

PERS NewsBreak

Alaska Public Employees' Retirement System

A new approach to customer service

To improve our phone service and the speed and processing of customer requests, the Division of Retirement and Benefits (DRB) has created a new Customer Service Center. DRB Customer Service Center *phone* hours of operation are now Monday through Friday, from 10:00 a.m. to 3:30 p.m. Alaska time. (Office hours remain 8:00 a.m. to 5:00 p.m. Alaska time Monday through Friday.)

During the Customer Service Center phone hours, the number of DRB representatives available on the phone will double, resulting in:

- Ability to speak to a live person on most calls, rather than waiting in line and leaving a message;
- Reduction in dropped calls;
- Resolution of most issues during your first conversation.

Additionally, callers are able to leave a message for follow-up by staff for calls made outside the new phone hours.

These new phone hours allow DRB staff to focus on written requests and inquiries in the time before and after the new hours, improving the response time for these types of contacts.

The DRB greeting informs callers of the new phone hours of operation, and will be periodically refreshed with seasonal information.

More information regarding the new Customer Service Center can be found on the DRB website at: doa.alaska.gov/drb/csc.html.

Division of Retirement & Benefits Customer Service Center phone number: **1-800-821-2251**

Benefit Fairs a huge success

The division's Benefit Fairs, held in Fairbanks in April and in Soldotna in May, were a huge success! Attendees became better informed about their future retirement benefits, with the following comments typifying opinions about the events:

"Very informative, thoroughly knowledgeable presenters, impressive!"

"The Benefit Fair is an excellent idea! Although I have attended several PERS retirement seminars in the past (and they have been very informative), there is only a limited amount of information that can be covered in a single seminar. The Benefit Fair allows more in-depth coverage of the topics...."

"In 31 years of employment...I have never had such a comprehensive info sharing opportunity."

"Excellent overview of investment options, styles! Helped to consider my current status and investment choices as well as planning for

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Benefit Fairs *(continued from pg. 1)*

retirement. Excellent opportunity to learn about benefits, investing, retirement. Highly recommend the fair annually as well as a one-day workshop at the actual places of employment.”

“This was the absolute best retirement seminar I’ve ever attended! Materials were well prepared and very appropriate for my needs. Speakers were knowledgeable, friendly and communicative. Pre-conference materials were very helpful.”

“Very good! I came for one session and stayed for three!”

The division has more benefit fairs planned, with the next one scheduled for King Salmon September 24-25, 2010, at the Southwest Alaska Vocational & Education Center. In addition to King Salmon, there will be a fair in Anchorage November 5-6, 2010, at UAA-Rasmussen Hall and fairs are tentatively planned for Bethel and Ketchikan in the spring of 2011. These educational workshops are for PERS and TRS members of all ages and are intended to help employees plan now for their future retirement security. They also provide an opportunity for state employees covered under the **ALASKACARE** Employee Health Plan and for any employees who participate in the *Optional Benefits* plan to learn more about available benefits. Look for more details on the division’s website at doa.alaska.gov/drb.

Do you know your RIN?

If you’ve ever tried to access your personal information on the Division of Retirement & Benefits (DRB) website, you know that you need a Retirement Identification Number (RIN).

The first time you log in to myRnB, (<https://myalaska.state.ak.us/drb/myRnB/>, the secure DRB online services portal), you have to supply your RIN. If you call the DRB Customer Service Center with a question regarding your personal information, you will also be asked for your RIN. Your RIN is your secure personal identification with DRB.

The division will soon be sending all members of the retirement systems a RIN card that you can keep in your wallet, just like your health insurance ID card, so that you will have it handy any time you need it. The back of the card will have helpful DRB contact information, including the Customer Service Center toll-free phone number and email address. (See sample RIN card below.)



Sample RIN card mock-up, front side



Sample RIN card mock-up, back side

New look for “Account Information Online”

Online enrollment now available for Deferred Compensation Plan

If you’ve checked your Supplemental Annuity (SBS-AP) account online recently (at <https://akdrb.gwrs.com>, the secure portal to the accounts managed by Great-West Retirement Services), you’ve probably noticed a new look. There is also a new feature - the ability to enroll in the Alaska Deferred Compensation Plan (DCP) online or make changes to your deferral amount.

If you’re not enrolled in the DCP, but would like to begin deferring some of your income (and you already have a Username and PIN), after signing in at <https://akdrb.gwrs.com>, select the DCP button. You will see a “Welcome to Enrollment” page with three simple steps: choose the amount to defer from each paycheck, select your investment option(s), review and agree to the Participation Agreement and click on “Enroll Me.”

