
Glossary

Active Member

A member who is employed by a PERS employer and receiving compensation for seasonal, permanent full-time, or permanent part-time services. A member must be making contributions to the PERS to be considered active.

Actuarial Adjustment

Equality in value of the aggregate expected payments under two different forms of pension payments, considering expected mortality and interest earnings on the basis of tables adopted from time to time by the Public Employees' Retirement Board.

Alternate Service Option

Membership service calculated under the provisions of the Teachers' Retirement System based on a full year of credit for a minimum of 172 days of service. The maximum allowable credit for service between July 1 and June 30 is one year even if the number of days worked exceeds 172. Permanent part-time service will be credited based on 50% of the number of days. The employee contributions due to the PERS under this election are currently 9.6% of salary. This election is irrevocable for all periods of school district employment except in certain circumstances.

Average Monthly Compensation or AMC

The result obtained by dividing the compensation earned by an employee during a considered period by the number of months, including fractional months, for which compensation was earned; an employee must have at least 115 days of credited service in the last payroll year in order for that year to be used as part of the consecutive payroll years; the considered period consists of:

- ◆ For employees first hired before July 1, 1996 (Tier I or II), the three consecutive payroll years during the period of credited service that yield the highest average;

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- ◆ For employees first hired on or after July 1, 1996 (Tier III), the five consecutive payroll years during the period of credited service that yield the highest average;
- ◆ If the employee does not have the number of consecutive payroll years required, the actual number of months, including fractional months, that the employee worked;
- ◆ For an employee who has made an election under the Alternate Service Option, the actual number of months, including fractional months, that the employee worked.

Beneficiary

The person designated by a member to receive the benefit that may be due from the PERS upon the member's death. It is important that the beneficiary designation be kept up to date.

BIA

Bureau of Indian Affairs.

Board

The Alaska Retirement Management Board.

Calendar Year

The period beginning on January 1 and ending on December 31.

Compensation

The remuneration earned by an employee for personal services rendered to an employer, including employee contributions, cost-of-living differentials, payments for leave that is actually used by the employee, the amount by which the employee's wages are reduced and any amount deferred under an employer-sponsored deferred compensation plan, but does not include retirement benefits, severance pay or other separation bonuses, welfare benefits, per diem, expense allowances, workers' compensation payments, or payments for leave not used by the employee whether those leave payments are scheduled payments, lump-sum payments, donations, or cash-ins; for a member first hired on or after July 1, 1996, compensation does not include remuneration in excess of the limitations set out in Internal Revenue Code.

Court-Certified Document

The clerk's act of copying an original document on file with the court and swearing in writing that it is a full, true, and correct copy of the original document which is on file with the court.

Credited Service

The number of years, including fractional years, recognized for computing benefits that may be due from the system.

Deferred Vested Member

An inactive member who meets the five-year credited service requirement to qualify for a retirement benefit.

Defined-benefit plans

Pensions based on years of service and salaries. Retirees receive a defined monthly check, with the employer taking on the investment risk of the retirement funds. Most state, municipal and school employees around the nation belong to such plans.

Defined-contribution plans

Retirement savings accounts based on employee and matching employer contributions. If the employee's investment choices perform poorly, or if the employee contributes little to the account, the employee receives less money at retirement. More private employers are switching to defined contribution plans to lessen their financial risk and to allow their workers to take the money with them when they change jobs.

Dependent Child

An unmarried child of a member, including an adopted child, who is dependent upon the member for support and less than 19 years old, or less than 23 years old and is registered at and attending on a full-time basis an accredited educational or technical institution recognized by the Department of Education and Early Development. There is no age restriction if the child is totally and permanently disabled.

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Disabled Member

An employee who is terminated, who has not received a refund from the system and is receiving a disability benefit from the system.

Early Retirement

A member is eligible for an early retirement benefit upon completing the service requirements and attaining either age 50 years (Tier I) or age 55 years (Tier II and III).

Elected Official

A person whose compensation results from personal services rendered to an employer as an elected representative.

Employee Contribution Account

The total maintained by the system of the employee's mandatory contributions, voluntary contributions, indebtedness principal and interest contributions, interest credited to each of those accounts, and adjustments to the accounts.

Employer

- ◆ The State of Alaska;
- ◆ A nonprofit regional corporation, but only with respect to village public safety officers employed by the corporation who have not terminated participation in the system; or
- ◆ A political subdivision or public organization of the state that participates in the system.

Entry Date

The date when a person who is employed by a PERS employer begins receiving compensation on a full-time or part-time basis and is making contributions to the PERS.

Fiscal Year

The period beginning on July 1 and ending on June 30 of the following calendar year.

Former Member

An employee who is terminated and who has received a total refund of the balance of the employee contribution account, or who has requested in writing a refund of the balance in the employee contribution account, or who is eligible for a refund under AS 39.35.200(b).

Inactive Member

An employee who is terminated and who has not received a refund from the PERS or an employee on leave-without-pay status or layoff status. An inactive member does not make contributions to the PERS.

