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Employer On-Behalf Funding for Fiscal Year 2013

On-behalf funding for PERS employers (previously referred to as employer relief) for Fiscal Year 2013 (FY13) is provided by [House Bill \(HB\) 284](#) (Operating Budget - Section 27), passed during the 2012 legislative session and recently signed into law. The bill provides a set amount of funding to reduce the PERS Employer Effective Rate to 22 percent and the TRS Employer Effective Rate to 12.56 percent for FY13.

This funding is applied with the processing of each employer payroll. Employer on-behalf funding statements will be sent via email to payroll and finance contacts. For PERS on-behalf funding questions or statement copies, please email [Chris Madsen](#) or call (907) 465-2279. For TRS on-behalf funding questions or statement copies, please email [Walter Agne](#) or call (907) 465-5711.

For PERS and TRS employer on-behalf funding provided in HB284, the Division of Retirement and Benefits will apply payments for payrolls through pay period end date June 30, 2013. Fiscal year 2013 (July 1, 2012 to June 30, 2013) payrolls must be received in our office by July 15, 2013, to be processed with HB 284 employer on-behalf funding.

For other questions, please email [Christina Maiquis](#) or call (907) 465-1845.

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Employer Question & Answer

Frequently Asked Questions from Employers to the Division



Question:

Would a lump sum payment made to employees, to offset the cost of inflation for services rendered this year, be PERS or TRS eligible?

Answer:

Alaska Statute defines what is considered to be compensable earnings for both the Public Employees' Retirement and the Teachers' Retirement Systems.

- Compensable earnings for PERS is defined in 39.35.680(9)
- Compensable earnings for TRS is defined in 14.25.220(10)
- (10) "compensation" means the total remuneration paid under contract to a member for services rendered during a school year, including cost-of-living differentials, payments for leave that is actually used by the member, the amount by which the member's wages are reduced under AS 39.30.150(c), an amount that is contributed by the employer under a salary reduction agreement and that is not includable in the gross income of the employee under 26 U.S.C. 125 or 132(f)(4), and the amount deferred under an employer-sponsored deferred compensation plan or the tax shelter annuity plan approved by the Department of Education and Early Development, but does not include retirement benefits, welfare benefits, per diem, expense allowances, workers' compensation payments, or payments for leave not used by the member, whether those leave payments are scheduled payments, lump-sum payments, donations, or cash-ins; for purposes of AS 14.25.050, compensation paid includes any payment made after June 30 of a school year for services rendered before the end of the school year;

Essentially, eligible compensation is based on personal services rendered to an employer by the employee. **A lump sum payment as described above is considered eligible compensation under both the PERS and TRS plans.**

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Open Enrollment Fairs to be Held in May

May 22 in Anchorage | May 23 in Fairbanks | May 31 in Juneau

The Division of Retirement and Benefits will hold Open Enrollment Fairs in Anchorage, Fairbanks, and Juneau in May. These fairs are a great opportunity for employees to learn about their benefits and how to plan now for their future retirement security. They also provide the

chance to ask questions about Open Enrollment. Please encourage your employees to attend an Open Enrollment Fair.

In addition to sessions on the *AlaskaCare Employee Health Plan*, there will also be seminars on *Optional Benefits*, the *Supplemental Annuity* and *Deferred Compensation Plans*, and financial planning.

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Do You Participate in Open Enrollment?

Open Enrollment is May 21 – June 8, 2012 for *Optional Benefits*

Are you an employer participating in the State's *Optional Benefits Plan* administered by the Division of Retirement and Benefits? If so, remind your employees that Open Enrollment begins Monday, May 21 and continues through June 8, 2012.



Open Enrollment is the time for employees to review their current *Optional Benefit* elections and make changes for the upcoming benefit year, beginning July 1, 2012.

Employers currently participating in Optional Benefits:

- Baranof Island Housing Authority
- City of Egegik
- City of Saint Paul
- City of Sitka
- City of Wasilla
- City of Wrangell
- Cook Inlet Housing Authority
- Copper River Basin Reg. Housing Authority
- Denali Borough
- Denali School District
- Haines Borough

- Haines School District
- Inter-Island Ferry Authority
- Lake & Peninsula Borough
- Mat-Su Borough
- Mat-Su School District

- Sitka Hospital
- Sitka School District
- Special Education Service Agency
- State of Alaska
- Wrangell Medical Center
- Wrangell Public School District

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Video Presentation Addresses Retirement Topics

Retirement Well Being Guides Employees in Retirement Planning



The Division of Retirement and Benefits developed a new video presentation, [Retirement Well Being](#). The video will assist employees by serving as a retirement planning resource addressing topics employees should consider and plan for prior to, and throughout the retirement years. Since individuals often think of retirement from the financial perspective, the tutorial addresses health, social, and psychological concerns as well as other non-financial aspects of retirement. Also discussed are the three phases of retirement – beginning, mid-retirement, and late retirement.

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Regional Counselor Visits Now Being Scheduled

Employers with Preferred Visit Dates Should Contact the Division

Counseling staff in the Division of Retirement and Benefits will begin setting their FY13 travel schedules and budgets in May. Any employer with requests for a specific time of year for a regional counselor visit should email [Larry Davis](#), Counseling Supervisor.

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PERS and TRS Handbooks Available at 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](#) toll-free at (800) 821-2251 or in Juneau at (907) 465-4460 for a printed copy of the PERS or TRS Handbook.

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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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