

PERS News Break

Alaska Public Employees' Retirement System

PERS Voluntary Savings Plan— a post-tax employee savings account

To participate in the PERS Voluntary Savings Plan, or to make changes, use the "PERS Voluntary Employee Savings Financial & Beneficiary Changes" form, available on the Division's website or by mail by request.

As a member of the Public Employees' Retirement System (PERS) you have several ways you can opt to save for your retirement, one of them being a **post-tax** voluntary savings plan. All active PERS employees (both State of Alaska and political subdivision employees) in Tiers I, II, or III may contribute to the PERS Voluntary Savings Plan. Any contributions you make to this plan are separate from the mandatory contributions you make to the retirement system.

How does it work?

A post-tax savings plan means your earnings are taxed up front, before your contributions are deducted and deposited in the savings plan. You decide how much of each paycheck to save, and then that amount is automatically deposited into the savings plan each pay period. The amount you earned for that pay period, less any pre-tax deductions, is fully taxed.



How much can I contribute?

The minimum contribution allowed is \$5 per month and the maximum contribution is 5% of your gross earnings per year. ~~If you begin making contributions part way through the year, and wish to make the maximum contribution possible (5% of your yearly gross earnings), you may contribute an extra amount to make up for the pay periods where you did not contribute.~~

Are there any advantages to the voluntary savings plan?

The advantage of the Voluntary Savings Plan is that your money accrues a set, guaranteed interest rate of 4.5% until disbursement. Your choices for disbursement are a lump-sum payment, life annuity (with three different payment options), or installments over a chosen number of months. Any interest that you earn on voluntary contributions is considered income and is taxable upon disbursement.

When can I enroll and can I end enrollment?

You can enroll in the plan at any time and you can end participation at any time. Enrollment or termination takes effect the first of the month following receipt of the election or receipt of the termination form.

Can I change my contribution amount?

You can change your contribution amount at any time. The change will take effect the first of the month following receipt of the change form.

When can I begin to receive funds from my Voluntary Savings Plan?

You must wait 60 days after retirement or termination from employment before you can receive any funds from your Voluntary Savings Plan. As an active employee, you can potentially access funds if you can provide proof of hardship. If you are no longer an active employee, but have not yet retired, you can withdraw your funds without penalty or proof of hardship.

Correction: The statement crossed out in red is not an option under this plan. A correction will be issued in the next published PERS Newsbreak.

Report from the *Field*— Patti Bower, Regional Counselor

I joined the Retirement and Benefits (R&B) team in May 2006 as a retirement counselor with a specialty in disability benefits. R&B is our acronym for the division, but I always think of *Rhythm & Blues* when I say the letters. In fact, some of my R&B co-workers have a musical history. One was a member of a band for many years. Another often takes vacations with her husband onboard a Blues Cruise with blues musicians from all over the country.



I enjoy my work and the people I work with in the Division, many of whom have worked in R&B for over 20 years. Their expertise and mentoring has been much appreciated.

My previous employment in the insurance industry provided good business foundations and experience in public speaking. The public speaking skills have been useful in presenting benefit education seminars. I gave employer training at a November conference and recently began to give retirement seminars for members. My customer service experience and disability benefit background have proven very valuable in my current job.

I also have studied theatre and art, and hold a bachelor's degree in Liberal Arts. I enjoy community outreach and volunteer work.

Challenges I face as a counselor

I am challenged daily with the opportunity to communicate vitally important information to members who are making major life decisions. I want to be sure I have given them complete information and all the tools to enable them to make the decisions that are best for them. I also caution members that our projections are not exact figures but only estimates. All salaries and service must be verified at the time of retirement. Upon verification, we are able to calculate exact monthly retirement benefits.

Other challenges

I always advise members that Retirement and Benefits counselors are not tax professionals or financial planners. Often it is in the member's best interest to meet with tax and financial advisors to plan their retirement. I encourage members who have worked in the private sector, paying into Social Security, to meet with the local Social Security Administration to discuss the impact of their government pensions on their Social Security benefits as per the Windfall Elimination Act. I also refer them to www.ssa.gov website calculators.

