

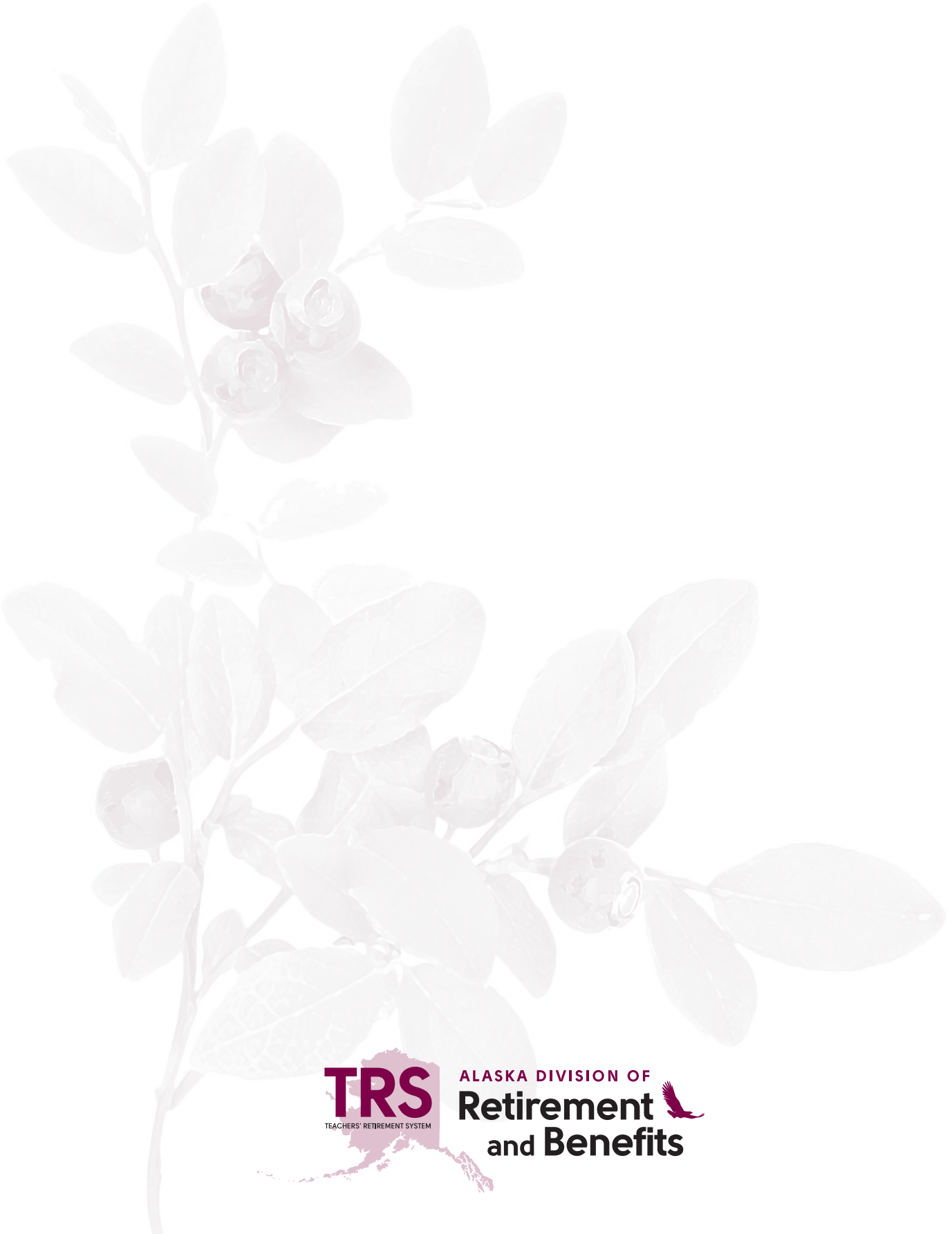
EMPLOYER MANUAL



TRS

TEACHERS' RETIREMENT SYSTEM

ALASKA DIVISION OF
Retirement
and **Benefits**



TRS
TEACHERS' RETIREMENT SYSTEM

ALASKA DIVISION OF
Retirement 
and Benefits

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I. Overview of the TRS

Welcome to the State of Alaska Teachers' Retirement System (TRS) Employer Manual. This manual is intended to be your resource guide for questions regarding the TRS, and to identify who to contact for additional questions.

Division of Retirement and Benefits – Who to Contact

Reporting Contact – Finance Section

[Alaska.gov/drb/employer](https://alaska.gov/drb/employer)

- Payroll reporting
- Payroll payment
- Employer contribution rates
- Late fees
- Employer on-behalf
- eReporting questions

You can find each employer's payroll processing point of contact with the Division of Retirement and Benefits (Division or DRB) at [Alaska.gov/drb/employer/ereporting/employer-ereporting-contacts.html](https://alaska.gov/drb/employer/ereporting/employer-ereporting-contacts.html)

TRS Payroll Processing

- Section group phone number: (800) 821-2251, follow instructions:
 - ~ Press 0 for operator.
 - ~ Request transfer to Finance/Active Payroll Processing Section.
- Email address: doa.drb.activepayroll@alaska.gov
- Group fax number: (907) 465-3363
- Send Summary Reports to: doa.drb.employerpayroll@alaska.gov

DRB Layoff Resource Center Contacts and Information

[Alaska.gov/drb/pdf/layoffcontactsheet.pdf](https://alaska.gov/drb/pdf/layoffcontactsheet.pdf)

Division of Retirement and Benefits

If you are unable to find the information you need at [Alaska.gov/drb](https://alaska.gov/drb), please write, call, or email us. When contacting the Division, please address your request to the appropriate section or unit.

- Benefit Processing: doa.drb.retirementprocessing@alaska.gov
- Counseling & Education: doa.drb.retireme@alaska.gov
- Active Payroll: doa.drb.activepayroll@alaska.gov
- Accounting: doa.drb.accountants@alaska.gov
- Member Service Center (MSC): doa.drb.msc@alaska.gov
- Audit: doa.drb.accountants@alaska.gov

Office Hours of Operation:

Monday through Friday, 8 a.m. to 5 p.m.
(Alaska time)
(800) 821-2251 (toll-free)
(907) 465-4460 (in Juneau)

Mailing Address:

Department of Administration
Division of Retirement and Benefits
P.O. Box 110203
Juneau, AK 99801-0203

Employer Confirmations for Auditors

Email the Finance Section Accounting Unit at doa.drb.accountants@alaska.gov to request an employer confirmation. Confirmation request must be either on employer letterhead or be requested by an authorized employer representative. Such requests must provide the following minimum information:

- Employer name and number
- Time period for which confirmation is requested (typically the employer's fiscal year)
- Name and email address for the auditor to whom the confirmation should be sent
- Anyone else who should be cc'd when the confirmation is sent to the auditor

Employer confirmations only provide information about the contributions made during the year. Other information, such as contribution rates or plan funded status, can be found online at the below links:

- Actuarial Valuations (plan funding status): [Alaska.gov/drb/retirement/valuations_portal](https://alaska.gov/drb/retirement/valuations_portal)
- TRS Comprehensive Annual Financial Reports (CAFR): [Alaska.gov/drb/resources/cafrPortal](https://alaska.gov/drb/resources/cafrPortal)
- Employer Contribution Rates: [Alaska.gov/drb/employer/employer_contribution_rates/index](https://alaska.gov/drb/employer/employer_contribution_rates/index)
- Financial Statements: [Alaska.gov/drb/resources/financialStatements](https://alaska.gov/drb/resources/financialStatements)
- Governmental Accounting Standards Board (GASB) Support Documents: [Alaska.gov/drb/employer/resources/gasb](https://alaska.gov/drb/employer/resources/gasb)

Financial Education, Advice, and Deferred Compensation Catch-up Services

Empower Retirement Services

301 W. Northern Lights Blvd, Suite 406
Anchorage, AK 99503

(800) 526-0560 (outside Anchorage)
(907) 276-1500 (in Anchorage)

- Investment Advice: advisedassetsgroup@retirementpartner.com
- Financial Education or Investment Advice: (800) 232-0859 or akdrb.empower-retirement.com
- Deferred Compensation Catch-up: Anchorage_empower_office@empower-retirement.com

Retirement Counseling Services

Retirement Counseling: doa.drb.retirement@alaska.gov

For appointments with counselors in Juneau or Anchorage, go online to schedule an in-person appointment or a teleconference appointment anywhere: [Alaska.gov/drb/reps/makeAppointment](https://alaska.gov/drb/reps/makeAppointment)

For information regarding regional counselor visits to your area, please check [Alaska.gov/drb/reps/travel](https://alaska.gov/drb/reps/travel). Appointments can be made in field areas by contacting your regional counselor.

AlaskaCare Health Plans

[AlaskaCare.gov](https://alaskacare.gov)

Contact information: [AlaskaCare.gov/contact](https://alaskacare.gov/contact)

Phone Hours of Operation:

Monday through Friday, 7 a.m. to 6 p.m. (Alaska Time)
(855) 784-8646 (toll-free)

Report a Death

Information and form: [Alaska.gov/drb/death](https://alaska.gov/drb/death)

(800) 821-2251 (toll-free)
(907) 465-4460 (in Juneau)

Benefits Contact – Regional Counselor

[Alaska.gov/drb/reps](https://alaska.gov/drb/reps)

The link above will take you to the Regional Counselor Index, where you can:

- Schedule appointments
- Find your counselor
- Register for seminars
- Print seminar materials
- Review the counselor travel schedule

Regional counselors assist employers with:

- Eligibility and Entitlement
- Member Classification
- Participation Agreements and Amendments
- Retirement Education

Plan Summaries

The following summaries provide a brief overview of the TRS system, including both the Defined Benefit (DB) and Defined Contribution Retirement (DCR) 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 purpose of the Alaska Teachers' Retirement System (TRS) is to attract qualified teachers by offering a variety of benefits to members and their survivors. These benefits, when combined with other income, are designed to provide members with the basis for financial security during the member's retirement years.

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

Employees who first entered the TRS prior to July 1, 2006 are members of the TRS 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

Both the member and their employer make contributions to the retirement system during the member's employment to cover the cost of the member's retirement benefit.

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 and optional benefits the member can elect at retirement. 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 a DCR plan member
- Non-vested members who elected to convert to the DCR plan
- Former members as defined in AS Sec.14.25.220(18)

The DCR plan is a comprehensive 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 health reimbursement arrangement account (HRA), funded entirely by employer contributions. The State of Alaska retirement systems provide comprehensive benefits under the AlaskaCare Retiree Benefit Plan for DCR plan retirees and family. The health plan includes the medical plan, the dental plan, the vision plan, and audio plan. The TRS DCR plan offers voluntary Long-Term Care (LTC) coverage for retired plan participants and their spouses. The LTC plan provides a range of health and social services for people who, because of chronic condition(s), need help with the basic activities of daily living. Retired participants may choose between three levels of coverage, a plan with no cost of living indexing, with a 5% simple index or one with a 5% compounded per year index. The plan is intended to be a qualified long-term care plan under section 7702(B) of the Internal Revenue Code of 1986 as amended. Terms and conditions may change when necessary to maintain plan qualification. Written notices of any changes will be provided to participants as soon as possible.

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 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 manual and the statutes or regulations.

- All State of Alaska Statutes: www.akleg.gov/basis/statutes.asp
- All State of Alaska Regulations: www.akleg.gov/basis/aac.asp

Administration of the TRS

The Division Director 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.