If you’ve never used “Account Information Online” (<https://akdrb.gwrs.com>), you will need a PIN before you can enroll. If you have a PIN, but have not yet created a Username, just click on the “Deferred Compensation Plan” link in the gold bar at the login page, then click on the “Enroll Now” option. Enter your Social Security Number (SSN) and PIN and follow the instructions.

The minimum amount you can defer each month is \$50 (\$25 per pay check). The maximum total deferral for 2010 is \$16,500 (if you are under 50 years of age) or \$22,000 (if you are age 50 or over). (These maximums were the same for 2009.)

For those unable to enroll or make changes online, Great-West has new paper forms available, called *Participant Enrollment* (for new enrollments) and *Salary Deferral Agreement* (for changes), found on the division website, doa.alaska.gov/drdb, on the DCP page. State of Alaska forms are no longer valid. The new forms should be sent directly to Great-West to the address or fax number on the form. *Paper* forms must be received by Great-West in the month *prior* to the change or enrollment effective date and take several days to process. Forms received *after* the 25th of any given month will be treated as if received the following month; for example, if your paper enrollment form was received on March 26, it would be effective May 1.

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Note: The Deferred Compensation Plan is for **State of Alaska employees only**. If you are a PERS member but not a State of Alaska employee, ask your employer what other plans may be available to you.

And speaking of Deferred Compensation....

Did you know that when you terminate your position or retire you can defer unpaid/unused personal/annual leave into your deferred compensation account? This will reduce your tax liability and increase your investment balance. (Your final check would normally include payment of any unused personal/annual leave, in addition to your normal pay.)

To defer unused personal/annual leave, you must make this request in the month *prior* to your last day of employment. For example, if your last day of employment is in the month of April, your request must be received by the division no later than March 31.

Requests to defer your unpaid/unused personal/annual leave require special handling by the Division of Retirement and Benefits. For more information, including the request form, see this web page with detailed instructions for taking deferred compensation from your final check:

http://doa.alaska.gov/drdb/dcp/pdf/instructions_for_taking_dcp_from_final_check.pdf.

You may also call the DRB Customer Service Center, at 1-800-821-2251, to request more information.

A Tale of Retirement—A fjord in my future

by Elfrida Nord

I had not intended to retire before age 65 but the death of my maternal uncle in Norway suddenly changed my priorities.

I had been employed in the Division of Public Health, first as an itinerant Public Health Nurse in Bethel, then as Pulmonary Disease Nurse Consultant in Anchorage, and finally as Chief of the Section of Public Health Nursing in Juneau. I had over 20 years of service. I had not given much thought to the fact that my sisters and I would inherit ancestral property in Norway.

In Norway, there is a strict protocol on who has inheritance rights. When our uncle died at age 88, in December 1995, we were identified as the next of kin. In 1996, I visited Norway for

a month's vacation. It became clear that if we were to keep our uncle's property it had to be maintained, and soon. In May 1997, I retired so I could spend more time doing preventive maintenance on the property. That year, I could spend only three months because a longer stay required a visa.

No major financial concerns

Even though I retired two years earlier than I had planned, I had no major financial concerns that would have made it difficult to retire. My house was paid for and I had a reasonably new car. I consulted with my financial advisor and checked to make sure I was going to get at least the minimal amount of Social Security. I also made the decision to continue to live in Juneau. I had lived in Juneau longer than anywhere else and had no reason or desire to leave Alaska.



I was born and raised on a farm so this was nothing new.

Medical care in Norway

While in Norway a number of years ago, I had an incident that required medical care. I broke my ankle and was hospitalized for eight days. I was amazed to find out that nearly all my expenses were absorbed by the hospital. Nobody ever asked me if I even had insurance. They had no billing system set up for processing insurance claims. (Norway has a tax-funded, single-payer health system.) All my expenses were covered by the health system in Norway except for a very small amount for a down-payment on crutches and a co-pay for out-patient services when I had to have my cast removed.

In the past 12 years I have spent from four to five months each year in Norway. The property, called Vikeland, is located about 60 miles south of the Arctic Circle, on Sjonafjord in Rana County.

My uncle was well known in the community as a master gardener and was the first to introduce rhododendrons that far north. The rhododendrons he planted



The Vikeland farmhouse; my home away from home.

in the 1950s are still alive and well. The climate is similar to Juneau's due to the effect of the Gulf Stream. Both my parents were immigrants from the area so I have many relatives to visit and enjoy.

When I first arrived, the buildings on the property needed a lot of work and the garden had not been tended for a number of years. I had my work cut out for me. A cousin assisted me and we repaired and painted the buildings over a period of two years.