Continued on page 3

2008 Legislative Session—Two Retirement-related Bills Pass

The Second Session of the 25th Alaska Legislature ended a few hours early on Sunday, April 13, 2008. It was the first session mandated to last just 90 days. House Bill (HB) 13 (Pension Obligation Bonds) and Senate Bill (SB) 125 (PERS cost-share) were passed by the legislature and signed into law by Governor Palin. The table below lists HB 13 and SB 125 with their latest status and a summary:

HB 13 Pension Obligation Bonds	Passed House on April 26, 2007, and Senate on April 3, 2008. Transmitted to Governor May 2, 2008, and signed into law on May 22, 2008 .	Authorizes government employers to issue pension obligation bonds to help reduce unfunded liability.
SB 125 PERS cost-share	Passed Senate on May 4, 2007, and House on May 12, 2007. Reported out of House-Senate Conference Committee. Sent to Governor on March 21, 2008, and signed into law on April 8, 2008 .	Creates cost-share plan for PERS (like TRS) that has same contribution rate for all participating employers.

You can find more detailed information on these bills, including the full text and latest status, at www.legis.state.ak.us/basis/start.asp, the “Bill Action and Status Inquiry System” (BASIS) page on the Alaska Legislature’s website. You can also go to the Division’s home page, www.state.ak.us/drb, and click on the “**Legislation**” link under “**Of Interest**.” This will take you to a listing of bills under consideration or bills that have passed, back to the year 2000. If you do not have access to the Internet, contact your local Legislative Information Office (LIO). You can reach the Juneau LIO at (907) 465-4648.

Report from the *Field*— (cont’d from page 2)

What I enjoy most about being a counselor

I’m able to meet many wonderful people from all walks of life and many different vocations, who are looking forward to and planning their retirement. It is a very happy time for many people who have worked many years to realize the rewards of retirement—travel, time with their grandchildren, and even new careers.* I also specialize in PERS/TRS Disability benefits and am able to help many people who are permanently unable to work due to injury or illness. It is my great privilege to assist these individuals and their families during very difficult times.

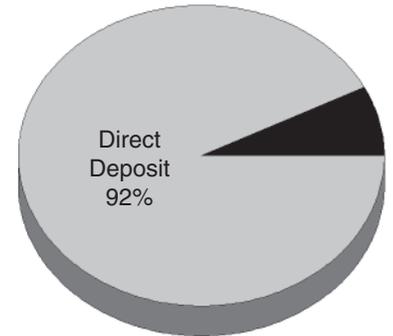
*Retirement anecdote

I recall counseling a gentleman who had already retired, who came to me with a question concerning Post Pension Retirement Adjustments. He had embarked upon a second career driving a tour bus for one of the cruise ships here in Juneau. He said it was not the wages that compelled him to seek a second career but the discounts on cruises that enticed him. He traveled often to Europe with family members at great discount prices and worked only the tourist season May to September.

Retirees Take Advantage of Direct Deposit

The Division of Retirement and Benefits has offered the convenience of electronic direct deposit to retirees for about 13 years. Direct deposit is a method of electronically depositing your benefit check directly to your financial institution. Enjoyed by a total of 31,432 PERS and TRS retirees, direct deposit ensures that our members receive their benefit timely and worry free. (Of total PERS retirees, 92% have chosen to receive their benefit via direct deposit—see pie chart below.) If you do not elect direct deposit, your check is mailed to your correspondence address. Checks are normally mailed on the same day that money is deposited.

To participate in the direct deposit program, you must complete the *Electronic Direct Deposit Authorization for Retirees* form* (#02-1900r). This form can be downloaded from our website and is also available from the Retirement and Benefits office. *(You may also fill out and submit the copy of this form on page 5 of this newsletter. Please mail the completed form to the address at the top of the form.)



If you already participate in the program but need to change accounts, you must submit a **new** *Electronic Direct Deposit Authorization for Retirees* form with your new account information. (Be aware, however, that **it takes two pay cycles for the change to take effect.**) We will then turn off direct deposit to the old account and mail your benefit check to you. Your benefit check will be electronically deposited into the new account the **second** month after the change is initiated. **If you neglect to notify us** that you have closed your old account, we will try to make the direct deposit and it will be returned to us. This will cause a delay in processing and in getting your money to you.

The Division of Retirement and Benefits encourages all retirees to take advantage of the speed, convenience, and safety of direct deposit.

