

TRS News Break

Alaska Teachers' Retirement System

The Economic Downturn and Your Retirement Benefit

Are you wondering if the recent dramatic economic downturn might affect your retirement benefit? We would like to reassure you that the financial condition of the Teachers' Retirement System (TRS) remains sound amid the continuing global market decline.

Yes, the system has taken a hit to its assets, losing nearly 25% for the one-year period ending December 2008. But the TRS Trust Fund has ample funds to pay benefits for the foreseeable future.

Remember, the benefit you receive from the TRS is based on your compensation and years of service. Your benefits are guaranteed by the Alaska Constitution and remain secure, unthreatened by market swings.

The TRS Trust Fund uses a long-term diversified investment strategy including investments across a number of funds and asset classes. This enables us to ride out volatile markets. We have handled financial crises in the past, such as the savings and loan problems of a few decades ago, and the dot com bust in early 2000, and we will weather the current crisis. The Governor and the Legislature have committed hundreds of millions of dollars to the retirement systems in the last several years. This, together with employer and employee

contributions, has helped to reduce the unfunded liability.

More information about the underlying investments within the TRS Trust Fund may be obtained by visiting the Alaska Retirement Management Board web page at this link:

www.revenue.state.ak.us/treasury/programs/programs/other/armb/financialreports.aspx

Have You Updated Your Beneficiaries Lately?

When was the last time you filled out a beneficiary form? Most of you fill out this form when you first start work or first retire. And then you forget about it. Many of the beneficiary forms on file with the division are more than 20 years old. Much can change in 20 years. (Remember that old boyfriend/girlfriend you listed as a beneficiary?) There's a good chance your beneficiaries are at a different address than the one given for them five, 10 or 20 years ago.

Has your marital status changed since you last filed your beneficiary form? Do you want an ex-spouse to get all your benefits? Did you list your children as beneficiaries? If so, have they moved away or did they marry and change their last name?

When you die, the division must locate your beneficiaries to pay them your death benefits. The division often struggles with trying to locate beneficiaries with common names or a married daughter who has changed her last name.

The best way to ensure beneficiary information is current is to fill out a new form. Call 1-800-821-2251 and

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Report from the Field

Pam Couzin, Regional Counselor

I have worked for the State of Alaska for 20 years, first as an Administrative Support Tech with the Department of Commerce. I then survived the world of state payroll and enjoyed working as the state representative of the Deferred Compensation Plan. My work experience has proven valuable in my capacity as the newest regional counselor for the Fairbanks and Railbelt areas. On my first trip to Fairbanks last September, I saw trees in their autumn splendor, wonderful clear blue skies and bright sunshine, quite a contrast to Juneau. My second trip that month, I saw two moose grazing in the meadow outside of Eielson Air Force Base.

I enjoy gardening and have a couple plots at the community garden. I'm looking for that special vegetable that thrives in the rain! I play recreational tennis and captained a team that went to sectionals in Portland, Oregon, in 2005. I'm active in my church, enjoy bowling, fishing, baking and black & white movies. My five minutes of fame was the high school record holder in the mile with a time of 5:31.6. I also played a saxophone solo at my high school graduation.

Most common questions I hear from members

Members often say, "What haven't I asked or thought about?" Retirement is a fairly simple process with a couple of difficult decisions, some requiring research or serious thinking. A member might need to decide which survivor option to choose or "How do I decide if I need Long-Term Care?" I usually invite members to attend a retirement process seminar. Because there is so much to absorb, I recommend people attend several seminars prior to their anticipated retirement date. It's beneficial to hear

questions asked by other members who are also contemplating retirement.

What is most confusing about the retirement process?

Members are most confused by the external elements they must consider when retiring, such as Social Security (SS) and Medicare. Because many members do not participate in SS but have enough credits to receive a benefit in the future, they are unsure how their retirement pension might affect their SS benefit. Members are also unaware of how their AlaskaCare Medical Plan works with Medicare at age 65.