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New look for “Account Information Online” *(continued from pg. 3)*

If you are within three years of being eligible for normal retirement (either by age or years of service), the catch-up provision of the DCP allows you to make up prior deferred compensation contributions that were less than the allowable maximum. This applies even if you did not participate in the DCP in past years. You may defer all or any portion of your catch-up balance over three

consecutive calendar years. In no case, may you defer more than \$33,000 per year, beginning in 2010.

For more detailed information, see this web page on all aspects of the Alaska DCP: <http://doa.alaska.gov/drb/dcp/index.html>. You may also call the Great-West Customer Service Center, at 1-800-232-0859, to request more information or paper forms.

A Tale of Retirement— *(continued from pg. 4)*

I did my best to identify and salvage the perennials, bulbs, and shrubs my uncle had collected and restore the garden. The house is nearly 100 years old and the contents are almost like a museum.

My grandfather built boats and many other things were handmade by him. My uncle was a carpenter

and did beautiful Norwegian carving. I will never run out of things to do over there. It is my own private Eden and I will continue to enjoy it as long as my health remains. I have enjoyed a number of visitors from Juneau and other places over the years.

Your high-three (or high-five) salary and the 115-day rule

If you are planning to retire in the coming year (2011), make sure you understand the rules regarding your final salary counting toward your retirement benefit.

First, let's address a misconception. Some people have the impression that if they work at least four months in the year that they retire (e.g. January through April 2011), they will receive credit for a full year of service at that salary. That is NOT the case. Your monthly salary for that year will be included as one of your high three, but it will only count for the number of months that you worked at that salary, *not* for the entire year. So, if you retire on April 30, you will receive four months of credit; if you retire on June 30, you will receive six months of credit.

To use your 2011 salary as one of your high three consecutive (Tier I & II members) or high five consecutive (Tier III members) salaries for calculating a retirement pension benefit, you must work at least 115 days in the 2011 payroll year.

Weekends and holidays count toward the 115 days, as well as any annual leave you may take, as long as you return to work for at least one day. For 2011, the 115th calendar day falls on April 25 (a Monday). If the 115th calendar day happens to fall on a Sunday, you must work on the following Monday in order for the weekend days to count toward the total of 115 days. Seasonal or part-time employees may have to work longer to qualify under this rule.

National Save for Retirement Week October 17-24, 2010

Attend an Open House hosted by
Great-West Retirement Services at their
Anchorage office,

301 W Northern Lights Blvd, Suite 406

Wednesday, October 20, 3-7 p.m.

PERS Performance in Fiscal Year 2009

During fiscal year 2009, Defined Benefit (DB) fund reductions were \$1,435,535,000, Defined Contribution Retirement (DCR) fund additions were \$42,958,000 due to contributions received and net investment income and, as of June 30, 2009, the DB Unfunded Accrued Liability was \$6,336,393,000. The PERS fund paid out benefits, refunds, and administrative expenses of \$755,563,000 for DB and \$1,532,000 for DCR.

Highlights in fiscal year (FY) 2009

- There were 28,850 PERS DB employees and 7,393 PERS DCR employees working for 160 PERS employers.
- \$74,050,089.47 in interest was credited to PERS employees' accounts.
- PERS employers paid one uniform rate of 22% of each employee's gross salary in addition to contributions paid by the covered employee.
- PERS DCR employers paid an effective rate of 22%, which included 5.99%, plus an amount for occupational death and disability (ODD) and for the health reimbursement arrangement (HRA), of each employee's gross salary. The 5.99% rate is composed of 5% employer contribution and .99% retiree medical, in addition to the contributions paid by the covered employees. Employers also pay an ODD rate of 1.33% for peace officers and firefighters and .58% for all other employees. The remaining percentage was made up of the Defined Benefit Unfunded Liability (DBUL) contribution. The HRA is an amount calculated using the average annual compensation of all employees of all employers in the TRS and PERS, per AS 39.30.370.
- 24,082 retirees and beneficiaries received monthly PERS benefits in FY 2009, an increase of 4.7% over FY 2008. PERS benefit recipients received an average of \$19,294.08 annually in FY 2009.