(Note: Active state employees may get direct deposit forms on the Division of Personnel website. Other PERS members should contact their personnel



STATE OF ALASKA
 Division of Retirement and Benefits
 P.O. Box 110203, Juneau, Alaska 99811-0203
 Phone: 1-800-821-2251 or in Juneau 465-4460
 FAX: (907) 465-3086

Check One

- New
- Change
- Delete

Electronic Direct Deposit Authorization for Retirees

NAME:	Last	First	Middle Initial
	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
SOCIAL SECURITY NUMBER:	<input style="width: 25px; height: 25px;" type="text"/> <input style="width: 25px; height: 25px;" type="text"/> <input style="width: 25px; height: 25px;" type="text"/> - <input style="width: 25px; height: 25px;" type="text"/> <input style="width: 25px; height: 25px;" type="text"/> - <input style="width: 25px; height: 25px;" type="text"/>		

I hereby authorize the State of Alaska to make net payroll warrant deposits to my account as indicated below:

FINANCIAL INSTITUTION	Check One
TRANSIT ROUTING NUMBER and ACCOUNT NUMBER —Lower lefthand corner of check <div style="border: 1px solid black; padding: 5px; width: 80%; margin: 5px auto;"> <input style="width: 100%; height: 25px;" type="text"/> </div> Example: ⑆0000000000⑆0000000000⑆	<input type="checkbox"/> SAVINGS <input type="checkbox"/> CHECKING

ATTACH VOIDED CHECK HERE
 (used to verify your bank transit routing and account number)

I also authorize the State of Alaska, if necessary, to make adjustments to the above account to correct any credit entries made in error. I understand that the State will make a reasonable effort to notify me within twenty-four (24) hours when an adjustment is made. This authority remains in effect as long as I am retired or until the State receives written notice from me. I understand that thirty (30) days written notice is required to change financial institutions, account numbers, or type of account. I further understand that direct deposit will begin **after** the above account information has been electronically verified.

I also understand that, if I make a change to the financial institution, **unless** I inform the Division of Retirement & Benefits that I have closed my old account, my benefit will be **electronically deposited** to the **previous** account the first payroll after such a change is made. The change does **not** take effect until the second payroll **after** the change was initiated.

Please mail my **DIRECT DEPOSIT CONFIRMATION** to the following correspondence address:

Contact Telephone: () _____

**IT TAKES TWO PAY CYCLES
 (TWO MONTHS) TO BEGIN
 RECEIVING PAYMENTS
 VIA ELECTRONIC DIRECT
 DEPOSIT.**

DIRECT DEPOSIT is not available to financial institutions in foreign countries.

YOUR SIGNATURE	DATE
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My Most Excellent RV Adventures

by Sandy Underwood

Sandy Underwood came to Alaska in 1984 and retired in 1999 after working for 15 years with the Alaska Housing Finance Corp. (AHFC). An avid birder, Sandy traveled the state widely, from the Arctic to Southeast. At the age of 62, Sandy sold everything, bought a RV, and toured the country for five years, looking for adventure.

My dream to see the “rest of the USA” was finally within reach! After 47 years in Tennessee and 15 in Anchorage, I retired from AHFC in late 1999, sold everything and flew back to Tennessee. I found the perfect-for-me motor home: a 19’ Roadtrek. April Fool’s Day 2000, I began living my dream with the intention of savoring every moment.



Each of five years on the road as a “full timer” I targeted distant areas with floating ETAs. Blue highways (secondary roads) allowed visits to hundreds of small towns. Two major adventures included circling the Great Lakes and exploring both coastlines. Visiting Newfoundland was almost like returning to Alaska!

Membership in several RV Clubs enhanced my experience. “Loners on Wheels” (singles) was particularly helpful. Members became my support group, and I attended many chapter camp outs and regional and national rallies.

Occasionally an unexpected mechanical problem occurred, but campers were helpful. I enjoyed train rides to nowhere and detoured for lighthouses, gardens, and waterfalls. Scenery was often spectacular and the weather was perfect. If a nearby town bragged about something, I veered to view it.



Three two month stints as a volunteer in Georgia campgrounds allowed the experience of running the camp store. Wintering in the Rio Grande Valley in Texas was perfect for birdwatching, and Fun ‘N Sun Campground in San Benito allowed numerous activities and a thousand friends.

I am now home in Tennessee with wonderful memories and the RV still ready in the driveway.

In the next issue:

Sandra Lee (formerly Sandra McDermott of Sitka) and her husband are building a log home and started a Paso Fino horse ranch in Washington state.

Photos from top to bottom: Roadtrek van, Sleeping Bear Dunes National Lakeshore in Michigan, Red Rock State Park in Arizona, Unicoi State Park in Georgia.