Alaska Retirement Management Board (ARMB)

Treasury.dor.alaska.gov/armb/

- Meeting minutes archive: treasury.dor.alaska.gov/armb/Meetings-and-Minutes/Meetings-and-Minutes-Archive.aspx
- Upcoming meetings: treasury.dor.alaska.gov/armb/Meetings-and-Minutes.aspx

As of October 1, 2005, the systems and plans for which the ARMB manages and invests funds are:

- Public Employees' Retirement System (PERS)
- Teachers' Retirement System (TRS)
- Judicial Retirement System (JRS)
- National Guard/Naval Militia Retirement System (NGNMRS)
- Alaska Supplemental Annuity Plan (SBS-AP)
- Alaska Deferred Compensation Plan (DCP)
- Alaska Defined Contribution Retirement Plan (DCR)

ARMB Contact

Alysia Jones, ARMB Liaison Officer

P.O. Box 110405
Juneau, AK 99811-0405
(907) 465-3749
Fax: (907) 465-2389
Dor.trs.armb@alaska.gov

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.

State of Alaska Audit

The Division’s Audit Unit performs compliance audits of the State’s political subdivisions participating in the State’s retirement plans. The Audit Unit also houses the position of the State Social Security Administrator (SSSA). The SSSA is a State of Alaska position, mandated by the federal government, to oversee state and local government implementation of Sections 210 and 218 of the Social Security Act (voluntary and mandatory Social Security and Medicare withholding).

What are the functions of the Audit Unit?

For the retirement systems, auditors confirm, on a test basis, that political subdivision participation in the retirement systems comply with the statutes, regulations, contracts, and policies of the system.

How can an employer prepare for an audit?

Employer audits begin with an information request. Auditors review and analyze the information provided and select items for testing. Auditors provide the list to the employer and request the employer send the files via a secure State drop box (desk audits), or that files be ready for review when the auditors arrive for onsite fieldwork.

Employers can prepare for audits by responding timely to audit information requests and having requested information sent to or be ready for auditors when they arrive for fieldwork. Auditors perform as many audits as possible in a location to make the most of their time and travel cost and often have limited time for onsite fieldwork.

Auditors do not audit for Social Security and Medicare compliance. As the SSSA, auditors maintain and update the State’s Section 218 Social Security Agreement and mediate and resolve issues between state and local governments and the Social Security Administration (SSA) or the Internal Revenue Service (IRS). By reviewing Social Security and Medicare withholding during system audits, auditors work to ensure all political subdivisions are compliant with SSA and IRS policies and regulations.

Audit Goals

Division auditors review accuracy and compliance with laws and regulations of the systems, and are responsible for assisting in evaluating, analyzing, and making recommendations for the correction of the systems.

Auditors identify system noncompliance matters and recommend employers to correct all errors. The goal of the Audit Unit is to help employers become and stay compliant.

II. Payment of Contributions for eReporting

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.

- General reporting information and instructions for new users: Alaska.gov/drb/employer/ereporting/instructions.html
- The State of Alaska Login ID form will allow human resources or payroll employees access to our reporting systems “eReporting” and “Employer Access.” Find the form at: Alaska.gov/drb/pdf/forms/gen012-state.pdf
- The Political Subdivision login ID form will allow human resources or payroll employees access to our reporting systems “eReporting” and “Employer Access.” Find the form at: Alaska.gov/drb/pdf/forms/gen012-poli-sub.pdf

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, which is currently 8.00%; therefore, the annual fee assessed on late contributions is currently 12.00%.

Late Reporting

- All payrolls, including the funding, are due to be transmitted to the plan no later than 15 days after the payroll issue date.
- An email reminder will be sent to the payroll contact once a payroll is considered late.
- **30 days late:** A certified letter will be sent to the payroll contact with a courtesy copy to the Administrator.
- **60 days late:** A certified letter will be sent to the Administrator.

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

If you have any questions regarding the reporting requirements, please contact your Division payroll processing point of contact listed in the Reporting Contacts section of this manual or send an email to doa.drb.activepayroll@alaska.gov.

Technical Difficulties

If you experience any technical difficulties, first contact your programmers directly for system errors. Then, if technical difficulties are still occurring, please report errors via email to doa.drb.ersAdmin@alaska.gov. Additional information such as screen prints and error messages are most appreciated and will assist us in quickly resolving any issues. Please include your employer number and name as well as a phone number for you and/or your programmers when emailing this correspondence. You may contact your Division payroll processing point of contact listed in the Reporting Contacts section of this manual if you are unsure of the nature of the errors.

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 Members 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 eReporting Manual for Other Questions ·····

This web-based application provides employers who participate in the PERS an electronic method for reporting required information. This application allows employers to report required information for both DB and DCR members as defined by Alaska Statutes and Regulations.

- eReporting User's Guide: Alaska.gov/drb/employer/ereporting/user_guide.html
- New reporting instructions will be provided when you are onboarded to the new employer reporting system.



III. Employer Responsibility for Member Plan Education

Paid for Through Employer Contributions

Funding to provide information and education to members of the TRS is included in the employer contribution rate. 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 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 or 457(b) 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 plan participants understand the investment options available to them and the suite of services offered through Reality Investing Advisory Services.

Plan members should be encouraged to attend the various retirement seminars presented by both the Division and Empower Retirement Services. These seminars will provide them with valuable information on DCR plan entitlements and financial education on their retirement accounts.

Importance of Work Release Time for Seminar Attendance

As an employer, part of the full benefit package that you offer members is a retirement system. The Division strives to educate your 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 Empower Retirement Services 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

Regional Counselors provide regular onsite visits to areas throughout 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 benefits 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
- Process of amending participation agreements
- Assistance with audit findings

Regional Counselors provide the following services for members:

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

Employers can request and are encouraged to contact their Regional Counselor if they would like an onsite visit to their location. If it is not possible for a Regional Counselor to physically visit a community, they can provide seminars, group meetings, individual counseling via teleconference, and video conferences 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 advertise and encourage their members to attend the seminars and set up individual counseling appointments. Where possible, the employer should allow employees time from work to attend.

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 onsite 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 emails 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 website.

- Beneficiary Forms Packet: [Alaska.gov/drb/forms/beneficiary-forms.html](https://alaska.gov/drb/forms/beneficiary-forms.html)

There are separate TRS beneficiary forms for DB and DCR members. In addition, there is a separate beneficiary form for the State of Alaska’s Deferred Compensation (DCP) plan.

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, Empower Retirement Services, 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. Spouses may waive entitlement to benefits by completing and signing the *Spousal Waiver of Death Benefits* form (gen054) located on the Division’s website at: [Alaska.gov/drb/pdf/forms/gen054.pdf](https://alaska.gov/drb/pdf/forms/gen054.pdf).

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.

If you are married at the time of your death and you were married to the same person during part of your TRS employment, your spouse is automatically your beneficiary, regardless of your written designation, unless:

- Your spouse consents to another beneficiary, or
- Another person (such as a former spouse) is eligible for the benefits under a qualified domestic relations order (QDRO). That person would be entitled to the portion of the benefit that is ordered by the QDRO.

If a member fails to designate a beneficiary, or if no designated beneficiary survives the member, the administrator will pay the death benefit:

1. to the surviving spouse or, if there is no surviving spouse,
2. to the surviving children in equal parts or, if there is none surviving,
3. to the surviving parents in equal parts or, if there is none surviving,
4. to the member’s estate.

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

[Alaska.gov/drb/pdf/forms/gen053.pdf](https://alaska.gov/drb/pdf/forms/gen053.pdf)

The DB member will complete the *Beneficiary Designation* form (gen053) and submit it directly to the Division address listed at the top of the form.

DCR Process

[DCprovider.com/PDF/alaska//98214-04/98214-05_Beneficiary.pdf](https://dcprovider.com/PDF/alaska//98214-04/98214-05_Beneficiary.pdf)

The DCR member will complete either 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 Empower Retirement Services at the address listed in Section D of the form or designate beneficiaries online at Participant.empower-retirement.com. Submitting beneficiary designations online is Empower Retirement's preferred method. The employee must wait until their first payroll has processed with the Division or until they have received their welcome flyer/postcard from Empower Retirement before setting up their beneficiary designations online or submitting a hard copy form to Empower Retirement. Members can update their beneficiaries at any time.

DCP Process

[DCprovider.com/PDF/alaska/98214-01/98214-01_Beneficiary.pdf](https://dcprovider.com/PDF/alaska/98214-01/98214-01_Beneficiary.pdf)

If you are a State of Alaska employer or a participating employer in the Deferred Compensation Plan through the State of Alaska, the member will complete the *Beneficiary Designation Governmental 457(b) Plan State of Alaska Deferred Compensation Plan* form (Deferred Compensation Plan Beneficiary Designation) and submit it directly to Empower Retirement Services at the address listed in Section D of the form or designate beneficiaries online at Participant.empower-retirement.com. Submitting beneficiary designations online is Empower Retirement's preferred method. The employee must wait until their first payroll has processed with the Division or until they have received their welcome flyer/postcard from Empower Retirement before setting up their beneficiary designations online or submitting a hard copy form to Empower Retirement. Members can update their beneficiaries any time.

Employer is Not the Agent or Designee of the Plan Administrator

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

V. The Defined Contribution Retirement Plan Member

Enrollment

DCR plan members are:

- employees who first entered the TRS on or after July 1, 2006,
- non-vested DB members who elected to convert to the DCR plan,
- former members as defined in AS S14.25.220 (18).

Membership in either the DB or DCR plans, and tier status for the DB plan, is established when an employee first begins making contributions to the TRS. Your new member may have participated in the TRS prior to their employment with you. Before reporting new members to the system, be sure to confirm the correct plan and tier status for them. This can be done by using the New Employee Tier Look-Up on the Division's Employer Access website at Myrnb.alaska.gov/EmployerAccess/form/login.html or by contacting your Regional Counselor.

Those not covered under the TRS DCR Plan are:

- temporary (substitute),
- teaching as an assistant, graduate assistant, or on a per diem basis,
- those who work less than a 50% contract,
- those who participate in the University of Alaska's Optional Retirement Plan (ORP), or
- those who first entered TRS before July 1, 2006 and did not convert to the DCR plan.

Enrollment of New Employees for Human Resource Staff

Employers must take the following steps for new employees hired into the TRS on or after July 1, 2006.

New employees hired on or after July 1, 2006 and existing employees who have elected to convert to the new plans will be automatically enrolled in an age-based target fund managed by T. Rowe Price. As the employer, you are required to provide the employee with a copy of the *TRS Defined Contribution Retirement Plan Features and Highlights* brochure and the *Empower Retirement Advisory Services* brochure. You will find these forms at:

- docs.empower-retirement.com/EE/AlaskaWR/DOCS/98214-04/Plan-Highlights-98214-04.pdf
- Alaska.gov/drdb/pdf/employer/employerToolkit/AdvisoryServicesFlyer.pdf, and
- on the Division's Employer Services/Resources/Employer Toolkit web page.

Employees who do not wish to be enrolled into Target Funds may opt out by telephone by contacting Empower Retirement Services at (800) 232-0859 or online at Akdrb.gwrs.com.

Employees new to the TRS DCR plan must complete a beneficiary designation and submit the original to the Division's recordkeeper, Empower Retirement Services, or make their designations online once logged into their profile. Upon the death of the employee, payments from the employee account will be paid according to the last beneficiary designation held by the Division's recordkeeper.

Hiring a TRS DCR Retired Member

There are IRC codes that prohibit a retired member from making “in service” contributions to their retirement account while they are receiving a distribution from that account. Employers should encourage the DCR retired member to seek the advice of a qualified tax consultant for guidance on the IRC codes. **Failure to inform the retired member of this could result in significant financial repercussions for the retired member.** Employers are encouraged to reference the Bona Fide Termination information contained in this section for further information on “in service” distributions.

TRS DCR retired members who come back to TRS-eligible employment retain the amount of service that they had accrued prior to retirement. Upon reemployment in the TRS, the service counts toward vesting in employer contributions, medical eligibility, Health Reimbursement Arrangement (HRA), and for retirement eligibility. The exception is if the retiree has taken distribution from their DCR plan account. In such a case, they will have to complete another five years to become fully vested in the employer’s contributions.