Changes in PERS Assets During Fiscal Year 2009



Additions and Deductions	Defined Benefit	Defined Contribution
Net Assets on June 30, 2008	\$10,726,913,000	\$38,391,000
Additions		
Employer Contributions	379,540,000	27,912,000
Plan Member Contributions	119,338,000	21,735,000
State of Alaska Contributions	241,600,000	
Net investment income (loss)	(2,184,793,000)	(6,689,000)
Other	8,780,000	
Total Additions	(1,435,535,000)	..42,958,000
Deductions		
Pension Benefits Paid	466,085,000	
Healthcare Benefits Paid	256,408,000	
Refunds to Members	12,498,000	1,386,000
Administrative Expenses	20,572,000	146,000
Total Deductions	755,563,000	.... 1,532,000
Net Assets on June 30, 2009	\$8,535,815,000	..\$79,817,000

Statement of PERS Assets as of June 30, 2009

Assets		
Short-Term Investments	\$ 37,439,000	.....\$612,000
Great-West Account .....	-	.....1,585,000
Contributions and Other Receivables	34,333,000	.....4,000,000
Domestic Equity Pool	2,839,854,000	.....7,683,000
Retirement Fixed Income Pool	998,809,000	.....2,977,000
International Equity Pool	1,307,598,000	.....3,413,000
Real Estate Pool	910,810,000	.....1,576,000
Real Estate Investment Trust Pool	23,407,000	.....219,000
Energy Pool	53,556,000	.....227,000
Farmland Pool	317,290,000	.....223,000
Farmland Water Pool	10,549,000	
Timber Pool	106,774,000	.....514,000
International Fixed Income Pool	130,194,000	.....413,000
Private Equity Pool	733,421,000	.....1,547,000
Emerging Debt Pool	65,747,000	.....92,000
Emerging Markets Equity Pool	360,383,000	.....1,121,000
Treasury Inflation Protection Pool	52,074,000	.....699,000
Absolute Return Pool	376,296,000	.....1,392,000
High Yield Pool	189,135,000	.....416,000
Collective Investment Funds at Fair Value:		
Pooled Investment Funds .....		.....2,568,000
Common Trust Funds .....		.....49,555,000
Other	2,824,000	
Total Assets	8,550,493,000	.. 80,832,000
Liabilities		
Total Accrued Expenses and Other Liabilities	14,678,000	.....1,015,000
Total Liabilities	14,678,000	.... 1,015,000
Net Assets on June 30, 2009	\$8,535,815,000	\$79,817,000

Benefit Fairs

King Salmon

Southwest Alaska Vocational & Education Center

9:00 a.m. – 7:00 p.m. September 24, 2010
 9:00 a.m. – 5:00 p.m. September 25, 2010

Anchorage

UAA - Rasmussen Hall

November 5-6, 2010
 Times to be announced

Fair presentations are on a first-come, first-seated basis. For Benefit Fair schedules and descriptions, check the Seminar page on our website at doa.alaska.gov/drb. For questions about the fairs, contact Judy Hall by e-mail at judy.hall@alaska.gov or call 800-821-2251.

Benefit Education Seminars*

Supplemental Annuity Plan

Anchorage - Robert B. Atwood Building, Room 1860

9:00 – 11:30 a.m. October 27, 2010
 9:00 – 11:30 a.m. December 8, 2010

The Retirement Process

Fairbanks - UAF Rasmuson Library, Room 340

6:00 – 8:00 p.m. November 17, 2010

Deferred Compensation Plan

Anchorage - Robert B. Atwood Building, Room 1860

1:30 – 4:00 p.m. October 27, 2010

The Retirement Process

Juneau - State Office Building, 6th floor conf room

1:30 – 3:30 p.m. October 14, 2010

The Retirement Process

Anchorage - Robert B. Atwood Building, Room 240

1:00 – 3:30 p.m. October 28, 2010
 1:00 – 3:30 p.m. November 16, 2010
 1:00 – 3:30 p.m. December 16, 2010

The Retirement Process

Petersburg - City Hall, Council Chambers

8:30 – 11:00 a.m. October 6, 2010

Supplemental Annuity/Deferred Compensation Plans

Fairbanks - DOT&PF NCO - Construction

1:30 – 3:30 p.m. September 27, 2010

*Register for seminars online at doa.alaska.gov/drb or call 1-800-821-2251 (in Juneau 465-6280)
 Dates, times, and locations of seminars are subject to change or cancellation, depending on participation.

Great-West Seminars*

Financially Fit

Anchorage - Robert B. Atwood Building, Room 240

9:00 – 10:30 a.m. October 19, 2010

Approaching Retirement

Anchorage - Robert B. Atwood Building, Room 240

1:00 – 2:30 p.m. October 19, 2010

Great-West Retirement Services - Open Forum - Get your questions answered

Anchorage - Robert B. Atwood Building, Room 240

10:30 a.m. – Noon and 2:30 – 5:00 p.m. October 19, 2010

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

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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**

**September 23-24, 2010
Princess Hotel, Fairbanks**

**December 2-3, 2010
Anchorage Marriott Downtown Hotel**

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