Benefit Education Seminars*

Anchorage Retirement Planning (GW)

Robert B. Atwood Building, Room 240

9:00 – 10:30 a.m. June 9, 2008

10:30 – 12:00 p.m. June 12, 2008

Anchorage Financially Fit (GW)

Robert B. Atwood Building, Room 240

8:30 – 10:00 a.m. June 12, 2008

Anchorage The Retirement Process

Robert B. Atwood Building, Room 240

1:00 – 3:30 p.m. June 26, 2008

Register for seminars online at www.state.ak.us/drb or call
1-800-821-2251 (in Juneau 465-4460)

GW = Great-West Financial Seminar

*Dates, times, and locations of seminars are subject to change or cancellation, depending on participation.

Where Are You?

The Division of Retirement and Benefits is trying to locate the following people whose address is no longer current in our system. If you have a current address or any other information for any of these people, please contact the division, as indicated below.

Please note: Some people might have the same name as you or may have a new last name due to marriage, divorce, or name change. Any information you can provide will be appreciated.

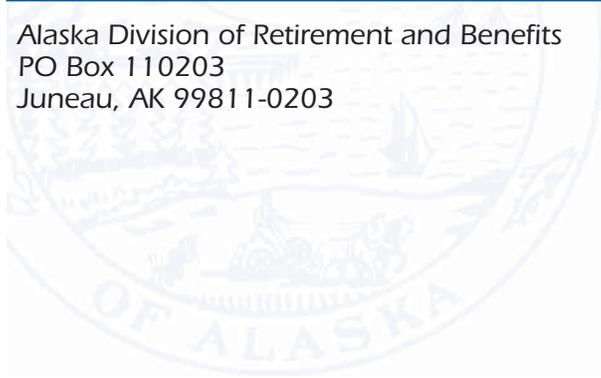
For the following people, please contact the **Accounting Section** toll-free at 800-821-2251 or (907) 465-1444. You may also email us at: doa.drb.accountingsection@alaska.gov

Abbott, Jane	Guerrero, Leon V	Macar, Mary G	Shroyer, Mae
Beck, Rose M	Hammond, Jerry W	Marsh, Thelma	Sondie Jr, Henry P
Berry, Franklin L	Harrison, Josephine	Mason, Marguerite K	Subbarao, Kaigala V
Blakeley, Alie	Hellfeldt, June C	Michael, Kai L	Taylor, James K
Chrestman, Claris D	Hooker, Linda L	Nicholson, Virginia L	Titus, Jacob T
Christiansen, Minnie	Jackson, Alfred	Octuck, Henry	Toliver, Anita
Coleman, Naydean	Jones, Pauline	Peterson, Jack M	Ungarook, George
Danielson, Phillip B	Kasak, Marie J	Phelps, Gretchen	Wallcut, Ruth A
Doogan, Delores E	Koonce, Leroy	Philemonof, Iliodor	Weaver Jr, Sanders A
Dunaway, Edna	Langowski, Annetta J	Reece, Donald L	Whittlesey, Dianne N
Foster, Jesse	Lee, Jae W	Robes, Joan F	Wille, Charles E
George, Steven	Lewis, Geraldine M	Schuler, Peggy L	
Grosso, Elaine P	Lintner, Glenn H	Sheldon Sr, Alex T	

For the following people, please contact Laurie Helfinstine in the **Retiree Payroll Section** toll-free at (800) 821-2251, ext. 3104 or (907) 465-3104.

Ackley, Dean R	Lester, Steve P	Morford, Mckean
Adams, Ruth A	Menzie, Norma S	Rivers, Roberta B
Batt, Raymond W	Moore, Pauline A	Roy, Edmond E
Burgos, Hazel V	Martin, Linda F	Stalker Sr, Jacob A
Damon, John W	Mickelson, Michael	
Dick, Arland	Minzel, Charles M	

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AND BENEFITS

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The Alaska Department of Administration complies with Title II of the 1990 Americans with Disabilities Act (ADA). The PERS Newsbreak is available in alternative communication formats upon request. To make necessary arrangements, contact the ADA Coordinator for the Division of Retirement and Benefits, at 800-821-2251, or in Juneau (907) 465-4460, or contact the TDD for the hearing impaired at (907) 465-2805.

**Alaska Retirement Management Board
(ARMB) Meetings
June 11-13, 2008
Anchorage Marriott Downtown Hotel**

September 24-26, 2008
Fairbanks

ARMB meetings are open to the public. Minutes of past meetings and meeting agendas can be found on the Dept. of Revenue's website at www.revenue.state.ak.us/treasury/ARMB/meetings.asp If you have questions, call Judy Hall, ARMB liaison, at (907) 465-3749.

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