SB 185: Reemployment of Retired Teachers

SB 185 allows school districts to rehire retired educators under the Defined Benefit (DB) plan or the Defined Contribution (DCR) plan. School districts wanting to rehire a retired educator must adopt a policy by resolution that describes the circumstances of a shortage or anticipated shortage of applicants (other than retired members) who are qualified for particular positions and permits rehiring that complies with the requirements of this bill. A copy of this resolution must be on file with the administrator before a retired educator is rehired.

The school district must provide the administrator with:

- a copy of the resolution and policy adopted;
- a report identifying the retired and rehired member by name and describing the circumstances of the shortage that necessitated the rehire;
- actions taken by the school district to comply with the policy adopted; and
- employer contributions based on the salary paid to the rehired retiree (12.56% of pay).

Before a retired member can be considered to fill a position, the school district must publicly advertise the position for 10 business days and actively recruit to fill it with a person other than a retired member. A teacher who is retired from either the DB plan or the DCR plan must have been retired for six months if under age 62, or 60 days if over the age of 62, before they are considered for rehire. This bill allows retired members who are rehired to continue to receive retirement benefits during the period of reemployment.

Retirees who are reemployed as permitted under this legislation are ineligible to receive additional retirement benefits based on their service and salary during the period of reemployment. Reemployed members under this legislation do not become active members of the TRS. They will continue to receive retirement benefits, deductions under the TRS will not be made to their salary, and reemployed educators will not receive credited time for service during reemployment.

Employers must make contributions by applying a rate of 12.56 percent to the total of all base salaries paid by the employer to those who have reemployed and rehired. Rehired teaching contracts are good only for 12 months and can be offered again in the following school year if the school district is still experiencing a shortage of qualified applicants.

What are the steps for processing the resolution?

- The employer will work with the Division’s Regional Counselor to implement the Act.
- The employer will provide the signed resolution to adopt AS 14.20.136 reemployment of members of the Teachers’ Retirement System (TRS) to the Regional Counselor.

- The Regional Counselor will return the signed and approved resolution to the employer.
- Once approved, the employer is responsible for the employer requirements located in section four of the resolution.
- *SB 185 sample resolution:* [Alaska.gov/drb/pdf/employer/SB-185SampleResolution.pdf](https://alaska.gov/drb/pdf/employer/SB-185SampleResolution.pdf)
- *Senate Bill 185:* [Alaska.gov/drb/pdf/employer/SB-185TRSRehireBill.pdf](https://alaska.gov/drb/pdf/employer/SB-185TRSRehireBill.pdf)

Classification

The following members are covered under the TRS and earn membership service in the TRS:

- Full-time members in a position that requires teaching on a regular basis for the normal work period per day or week at a teaching assignment, and
- Part-time members in a position that requires teaching on a regular basis for at least 50 percent of the normal workweek at a teaching assignment.

NOTE: The member earns TRS membership service and is considered certified as long as they hold a valid teaching certificate issued by the Department of Education and Early Development.

A valid teaching certificate must be received within 120 days of the member's employment, otherwise membership in the TRS system will be terminated immediately, the member's contributions refunded for that period of ineligible employment, and the corresponding period of ineligible service removed from the member's employment history.

If a member's teaching certificate becomes invalid, the member will be terminated from TRS until they are again certified by the Department of Education and Early Development. Employment rendered while the teacher is not certified is not creditable in the TRS.

If the member is currently retired from the TRS, current certification is not a requirement since the member is not actively contributing to the TRS.

The Division matches records with the Department of Education and Early Development to verify that all members of the TRS have current State of Alaska teaching certificates on file.

Because leave without pay (LWOP) time may be purchased, a teaching certificate must be maintained while on LWOP.

To remain active in the TRS, teachers must possess a valid teaching certificate. If their certificate lapses while on LWOP, they could be terminated from the TRS.

All teachers are to be placed on Teacher Service End (TSE) at the end of each contract year until the next school year contract begins. If a teacher's certificate lapses while on TSE, they could be terminated from the TRS. DCR members are not eligible to purchase TSE service.

If a teacher is placed in the classroom as a substitute while they obtain their certificate, the "sub" time is ineligible for reporting to the TRS.

The school district must provide a copy of regulation 2 AAC 36.193 to a member hired for a teaching position who does not possess a valid teaching certificate at the time of hire.

No Claimed Additional Service

With the exception of a call to active military duty, DCR members may not claim other types of service for credit in the TRS.

Calls to Active Military Duty While Employed in the TRS

Per the 1994 Uniformed Services Employment and Reemployment Rights Act (USERRA), military personnel who are currently working for a TRS employer and called out to a period of active duty may be entitled to claim the period as regular service credit upon their return to the employer. In most cases, the cumulative period(s) of call to active duty cannot exceed five years. This service may be voluntary or involuntary and members must leave the military in good standing to qualify for reemployment. If a member is called to active duty, they must notify their employer in advance, either verbally or in writing, unless giving notice is impossible, unreasonable, or precluded by military necessity.

The member is to be granted reasonable time off prior to the beginning of the active duty period to take care of personal affairs and to travel to the reporting site. In addition, the member is to be granted a period of rest before returning to work. The period of time the member has to report back to work varies depending upon the length of the active duty period. For example:

- for service of more than 180 days, members must submit an application for reemployment within 90 days of honorable discharge from active duty,
- for service of more than 30 days but less than 181 days, members must submit an application for reemployment within 14 days of release from service, and
- for service of less than 31 days, the time period for submitting an application is very short.

This time frame may be extended due to medical circumstances. If the member suffers a disability upon their return to employment, the employer is required to make reasonable accommodations to return the member to active employment.

USERRA provides that members are reemployed in the job that they would have attained had they not been absent for military service, with the same seniority, status, and pay, as well as other rights and benefits determined by seniority. USERRA also requires that reasonable efforts (such as training or retraining) be made to enable returning service members to refresh or upgrade their skills to help them qualify for reemployment. Administrative order 213 allows state employees to continue health benefits when called to active duty in support of conflicts in Iraq and Afghanistan.

If you have a member who is called to active duty:

- Contact Regional Counselor
- Inform the member of right to claim service upon return to employment
- Report the leave of absence through payroll reporting per eReporting or Employer Services instructions
- Inform the member of the process to claim service upon return to employment

Calls to active duty must be claimed for credit in the TRS by the member once they return to employment. The member is required to write a memo requesting to claim the period of active duty for service credit in the TRS. The memo plus documentation verifying the release from active duty with an honorable discharge, typically a DD214, is sent to the Division for processing.

Once claimed, the entire period of the military leave of absence (prior days and up to 90 days after discharge) is credited as regular service in the TRS. The service counts toward vesting in the employer contributions, medical eligibility, the Health Reimbursement Arrangement (HRA), and for retirement eligibility.

DCR members may elect to make up all or part of their contributions for the period of military leave of absence once they have returned to the employer. The employer will make their contributions to the member's account proportionate to what the member contributes. If the member does not elect to make up their contributions, they will not receive the employer match to their accounts.

DCR members who participate in the State of Alaska's Deferred Compensation Plan (DCP) may elect to make up all or part of their contributions for the period of active duty once they have returned to the employer.

Members of other tax-sheltered plans offered through their employers should contact their human resource or payroll staff for information on how to make up missed contributions in those plans.

The allowable time frame for making up contributions is up to three times the length of the period of the military leave of absence, not to exceed five years. Missed contributions must be made through direct payroll deductions.

Employers and members are encouraged to contact their Regional Counselor for information on calls to active military service.

For questions about USERRA contact:

- **USERRA:** Federal Register 20 CFR Part 1002
[DOL.gov/vets](https://www.dol.gov/vets)
- **ESGR:** Employer Support of the Guard and Reserves is a Department of Defense agency established to gain and maintain active support from all public and private employers.
(800) 336-4590 (toll-free)
[ESGR.mil](https://www.esgr.mil)

Service Accrual

A year of service is the equivalent of 52 weeks of permanent full-time TRS employment, which may consist of a combination of permanent full-time or permanent part-time membership service.

Members earn a full year of membership service if they work full-time for at least 172 days during the school year (July 1 – June 30). This service accrual is used for determining vesting in employer contributions and eligibility for the medical and HRA coverage at retirement.

Members who perform work on a part-time basis of half time or more are credited proportionally for that service.

Simultaneous TRS and PERS Credit

Members working in both the TRS DCR plan and the PERS DCR plan at the same time may receive partial service credit under both systems. To be eligible, they must be employed at least half-time in both systems concurrently and making the required contributions.

The total TRS DCR and PERS DCR service credit that a member may earn during a school year (July 1 through June 30 of the following year) may not exceed one year.

Vesting

DCR members are immediately and fully vested in their own contributions and related earnings beginning with their first contribution. They become vested in the employer contributions based on years of service in the TRS.

- After 2 full years of service - 25% vested
- After 3 full years of service - 50% vested
- After 4 full years of service - 75% vested
- After 5 full years of service - 100% vested

Effects of LWOP and Reporting Process

Sabbatical leave, inactive and active periods of leave of absence without pay (LWOP) and continuous periods of LWOP for members should be reported to the TRS with each payroll processing.

Members may receive membership credit while they are on approved sabbatical leave if:

1. The member pays the employee contributions and the employer pays the employer contributions to the TRS each month (contributions are based on the contract salary the member would have earned had they worked instead of taken sabbatical leave); and
2. The member returns to their teaching position for a full year after their sabbatical leave ends. If the member is unable to return because of sickness, injury, or death, this requirement does not apply.

Sabbatical leave is membership service and counts toward vesting and retirement eligibility.

TRS Service Verification

Members are encouraged to periodically review their service history as shown on their quarterly statements from Empower Retirement Services to ensure it has been correctly reported to the TRS.

If any discrepancies are noted, the member should contact the employer they were serving with at that time for more information. If an error has occurred the employer will have to take action to correct the member's service with the TRS.

To correct service performed with a past employer, the past employer must send in a verification of the member's service on the approved form(s) to the TRS.

- TRS Verification of Service form (02-808): [Alaska.gov/drb/pdf/forms/02-808.pdf](https://alaska.gov/drb/pdf/forms/02-808.pdf)

This form should be completed by the responsible person in charge of records where the service was rendered. Please return the completed form to the TRS. List chronologically each school year of teaching service rendered under your jurisdiction by the member.

Instructions for completing the TRS Verification of Service form (02-808) are:

1. SECTION I. Personal Data (to be completed by teacher) (self-explanatory)
2. SECTION II. Teaching Experience (to be completed by responsible school official)
 - 1* TYPE OF SCHOOL- For type of school enter PUB for Public, PRI for Private, DEN for Denominational, IHL for Institution of Higher Learning or FGN for Foreign schools.
 - 2* ACCREDITED- A school will be considered accredited only if officially accredited by a state Department of Education, a territorial accrediting association, one of the regional accrediting association (i.e., Northwest)
 - 3* ACTUAL DAYS SERVED- Actual days served should include all paid personal or sick leave taken as work days during the school year.
 - 4* HOURS PER DAY EMPLOYED- For elementary or secondary school indicate the number of hours in a normal work day. For an institution of Higher Learning indicate the number of credit hours taught (i.e., 3CH)
 - 5* TEACHING CERTIFICATE- A position will be considered creditable only if that position required a teaching certificate as a condition of employment (regardless of whether or not the employee already held one).
 - 6* If an Institution of Higher Learning, please indicate if the individual has academic standing.

The employer should then certify the verification of service by signing, dating, and printing their name and title at the bottom of the form.

