Security breach may affect retirement system members
State acts to safeguard members from potential identity theft

PricewaterhouseCoopers LLP (PwC), a contractor performing analysis for a law firm on contract with the State, recently told the Alaska Department of Law that it could not locate information it had been analyzing on behalf of the State that contained names, social security numbers, and dates of birth.

Participants in the Public Employees’ Retirement System and the Teachers’ Retirement System, who were active or inactive employees, including retirees, in 2003 and 2004, may be affected. Members affected by the PwC security breach were mailed a notice on February 12, 2010, with more detailed information and instructions on how to sign up for free services pursuant to the settlement reached with PwC.

If you believe you may have been affected, but did not receive a letter, you may call the Division of Retirement & Benefits at 1-800-821-2251 to verify whether or not you are affected and should have received a letter. You can find more information about the breach at: doa.alaska.gov/drb/PWC-security-breach.html.

IronPort secures e-mail

Any e-mail messages sent by the division to addresses outside the State of Alaska e-mail system (outside of alaska.gov) are now automatically encrypted if they contain personally identifiable information (PII) such as a social security number. This new security process began in November 2009. Messages that contain other personal information, such as benefit projections, salary, service, and health information may also be encrypted by the sender.

If you are outside the State of Alaska e-mail system and send the division a message containing PII, and the person replying includes the original message, the e-mail you receive will be encrypted.

If you receive an encrypted e-mail from the division, it will look like this and it will have an attachment labeled “securedoc.html”:

Please follow the instructions you receive to read the secure e-mail.
Report from the Field
Brian Schmidt, Regional Counselor

I joined the Division of Retirement and Benefits in 2007. My position as a regional counselor requires visiting different parts of the state. I love to travel, so this was the perfect opportunity for me. Until recently, I was the counselor for Northwestern Alaska but have since become the Southeast Regional Counselor.

Over the past two years, I’ve had more adventures than I’d ever anticipated. After growing up in Arizona, I moved to Alaska—for an adventure! I’ve been from Ketchikan to Barrow, to places I normally never would have had the opportunity to visit. I love talking with all the different people I meet. Not only am I able to provide them education on their retirement benefits, but I always learn valuable and fascinating information about the region where they live.

During the summer months, I try to spend most of my free time fly-fishing. In the winter, I spend most of my time counting the days left until fishing season starts again! I hold a bachelor’s degree in speech communication, and a master’s degree in business administration.

If I could provide one piece of advice to members, I’d say that it is never too early to start planning for your retirement. Regardless of where you are in your career, take time to look at your retirement goals, as well as the plan you have to achieve them. Take a look at the investment or savings plans your employer offers. You also may want to consider seeking advice from a financial planner for recommendations on what investment decisions are best to help you reach your goals.

Attend a retirement workshop - See the big picture
April 8-10 in Fairbanks, May 13-15 in Soldotna

The division is offering a series of special educational workshops intended to help employees plan for their future retirement security. The goal is to make you aware of how critical it is to save now for your retirement security later.

These workshops are in addition to regularly scheduled seminars offered year-round, a current schedule of which can be found at the Seminar link on our website at doa.alaska.gov/drb.

Workshops are planned for Fairbanks April 8-10, 2010, at the Princess Hotel, for Soldotna May 13-15, 2010, at the Kenai Peninsula College, and for the Anchorage area this fall. In addition to presentations by division retirement counselors and health benefits staff, Great-West Retirement Services will give several financial planning seminars and a representative from Social Security will also give presentations.

“People have had great questions and seem to learn a lot at the workshops,” said Brian Schmidt, a regional counselor. “One of the most valuable aspects is the opportunity for people to speak one-on-one with a counselor.” In addition to presentations, time is also set aside for individual counseling appointments.

