

GLOSSARY

Active Member

A member who is working for a TRS employer and receiving compensation on a full-time or part-time basis; on sabbatical leave approved by the employer; or on active leave of absence without pay approved by the employer. A member must be making contributions to the TRS to be active.

Actuarial Adjustment

An adjustment to the basic calculation of a pension payment based on age, expected lifetime and interest earnings to provide a pension of equal value under different benefit options.

Annuitant

A retired member or a disabled member who is receiving a benefit under this system.

Average Base Salary

The result obtained by dividing the sum of the member's three highest years' base salary by three, or if a member does not have three years base salary, then by dividing the sum of all base salaries by the number of years of base salary; the base salary in a school year for which the member receives compensation for less than two-thirds of a year may not be used in the computation of the average base salary; if compensation is received for more than two-thirds of a year, the full base salary for that school year shall be used in the computation of the average base salary.

For members converting from a disability to normal retirement, the base salary for a year in which credit is granted for disability totaling more than one-third of a year may not be used in the computation of the average base salary.



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Base Salary

The total remuneration payable under contract for a full year of membership service, including addenda to the contract but, for a member first hired on or after July 1, 1996, does not include remuneration in excess of the limitations set out in 26 U.S.C. 401(a)(17).

Has the same meaning as “compensation” when applied to a state legislator who elects membership.

Beneficiary

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

Bureau of Indian Affairs (BIA) Service

Service, including partial years, as a teacher, a certificated person employed in a full-time position requiring a teaching certificate as a condition of employment, or a Bureau of Indian Affairs professional educator in a school or school system contracted or operated by the Bureau of Indian Affairs in Alaska.

Board

The Alaska Retirement Management Board.

Compensation

The total remuneration paid under contract to a member for services rendered during a school year, including cost-of-living differentials, payments for leave that is actually used by the member, the amount by which the member's wages are reduced under the PERS alternative service option, and the amount deferred under an employer-sponsored deferred compensation plan or the tax shelter annuity plan approved by the Department of Education and Early Development, but does not include retirement benefits, welfare benefits, per diem, expense allowances, workers' compensation payments, or payments for leave not used by the member, whether those leave payments are scheduled payments, lump-sum payments, donations, or cash-ins; compensation paid includes any payment made after June 30 of a school year for services rendered before the end of the school year.

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

All membership service, territorial employment, plus outside, military, and Alaska BIA service, with outside and military service limited to 10 years except under certain conditions. For purposes of eligibility for benefits, service for which no indebtedness is owed.

Deferred Vested Member

An inactive member who meets the service requirements of a vested member.

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 reduce 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 is less than 19 years old, or less than 23 years old and 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.

Disabled Member

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

Early Retirement

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

Employer

A public school district, the Board of Regents of the University of Alaska, the Department of Education and Early Development, the National Education Association of Alaska, the Regional Resource Centers, or the state legislature with respect to a state legislator who elects membership under AS 14.25.040(b).

Entry Date

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

Former Member

A member who is terminated and who received a total refund of the balance of the mandatory contribution account, or who has requested in writing a refund of the balance of the mandatory contribution account.

Full-Time Teacher

A teacher occupying a position requiring teaching on a regular basis for the normal work period per day or week at a teaching assignment, excluding teaching as an assistant or graduate assistant or teaching on a substitute, temporary, or per diem basis.

Inactive Teacher or Member

A member who is terminated and who has not received a refund from the system or a member who is on leave of absence and who is not making contributions under the provisions of leave of absence without pay. An inactive member does not make contributions to the TRS.

Member Contribution Account

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



Membership Service

- Full or part-time service as a teacher in a public school in the Territory or State of Alaska, or both, under the supervision and control of the Territorial Board of Education or the Department of Education and Early Development or the school board of a city, regional educational attendance area, or borough school district;
- Full-time or part-time teaching at the University of Alaska or a full-time administrative position at the University of Alaska that requires academic standing and has been approved for inclusion in the system by the administrator;
- Any period during which the teacher receives a disability benefit under this system or is on an approved sabbatical leave;
- Continuous service as a state legislator when performed by a state legislator who elects membership;
- Full-time or part-time service as an employee of the Special Education Service Agency; or
- Full-time or part-time service as an Alaska Native language or culture expert.

Military Service

Active duty in the armed forces of the United States.

Nonpublic School

A school established by an agency other than a state that is primarily supported by other than public funds, and operation of whose program rests with other than publicly elected or appointed officials, and is state approved or accredited.

Nonvested Member

An active or inactive member who does not meet the requirements of a vested member or deferred vested member.

Normal Retirement

A member is eligible for a normal retirement benefit if the member:

- Was first hired before July 1, 1975, has attained the age of 55 years, and has at least 15 years of credited service, the last five of which have been membership service or is otherwise vested in the system;
- Has attained the age of 60 years and has at least eight years of membership service;
- Has attained the age of 60 years, has at least five years of membership service, and has Alaska BIA service which, when added to the membership service, will equal at least eight years;

- Has at least 25 years of credited service, the last five of which have been membership service;
- Has at least 20 years of membership service;
- Has at least 20 years of combined membership service and Alaska BIA service, the last five of which have been membership service; or

Has, for each of 20 school years,

- At least one-half year of membership service as a part-time teacher;
- One full year of membership service as a full-time teacher; or
- Any combination of service.