To correct service performed with a current employer, the employer must send the correction with their payroll report to the Division. If an employee disagrees with the employer's verification of salaries or service, they will be referred to the employer to resolve the discrepancy.

Workers' Compensation Procedures

If you have a member on a period of workers' compensation (WKC) LWOP, the LWOP time should be reported through the payroll process.

The period of WKC LWOP cannot be claimed for credit in the Defined Contribution Plan. With the exception of a call to active military duty, DCR members may not claim other types of service for credit in the TRS.

Occupational Disability

A member that is injured and becomes totally and presumably permanently disabled because of a physical or mental condition caused by an injury or hazard that happens while performing their job may be eligible to receive a monthly occupational disability benefit from the TRS up to the date the member becomes eligible for normal retirement benefits.

The cost for providing occupational disability benefits to members is borne by the employer and is included in the employer contribution rates.

If the member has already met the requirements for a normal retirement based on age or years of service, they are not eligible to receive occupational disability benefit. Those on disability benefits convert to a regular retirement benefit once they meet the age or years of service requirements.

Receiving an occupational disability benefit is not automatic. There is an application process, medical certification requirements, and the disability must be approved by the administrator of the plan.

The member must file an application for the occupational disability benefit with the Division within 90 days after termination of their employment. Members can file the disability application while they are still working.

The monthly occupational disability benefit will be equal to 40% of their gross monthly compensation immediately before they terminated employment due to the disability. Members receiving occupational disability benefits continue to earn TRS service credit while they are receiving the occupational disability benefits. **No medical insurance is provided until the member is eligible for a normal retirement.**

The member is immediately vested in the employer contributions once they are appointed to occupational disability regardless of the total years of service. The employer continues to make all required employer contributions on the member's behalf as if the member were still working. These include HRA contributions and the member's required contributions to an account established for the member in the Occupational Death and Disability Trust. Members cannot elect a refund of their member account balance or elect a distribution option of the account while they are receiving occupational disability benefits.

Disability benefits cease when the member becomes eligible for normal retirement with 10 years of service and Medicare-eligible age, or at any age with 30 years of service.

When a member converts to normal retirement, they have access to their account balance and can elect when and how to take distribution on their DCR account. There are various distribution options available, which include lump-sum payments, annuities, and rollovers to other qualified pre-tax plans.

Medical insurance is available to members who have reached normal retirement eligibility.

Occupational Death

If a member dies due to an occupational reason, the survivor will receive 40% of the member's gross monthly salary at the time of death. Survivors include spouse and dependent children. Survivors who are receiving monthly benefits are not eligible for medical benefits until the member would have met the eligibility requirements for normal retirement benefits had they lived.

The employer continues to make the employer and member contributions into the Occupational Death and Disability Trust for the survivor and the Health Reimbursement Arrangement (HRA) account until the participant would have reached normal retirement eligibility. Survivors cannot elect a refund of the member's account balance or elect a distribution option of the account while they are receiving occupational death benefits.

Occupational death benefits cease beginning the last day of the month when the member would have become eligible for normal retirement:

- with 10 years of service and Medicare-eligible age, or
- at any age with 30 years of service for all others.

When the member would have converted to normal retirement, the survivor has access to the member's account balance and the contributions paid to the Occupational Death and Disability Trust account on their behalf. The survivor will elect when and how to take distribution on the DCR account. Various distribution options are available, including lump-sum payments, annuities, and rollovers to other qualified pre-tax plans. The surviving spouse also will be eligible to elect retiree medical benefits at that time. Once eligible for medical benefits, the surviving spouse will receive a premium subsidy based on the member's accrued years of service at the time the member would have been eligible for Medicare, had they lived.

No medical insurance is provided until the member would have been eligible for retirement and medical benefits.

Non-Occupational Death

When a member dies from non-occupational causes before retiring, the spouse or other eligible beneficiary is entitled to the member's contributions, the vested portion of the employer contributions, plus investment earnings. They elect when and how to take distribution on the DCR account. Various distribution options are available, including lump-sum payments, annuities, and rollovers to other qualified pre-tax plans. Beneficiaries will not be able to elect a joint and survivor annuity.

If the member dies after distribution payments from their retirement account have begun, the beneficiary will receive further payments only to the extent provided with the form of payment chosen at the time the member began annuity payments, if any.

Divorce or Dissolution

Retirement accounts are marital assets and if there is a divorce or dissolution during any period of a member's TRS employment, the member is required to submit court certified copies of the divorce or dissolution documents and the property settlement to the Division. These documents will be placed in their permanent record with the Division.

If the documents stipulate or contain an order by the judge entitling the former spouse to a portion of an account, a Qualified Domestic Relations Order (QDRO) must also be submitted.

If the documents indicate there was an agreement about the division of retirement benefits, but no separate agreement is included in the documents, the member must provide a court-certified copy of the separate agreement or the magistrate or judge's notes from the court hearing.

If the documents are silent on the retirement plans, the account will be considered free from attachment. All DCR member divorce/dissolution documents should be forwarded to Empower Retirement Services for review of attachment.

Where To Get Help

All the legal requirements involving a member's benefits must be resolved before any amount can be paid. No funds will be disbursed from any accounts until all issues have been resolved—even if the responsibility to file the necessary documents rest with the former spouse. The Division has a booklet available containing useful information regarding how a member's benefits may be affected by divorce. The booklet also includes sample language that may help in drafting QDROs. The booklet is available on request.

In Alaska, the court may include the retirement benefits and plans earned by both spouses as marital assets available for division. The Division does not provide valuation calculation services. If calculations are needed, an independent actuary or CPA must be retained. However, the Division can provide benefit information as needed for calculations. If account details are to be sent other than directly to the member, the member must sign a release authorizing another person access to their account.

Different methods of valuation are used to determine the value of a marital asset. When the spouses agree, courts usually accept what they say about the value of an asset. Absent an agreement, third-party experts, including accountants and pension valuers, may be retained by the parties or by the courts to determine the value of marital assets.

Third parties may be authorized to request information regarding a member's retirement accounts and other benefits. Retirement benefits, which vary greatly, may potentially include accumulated employee leave time. In some cases, information regarding an active employee's benefits must be relayed directly through the employer.

Ending a marriage is considered a "status change" event. A member must contact their human resources office to advise them of:

- a change in marital status,
- any address changes,
- inquiries about changing or updating beneficiaries, and
- any necessary changes to their health insurance coverage.

A change in status is reported to the Division through payroll reporting.

Whether the marriage ended in divorce or dissolution distinguishes the types of documents required. In Alaska and other applicable states, the documentation is specific:

- Court-certified copies of the Decree of Divorce, Findings of Facts and Conclusions of Law, Property Settlement, and any other attachments or court documents that may address the TRS account, or
- Court-certified copies of the Decree of Dissolution, Petition for Dissolution, and any other attachments or court documents that may address the TRS account.

In Alaska, court-certified copies are usually distinguished from photocopies by either a raised, embossed or blue-ink seal of the court. Members should contact the Alaska Trial Court to obtain certified copies of divorce documents:

[Courts.alaska.gov](https://courts.alaska.gov).

Members should note, an agreement regarding the TRS is not effective until the Decree and Order are filed with the Plan Administrator and the parties receive notice it is accepted. If divorce documents are filed with the member's human resource office, please remind them to submit their court documents to the Division if they have not done so already.

A member's divorce documents must be reviewed to determine if any interest in their TRS benefit was awarded to the former spouse, before they may access their account or be appointed to retirement.

If a prior spouse is deceased, the Division requires a copy of the death certificate for the member's file.

Terminations

It is the employer's responsibility to report terminations of employment timely to the TRS. The termination action should be reported as soon as possible after the member's last day of work. The termination date is a member's last day on the job.

Distribution Elections

When a member terminates employment, they elect when and how to take distribution on their DCR account. There are various distribution options available including lump-sum payments, annuities, periodic payments, and rollovers to other qualified pre-tax plans.

The refundable amount to a terminated member includes:

- the member's mandatory contributions,
- the vested portion of employer contributions, and
- investment gains and losses.

Members must be terminated from employment for at least 60 days before distribution can occur. They must complete and submit the *Empower Retirement Services Transfer/Rollover Contribution 401(a) 98214-05 Plan* form or the *Separation from Employment Withdrawal Request 401(a) 98214-05 Plan* form to commence distribution. The forms are available on the Empower Retirement Services website at [Akdrb.gwrs.com](https://www.akdrb.gwrs.com) or by calling toll-free at (800) 232-0859.

Terminated members who are married may not receive a refund of their member contribution account (if balance is greater than \$5,000) unless their spouse gives written consent. Terminated members who are divorced may not receive a refund of their member contribution account unless they can show that their former spouse was not granted an entitlement to the account.

If a QDRO has been filed awarding the former spouse a monthly benefit, the court would have to amend the QDRO to allow for a refund of the member's contribution account as a lump-sum pay out.

All accrued service in the TRS remains in the account and should the member return to work for a TRS employer in the future, the service will be reinstated for eligibility in the retiree major medical plan and the Health Reimbursement Arrangement (HRA). The member's service accrual for vesting in employer contributions will restart at zero.

Waiver of 60-day Waiting Period Due to Financial Hardship

This request form is only available to a terminated employee. The waiver must be accompanied by a Distribution Request form. The amount allowed to be paid earlier than the 60-day period is limited to the amount related to the actual hardship and not the entire account balance.

The eligibility for payment of an account of a terminated employee may take place with the approval of the Plan Administrator earlier than the 60 days subsequent to termination of employment due to an immediate and heavy financial need. Please see the *Waiver of 60-day Waiting Period Due to Financial Hardship* form (sbs005) for valid reasons to waive the 60-day waiting period.

Alaska Deferred Compensation Plan

Who is eligible to be in the plan?

Any permanent employee, long-term nonpermanent employee, or elected official of the State of Alaska.

What is a Deferred Compensation Plan?

The State of Alaska 457(b) Deferred Compensation plan (DCP) allows participants to voluntarily set aside a portion of their income before it is taxed. The amount set aside, plus any change in value (interest, gains and losses), is payable to them or their beneficiary at a future date. Upon becoming eligible to participate in the plan, participants can elect to defer their income on a pre-tax basis. By doing so, participants are agreeing to reduce their salary by an agreed upon amount. This amount may not exceed certain requirements. There is also a post-tax Roth 457(b) option.

There is a maximum amount of compensation a participant can defer. The regular contribution limit for those under age 50 is \$19,500 in 2020. Participants are allowed to contribute an additional \$6,500 in the years they turn age 50 or greater for an annual maximum of \$26,000 in 2020. This represents the annual allowable of \$19,500, plus the additional \$6,500.

What type of plan is the DCP and when may a person join the plan?

The DCP is an eligible deferred compensation plan under Internal Revenue Code section 457(b). Participants may join any time after they are eligible and complete the necessary enrollment forms. Participants can also enroll directly online on Empower Retirement Services website at [Akdrb.gwrs.com](https://www.akdrb.gwrs.com).

What is the Roth 457(b) option?

The Roth 457(b) option for governmental deferred compensation plans was authorized by Congress effective January 1, 2011. A Roth 457(b) is not a Roth IRA. Neither is a Roth 457(b) a separate plan; it is simply a way for participants to control the taxation of their deferred wages when they are disbursed in the future. This option allows participants to elect after-tax salary deferrals into a Roth option. Roth elective deferrals are accounted for separately from pre-tax contributions made to the plan. Distributions from the Roth 457(b) are tax-free if the contributions have been in the Roth elective deferral account for at least 5 years and the participant is at least 59-1/2 years of age.

Participants can contribute to both the pre-tax and Roth 457(b) post-tax at the same time. However, Roth 457(b) contributions count towards the IRS limitations on deferred compensation contributions. Roth 457(b) contributions can either replace or complement traditional pre-tax contributions subject to the IRS limits of \$19,500 per year (2020) plus an additional \$6,500 in 2020 if the participant is age 50 or older at the end of the year. Contributions to a Roth 457(b) have no effect on contributions to a Roth IRA.