For a schedule and description of workshop presentations, click on Seminars in the gold bar at the top of our web page at doa.alaska.gov/drb.
Supplemental Annuity Plan is a retirement account

The Supplemental Annuity Plan (SBS-AP) is a defined contribution plan. If you are an employee of the state or one of 20 political subdivisions that have elected to be in the plan, your employment status will determine if you are required to contribute. You contribute a portion of your salary each pay period and your employer contributes a matching amount, pre-tax, instead of contributing to Social Security. These contributions, plus any change in value (investment interest, gains, losses) and less administrative fees, are payable to you or your beneficiary at a future date. The money is not taxed until you withdraw it.

Some employees (and employers) are under the impression that one must withdraw funds from one’s SBS-AP account upon termination of employment.* This is not the case. Your SBS-AP account is intended to be for your retirement. While it is true that you are first eligible to receive payment of your account 60 days after you terminate employment, we encourage you to leave the money in your account until you need it for retirement purposes. When you take money out, the money is taxable in the year that you withdraw it unless you roll it over to an individual retirement account (IRA) or other qualified plan.

If you withdraw money before age 59 ½, you may have to pay an additional 10% tax penalty. The penalty generally does not apply if you are at least age 55 in the year you terminated employment. (There are other exceptions to the penalty provision that may be available to you. For a complete list of exceptions to the 10% penalty, see IRS Publication 575, Pension and Annuity Income**, or consult a tax advisor.) Direct transfers to Roth IRAs are reported as taxable income but are not subject to the additional 10% tax penalty.

*If your account balance is $1,000 or less when you terminate, you must take payment, if $200 or less you will receive a lump sum. $201 - $1,000 can be a direct transfer, whether you are an active, retired or deferred member.

**Available at www.irs.gov, on the Supplemental Annuity Plan page of our website, doa.alaska.gov/drb/sbs-ap under IRS Publications, or by mail by request.

Faster payment processing through Great-West

As of December 1, 2009, Great-West Retirement Services (GWRS) took over payment processing for the State of Alaska Deferred Compensation (DCP) and Supplemental Annuity (SBS-AP) plans.

This change eliminates the division as the “middleman” and allows daily processing of payments. Additionally, prior to December 1, DCP and SBS-AP participants were limited to two payments per calendar year with a minimum required amount of $1,000. Now, participants may request an unlimited number of payments per calendar year with no minimum required amount. (However, a minimum $1,000 account balance must be maintained.)

Also, DCP participants receiving periodic payments will no longer be limited to two changes per calendar year, and may make an unlimited number of periodic payment changes.

As part of the processing change, GWRS has revised the plans’ Benefit Payment Election forms. Now called “Distribution/Direct Rollover Request,” these are now available under the appropriate plan name on the Forms page on the division’s website; for example, under “D” on the Forms page you can find the new DCP Distribution/Direct Rollover Request. Under “S” you will find a link to a web page called SBS-AP Annuity Forms. Once completed, the new forms should be sent directly to GWRS at the indicated address or fax number.

If you have questions, you may contact Great-West Customer Service at 1-800-232-0859.
Nearly a year ago, on May 12, 2009, a 7.9 earthquake hit Sichuan Province in China. Ninety thousand people died and millions were left homeless.

Five hundred miles away, in Xian, China, where I lived, the earthquake broke a light in my apartment, cracked the walls, and killed 20 people. Many of us slept in the local park for a week because of fear of aftershocks. My friends and I set up tents for families with young children so they could have some shelter and safety. We dedicated this tent city to Barb Turley, a State of Alaska employee who had recently passed away and who had helped a number of people during her life.

Two weeks after the earthquake, the Chinese government called for tents for the millions who were left homeless in Sichuan province. Friends and I raised $10,000 in donations from the United States. Having lived in Alaska for 31 years and been a member of the Juneau Alpine Club, I had the experience and equipment needed to help reach the earthquake victims. With help from a non-profit organization, we made two trips and delivered 50 tents to those in need.

In the village we visited, 100 people had died out of 3000. I remember one scene where a man was on his knees in tears because he had lost his house and his wife. He needed a tent for himself and his daughter to stay alive in the coming rains.

