
Service Credit

The cornerstone of the TRS DB Plan retirement benefit is a pension calculated using a formula that includes your entry date, years of service, and final average salary. Service can include direct TRS membership service and other forms of service credit that can be claimed by members.

Membership Service Credit

You receive credit for membership service based on the number of days worked during the school year from July 1 to June 30 of the following year. Membership service is credited as follows:

Membership Service Chart

Full-time Service Minimum Requirements

Days Worked	Service Credit
0 to 8 days	= no credit
9 to 26 days	= 0.1 year
27 to 44 days	= 0.2 year
45 to 62 days	= 0.3 year
63 to 80 days	= 0.4 year
81 to 99 days	= 0.5 year
100 to 117 days	= 0.6 year
118 to 135 days	= 0.7 year
136 to 153 days	= 0.8 year
154 to 171 days	= 0.9 year
172 days or more	= 1.0 year

Service performed on a part-time basis will be credited in proportion to the amount of credit that would have been received for service performed on a full-time basis. For example, if you work 188 days and you work 75 percent of the time, you will accrue 0.7 years of service.

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You are not eligible for TRS coverage if:

- ◆ You work less than 50 percent of the normal work week or work day on a regular basis; or
- ◆ You are employed as an assistant, graduate assistant, or are teaching on a substitute, temporary, or per diem basis.

Reinstatement of Refunded Service

If you refunded your TRS contribution account either voluntarily or involuntarily, you may reinstate your refunded service by paying back the full amount of the refund plus interest.

If you elected a voluntary refund, you must be reemployed in the TRS or PERS to reinstate your refunded service.

If your account was refunded involuntarily, you do not have to be reemployed to reinstate your refunded service.

Refunded service is not reinstated unless it is paid in full.

WARNING

You must request reinstatement of your refunded service prior to July 1, 2010. If you have not requested reinstatement on July 1, 2010, you will forfeit your service and your benefit tier.

Sabbatical Leave Credit

Sabbatical leave is membership service and counts toward vesting and retirement eligibility. You may receive membership credit if:

- ◆ You have been granted an approved sabbatical leave;
- ◆ You pay the employee contributions and your employer pays the employer contributions to the TRS each month based on the salary you earn while on sabbatical leave; and

- ◆ You return to your teaching position for a full year after your sabbatical leave ends. If you are unable to return because of sickness, injury, or death, this requirement does not apply.

When you retire, the actual salary that you were paid while on sabbatical leave will be used in the benefit calculation if it is one of your three highest.

Claimed Service

You may purchase certain types of service credit in order to increase the number of service years used in the calculation of your retirement benefit. The cost differs depending on the type of service you are eligible to claim.

The following types of service credit can be purchased in the TRS:

- ◆ Leave of absence without pay/inactive credit;
- ◆ Alaska Bureau of Indian Affairs credit;
- ◆ Outside service (teaching service outside the Alaska TRS) credit; and
- ◆ Military service credit.

Leave Without Pay

Leave without pay (LWOP) is different from sabbatical leave. TRS contributions are required and are based on your normal salary. **(Please note:** LWOP does not count towards vesting or retirement eligibility.) There are two kinds of LWOP. If you wish to claim the service while you were on LWOP see the information for each kind below.

Active LWOP

You must pay both the employee and employer contributions to the TRS each month, while you are on active LWOP. Contributions are pretax and are paid through your payroll office.

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Inactive LWOP

You are not required to pay TRS contributions while on inactive LWOP. However, when you return to work and wish to claim inactive LWOP, an indebtedness will be established for all unpaid contributions, including interest.

Bureau of Indian Affairs (BIA) Service Credit

You may claim service as a full-time certified teacher in a position which requires a teaching certificate as a condition of employment, or a professional educator in an Alaskan BIA school. Alaska BIA service may count toward vesting and retirement eligibility. The cost is based on your entry in the Alaska TRS after the service was performed. If your entry was before July 1, 1970, you will be charged 5 percent of base salary for each year of Alaska BIA. If your entry was after June 30, 1970, you will be charged 7 percent of base salary for each year of Alaska BIA and if your entry was after June 30, 1990, the charge is 8.65 percent of base salary.

If you receive a federal benefit based on the same Alaska BIA service, the TRS will offset their benefits by the amount you receive in federal benefits for that service.