The Division is responsible for the overall administration of this plan. To contact the Division's DCP specialist, call (800) 821-2251 toll-free or (907) 465-4460 in Juneau, or by email at doa.drb.dcp@alaska.gov.

Special Catch-Up Provisions of the DCP

The catch-up provision is available to participants no more than three years prior to their eligibility for a normal retirement (either by age or years of service). It allows making up prior deferred compensation contributions that were less than their allowable maximum in years since January 1, 1979.

If members are interested in knowing their total available catch-up balance or have any other questions regarding the catch-up provision, please email Empower Retirement Services at anchorage_empower_office@empower-retirement.com or call Empower at (800) 526-0560 outside the Anchorage area or (907) 276-1500 in Anchorage.

Leave Cash-Ins or Taking DCP from Final Check

Employees can request a leave cash-in to their DCP account or, if leaving state service, can request to have a final deferred compensation contribution taken on their final payroll check. Please direct all State of Alaska employees interested in leave cash-ins or making a final contribution at termination to the Division's DCP Specialist at doa.drb.dcp@alaska.gov or call (800) 821-2251 toll-free or (907) 465-4460 in Juneau.

Employees with a participating political subdivision in the State's DCP should contact Empower Retirement Services in the Anchorage office at anchorage_empower_office@empower-retirement.com or call Empower at (800) 526-0560 outside the Anchorage area or (907) 276-1500 in Anchorage.

DCP Hardship Withdrawals

There are strict provisions for hardship withdrawals. They can be requested from Empower Retirement Services, but members must prove they are experiencing an unforeseen and extreme financial emergency and provide evidence demonstrating that they have exhausted all other reasonable alternatives. This includes stopping their deferrals and cashing out the maximum allowable annual/personal leave.

An unforeseeable emergency which results in a severe financial hardship can result from any of the following developments:

- an illness or accident of the participant, the participant's spouse, or the participants dependent,
- the loss of the participant's property due to a casualty, including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance (such as a natural disaster), or
- similar extraordinary and unforeseeable circumstances arising as a result of events beyond the participant's or beneficiary's control.

All hardship withdrawals are subject to the applicable requirement of the Internal Revenue Code and regulations.

It takes an average of one to two months to obtain all the necessary information for a hardship withdrawal. Payments are usually issued within two weeks from the date the withdrawal is approved by the plan.

In the event of an unforeseeable emergency which is beyond the control of the participant and which causes extreme financial hardship, a participant may request Empower Retirement Services to distribute all or a portion of the participant's DCP account. Such requests shall be made by completing and submitting all required forms for this purpose. The participant must, prior to his/her application, cease deferring compensation in accordance with Paragraph F Article III. If the application for the payment is approved by Empower Retirement Services, payments shall be effective as soon as possible after the date specified in the participant's application or the date of approval by Empower Retirement Services, if later.

The withdrawal shall be limited to an amount sufficient only to meet the emergency and shall in no event exceed the value of the participant's DCP account. Any money remaining in the account shall be distributed in accordance with the provisions of this plan.

The method of distribution of any allowed withdrawal shall be determined by Empower Retirement Services. For more information, contact Empower Retirement Services at (800) 232-0859.

Required Minimum Distribution

Required minimum distribution is the minimum amount participants must withdraw from their account each year after they are no longer employed. Participants usually must start taking withdrawals from their Deferred

Compensation 457 (b) account when they reach age 72 (70-1/2 if they reached that age before January 1, 2020). Withdrawals will be included as taxable income, except any part that was previously taxed (the basis) or that can be received tax-free (such as qualified distributions from designated Roth accounts).

Rules for participants are as follows:

- Participants must begin taking minimum distributions by their required beginning date. The required beginning date is April 1 of the calendar year following the later of:
 - ~ the calendar year in which the participant reaches age 72, or
 - ~ the calendar year in which the participant retires from the employer sponsoring their plan, unless the plan specifies otherwise.
- If the participant elects to defer their first distribution to April 1 of the calendar year following the calendar year in which they turn age 72 or retire, they will be required to take two payments that year: one by April 1 following the year in which they turned age 72 or retired and one by December 31 of that same year. The participant must take a minimum distribution by December 31 of every calendar year thereafter.

Participants should be directed to contact Empower Retirement Services at Akdrb.gwrs.com or toll-free at (800) 232-0859 for assistance with their required minimum distributions.

Retirement

Normal retirement is the age set for Medicare eligibility at the time the member retires. A retired member in the DCR plan is a person who has elected to participate in the retiree major medical insurance plan.

Bona Fide Termination

Separation of employment is a requirement of eligibility to receive retirement benefits. Both the Alaska statutes governing the retirement plans and the Internal Revenue Service (IRS)—which allows contributions to the retirement plans to be made on a pre-tax basis—require a bona fide separation of employment before any disbursement of retirement funds can occur.

A bona fide separation of employment is a total separation of the employer-employee relationship. Reduction of hours worked, a change in status from full-time to part-time, from permanent to non-permanent, or to a fee-for-service arrangement do not meet the separation requirement.

Members and their employers cannot have a prearrangement to return to work prior to separating from service to retire.

The retirement systems require a break in service before a member can return to work with the same employer. If a member reemploys with the same employer before the required break period has elapsed, the member's retirement will be reviewed to determine if a valid separation occurred. **If a prearrangement for reemployment is discovered, the member's separation of employment will be invalid and all retirement benefits, including retiree medical claims, must be repaid to the retirement system.**

The requirements for bona fide termination apply to both PERS/TRS DB and DCR plans. If a member intends to withdraw retirement funds or participate in the DCR retiree medical plan, there can be no prearrangement for reemployment with the same employer prior to termination of employment. If a PERS/TRS DCR member terminates employment and withdraws their funds or participates in the medical plan, they must fulfill the required break in service before reemploying with the same employer.

If no prearrangement is evident, but the member returns to the same employer without fulfilling the required break in service period, the member's benefit will be coded as an early distribution and an additional 10% tax penalty will be applied by the IRS on benefits received.

- **If a member is under age 62 at retirement**, they are required to have a 6-month break in service before returning to work for the same employer.
- **If a member is age 62 or older at retirement**, they are required to have a 60-day break in service before returning to work for the same employer.

Again, no prearrangement for reemployment can occur prior to the member's retirement. This includes signing up for the substitute teaching list. Please see [Alaska.gov/drb](https://alaska.gov/drb) for consequences for violations.

Effects of TRS on Social Security Benefits ·····

A TRS pension benefit may reduce the amount of benefits that a member is entitled to under Social Security. If the member has at least 30 years of "substantial" earnings during Social Security-covered employment, there will be no reduction to their Social Security benefits.

For members who did not pay Social Security taxes while working for the State of Alaska, University of Alaska, or a school district, there are two laws that may reduce their Social Security benefits: The Windfall Elimination Provision and the Government Pension Offset.

Windfall Elimination Provision

The Windfall Elimination Provision affects people who have earned a pension from the TRS and did not pay Social Security taxes during their TRS employment, but who also worked at other jobs where they paid Social Security taxes long enough to qualify for retirement benefits. If a member is subject to the Windfall Elimination Provision, a different formula is used to calculate their Social Security retirement benefits to prevent a windfall in benefits.

The Windfall Elimination Provision does not apply if the member first became eligible to retire prior to 1985, or if they have 30 years of "substantial" earnings during their Social Security-covered employment.

Governmental Pension Offset

The Governmental Pension Offset affects the Social Security benefits members may be eligible to receive as a spouse or widow(er). Under the offset provisions, some or all of the Social Security spouse's or widow(er)'s benefit may be offset by the member's TRS pension if they did not pay Social Security taxes during their TRS employment.

For information on these federal provisions, employers and members are encouraged to contact the Social Security Administration toll-free at (800) 772-1213 or visit the Social Security Administration website at [SSA.gov](https://ssa.gov) and request Publication No. 05-10045 for the Windfall Elimination Provision or Publication No. 05-10007 for the Governmental Pension Offset.

Retired Member Medical Benefits ·····

DCR members may have access to a retiree medical plan when they retire. In order to access the retired member's medical benefits plan the member must:

- retire directly from the plan, and
- have been active at least 12 months prior to separation, and

- have at least 30 years of service as a teacher or “all other” member, or
- have at least 25 years as a peace officer or firefighter, or
- have at least 10 years of service and be eligible for Medicare.

If the DCR retired member has not yet reached Medicare-eligible age, they must pay the full premium for the medical benefits plan if they want the coverage. Once the retired member reaches Medicare-eligible age, they will pay a percentage of the monthly premium based on years of service, as follows:

- 10 percent with 30 or more years of service
- 15 percent with 25 to 29 years of service
- 20 percent with 20 to 24 years of service
- 25 percent with 15 to 19 years of service
- 30 percent with 10 to 14 years of service

The Defined Contribution Retiree AlaskaCare Health Plan is supplemental to Medicare. Eligible members are not required to enroll in the medical plan. However, they must make an election to participate or not by age 70-1/2 years old, either during an annual open enrollment period or upon application for retirement benefits, whichever is later.

Members should be directed to contact the Division for assistance with enrolling in the Medical plan.

The DCR retired member medical benefits plan is available to employers and members online at the Division website.

Health Reimbursement Arrangement

The employer is responsible for making contributions to the Health Reimbursement Arrangement (HRA). The contribution amount is based on the average salary of all PERS and TRS members in the DCR plans and it is calculated as a flat monthly dollar amount. This amount is deposited into a separate account for each member while they are employed in the TRS.

The balance in the HRA account consists of the employer contributions and any interest that has accrued.

DCR retired members will have access to this account when they meet one of the following requirements:

- 30 years of service as a teacher or all-other employee, or
- 25 years of service as a peace officer or firefighter, or
- at least 10 years of service and are eligible for Medicare.

Members do not have to retire directly from the system to access their HRA.

The money in the HRA can be used to pay for medical expenses for the retired member and their eligible dependents, or it can be used to pay premiums for supplemental medical coverage plans.

If the member terminates employment prior to accruing at least 10 years of service, they will not have access to the HRA. Should they come back to employment with a TRS employer, the HRA is reinstated, with interest added for the period of time they were not contributing to the TRS.

Optional Health and Life Plans

DCR retired members may elect to pay a premium for additional health and life coverage as follows:

- Dental-Vision-Audio (DVA) coverage for self, spouse, and eligible dependent children,
- Long-Term Care (LTC) coverage for self and spouse, and
- Select Life Insurance (state employees only).

Retired members must pay the monthly premiums for as long as they desire coverage.

Members seeking more information regarding the optional health plans should contact the Division's Health plan administration section or refer to the *Defined Contribution Retiree AlaskaCare Health Plan Booklet*.

- *Defined Contribution Retiree AlaskaCare Health Plan Booklet*: [AlaskaCare.gov/retiree2/](https://alaskacare.gov/retiree2/)

For more information regarding the optional LTC plans, including enrollment restrictions, refer to the *State of Alaska Long-Term Care Booklet*.

- *State of Alaska Long-Term Care Booklet*: [AlaskaCare.gov/retiree/publications/booklets.html](https://alaskacare.gov/retiree/publications/booklets.html)
- Retiree Health Care Premiums: [AlaskaCare.gov/retiree/information/premiums.html](https://alaskacare.gov/retiree/information/premiums.html)

Members should contact their Regional Counselor for more information on the retired member's medical coverage, DVA, and LTC, and the requirements to continue Select Life Insurance.

