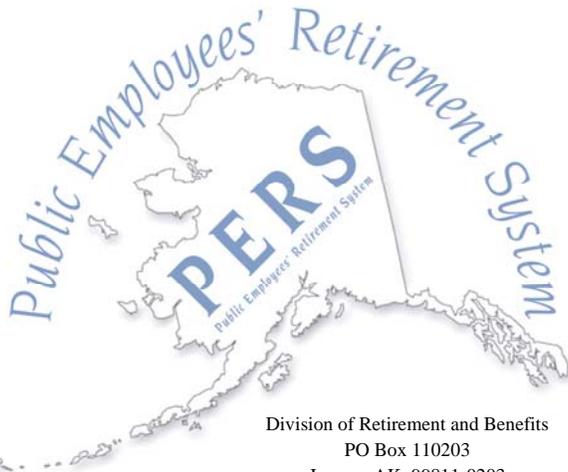




## **PERS Claimed Service for Tiers I, II, and III**



Division of Retirement and Benefits  
PO Box 110203  
Juneau, AK 99811-0203  
(907) 465-4460  
(800) 821-2251

Welcome to the Division of Retirement and Benefits presentation on claiming service in the Public Employees' Retirement System, commonly referred to as the PERS. This presentation applies to Tier I, II and III members of the PERS and does not apply to Tier IV members of the new Defined Contribution Retirement Plan.



## Introduction

- Understanding the requirements and benefits of claiming service.
- Tier I
  - Members who first entered the PERS before July 1, 1986.
- Tier II
  - Members who first entered the PERS after June 30, 1986, but before July 1, 1996.
- Tier III
  - Members who first entered the PERS after June 30, 1996, but before July 1, 2006.



This presentation was designed to help you understand the requirements and the benefits of claiming service for credit in the Public Employees' Retirement System. But first we will begin by defining Tiers I, II, and III:

You are a member of Tier I if you first entered the PERS before July 1, 1986.

You are a member of Tier II if you first entered the PERS after June 30, 1986, but before July 1, 1996.

And you are a member of Tier III if you first entered the PERS after June 30, 1996, but before July 1, 2006.



## Topics of Discussion

- Types of service that can be claimed.
- Requirements and process to claim service.
- Indebtedness.



The topics of discussion will be:

The various types of service that can be claimed;

The requirements and the process to claim service;

And

How to pay for the cost of the service once indebtedness is established.



## Claimed Service

- Claimed service may increase your lifetime retirement benefit.
- Some types of claimed service can be used toward vesting and retirement eligibility.



### 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.

Some types of claimed service can be used toward vesting and retirement eligibility.



## Types of service

- Military Service
- Temporary Service
- Workers' Compensation
- Village Public Safety Officer
- Earlier Service



The types of service that may be claimed include:

Military service;

Full-time temporary service;

Leave of Absence due to workers compensation;

Village Public Safety Officer service;

And

Earlier service.

Let's discuss each of these types of service in more detail.



## **Military Service**

- Periods of active military service.
- Calls to active military duty.



### **Military Service**

There are two types of military service that may be claimed for credit in the PERS:

Periods of active military service

And

Calls to active military duty.



## Periods of Active Military Service

- Can claim up to 5 years of active military service in a branch of the regular armed forces or periods of active military duty in the National Guard or a Reserve Unit.
- Members first hired after June 30, 1986, who are retired from a regular branch of the armed forces are not eligible to claim military service.
  - **Exception**
    - All retired National Guard or Reserve Unit members can claim military service.



### Periods of Active Military Service

You may be eligible to claim up to 5 years of active military service in a branch of the regular armed forces or for periods of active military duty in the National Guard or a Reserve Unit.

Members first hired under the PERS after June 30, 1986, are not eligible for military credit if they are retired from regular service and eligible for a federal benefit for the same service.

The exception to this is:

Retired National Guard and Reserve Unit members may be eligible to claim active military service even though they are eligible to receive a federal retirement benefit for the same service.



## Active Military Service

- Must be vested.
- Must have received honorable discharge.
- Does not count toward retirement eligibility.
- Must complete application and submit documentation (DD214).
- Indebtedness will be established.



To claim active military service you must be vested in the PERS with 5 years of paid up service;

And

You must have received an honorable discharge from the military service.

Claimed military service does not count toward retirement eligibility.

You must complete the Military Service application and submit it to the division, along with appropriate documentation, typically a DD214.

Indebtedness for the cost of the military service is established.



## Calls to Active Duty

- Employed with PERS employer and returns to PERS employer after discharge within specified USERRA time frame.
  - USERRA entitlement provides no break in regular service.
  - Counts toward vesting and retirement eligibility.
  - Must claim with a memo and submit documentation (DD214).
  - No member contributions required.



### **Calls to active duty**

Per the Uniformed Services Employment and Reemployment Rights Act, commonly referred to as USERRA, if you are employed with a PERS employer and called to active duty you may claim the active duty as regular service when you return to the employer. This means there is no break in regular service.

The period of leave for the call to active duty does count toward vesting and retirement eligibility.

You must claim the active duty period when you return to the employer by writing a memo requesting the credit and submitting appropriate documentation, typically a DD214, to the division.

There is no cost to claim this period of service.



## Temporary Service

- Periods of full-time temporary service with a PERS employer.
  - Must be vested.
  - Does not count toward retirement eligibility.
  - Must complete claim form and employer must verify periods of service.
  - Indebtedness will be established.



### Temporary Service

You may be eligible to claim periods of full-time temporary service with a PERS employer for credit in the PERS.

You must be vested with 5 years of paid up service.

Temporary service does not count toward retirement eligibility.

You must complete a Temporary Service claim form and submit it to the employer where the service was performed.