Challenges I face as a counselor

My biggest challenge as a counselor is to make sure members ask the right questions. Because their knowledge about the retirement process is mostly based on discussions with co-workers, pieces of information they may hear in

the break room, or from other family members, it is important that I answer the "unasked" question. Tier II & III employees are often advised by their Tier I friends. It's easy to come away with a faulty idea of your benefits. Word-of-mouth can misinform when it's based on someone else's understanding.

What I enjoy most about being a counselor

I very much enjoy providing information to members that comes as a surprise to them. Most retirees know about the Alaska Cost-of-Living-Allowance (COLA); however, most members do not know about the Post Retirement Pension Adjustment (PRPA) for which they are eligible. It's great to be able to tell future retirees that they can expect to receive additional income in the future!

2009 Legislative Session

Three bills pushed return to defined benefit

The First Session of the 26th Alaska Legislature convened on Tuesday, January 20, 2009 and ended on April 19, 2009. Three bills introduced this session, House Bill (HB) 30, HB 54, and Senate Bill (SB) 23, proposed repeal of the defined contribution retirement plan for teachers and public employees and return to a defined benefit plan. None of the three bills were passed by the legislature this session.

You can find more detailed information on these bills and others that may affect your benefits, at the "Legislation" link on the Division's home page, www.state.ak.us/drb, under "Of Interest." This will take you to a list of bills introduced in 2009 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.

Updated Your Beneficiaries?

(continued from pg. 1)

request a new beneficiary form or print one from the division's website at www.state.ak.us/drb/forms/beneficiary-forms.shtml. Select the appropriate "Beneficiary Designation" form depending on whether you are an active, retired or deferred member.

A trust, will, or Power of Attorney does not take the place of a designated beneficiary form. Submit a copy of these other documents along with the beneficiary form. Any changes made to the trust after it has been accepted would not be valid unless you submit a new copy and a new beneficiary form.

Make sure your beneficiaries receive what is rightfully theirs by keeping their information current!

It's Payback Time – Before You Retire

Did you ever end your employment with a TRS employer and then request a refund of the money you contributed to your TRS account? Or, did you ever wish to claim and purchase service (i.e. military service)? Under certain circumstances, you may be able to repay a refund or pay off a claimed service indebtedness (i.e., military time) in the Teachers' Retirement System through the use of a pretax transfer of money from certain plans.

You must contact the Division of Retirement and Benefits to initiate such a transfer so we can begin the process and prepare the required documents. This is necessary to make the transaction acceptable under statutes and tax laws.

You must do a pretax transfer to purchase service credits before you retire. An indebtedness for service must be set up, and verified, before any transfer can be accomplished.

The transfer process should be started 60 to 90 days before you retire.

If you are an active (TRS employed) member, and you wish to pay back a refund of prior service plus interest in order to have that service reinstated, you must establish a "reinstatement indebtedness" prior to July 1, 2010.

If you are a former member, you must reemploy by June 30, 2010, in an Alaska PERS or TRS eligible position and establish a reinstatement indebtedness to retain your tier status defined by your original date of hire.

In both of these cases, you are not required to pay off the amount you owe before July 1, 2010, unless you plan to retire before that date.

For more information see Pretax Indebtedness Payment Options on the division's website, under "Quick Links," or call toll free and ask for the division's Accounting Section at 800-821-2251 or call them directly at 465-1444.

Understanding the Post Retirement Pension Adjustment

Did you know that there are two types of Post Retirement Pension Adjustments (PRPA)? Eligible TRS benefit recipients receive an automatic annual PRPA when the cost of living increases, based on the consumer price index for urban wage earners and clerical workers for Anchorage.

The amount of the PRPA depends on the recipient's age, how long the person has been receiving TRS benefits, and whether the person is receiving TRS disability benefits. To qualify for the automatic PRPA, a TRS member must be either disabled, age 60 or over, or have received benefits for eight years.