Medicare

Members should contact Medicare about three months before their 65th birthday to sign up for Medicare. They can sign up with Medicare even if they do not plan to retire at age 65. Members who are still working and covered by an employer-sponsored health insurance plan may be able to defer enrollment in Medicare. However, if members do not enroll in Medicare, the estimated amount Medicare would have paid will be deducted from the claim before any benefits available under the DCR Health Plan are processed by the Plan. Employers should encourage their members to contact Medicare to ensure they comply with the current requirements. The State of Alaska Medicare Information Office can also offer one-on-one counseling to Medicare beneficiaries and their families, seminars for those new to Medicare, and other resources at (800) 478-6065 in Alaska or (907) 269-3680 in Anchorage.

There are several parts to Medicare and there are time limit requirements to enroll timely to avoid penalty at a later date.

For more information regarding Medicare benefits, employers and members should contact the local Medicare office, or call the toll-free number at (800) 772-1213 or visit the Medicare website at [Medicare.gov](https://www.medicare.gov).

Retired Member AlaskaCare Benefits Supplemental to Medicare

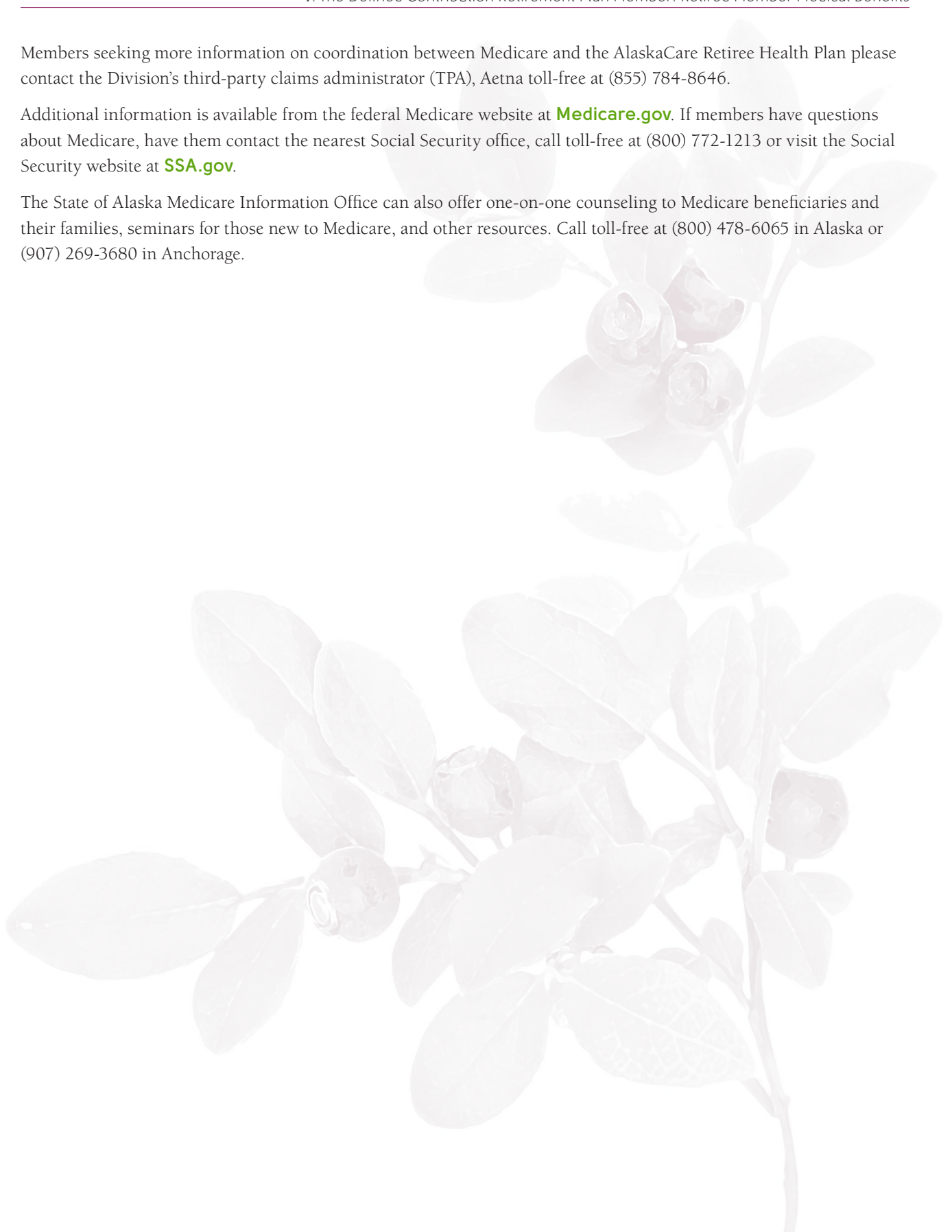
When a retired member turns 65, Medicare becomes the primary health plan and the retired member's AlaskaCare plan becomes a supplemental plan. For services covered by both plans, the claims are paid first by Medicare and then by AlaskaCare.

When the DCR plan is secondary, the medical plan shall apply the allowable expense, reduced by the amount paid by the primary plan for those expenses. This will be done before benefits, such as deductible and coinsurance, under the medical plan are determined. When the medical plan is secondary the combined payment calculated after coordination of benefits, may be less than 100% of the allowable expenses. For retired members who have not enrolled in Medicare at age 65, the AlaskaCare Plan will estimate what Medicare would have paid.

Members seeking more information on coordination between Medicare and the AlaskaCare Retiree Health Plan please contact the Division's third-party claims administrator (TPA), Aetna toll-free at (855) 784-8646.

Additional information is available from the federal Medicare website at [Medicare.gov](https://www.medicare.gov). If members have questions about Medicare, have them contact the nearest Social Security office, call toll-free at (800) 772-1213 or visit the Social Security website at [SSA.gov](https://www.ssa.gov).

The State of Alaska Medicare Information Office can also offer one-on-one counseling to Medicare beneficiaries and their families, seminars for those new to Medicare, and other resources. Call toll-free at (800) 478-6065 in Alaska or (907) 269-3680 in Anchorage.





VI. The Defined Benefit Retirement Plan Member (Tiers I and II)

Enrollment

Members who first entered the TRS:

- before July 1, 1990, are in Tier I,
- on or after July 1, 1990, are in Tier II.

Membership in either the DB or DCR plans, and tier status for the DB plan, is established when an employee first begins making contributions to the TRS. Your new member may have participated in the TRS prior to their employment with you. Before reporting new members to the system, be sure to confirm the correct plan and tier status for them. This can be done by using the New Employee Tier Look-Up on the Division's Employer Access website at Myrnb.alaska.gov/EmployerAccess/form/login.html or by contacting your Regional Counselor.

Employees Not Covered Under the TRS DB Plan

- Temporary (substitute)
- Those who work less than a 50% contract
- Those who participate in the University of Alaska's Optional Retirement Plan (ORP)
- Those teaching as an assistant, graduate assistant, or on a per diem basis
- Members who first entered TRS on or after July 1, 2006
- Former members
- Those who are not required to have a teaching certificate to perform the duties of the job

Please contact your Regional Counselor if you have further questions on excluded or non-covered positions.

Hiring a TRS DB Retired Member

Retired members can come back to work in the TRS under the Standard Option, however, their retirement benefit must be stopped. To avoid an overpayment of benefits it is important to:

- contact a Regional Counselor,
- provide the member with appropriate form, and
- provide the member with COBRA information, if applicable.

Alaska Statute 14.25.043 prohibits a member from working in a TRS-covered position while receiving TRS retirement benefits. If a member returns to work in a TRS position, their retirement benefit will be suspended until they terminate employment. TRS contributions will be deducted from their paycheck and they will accrue TRS service. They are required to pay back any retirement benefits they received while simultaneously earning TRS credit. This amount must be paid back in full before they retire again.

If the member receives a contract for 172 days or more, which entitles them to receive a full year of service credit, the reemployment date is July 1, the beginning of the school year. Retirement benefits will stop effective June 30. The member is not eligible for retirement benefits from July 1 to June 30 of the school year in which they become reemployed.

If the member works less than 172 days, the reemployment date will be the actual hire date and they will accrue a partial year of service credit. Retirement benefits will stop as of the date of reemployment.

TRS retired members who come back to TRS eligible employment must complete the *TRS Standard Option-Reemployed Retiree* form (trs009). It is the member's responsibility to submit this form to the Division.

- *TRS Standard Option – Reemployed Retiree* form: [Alaska.gov/drb/pdf/forms/trs009.pdf](https://alaska.gov/drb/pdf/forms/trs009.pdf)

When a retired member becomes reemployed in a TRS position, their pension check is suspended for the period of reemployment. If medical coverage with the employer is not available, the retired member may continue the AlaskaCare Retiree Health Plan using COBRA coverage. If medical coverage with the employer is available, the AlaskaCare Retiree Health Plan is suspended during the period of reemployment. If the employer medical coverage is not effective immediately upon reemployment, the member may need to be advised of COBRA coverage. The Division will provide the member with the form and information when we are notified of the member's return to work.

If the retired member participated in the AlaskaCare Dental-Vision-Audio (DVA) program while retired, they have a choice to suspend the coverage during the period of reemployment, or to self-pay the premiums of the plan while they are reemployed.

If the retired member participated in the Long-Term Care (LTC) program while retired, they must self-pay the premiums of the plan during the period of reemployment to continue the coverage. Failure to self-pay the premiums will result in permanent loss of coverage.

Failure to inform the Division of a return to work could result in significant financial repercussions for a retired member.

SB 185: Reemployment of Retired Teachers

SB 185 allows school districts to rehire retired educators under the Defined Benefit (DB) plan or the Defined Contribution (DCR) plan. School districts wanting to rehire a retired educator must adopt a policy by resolution that describes the circumstances of a shortage or anticipated shortage of applicants (other than retired members) who are qualified for particular positions and permits rehiring that complies with the requirements of this bill. A copy of this resolution must be on file with the administrator before a retired educator is rehired.

The school district must provide the administrator with:

- a copy of the resolution and policy adopted;
- a report identifying the retired and rehired member by name and describing the circumstances of the shortage that necessitated the rehire;
- actions taken by the school district to comply with the policy adopted; and
- employer contributions based on the salary paid to the rehired retiree (12.56% of pay).

Before a retired member can be considered to fill a position, the school district must publicly advertise the position for 10 business days and actively recruit to fill it with a person other than a retired member. A teacher who is retired from either the DB plan or the DCR plan must have been retired for six months if under age 62, or 60 days if over the age of 62, before they are considered for rehire. This bill allows retired members who are rehired to continue to receive retirement benefits during the period of reemployment.

Retirees who are reemployed as permitted under this legislation are ineligible to receive additional retirement benefits based on their service and salary during the period of reemployment. Reemployed members under this legislation do not become active members of the TRS. They will continue to receive retirement benefits, deductions under the TRS will not be made to their salary, and reemployed educators will not receive credited time for service during reemployment.

Employers must make contributions by applying a rate of 12.56 percent to the total of all base salaries paid by the employer to those who have reemployed and rehired. Rehired teaching contracts are good only for 12 months and can be offered again in the following school year if the school district is still experiencing a shortage of qualified applicants.

What are the steps for processing the resolution?

- The employer will work with the Division’s Regional Counselor to implement the Act.
- The employer will provide the signed resolution to adopt AS 14.20.136 reemployment of members of the Teachers’ Retirement System (TRS) to the Regional Counselor.
- The Regional Counselor will return the signed and approved resolution to the employer.
- Once approved, the employer is responsible for the employer requirements located in section four of the resolution.
- *SB 185 sample resolution:* [Alaska.gov/drb/pdf/employer/SB-185SampleResolution.pdf](https://alaska.gov/drb/pdf/employer/SB-185SampleResolution.pdf)
- *Senate Bill 185:* [Alaska.gov/drb/pdf/employer/SB-185TRSRehireBill.pdf](https://alaska.gov/drb/pdf/employer/SB-185TRSRehireBill.pdf)

Classification

The following members are covered under the TRS and earn membership service in the TRS:

- full-time members in a position that requires teaching on a regular basis for the normal work period per day or week at a teaching assignment, and
- part-time members in a position that requires teaching on a regular basis for at least 50 percent of the normal workweek at a teaching assignment.

