

I – Overview of the TRS

Welcome to the State of Alaska Teachers' Retirement System Employer Manual. This manual is designed to be your resource guide when you have questions regarding the Teachers' Retirement System (TRS), and to identify who to contact to get answers if you have additional questions.

Reporting Contact – Accounting

Alaska.gov/drb/employer

- Payroll Reporting
- Payroll Payment
- Employer Contribution Rates
- Late Fees
- Employer On-behalf
- eReporting Questions

Benefits Contact – Regional Counselor

Alaska.gov/drb/reps

- Eligibility and Entitlement
- Member Classification
- Retirement Education

This summary provides a brief overview of the system, including both the Defined Benefit and Defined Contribution Plans. **Throughout this manual, a “member” is one who participates in and is eligible for coverage under the TRS system.**

Defined Benefit Retirement Plan

The original plan established in 1955 is a Defined Benefit (DB) Plan.

Members are those who first entered the TRS:

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

The benefits under this plan are defined in Alaska Statute and the pension is based on a formula. Included with the monthly pension are medical benefits also paid by the retirement system. The plan also offers disability and death benefits.

Defined Contribution Retirement Plan

The second plan established on July 1, 2006 is a Defined Contribution Retirement (DCR) Plan.

Members are those who first entered the TRS:

- On or after July 1, 2006, are in Tier III.

The DCR Plan is a hybrid plan that includes benefits for occupational death, occupational disability and retiree health care in addition to the defined contribution retirement income benefit. Members can elect to participate in the State of Alaska's retiree major medical insurance plan. Additional health benefits include a medical expense reimbursement account funded entirely by employer contributions.

Statutes and Regulations

Alaska.gov/drb/trs/employee/resources/statsRegs.html

NOTE: For detailed information regarding the TRS, please refer to Alaska Statute 14.25, 14.20, 14.40, 39.30 and Alaska Administrative Code 2 AAC.36. This manual is only a summary. The TRS statutes and regulations will prevail whenever there is a difference in interpretation between this handbook and the statutes or regulations.

Administration of the TRS

The Chief Pension Officer of the Division of Retirement and Benefits (Division) serves as the Administrator of the TRS by appointment of the Commissioner of Administration. The Administrator oversees the day-to-day operation of the system.

The Alaska Retirement Management Board (ARMB) assumed fiduciary responsibility for the assets of the state's retirement systems as of October 1, 2005.

The Systems and Plans for which the ARMB manages and invests funds are the:

- Teachers' Retirement System
- Public Employees' Retirement System
- Judicial Retirement System
- National Guard/Naval Militia Retirement System
- Alaska Supplemental Annuity Plan
- Alaska Deferred Compensation Plan
- Alaska Defined Contribution Plan – TRS and PERS

The board consists of nine trustees and is staffed by the Department of Revenue - Treasury Division. The board appoints an Investment Advisory Council (IAC) composed of three members who possess experience and expertise in financial investments and management of investment portfolios. The ARMB also contracts with an external consulting firm for assistance with asset allocation, strategy, performance measurement, general consulting purposes and with a consulting firm for assistance with investing the real estate portfolio.

Alaska Retirement Management Board (ARMB)

Treasury.dor.alaska.gov/armb

II – Payment of Contributions

Requirements for Timely Reporting

Employer and member contributions should be transmitted to the plan for deposit in the retirement fund as soon as practicable following the close of each payroll period.

If the contributions are not submitted within 15 days of the close of each payroll period, interest will be assessed on the outstanding contributions at one and one-half times the most recent actuarially determined rate of earnings for the plan, effective the date that the contributions were originally due.

Employers who have not paid their contributions to the plan may be terminated from participation in the plan.

Consequences to the DCR Member and Employer for Late Reporting

The DCR member's account balance is comprised of contributions and investment gains and losses. If the contributions are reported late, the member may suffer substantial financial losses with market fluctuations and the employer may be assessed interest for late payment.

Effect of Enrolling DCR Member in Error

The employer is responsible for administrative fees, investment fees, and investment losses charged to accounts resulting from contribution adjustments because the employer enrolled a member in the DCR plan in error.

Refer to e-Reporting Manual for Other Questions

This web-based application provides employers who participate in the TRS an electronic method for reporting required payroll information. This application allows employers to report required information for both DB and DCR members.

eReporting User's Guide

Alaska.gov/drb/employer/ereporting/user_guide.html Paid for Through Employer Contributions



III – Employer Responsibility for Member Plan Education

Included in the employer contribution rate is funding to provide information and education to members of the TRS. This includes both DB and DCR members.

It is important that members of the TRS receive education and counseling on their retirement benefits as soon as they enter the plan. This education should continue throughout their employment to ensure that they have the tools they need to appropriately prepare for retirement.