Members who first hired under the TRS before July 1, 1990 (Tier I), are also eligible to receive an ad hoc PRPA. An ad hoc PRPA is not automatic and may

only be granted if the cost of living increases and the financial condition of the TRS fund permits.

Retirement reform legislation (Senate Bill 141), passed by the legislature in 2005, allows the administrator to grant an ad hoc PRPA only when the ratio of total assets to accrued liabilities for the defined benefit plan is equal to or greater than 105 percent. Ad hoc PRPAs have not been granted for the last three consecutive years, and were granted in only five years during the period 1992 to 2003. The ad hoc PRPA is discretionary and is not prefunded.

New Withholding Tables May Reduce Your Federal Income Tax

New federal income tax withholding tables may reduce the amount of federal income tax withheld from your benefit payment.

The new federal withholding tables, prescribed by the Department of Treasury, reflect the *Making Work Pay* credit and other changes resulting from the *American Recovery and Reinvestment Act of 2009*.

The change to the federal income tax withholding table took effect with the March 2009 pension benefit payments. You may have noticed a reduction on your federal income tax withholding and an increase in your benefit payment. The Division implemented the change to comply with the April 1, 2009 deadline set by the IRS. The reduction in your federal income tax withholding continues through the remainder of the 2009 calendar year.

This change was automatic. If you do not want your federal income tax withholding reduced, please submit a Form W-4P, Withholding Certificate for Pension or Annuity Payments. You may go to www.state.ak.us/drb/forms/2009w-4p.pdf to download a new 2009 W-4P. You may also call the Division, toll-free, at 1-800-821-2251, to request it. Please mail the W-4P to the following address: State of Alaska, Division of Retirement & Benefits, ATTN: Retiree Payroll, PO Box 110203, Juneau, AK 99811-0203 or send via fax to (907) 465-3363.

Benefit Check Mailing Dates

June 25	October 23
July 24	November 24
August 25	December 23
September 25	

A Tale of Retirement

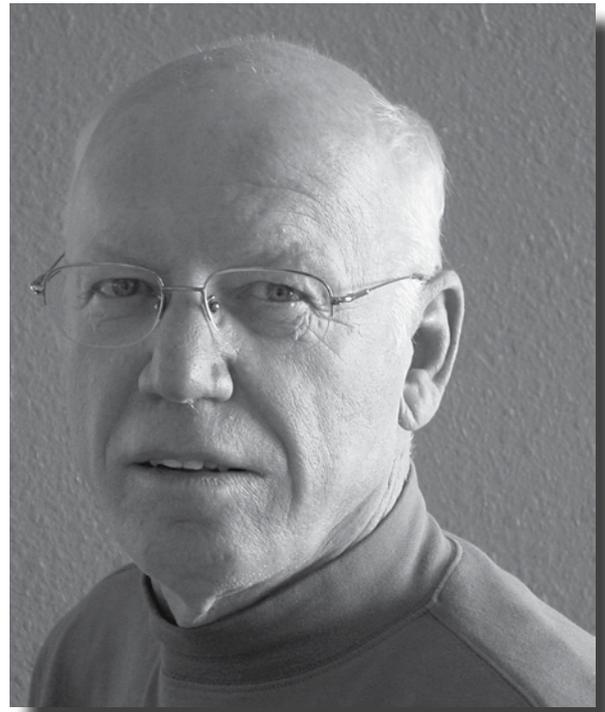
Del Lowery Produces Podcast

In 1987, Del Lowery and his wife Brenda took early retirement from the Anchorage School District. They were both in their early 40s. They had arrived in Anchorage 19 years earlier, on a road trip from Iowa where they headed west and north with no predetermined destination. After teaching for 19 years, their two children challenged them to move on, saying “There’s a big world out there . . .” And so they did. Now they live half the year in Bellingham, Washington, and the other half in Vancouver, British Columbia, and they’ve not had a dull moment since retiring 22 years ago.