The night after we arrived, the villagers threw us a party in a “house” that had no walls or roof but the stove still worked and the floor was still intact. It reminded me of an Irish wake for a logger in the Southeast Alaskan town of Tenakee many years ago. You can only cry so long. After a while, laughter can be a great blessing.

The villagers were grateful for the tents but it was equally important that people just showed up and cared. When you give a gift, part of what you give is that you care. We felt Barb Turley would have been pleased.
A Tale of Retirement
Hawaii dream comes true
by David Hill

I retired in 2005 and my wife retired in 2007, both of us with 25 years of service in the Public Employees’ Retirement System. Now we’re living the dream life in Hawaii. We built our house while working for the University of Alaska, Fairbanks. By the time retirement came, we owned our Hawaii home and were debt free!

Now, our hardest decision is what to do every morning. We decided long ago that Hawaii would be our retirement home. After living and working 30 years in Alaska’s interior, with winter temperatures in the minus 50s, Hawaii would be a welcome change. We settled on the Big Island of Hawaii. We didn’t want the crowds and traffic that are so prevalent on the other Hawaiian Islands. We live in Hawaiian Paradise Park, about 10 miles south of Hilo. Our home is on an acre of land with tropical fruit trees and wonderful smelling flowers. My wife loves to spend time in our garden. She marvels at the fact that anything you plant in the ground grows into something beautiful and never seems to die. My wife is an Alaskan native and is accustomed to very short growing seasons.

Every day, there is something new to discover here. We’ve driven to the top of Mauna Kea Volcano, at 14,000 feet, and looked at the stars through the portable telescopes at the visitor center. We’ve found ourselves lying on beautiful white sand beaches on the Kohala coast. We’ve checked out the sites at Hawaii Volcanoes National Park and seen the most current lava flow up close and personal. And then there’s always a relaxing nine holes of golf at one of over 100 golf courses on the island.

They say “life is but a dream.” Our dream became a reality. To those still working and planning for the future . . . never give up yours!

1099-R Newsletter available on web

The 2010 1099-R News is available under Of Interest on the home page of the division’s website at doa.alaska.gov/drb. This newsletter includes helpful information related to IRS Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plan, IRAs, Insurance Contracts, etc. If you would like us to mail you a copy of the 2010 1099-R News, please contact the Retiree Payroll Section at 1-800-821-2251, option 7 or email us at doa.drb.payroll@alaska.gov.
Optional Benefits open enrollment begins May 24

Enrollment in Optional Benefits for all State of Alaska employees and participating employers begins May 24 and ends June 11, 2010. Optional Benefits include:

- Supplemental Life Insurance
- Accidental Death and Dismemberment
- Survivor Benefits
- Short-term and Long-term Disability
- Dependent Care Assistance Plan (DCAP)

In addition to e-mail reminders, we will send each employee a packet with information on the available benefits, their costs, and instructions for enrolling using our online benefit enrollment system.

Remember that you will need your PIN to enroll. To ensure you have a working PIN, try it on our website at doa.alaska.gov/drb. Click on Insurance Enrollment in the gold bar at the top of the page and log in:

- If you cannot remember your PIN, click on login to myRnB to access your Member Services account. To use myRnB, you will need a myAlaska username and password, the same ones you use to apply for a Permanent Fund Dividend (PFD).
- Once logged in to myRnB, click on “Member Services” then click on Create/Change your PIN.

If you’d like a headstart on open enrollment, you can review your current benefits once you are logged in to your account. You can find more information on Optional Benefits under Programs, Insurance Benefits/AlaskaCare, Employees at doa.alaska.gov/drb.

Note: This may be the last year you receive a printed copy of your enrollment packet. In an effort to streamline the open enrollment process, the Division of Retirement and Benefits intends to move away from printed booklets and personal fact sheets. Accessing all your information online will simplify the process, help us provide better customer service to you, and provide additional security to your personally identifiable information.

Feedback on electronic communications survey

Thanks to all who participated in our electronic communications survey, whether by taking it online, calling us on the phone to give us your feedback, or sending us a letter. This was just a survey to gauge your response to the idea of electronic communications. We are not yet taking any action.