NOTE: The member earns TRS membership service and is considered certified as long as they hold a valid teaching certificate issued by the Department of Education and Early Development.

A valid teaching certificate must be received within 120 days of the member’s employment otherwise membership in the TRS system will be terminated immediately retroactive to the date of employment, the member’s contributions refunded for that period of ineligible employment, and the corresponding period of ineligible service removed from the member’s employment history.

If a member’s teaching certificate becomes invalid, the member will be terminated from TRS until they are again certified by the Department of Education and Early Development. Employment rendered while the teacher is not certified is not creditable in the TRS.

If the member is currently retired from TRS, current certification is not a requirement since the member is not actively contributing to TRS.

The Division matches records with the Department of Education and Early Development to verify that all members of the TRS have current State of Alaska teaching certificates on file.

Because LWOP time may be purchased, a teaching certificate must be maintained while on LWOP.

To remain active in the TRS, teachers must possess a valid teaching certificate. If their certificates lapse while on LWOP, they could be terminated from the TRS.

If a teacher is placed in the classroom as a substitute while they obtain their certificate, the “sub” time is ineligible for reporting to TRS.

The school district must provide a copy of regulation 2 AAC 36.193 to a member hired for a teaching position that does not possess a valid teaching certificate at the time of hire.

Claimed Additional Service

Members of the TRS may be eligible to claim other types of service for credit in the system. Claimed service may serve to increase the amount of the member's pension check upon the final calculation of their retirement benefit.

The process to claim the service and the cost differs depending on the type of service the member is claiming. Typically, the member completes a claim form and submits that form to the employer where the service was performed. The employer will verify the type of service and the specific dates of the service.

The most common types of service claimed for credit include:

- Inactive leave of absence without pay (LWOP)
- Outside service credit (teaching service outside the Alaska TRS)
- Active military service prior to TRS entry
- Active military duty while an active TRS member
- Alaska Bureau of Indian Affairs credit

Leave of Absence Without Pay (LWOP)

Members may receive TRS credit for LWOP if their LWOP was authorized by their employer. Contributions for LWOP are required and are based on the salary the member would have earned had they continued to work instead of taken LWOP. There are two types of LWOP: Inactive LWOP and Active LWOP.

Inactive LWOP

Members may be granted an approved leave of absence. This time off can be claimed, and an indebtedness established. Members are not required to pay TRS contributions while on LWOP. When the member returns to work and claims LWOP, an indebtedness equal to the employee and employer contributions will be established. Seven percent interest will be accruing on the indebtedness beginning the date the member began inactive LWOP. Contributions for LWOP are required and are based on the salary that the member would have earned had they continued to work instead of taken LWOP.

If the member wants to receive credit for inactive LWOP, they will need to ask their employer to send the TRS a *Certification of Leave of Absence Without Pay (LWOP)* form (trs005). Once that form is received and accepted, an indebtedness will be established, and the member may begin making payments.

- *Certification of Leave of Absence Without Pay (LWOP)* form (trs005): [Alaska.gov/drb/pdf/forms/trs005.pdf](https://alaska.gov/drb/pdf/forms/trs005.pdf)

CAUTION: If the member is participating in the 1% supplemental contributions provision, they should make sure that they do not jeopardize that coverage by going on inactive LWOP. This claimed service will not count toward the 20-year eligibility retirement or toward the 25 years of credited service for Tier II members under the age of 60.

Active LWOP

Although Active LWOP credit does not count toward vesting and retirement eligibility, it will increase the member's TRS credit.

A teacher may be granted a leave of absence without pay for the purposes which may be approved by the governing body of the district if:

1. The teacher's application is approved by the governing body of the district, and
2. The teacher agrees to return to employment in a public school not later than the beginning of the school year following termination of the period for which the leave of absence was granted.

A leave of absence is not an interruption of the continuous service necessary to attain or retain retirement or tenure rights under AS 14.20.150, 14.20.155, or 14.20.160. However, the time spent on leave of absence may not be counted in determining when a teacher has sufficient service to enable the teacher to acquire retirement or tenure rights. The leave of absence is not a break in service for retirement purposes.

The governing body of the district may agree to continue the teacher's retirement contributions if the teacher agrees to pay the percent required under AS 14.25.050 of the salary the teacher would have received during the leave of absence and reimburse the district for the district's required retirement contribution. Each year of leave of absence then would count as a year of retirement service.

The governing body of the district may advance the teacher on the district salary schedule when the teacher returns to employment if the governing body determines that the teacher's leave of absence was educationally or professionally beneficial to the teacher or district.

Contributions are made for members on active LWOP each pay period. This time does not count toward the 20-year eligibility for retirement, however, it is included in the member's retirement calculation.

Outside Service

Teachers may receive TRS credit for their employment in an out-of-state school or Alaska private school. Outside service includes employment as a:

1. Certified full-time elementary or secondary teacher or certified employee in a full-time position which requires a teaching certificate as a condition of employment in an:
 - a. Out-of-state public school either inside or outside of the United States supported by U.S. funds, or
 - b. Approved or accredited nonpublic school either inside or outside the United States supported by U.S. funds,
2. Full-time employee in an out-of-state institution of higher learning requiring academic standing and accreditation by a nationally recognized accrediting agency listed in the Education Directory, Colleges and Universities, by the National Center for Education Statistics, or
3. Full-time teacher in an approved or accredited nonpublic institution of higher learning in Alaska.

Teachers may claim up to ten (10) years of outside service (only full school years are creditable). However, the combined total of claimed outside and military service may not exceed ten (10) years.

Although outside service is not membership service, in certain cases it may count toward vesting and retirement eligibility.

How to Claim Service

Teachers may claim this service by:

- completing the appropriate forms, and
- contacting the Division for specific information.

An indebtedness will be established when the process is completed, and they may begin making payment at that time.

Applications and other forms are available online at [Alaska.gov/drb](https://alaska.gov/drb), by calling the Member Service Center at (800) 232-2251 or in Juneau at (907) 465-4460, or by email at doa.drb.mscc@alaska.gov. The *Application for Outside Service Credit* can also be located on the Division website at [Alaska.gov/drb/pdf/forms/trs031.pdf](https://alaska.gov/drb/pdf/forms/trs031.pdf).

The Cost

The cost for claiming outside service (indebtedness) will depend on when the teacher first entered the TRS.

If the teacher first entered:

- Before July 1, 1978, they will be charged 7% of their base entry year salary for each year claimed. However, if they first entered before July 1, 1970, they will be charged 5% for each year of pre-July 1, 1970 service claimed.

Interest at the prescribed rate will begin accruing on their indebtedness on July 1, 1963 or the date of their TRS employment, whichever is later. If the outside service occurs after they terminate TRS employment, and it is claimed upon reemployment, interest will accrue from July 1, 1963, or the date of their reemployment, whichever is later.

- After June 30, 1978, they will be charged the full actuarial cost for providing benefits for the service. Seven percent interest will begin accruing on the date that their indebtedness is established.

Their annual base contract salary when they first entered under TRS will be used to calculate their indebtedness, unless their outside service occurred following termination from TRS employment and is claimed upon reemployment. In that case, their reentrance salary will be used.

Interest will accrue on their indebtedness until it is paid in full or they retire, whichever occurs first.

Prior Active Military Service

Members may be eligible to receive up to five (5) years of Teachers' Retirement System (TRS) credit for their active military service in the U.S. Armed Force, if you were honorably discharged. TRS members, and surviving spouses of members who had served in the armed forces, may also be eligible to receive this credit.

The combined total of outside and military service claimed may not exceed ten (10) years.

Members first hired on or after July 1, 1990, are not eligible for TRS military service credit if they are retired from regular military service and eligible for a federal benefit for the same service. 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.

Each twelve (12) months of military service equals one school year, and lesser military periods will be determined for credit purposes in proportionate ratio to a year.

How to Claim Service

Teachers may claim their military service by:

- completing side one of the *Application for Military Service Credit* form (02-830), and
- attaching the required military documentation.

The application and other forms are available on the Division website at [Alaska.gov/drb](https://alaska.gov/drb). Members can also contact the Member Service Center toll-free at (800) 821-2251 or in Juneau at (907) 465-4460, or by email at doa.drb.mscc@alaska.gov.

- *Application for Military Service Credit*: [Alaska.gov/drb/pdf/forms/02-830.pdf](https://alaska.gov/drb/pdf/forms/02-830.pdf).

The Cost

The cost for claiming military service (indebtedness) will depend on when the member was first hired under the TRS.

Members first hired:

- After June 30, 1970, but before July 1, 1990, will be charged 7% of their base salary for each year claimed.
- Before July 1, 1970, will be charged 5% of their base salary for each year of pre-July 1, 1970, service claimed.

The annual, base contract salary when they were first hired under the TRS will be used to calculate their indebtedness, unless their military service occurred following termination from TRS employment and is claimed upon reemployment. In that case, their reentrance salary will be used.

Interest at the prescribed rate will begin accruing on July 1, 1963, or the date of your TRS employment, whichever is later. If the military service occurs after they terminate TRS employment and it is claimed upon reemployment, interest will accrue from the date of their reemployment or July 1, 1963, whichever is later.

Interest will continue to accrue until they pay the indebtedness in full or they retire, whichever occurs first.

The total military credit that may be claimed in the TRS and the PERS is five years for those persons who have served in both systems.

Alaska Bureau of Indian Affairs

Members may be eligible for additional TRS credit for their employment with a Bureau of Indian Affairs (BIA) school in Alaska. To qualify, employment must be:

1. a certified full-time teacher in a position which requires a teaching certificate as a condition of employment, or
2. a professional educator.

Alaska BIA service will increase the member's TRS service and monthly benefits and may count toward vesting and retirement eligibility.

The Cost

The cost for claiming Alaska BIA service (indebtedness) will depend on when the member was first hired under the TRS.

Members first hired:

- After June 30, 1990, will be charged 8.65% of their base salary for each year claimed.
- After June 30, 1970, but before July 1, 1990, will be charged 7% of their base salary for each year claimed.
- Before July 1, 1970, will be charged 5% of their base salary for each year of pre-July 1, 1970, service claimed.

The member's annual base contract salary when they were first hired under TRS will be used to calculate their indebtedness, unless their Alaska BIA service occurred following termination from TRS employment and is claimed upon reemployment. In that case, their reentrance salary will be used.

Interest at the prescribed rate will begin accruing on July 1, 1963, or the date of their TRS employment, whichever is later. If the service occurs after they terminate TRS employment and it is claimed upon reemployment, interest will accrue from the date of their reemployment or July 1, 1963 whichever is later. Interest will continue to accrue until they pay the indebtedness in full or they retire, whichever occurs first.

Workers' Compensation and Leave Without Pay

Members may elect to receive credited service for time on leave without pay (LWOP) if the member is receiving Workers' Compensation (WKC) benefits during this period.

If a member is assaulted while on the job and files for WKC benefits and, as a result of the assault, is placed on LWOP, they are entitled to accrue credited service. The employer pays the contributions for victims of assault. This service will count toward vesting and retirement eligibility. Credited service ends when the member is eligible for a disability benefit or a normal retirement benefit.

How to Claim Service

Teachers may claim their WKC LWOP by:

- completing the top portion of the *Workers' Compensation and LWOP Claim and Verification* form (trs032), and
- submitting the claim to the employer where the period of WKC was rendered.