University of Alaska Optional Retirement Program (ORP)

Through the University of Alaska Optional Retirement Program eligible employees may waive their TRS membership and enroll in the University's optional plan. Those who do not enroll in the ORP are automatically covered under the TRS. University employees should contact the TRS for information about TRS benefits before enrolling in the ORP. When enrollment in ORP is received by the Board of Regents, it may not be changed.

Outside Service

Service for full years;

- As a certificated full-time elementary or secondary teacher or a certificated person in a full-time position requiring a teaching certificate as a condition of employment in an out-of-state public school within the United States, or in a school outside the United States supported by funds of the United States;
- As a certificated full-time elementary or secondary teacher or a certificated person in a full-time position requiring a teaching certificate as a condition of employment in an approved or accredited nonpublic school within the United States, or in a school outside the United States supported by funds of the United States;
- In a full-time position requiring academic standing in an out-of-state institution of higher learning accredited by a nationally recognized accrediting agency as listed in the Education Directory - Colleges and Universities by the National Center for Education Statistics;
- As a full-time teacher in an approved or accredited nonpublic institution of higher learning in Alaska.

Part-Time Teacher

A teacher occupying a position requiring teaching on a regular basis for at least 50 percent of the normal workweek at a teaching assignment, excluding teaching as an assistant or graduate assistant, or teaching on a substitute, temporary, or per diem basis.

Permanent Disability

A physical or mental condition that, in the judgment of the administrator, based upon medical reports and other evidence satisfactory to the administrator, presumably prevents a member from satisfactorily performing the member's usual duties for the member's employer or the duties of another position or job that an employer makes available for which the member is qualified by training or education.

PERS

Public Employees' Defined Benefit Retirement System.

Prescribed Rate of Interest

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

Post Retirement Pension Adjustment (PRPA)

Post Retirement Pension Adjustment, or PRPA, is an increase to benefit payments when the cost of living increases. It is based on the consumer price index (CPI) for urban wage earners and clerical workers for Anchorage.

Public School

A school operated by publicly elected or appointed school officials in which the program and activities are under the control of those officials and that is supported by public funds.

Qualified Domestic Relations Order (QDRO)

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

Retired Teacher or Member

A member who is terminated, who has not received a refund from the system, and who 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 a disability benefit.

Retirement Benefit

The annuity received by a retired member from the system.

Retirement Fund

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

School Year

The 12-month period beginning July 1 of each year and ending June 30 of the following year.

Supplemental Contribution Account

The account maintained by the system to record the supplemental contributions of each member, including interest and adjustments to the account.

System

The Teachers' Retirement System of Alaska.

Teacher or Member

A person eligible to participate in the system and who is covered by the system, limited to:

A certificated full-time or part-time elementary or secondary teacher, a certificated school nurse, or a certificated person in a position requiring a teaching certificate as a condition of employment in a public school of the state or in the Department of Education and Early Development;

- A full-time or part-time teacher of the University of Alaska or a person occupying a full-time administrative position at the University of Alaska that requires academic standing; the approval of the administrator must be obtained before an administrative position qualifies for membership in the system; however, a teacher or administrative person at the university who is participating in the optional university retirement program is not a member under this system;
- A state legislator who elects membership.

Territorial Employment

Nonteaching employment with the Territory of Alaska; territorial employment is not membership service.

Tier

A measurement of a time in which you first entered employment with an employer who participates in the TRS.

Members who first entered a TRS position:

- Before July 1, 1990, are in Tier I;
- On or after July 1, 1990, but before July 1, 2006 are in Tier II.

TRS Administrator

The person appointed by the Commissioner of Administration.

TRS

Teachers' Retirement System.

Vested Member or Vested Teacher

An active member who has completed either:

- 15 years of service, the last five of which have been membership service, for a member first hired before July 1, 1975;
- Eight years of membership service;
- Five years of membership and three years of BIA service; or
- 12 school years of part-time membership service or 12 school years in each of which the member earned either part-time or full-time membership service.



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Year of Service

Service, except for military and territorial service, during the dates set for a school year; partial-year service credit is given for membership and BIA service as follows:

Before July 1, 1969, during any school year,

- less than 20 days, no credit;
- 20 days or more but less than 35 days, 0.2 years;
- 35 days or more but less than 49 days, 0.3 years;
- 49 days or more but less than 63 days, 0.4 years;
- 63 days or more but less than 77 days, 0.5 years;
- 77 days or more but less than 91 days, 0.6 years;
- 91 days or more but less than 105 days, 0.7 years;
- 105 days or more but less than 119 days, 0.8 years;
- 119 days or more but less than 133 days, 0.9 years;
- 133 days or more, 1.0 years.

On or after July 1, 1969, during any school year,

- less than nine days, no credit;
- nine days or more but less than 27 days, 0.1 years;
- 27 days or more but less than 45 days, 0.2 years;
- 45 days or more but less than 63 days, 0.3 years;
- 63 days or more but less than 81 days, 0.4 years;
- 81 days or more but less than 100 days, 0.5 years;
- 100 days or more but less than 118 days, 0.6 years;
- 118 days or more but less than 136 days, 0.7 years;
- 136 days or more but less than 154 days, 0.8 years;
- 154 days or more but less than 172 days, 0.9 years;
- 172 days or more, 1.0 years.

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.