Three years ago, Del’s interest in broadcasting and writing spurred him on to try a new venture — producing a podcast aimed at “boomers,” seniors, and retirees. Because he had retired relatively early, he thought he might have some insights on retirement that might prove helpful to others. He also saw it as a way to get involved in the community. (For those who don’t know, a “podcast” is an audio program in digital format available for download over the Internet.)

Del created a website to go along with his podcasts, a challenge he enjoyed tackling. He says his son, who is a “technofile,” helps instruct and keep him up-to-date with computer technology.

Del addresses diverse topics in his podcasts, from relocating to health concerns to travel to what to do with the rest of your life. Many encourage introspection. A recent subject was his “Road Trip USA” series, a documentation of a 10-week trip he and Brenda took across America. He discusses everything from the planning details to the experiences along the way. One unique aspect of the trip: they didn’t travel in an RV and stayed at homes arranged through a “home exchange”



website. During one home exchange stay, in Washington, D.C., the owner called and said he had listened to Del’s podcast and wanted to meet him. It turned out the person was an internationally known writer who then took them to dinner at the National Press Club.

Since retiring, Del has studied and played classical guitar religiously, learned to build fine furniture, and worked on community projects such as helping to start the local Farmer’s Market and managing two political campaigns. He even ran for mayor.

Del Lowery taught high school in the Anchorage School District for 19 years, primarily history and philosophy, and took early retirement in 1987.

In the next issue: After retiring from the Bristol Bay School District, Kurt and Jane Jaehning moved to Saipan, Taiwan and China, teaching at schools along the way.

TRS Performance in Fiscal Year 2008

During fiscal year 2008, the fund additions were \$1,341,288,000 for the Defined Benefit (DB) and \$12,083,000 for the Defined Contribution Retirement (DCR) Plan due to contributions received and net investment income. The TRS fund paid out benefits, refunds, and administrative expenses of \$343,411,000 for DB and \$278,000 for DCR.

Highlights in fiscal year (FY) 2008

- There were 8,682 TRS DB and 1,203 TRS DCR employees working for 58 TRS employers.
- \$33,033,897.07 in interest was credited to TRS Defined Benefit employees' accounts.
- TRS DB employers paid 12.56% of each employee's gross salary in addition to the contributions paid by the covered employee.
- TRS DCR employers paid 8.61%, plus an amount for the health reimbursement arrangement (HRA), of each employee's gross salary. The 8.61% rate is composed of 7% employer contribution, .99% retiree medical, and .62% occupational death and disability, in addition to the contributions paid by the covered employees. The HRA rate is 3% which is applied to the average annual compensation of all employees of all employers in the TRS and the PERS for the health reimbursement arrangement as per AS 39.30.370.
- 9,992 DB members received monthly TRS benefits in FY 2008, an increase of 3.3% over FY 2007. TRS benefit recipients received an average of \$31,758.84 annually in FY 2008.

Changes in TRS Assets During Fiscal Year 2008

	Defined Benefit	Defined Contribution
Additions and Deductions		
Net Assets on June 30, 2007	\$4,893,114,000	\$7,071,000
Additions		
Employer Contributions	75,010,000	7,903,000
Plan Member Contributions	54,232,000	5,347,000
State of Alaska Contributions	269,992,000	-
Net investment income (loss)	(144,600,000)	(1,167,000)
Transfer from Postemployment Healthcare Fund	1,086,620,000	-
Other	34,000	-
Total Additions	1,341,288,000	12,083,000
Deductions		
Pension Benefits Paid	306,689,000	-
Health Care Benefits Paid	29,494,000	-
Refunds to Members	3,761,000	202,000
Administrative Expenses	3,467,000	76,000
Transfer to Alaska Retiree Healthcare Trust	1,086,620,000	-
Total Deductions	1,430,031,000	278,000
Net Assets on June 30, 2008	\$4,804,371,000	\$18,876,000