A total of 675 people responded to the survey and, of those, 69% were retired members. A majority of all members responding (72.1%) said they would be interested in receiving information from the division electronically instead of by regular mail, especially newsletters. Nearly 96% of you would like to receive newsletters electronically, followed by payroll and benefit check advices (75.4%), premium change notifications (70.3%), and post retirement pension adjustments (PRPAs, 69.5%). A little over 5% (of the 675 respondents) contacted us by phone or letter, saying you did not have a computer. (We entered your response into the online survey so that your opinions would be counted and your comments noted.)

Some of you asked for an online “archive” where you can download current and past issues of the PERS and TRS newsletters. The Newsbreaks (and other newsletters) are available online at the Newsletters link (under Quick Links, Publications) on our home page at doa.alaska.gov/drb/newsletters.
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

Abernathy, Charles F
Abramson, Richard
Barr, Twyla D
Backiel, Adela
Byrne, Tatiana A

Cabalian, Joselito A
Caballero, Kathleen E
Cabinboy, Jason J
Daggett, James R
Damitio, Melanie A

Davidochkin, Vladimir I
Eash, June R
Ebert, Terri
Fairbanks, Dana
Gangwer, Gina L

Hadnot, Paulette
Ignatin, Matthew
Jakiemiec, Kristine M
Lestenkof, Gregory T
Mesina, Romeo

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.

Almond, Eddy
Berkley II, Eddie L
Bruns, Charles T
Chaney, Evelyn B
Collins, Gayle L
Dilley, Margaret

Faraci, Roseann
Filburn, Timothy L
Grigsby, Delight
Hare, Nora C
Hermann, Carolyn R
Hill, Rebecca D

Huchingson, Curtis L
Mars, Linda H
Masingill Jr, Artis C
Moody, Marilyn D
Okomailuk, Dorcas S
Pfeifer, Edna B

Polis, Angie
Sullivan, David M
Vierthaler, Constance
Vinson, Gerald
Wilson, Elizabeth
Yatchmeneff, Dolly M

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.

Retirement & Benefits Three-Day Workshops

<table>
<thead>
<tr>
<th>Fairbanks</th>
<th>Soldotna</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Princess Hotel</strong></td>
<td><strong>Kenai Peninsula College</strong></td>
</tr>
<tr>
<td>11:30 a.m. – 7:30 p.m.</td>
<td>April 8, 2010</td>
</tr>
<tr>
<td>11:30 a.m. – 7:30 p.m.</td>
<td>April 9, 2010</td>
</tr>
<tr>
<td>9:00 a.m. – 5:30 p.m.</td>
<td>April 10, 2010</td>
</tr>
<tr>
<td>1:00 – 8:00 p.m.</td>
<td>May 13, 2010</td>
</tr>
<tr>
<td>1:00 – 8:00 p.m.</td>
<td>May 14, 2010</td>
</tr>
<tr>
<td>10:00 a.m. – 5:30 p.m.</td>
<td>May 15, 2010</td>
</tr>
</tbody>
</table>

Workshops are on a first-come, first-seated basis. For workshop schedules and descriptions, check the Seminar page on our website at doa.alaska.gov/drb. For questions about the Fairbanks workshops, contact Pam Couzin by e-mail at pam.couzin@alaska.gov. For questions about the Soldotna workshops, contact Judy Hall by e-mail at judy.hall@alaska.gov. Or, call 800-821-2251.
The PERS Newsbreak is published three times per year by the Division of Retirement and Benefits.

Patrick Shier, Director and Administrator
Barbara Kelly, Editor
Printed on recycled paper

Alaska Division of Retirement and Benefits
State Office Building
333 Willoughby Ave., 6th Floor
PO Box 110203
Juneau, AK 99811-0203
Toll free 1-800-821-2251
Juneau (907) 465-4460 Fax: (907) 465-3086
TDD hearing impaired: (907) 465-2805

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

April 22-23, 2010
Anchorage Marriott Downtown Hotel

June 24-25, 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.