JRS

Judicial Retirement System.

Member or Employee

A person eligible to participate in the system and who is covered by the system. Includes:

- ◆ An active member;
- ◆ An inactive member;
- ◆ A vested member;
- ◆ A deferred vested member;
- ◆ A nonvested member;
- ◆ A disabled member;
- ◆ A retired member; and
- ◆ An elected public officer.

Does not include:

- ◆ Former members;
- ◆ Persons compensated on a contractual or fee basis;
- ◆ Casual or emergency workers or nonpermanent employees;
- ◆ Persons covered by the Alaska Teachers' Retirement System, or persons covered by the optional university retirement program;
- ◆ Employees of the division of marine transportation engaged in operating the state ferry system who are covered by a union or group retirement system to which the state makes contributions;

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- ◆ Justices of the supreme court or judges of the court of appeals or of the superior or district courts of Alaska;
- ◆ Employees excluded from coverage in the employer's participation agreement.
- ◆ The administrative director of courts unless the director becomes a member;
- ◆ Members of the Elected Public Officers' Retirement System; and
- ◆ Contractual employees of the legislative branch of state government.

Military Service

Active duty service in the armed forces of the United States.

Nonoccupational Disability

A physical or mental condition that, in the judgment of the administrator, presumably permanently prevents an employee from satisfactorily performing the employee's usual duties for an employer or the duties of another position or job that an employer makes available and for which the employee is qualified by training or education, not including a condition resulting from a cause that the Board, in its regulations has excluded.

Nonvested Member

An active or inactive member who does not meet the five-year credited service requirement to qualify for a retirement benefit.

Normal Retirement

Retirement for a member who is eligible to receive unreduced benefits.

Occupational Disability

A physical or mental condition that, in the judgment of the administrator, presumably permanently prevents an employee from satisfactorily performing the employee's usual duties for an employer or the duties of another comparable position or job that an employer makes available and for which the employee is qualified by training

or education; however, the proximate cause of the condition must be a bodily injury sustained, or a hazard undergone, while in the performance and within the scope of the employee's duties and not the proximate result of the wilful negligence of the employee.

ORP

University of Alaska Optional Retirement Program.

Payroll Year

The period that includes the first pay period ending in January of a year through the last pay period ending in December of that year.

Peace Officer or Fire Fighter

An employee occupying a position as a peace officer, chief of police, regional public safety officer, correctional officer, correctional superintendent, fire fighter, fire chief, or probation officer, but does not include a village public safety officer employed by a village public safety officer program.

Pension Fund "Fund"

The fund in which the assets of the system, including income and interest derived from the investment of money, are deposited and held.

Permanent Full-time

An employee who is occupying a permanent position that regularly requires working 30 or more hours a week.

Permanent Part-time

An employee who is occupying a permanent position that regularly requires working at least 15 hours but less than 30 hours a week.

PERS

Public Employees' Retirement System.

PERS Administrator

The person appointed by the Commissioner of Administration.

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Prescribed Rate of Interest

The rate of interest used for computing employer contributions, for preparing actuarial tables used by the system and for crediting interest to employee contributions and savings accounts, and for charging interest on employee indebtedness accounts.

PRPA

Post Retirement Pension Adjustment.

Public Organization

An organization or entity:

- ◆ Created by the constitution or laws of the state for the purpose of administering state programs;
- ◆ Whose officers and employees are paid by a method other than by the state payroll prepared by the Department of Administration; and
- ◆ Whose employees are not required by law to participate in the system.

Qualified Domestic Relations Order

A QDRO is a specialized court order that sets out the portion of your benefit that must be paid to your former spouse.

Retired Member

An employee who is terminated, who has not received a refund from the system and is receiving a benefit other than disability, from the system.

Retirement

That period of time from the first day of the month following the date of termination and application for retirement, in which a person is appointed to receive a retirement benefit, other than an occupational or nonoccupational disability benefit.

Seasonal

Refers to an employee who is occupying a position for less than 12 months each year where it is anticipated that the same employee will return to the position when needed and includes a temporary employee of the legislature if part of the service for the legislature during each calendar year is performed during a legislative session.

Standard Service Option

Membership service calculated based on actual dates of employment in accordance with PERS regulations. This election grants credit on a day-for-day basis for the actual time worked between January 1 and December 31 of each year. Part-time service will be credited on a pro-rata basis of hours worked. The employee contribution to PERS are currently 6.75% of salary. This election is irrevocable for all periods of school district employment except in certain circumstances.

Surviving Spouse

The spouse of an employee who has been married to the employee for at least one year at the time of the employee's death; the one-year marriage requirement does not apply when the employee's death was an occupational or accidental death.

System

The Public Employees' Retirement System of Alaska.

Tier

Members who first entered in a PERS position:

- ◆ Before July 1, 1986, are in Tier I;
- ◆ On or after July 1, 1986, but before July 1, 1996, are in Tier II;
- ◆ On or after July 1, 1996, are in Tier III.