Statement of TRS Assets as of June 30, 2008

	Defined Benefit	Defined Contribution
Assets		
Short-Term Investments	\$ 14,289,000	\$606,000
Great West Account	-	77,000
Contributions and Other Receivables	1,176,001,000	1,283,000
Domestic Equity Pool	1,526,887,000	-
Retirement Fixed Income Pool	697,775,000	-
International Equity Pool	690,435,000	-
Real Estate Pool	581,334,000	-
International Fixed Income Pool	98,131,000	-
Private Equity Pool	397,247,000	-
Emerging Markets Equity Pool	131,105,000	-
Treasury Inflation Protection Pool	25,644,000	419,000
Absolute Return Pool	194,481,000	-
High Yield Pool	116,336,000	-
Other Investment Pool	158,337,000	-
Collective Investment Funds at Fair Value:		
Participant Directed	-	12,883,000
Common Trust Funds	86,424,000	-
ERISA Commingled and Mutual Funds	-	3,673,000
Loans and Mortgages	17,000	-
Total Assets	5,894,443,000	18,941,000
Liabilities		
Total Accrued Expenses and Other Liabilities	3,452,000	65,000
Due to Alaska Retiree Healthcare trust - TRS	1,086,620,000	-
Total Liabilities	1,090,072,000	65,000
Net Assets on June 30, 2008	\$4,804,371,000	\$18,876,000

Where Are You?

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

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

Blackstone, William K	Gamash, John T	Johnson, Carol C	Sandrin, Michele A
Brown, Robert L	Goosen, Terry L	Keena, Jennifer M	Scheiner, Judith A
Capulong, Michelle	Green Adama C	Kinder, Carolee	Sherman, Timothy P
Copell, Mariah E	Greer, Suzanne C	Manogiamanu, Gloria P	Smith, Michael D
Dausman, Nicole A	Harris, Robert A	Pearson, Irma Leah	Willcox, Margaret
Fisher, Ryan M	Hutchison, Teddy Jay	Pointer, Taquel D	Williams, Marie C

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.

Allison, Elsa M	Halverson, Michael E	Moore, Pauline A	Sullivan, David M
Angapak, Eddie R	Hendrickson, Maxine L	Negron, Angel L	Van Wechel, Donna M
Bennett, Nellie B	Herpst, Cindy D	Paddon, Elizabeth	Vierthaler, Constance
Buttle, Elsie	Koth, Sharon	Patterson, Linda A	Weaver, Jr, Sanders A
Clampitt, Richard W	Lemay, John P	Rayfield, Keefe E	Wilson, Elizabeth
Ellis, Josephine M	McGarry, Thomas E	Sam, Alice M	
Diener, Martha M	Mickelson, Michael	Slagle, Richard W	
Eidsness, Timothy R	Morgan, Betty C	Smith, David C	
Gulur, V. Rao	Moore, Patrick C	Stevens, Andrea M	

Moving This Summer?

If you're moving and are a TRS retiree or are no longer working in the TRS, you must notify the Teachers' Retirement System (TRS), preferably in writing, of your change of address as soon as possible. You may send your address change via fax to (907) 465-3363 or by mail to: Alaska Division of Retirement & Benefits, PO Box 110203, Juneau, Alaska 99811-0203. You must include your signature and Retirement Identification Number (RIN), or at least the last

four digits of your Social Security number, in all correspondence. In most cases, we can now accept address changes over the telephone. However, we cannot accept changes via email.

If you are an *active* TRS member who needs to change your address, please contact your human resource or personnel office.



Alaska Division of Retirement and Benefits
PO Box 110203
Juneau, AK 99811-0203

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The **TRS Newsbreak** is published three times per year by the Division of Retirement and Benefits.

Patrick Shier, **Director and Administrator**
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Printed on recycled paper

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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 18-19, 2009

Anchorage Marriott Downtown Hotel

October 1-2, 2009

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.

