 29 through 31 in Fairbanks. The fair will cover a wide range of topics for all members of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS), from those newly hired to those ready to retire. Educational opportunities will include seminars non retirement eligibility and pension decisions, AlaskaCare Health Plans for active employees and retirees, financial education, Social Security and Medicare. For more details about the upcoming fairs, visit [alaska.gov/drb](http://alaska.gov/drb).

## **Seminar Registration on Web Page Updated**

### **Upcoming Retirement Seminars**



When registering for a seminar, you will notice a new look to the Web page. The enhancements comply with the state's new look and feel and make registering for seminars even easier. This is the first phase of updating the page, so if you have questions or comments as we go through the transition, please feel free to contact us.

Throughout the year, the Division offers seminars to educate employees about their defined benefit or defined contribution plans, the retirement process, and financial planning. Some upcoming seminars are listed below.

### **Introduction to the Defined Contribution Retirement Plan (DCRP)**

An overview of the Defined Contribution Retirement Plan (PERS Tier IV and TRS Tier III) targeted at participants, supervisors, hiring managers, and line managers.

#### **Juneau**

Thursday, March 22, 1:30 – 3:30 p.m.

Thursday, April 26, 1:30 – 3:30 p.m.

### **The Retirement Process – Public Employees' Retirement System (PERS)**

A seminar for PERS members who are interested in retirement eligibility, the retirement process, pension options, forms, timing of benefits and enrollment in the State of Alaska Retiree Health Insurance Plan.

#### **Anchorage**

Thursday, March 29, 1 – 3:30 p.m.

Thursday, April 26, 1 – 3:30 p.m.

#### **Fairbanks**

Thursday, April 19, 5:30 – 7:30 p.m.

#### **Juneau**

Thursday, April 19, 1:30 – 3:30 p.m.

### **The Retirement Process – Teachers' Retirement System (TRS)**

A seminar for TRS members who are interested in retirement eligibility, the retirement process, pension options, forms, timing of benefits and enrollment in the State of Alaska Retiree Health Insurance Plan.

#### **Fairbanks**

Wednesday, April 18, 6 – 7:30 p.m.

#### **Kodiak**

Thursday, March 22, 5:30 – 7:30 p.m.

### **Supplemental Annuity Plan and Deferred Compensation Plan**

A class for employees to learn more about the Supplemental Annuity Plan and the Alaska Deferred Compensation Plan (DCP) available only to State employees.

#### **Anchorage**

Thursday, April 19, 9 a.m. – 12 p.m.

#### **Juneau**

Thursday, April 12, 1:30 – 3:30 p.m.

[State of Alaska policy](#) allows employees to attend a Retirement and Benefits sponsored seminar during their regularly scheduled workday and have the time counted as work time. Approval to be away from the work site must be secured from the supervisor in advance.

For more information on upcoming seminars, please visit the Division's [seminar registration page](#).

## **PERS and TRS Handbooks Available at [Alaska.gov/drb](http://Alaska.gov/drb)**

### **Share with Employees in the Defined Benefit Plans**



PERS and TRS Information Handbooks are available for download from the Division of Retirement and Benefits Web site. Since the Division no longer prints the handbooks for distribution, it is important to share these links with employees on a

regular basis. The information in the handbooks is valuable and clearly explains the PERS (Tier I, II and III) and TRS (Tiers I and II) programs for employees.

- [PERS Handbook](#)
- [TRS Handbook](#)

Employees without Internet access, should [contact the Division](#) at (800) 821-2251, statewide or (907) 465-4460, in Juneau for a printed copy of the PERS or TRS Handbook.

## Who to Contact

[Contact the editor](#) with questions or suggestions about this newsletter. [Archives to 2008](#) are available.

- [Audit Section](#) (907) 465-5707
- [eReporting/Payroll Processing](#)
- [Financial Education and Advice Services](#) (800) 232-0859
- [Health and Optional Benefits Section](#) (907) 465-4460
  
- [Retirement Counseling Services](#) (907) 465-4460
- [Retirement Customer Service Center](#) (907) 465-4460
- [HealthSmart \(formerly Wells Fargo TPA\)](#) (877) 517-6370

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