The employer must verify the periods of temporary service and submit the completed form to the division.

Indebtedness for the cost of the temporary service will be established.



## Workers' Compensation

- Reported as leave without pay until claimed.
- Counts toward vesting and retirement eligibility.
- Must complete claim form and employer verifies period of workers compensation.
- Indebtedness will be established.



### Workers' Compensation

You may claim credit for reported periods of leave-without-pay due to an on-the-job injury or occupational illness.

The period of leave due to Workers' Compensation does count toward vesting and retirement eligibility.

You must complete a Workers' Compensation claim form and submit it to the employer.

The employer must verify the periods of leave-without-pay due to Workers' Compensation.

Indebtedness for the cost of the period of leave-without-pay due to Workers' Compensation will be established.



## **Village Public Safety Officer Service**

- Must have a minimum of one year of service.
- Must be vested.
- Does not count toward retirement eligibility.
- Must complete claim form and employer must verify service.
- Indebtedness will be established.



### **Village Public Safety Officer Service**

You may be eligible to claim credit for employment as a Village Public Safety Officer providing you worked as such for a minimum of one year.

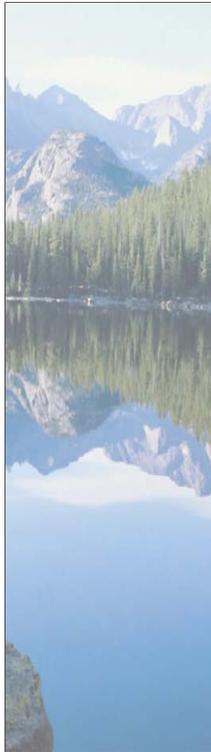
You must be vested with 5 years of paid up service.

Village Public Safety Officer service does not count toward retirement eligibility.

You must complete a Village Public Safety Officer claim form and submit it to the employer.

The employer must verify periods of Village Public Safety Officer service and submit it to the division.

Indebtedness for the cost of this service will be established.



## Earlier Service

- Earlier service before January 1, 1961.
- Past peace and correctional officer, firefighter, and special officer service.
- Part-time State of Alaska service from 1961-1975.
- Alaska Bureau of Indian Affairs (BIA) service.
  - Indebtedness established, when applicable.
  - Counts toward vesting and retirement eligibility.
  - Must claim service.



### Earlier Service

You may be eligible to claim credit for service rendered before January 1, 1961, as an employee of the state and former Territory of Alaska or as an employee of the United States government. There is no cost to claim this particular service.

You may be eligible to claim credit for service **after** January 1, 1961, as a peace officer, correctional officer, or fire fighter or as a special officer commissioned by the state troopers.

Service as a permanent part-time State of Alaska employee prior to January 1, 1976, may also be claimed for credit in the PERS;

Or

You may be eligible to claim credited service for service as an employee, other than as a teacher, of an Alaska Bureau of Indian Affairs school.

Indebtedness for the cost of these types of service will be established, if applicable.

This claimed service counts toward vesting and retirement eligibility.

Contact the division for information on how to claim these types of service.



## Other Earlier Service

- Temporary legislative service prior to July 1, 1979.
  - Does not count toward vesting or retirement eligibility.
  - Must claim service.
  - Indebtedness will be established.



### Other Earlier Service

You may claim periods of service prior to July 1, 1979, as a temporary employee of the legislature of the state or territory.

This service does not count toward vesting or retirement eligibility.

Contact the division for information on claiming this service.

Indebtedness for the cost of the service is established.



## Indebtedness

- 7 percent interest compounded semi-annually will continue to accrue until paid in full or you retire.
- Personal check – post tax.
- Payroll pre-tax and post-tax deductions.
- Pre-tax transfer from a qualified Defined Contribution Plan.
  - 401(a)
  - Supplemental Annuity Plan
  - Deferred Compensation Plan
- Unpaid balance taken as actuarial reduction when you retire.



### Indebtedness

Once indebtedness has been established for the claimed service, it will continue to accrue 7% interest compounded semi-annually until it is paid in full or until you retire, whichever comes first.

There are several payment options available:

You can pay by personal check;

You can set up pre-tax or post-tax payroll deductions through your employer;

You can transfer pre-tax funds from another qualified Defined Contribution account such as a:

401(a) defined benefit or defined contribution plan,

Your State of Alaska Supplemental Annuity account,

Or

Your Deferred Compensation account.

If the indebtedness is not paid in full when you retire, it will be taken as an actuarial reduction to your lifetime monthly retirement benefit. If at the time of retirement the indebtedness cost exceeds the benefit it provides, it will not be used.



## Conclusion

- Encourage you to claim service once eligible.
- Claimed service may increase your lifetime retirement benefit.
- Claimed service may count toward vesting and retirement eligibility.



### **In conclusion**

We encourage you to claim service for credit in the PERS because it may serve to increase your lifetime retirement benefit.

If the cost of the indebtedness exceeds the benefit it provides, it will not be used in the final calculation of your lifetime monthly retirement benefit.

Some types of claimed service will count toward vesting and retirement eligibility.



## More Information

- For more information about claiming service in PERS:
  - *Public Employees’ Retirement System Information Handbook* or
  - See the “Service Purchases” link on the PERS Defined Benefit Plan page on our website at:  
***[www.state.ak.us/drb/pers/pers.shtml](http://www.state.ak.us/drb/pers/pers.shtml)***



For more information about claiming service in the PERS, please see the Public Employees’ Retirement System Information Handbook or view the “Service Purchases” page information under the PERS Defined Benefit Plan on our website at: [www.state.ak.us/drb/pers/pers.shtml](http://www.state.ak.us/drb/pers/pers.shtml).

You may also read the PERS handbook on our website.