Outside Service Credit

To receive TRS credit for employment in an out-of-state or Alaska private school, your employment must have been:

- ◆ In a certificate required position, such as full-time elementary or secondary, or working full-time in schools supported with U.S. government funds, or
- ◆ In a full-time position in an out-of-state institution of higher learning, requiring academic standing and accredited by a nationally recognized accrediting agency listed in the Education Directory, Colleges and Universities, by the National Center for Educational Statistics, or
- ◆ In a full-time position in an approved or accredited nonpublic institution in Alaska.

You may claim up to ten years of outside service. Only full years are eligible, however, if you are claiming military service served prior to your TRS employment, the combined total may not exceed ten years.

In some cases, outside service may count toward vesting and retirement eligibility.

The cost to purchase outside experience will vary depending upon your entry date and entry base salary after the service was performed in the Alaska TRS. Please contact the Division of Retirement and Benefits for cost information.

Call to Active Duty Military Service

If you are called to active duty either voluntarily or involuntarily during your active TRS service and you return to a TRS employer within one year of honorable discharge from active duty, your military service is considered membership service time. You will need to submit a written request, along with a copy of your military discharge papers, to have this service time credited. TRS members must pay the employee contributions that would have been due for the period.

Claim for Prior Military Service

You can purchase up to five years of active service including active duty National Guard time served prior to your entry into the TRS. If you first entered the TRS after June 30, 1990, and are eligible for a federal benefit based on the same service, you cannot claim the service in the TRS. The cost for eligible service is 7 percent of your base salary for each year claimed, if you were hired prior to July 1, 1990, or 8.65 percent of your base salary for each year claimed, if you vested after June 31, 1990.

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Claiming Simultaneous PERS and TRS Service

Members cannot receive duplicate credit in PERS except as an elected official. Benefits are payable under the PERS Alternate Benefit for Elected Officials if you are retired in the TRS and you meet the following:

- ◆ the service occurs while you are a full-time TRS employee;
- ◆ the service is with a municipality or political subdivision that is participating in the PERS at the time the elected service occurs;
- ◆ you are compensated for the elected service; and
- ◆ you pay the mandatory PERS contributions for the elected service (6.75 percent of salary).

Indebtedness Payments

When you apply to the Division to claim service, an indebtedness will be established for the contributions that would have been paid during that period of time, as well as interest that has accrued. After your indebtedness is established, you may make payments over time or in a lump sum, either pretax or post-tax. Automatic payroll deductions may be arranged through your payroll office or payments may be sent directly to the TRS. Interest, at the prescribed rate, will be added each month to your indebtedness until it is paid in full or you start receiving benefits, whichever occurs first.

You may make payments even if you terminate TRS employment. If you request a refund of your TRS account, payments will not be accepted unless you become reemployed by a TRS employer in a TRS-eligible position or become an active member of the Public Employees' Retirement System (PERS). There are exceptions under the Conditional Service Benefit.

If your indebtedness is not completely paid when you retire, you may elect one of several payment options. If you first entered the TRS:

- ◆ After June 30, 1982, you may elect to have your monthly retirement benefit reduced for life according to the appropriate actuarial factor;

- ◆ After June 30, 1980, and prior to June 30, 1982, you may elect to have your monthly retirement benefits withheld until they equal the indebtedness due or to have them reduced for life according to the appropriate actuarial factor; or
- ◆ Before July 1, 1980, you may elect to have your monthly benefit reduced for life by an amount equal to 0.008333 of the indebtedness due (10 percent annually), to have your monthly retirement benefits withheld until they equal the indebtedness due, or to have them reduced for life according to the appropriate actuarial factor.

WARNING: Once you start receiving benefits, the payment option selected may not be changed.

The actuarial indebtedness factors that are used to calculate reductions are subject to change based on the system's experience and anticipated future trends. You are entitled to the best set of factors in effect during your TRS employment. Sample factors are found in the Appendix. If you need specific factor information, contact the Division.

If the reduction for your claimed service causes your benefit to be less than it would be without the service, that service will not be included in the benefit calculation and any indebtedness payments you made will be refunded to you.

NOTE:

Indebtedness for refunded service must be paid in full prior to retirement if the service will be used to meet retirement eligibility requirements (see Minimum Requirements for service-based retirement on page _____).

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Using Pretax Dollars to Pay Your Indebtedness or Purchase Service Credits

Under certain circumstances, you can pay your indebtedness and purchase service credits (i.e., outside service) in the TRS through the use of a pretax transfer of money from certain plans. Please contact the Division's Accounting Section for more information about pretax payments.