Members should be encouraged to take advantage of additional savings plans the employer may offer such as 401 tax sheltered annuity plans, 403(b) plans or 457 deferred compensation plans.

Importance of Initial Seminars for DCR Members

When a DCR member retires, they will pay themselves in retirement based on the money accumulated in their accounts. With this in mind, it is important that they understand the investment options available to them and the suite of services offered through Reality Investing.

These members should be encouraged to attend the various retirement seminars presented by the Division and Great-West Retirement Services (GWRS). These seminars will provide them valuable information on Tier III entitlements and financial education on their retirement accounts.

Importance of Work Release Time for Seminar Attendance – Authority

As an employer, part of the full benefit package that you offer members is a retirement system. The Division strives to educate members on this valuable benefit you provide.

Employers are encouraged to allow members time off work to attend the various educational seminars presented by the Division and GWRS on their retirement accounts. This can be done by implementing a liberal leave policy, or allowing a flexed work week when local seminars are offered.

Importance of Field Visits

Retirement Regional Counselors provide regular on-site visits to areas throughout the State of Alaska. The field visit is a valuable tool to provide accurate and complete information to both the employer and the member. In addition, the Division offers “Benefit Fairs” in various areas of the state on a regular basis.

Regional Counselors provide the following services to the employers:

- Training in the benefits and entitlements of the TRS
- Interpretation of TRS statutes and regulations
- Classification of members

Regional Counselors provide the following services for members:

- Individual counseling appointments
- Seminars for large groups
- Job-site visits and small group meetings

If it is not possible for a retirement representative to physically visit a community, a regional counselor can provide seminars, group meetings, and individual counseling via teleconference, video conference and via the internet.

Assistance for Field Visits – What the Counselor Needs

When a regional counselor is visiting sites in the field, the employer's help is required to make the visit a success. The employer should encourage their members to attend the seminars and individual counseling appointments that are offered and they should allow them time from work to do so.

It is the employer's responsibility to designate an employer contact that will coordinate the visit with the Regional Counselor by securing a meeting space and scheduling the individual counseling appointments for members. It is important that the employer notify all their members of the date and time of the on-site visit. This will ensure that all members have the opportunity to meet with the retirement representative. This can be done by posting flyers in common areas, sending e-mails to all members, and announcing the visit in work site publications.



IV – Beneficiary Designations

The employer is required to provide newly hired members with the appropriate beneficiary forms for their applicable accounts. The most current beneficiary forms can be found on the Division Web site.

Beneficiary Forms Packet

Alaska.gov/drb/forms/beneficiary-forms.html

There are separate TRS beneficiary forms for DB and DCR members.

It is important that beneficiary forms are submitted timely for new members and updated on a regular basis for existing members. In the event of a death, the member's account will be paid based on their most recent valid beneficiary designation that the Division or its designee, Great-West Retirement Service has on file.

All married members who name someone other than their spouse as the primary beneficiary of their accounts must have the spouse's signature on the Spousal Consent section on the form.

If more than one beneficiary is named in the primary or contingent beneficiary category, the surviving beneficiaries in that category will share equally unless otherwise indicated.

If the primary and contingent beneficiaries die before the member does or if no beneficiary is named, the account will be paid based on the terms of the Plan Document or appropriate state law.

Members should use caution when designating a minor child as a beneficiary. When a minor child is designated as the beneficiary, the death benefit will be paid to the child's parent or legal guardian. Members may want to consider establishing a Trust for their minor child and designate the Trust as the beneficiary. They should provide the name and contact information of the Trustee on the form.

Changes to the designated beneficiary can be made by submitting a new beneficiary designation form at any time.

DB Process

The DB member will complete the *Beneficiary Designation Defined Benefit Plan for Active and Deferred Members* (02-822) and submit it directly to the Division address listed at the top of the form.

Alaska.gov/drb/pdf/forms/02-822.pdf

DCR Process

The DCR member will either complete the *Beneficiary Designation 401(a) Plan State of Alaska Teachers' Tier III Defined Contribution Retirement Plan* form (TRS Defined Contribution Retirement Plan Beneficiary Designation) and submit it directly to Great-West Retirement Services (GWRS) at the address listed on the last page of the form, or designate beneficiaries online at Akdrb.gwrs.com. Members can update their beneficiaries any time.

DCprovider.com/PDF/alaska/98214-05/98214-05_Beneficiary.pdf

Employer is Not the Agent or Designee of the Plan Administrator

Only beneficiary designation forms filed with the Division are considered valid. If your members submit forms to you and these forms are not forwarded to either the Division or to GWRS, whichever is appropriate, we cannot use the information provided on them. Only forms that have been received by the Division or GWRS will be used in the event of a member's death.

∞ TRS EMPLOYER MANUAL