Employers are required to complete the lower portion of the claim and verification form and submit the completed form to the Division for processing. Employers will be certifying that the employee was unable to work due to:

- an on-the-job injury, or
- an occupational illness, and
- received benefits under AS 23.30.

Employers will verify the periods of WKC and use different lines to separate WKC between school years. Employers are to verify:

- the school year,
- the beginning and ending date of Workers' Compensation,
- the full contract salary,
- the number of days taught and the contracted days, and
- the number of days on WKC.

If WKC occurred during more than one school year, list by school year.

The Cost

The cost for claiming WKC and LWOP (indebtedness) is equal to the contributions that the teacher would have made if the teacher had been working. Interest as prescribed by regulation accrues on the indebtedness beginning on the date that the teacher returns to work or terminates employment. Interest will continue to accrue until they pay the indebtedness in full or they retire, whichever occurs first.

If there is an outstanding indebtedness at the time the teacher is appointed to retirement, benefits shall be actuarially adjusted.

Claimed Earlier Service

Members may receive credit for earlier elected official service if:

- the service occurred before May 31, 1989, and while you were a full-time TRS employee,
- the member was compensated for the service, and
- the service was with a municipality or political subdivision that was participating in the PERS at the time it occurred.

Members are advised to contact the Division to find out how to claim earlier service. After their claim is received and accepted, an indebtedness will be established, and they may begin making payment. Their indebtedness will be equal to the full actuarial cost of providing benefits for the service.

Seven percent interest will begin accruing on the indebtedness on July 1, 1989. It will continue to accrue until the indebtedness is paid in full or the member retires, whichever occurs first.

Contact your Regional Counselor for information on these types of service and for specific instructions on how to claim service for credit in the system.

Calls to Active Military Duty While Employed in TRS

Per the 1994 Uniformed Services Employment and Reemployment Rights Act (USERRA), military personnel who are currently working for a TRS employer and called out to a period of active duty may be entitled to claim the period as regular service credit upon their return to the employer. This service may be voluntary or involuntary and you must leave the military in good standing to qualify for reemployment. If you are called to active duty, you must notify your employer in advance, either verbally or in writing unless giving notice is impossible, unreasonable, or precluded by military necessity.

The member is to be granted reasonable time off prior to the beginning of the active duty period to take care of personal affairs and to travel to the reporting site. In addition, the member is to be granted a period of rest before returning to work. The period of time the member has to report back to work varies depending upon the length of the active duty period. For example:

- for service of more than 180 days, members must submit an application for reemployment within 90 days of honorable discharge from active duty,
- for service of more than 30 days but less than 181 days, members must submit an application for reemployment within 14 days of release from service, and
- for service of less than 31 days, the time period for submitting an application is very short.

USERRA provides that members are reemployed in the job that they would have attained had they not been absent for military service, with the same seniority, status, and pay, as well as other rights and benefits determined by seniority. USERRA also requires that reasonable efforts (such as training or retraining) be made to enable returning service members to refresh or upgrade their skills to help them qualify for reemployment. Administrative order 213 allows state employees to continue health benefits when called to active duty in support of conflicts in Iraq and Afghanistan.

This time frame may be extended due to medical circumstances. If the member suffers a disability upon their return to employment, the employer is required to make reasonable accommodations to return the member to active employment.

If you have a member who is called to active duty, you should:

- Contact your Regional Counselor
- Inform the member of their right to claim service upon return to employment
- Report the leave of absence through payroll reporting per eReporting or Employer Services instructions
- Inform the member of the process to claim service upon return to employment

Calls to active duty must be claimed for credit in the TRS by the member once they return to employment. The member is required to write a memo requesting to claim the period of active duty for service credit in TRS. The memo plus documentation verifying the release from active duty with an honorable discharge, typically a DD214, is sent to the Division for processing.

PLEASE NOTE: A call to active duty does not count towards the five-year limit of claimed military service.

Once claimed, the entire period of the military leave of absence is credited as regular service in the TRS. There are member contributions required for this period of service. The military leave of absence period will count toward vesting and retirement eligibility once paid. Employer contributions have already been made during this period of military leave of absence.

The allowable time frame for making up the contributions is up to three times the length of the period of the military leave of absence, not to exceed five years.

Employers and members are encouraged to contact their Regional Counselor for information on calls to active duty.

For questions about USERRA, contact:

- **USERRA:** Federal Register 20 CFR Part 1002
[DOL.gov/vets](https://www.dol.gov/vets)
- **ESGR:** Employer Support of the Guard and Reserves is a Department of Defense agency established to gain and maintain active support from all public and private employers.
(800) 336-4590 (toll-free)
[ESGR.mil](https://www.esgr.mil)

Service Accrual

A TRS permanent full-time member earns service credit based on the number of days worked during the school year (July 1– June 30). If members work on a part-time basis, they will be credited proportionally for this time. For example, if the member works 188 days and works 75 percent of the time, they will accrue 0.7 years of service for that school year. (Service percentage is calculated using a maximum of 172 days.) Part-time members must work at least 50 percent of the normal workweek on a regular basis to receive TRS credit. Part-time members receive one-half day of credit for each day worked.

Employees are not eligible for TRS coverage if:

1. they work less than 50 percent of the normal workweek on a regular basis, or
2. they are employed as assistants, graduate assistants, or on a substitute, temporary, or per-diem basis

Membership service is credited as follows:

Full-Time Service After June 30, 1969

Days Worked	Service Credit In Years
0 to 8	none
9 to 26	0.1
27 to 44	0.2
45 to 62	0.3
63 to 80	0.4
81 to 99	0.5
100 to 117	0.6
118 to 135	0.7
136 to 153	0.8
154 to 171	0.9
≥172	1.0

Full-Time Service Before July 1, 1969

Days Worked	Service Credit In Years
0 to 19	none
20 to 34	0.2
35 to 48	0.3
49 to 62	0.4
63 to 76	0.5
77 to 90	0.6
91 to 104	0.7
105 to 118	0.8
119 to 132	0.9
≥133	1.0

Service credit will not be given during any period that the member allows their certification to expire.

Sabbatical leave is also membership service and counts toward vesting and retirement eligibility. The member may receive membership credit if they:

- have been granted an approved sabbatical leave,
- pay the member contributions and the employer pays the employer contributions to the TRS each month based on the contract salary the member would have earned had they worked instead of taking the sabbatical leave, and
- return to their teaching position for a full year after the sabbatical leave ends. If the member is unable to return because of sickness, injury, or death, this requirement does not apply.

When the member retires, the actual salary that they were paid while on sabbatical leave will be used in the benefit calculation if it is one of the three highest years.

Simultaneous TRS and PERS Credit

Members working in both the TRS DB Plan and the PERS DB Plan at the same time may receive partial credit under both systems. To be eligible, they must be employed concurrently at least half-time in both systems and making the required contributions.

The total TRS DB and PERS DB credit that a member may earn during a school year (July 1 – June 30 of the following year) may not exceed one year.

If the member is a compensated elected public official with a PERS-participating municipality or political subdivision during their full-time TRS employment, they will receive retirement benefits from the PERS under the Alternate Benefit for Elected Officials.

Vesting

To vest in the TRS requires eight years of accrued paid-up service. Once a member is vested, they are entitled to a lifetime defined retirement benefit based on their salary and service in the system. Vesting also expands death and disability benefits.

If there has been a refund of any prior service, and an indebtedness was established prior to July 1, 2010, that service cannot be used in calculating a vesting date until the indebtedness for the refund is paid in full. If a member has over eight years of service, but an indebtedness exists for all or part of that service, the member's vesting date will be the date the refund is paid or the date the member has accumulated additional service equal to eight years, whichever occurs first. Members cannot reinstate refunded service after July 1, 2010.

Members are also vested if they have:

- five paid-up years of membership service and three paid-up years of Alaska BIA service, or
- twelve paid-up years of part-time service (teaching in the State of Alaska) or a combination of part-time and full-time TRS membership service (teaching in the State of Alaska), or
- fifteen paid-up years of TRS credited service, if the last five years are membership service and you were first hired under the TRS before July 1, 1975, or
- two paid-up years of TRS membership service if you are vested in the Public Employees' Retirement System.

Once members are vested, they may terminate TRS employment and still receive a monthly retirement benefit when they reach retirement age. However, they must leave their contributions in TRS to stay vested.

Effects of LWOP and Reporting Process

When status events are not submitted to the Division, vesting dates and retirement eligibility dates are miscalculated resulting in serious consequences to the member.

- **Active LWOP:** A status event reported as active LWOP means that the member has been granted a leave of absence without pay, agreeing to return to employment in a public school, and that the employer agrees to continue paying the retirement contributions if the member also agrees to pay the member's contributions and reimburse the district for the district's required retirement contribution.
- **Inactive LWOP:** A status event reported as inactive LWOP means that no employer or member contributions have been paid, but that the member may elect to claim this period of time, and pay both the member and employer contributions, plus interest.

Any time a member questions their service with the Division, they are strongly encouraged to request that their employer verify the service for possible corrections. The Division also encourages the employer to verify service and to not wait until the member is submitting their retirement papers. For those members' retirement that are based on years of service, it is crucial that their service is correct.

TRS Service Verification

Members are encouraged to periodically review their service history as shown on their annual statements or in Member Services to ensure it has been correctly reported to TRS.

If any discrepancies are noted, the member should contact the employer they were serving with at that time for more information. If an error has occurred the employer will have to take action to correct the member's service with the TRS.

To correct service performed with a past employer, the past employer must send in a verification of the member's service on the approved form(s) to the TRS.

- *TRS Verification of Service* form (02-808): [Alaska.gov/drb/pdf/forms/02-808.pdf](https://alaska.gov/drb/pdf/forms/02-808.pdf)

This form should be completed by the responsible person in charge of records where the service was rendered. Please return the completed form to the TRS. List chronologically each school year of teaching service rendered under your jurisdiction by the member.

Instructions for completing the *TRS Verification of Service* form (02-808) are:

1. SECTION I. Personal Data (to be completed by teacher) (self-explanatory)
2. SECTION II. Teaching Experience (to be completed by responsible school official)
 - 1* TYPE OF SCHOOL- For type of school enter PUB for Public, PRI for Private, DEN for Denominational, IHL for Institution of Higher Learning or FGN for Foreign schools.
 - 2* ACCREDITED- A school will be considered accredited only if officially accredited by a state Department of Education, a territorial accrediting association, one of the regional accrediting association (i.e., Northwest)
 - 3* ACTUAL DAYS SERVED- Actual days served should include all paid personal or sick leave taken as work days during the school year.
 - 4* HOURS PER DAY EMPLOYED- For elementary or secondary school indicate the number of hours in a normal work day. For an institution of Higher Learning indicate the number of credit hours taught (i.e., 3CH)

5* TEACHING CERTIFICATE- A position will be considered creditable only if that position required a teaching certificate as a condition of employment (regardless of whether or not the employee already held one).

6* If an Institution of Higher Learning, please indicate if the individual has academic standing.

The employer should then certify the verification of service by signing, dating, and printing their name and title at the bottom of the form.

To correct service performed with a current employer, the employer must send the correction with their payroll report to the Division. If an employee disagrees with the employer's verification of salaries or service, they will be referred to the employer to resolve the discrepancy.

Sabbatical Leave

A teacher who has rendered active service for seven or more years in a district is eligible for sabbatical leave. Sabbatical leave may be taken for educational purposes only, and for not more than one school year.

Sabbatical leave is not considered leave without pay. Member may receive membership credit while they are on approved sabbatical leave if:

1. they pay the employee and their employer pays the employer contributions to the TRS each month, and
2. the member returns to their teaching position for a full year after their sabbatical leave ends. If the member is unable to return because of sickness, injury or death, this requirement does not apply.

Sabbatical leave is membership service and counts toward vesting and retirement eligibility. When the member retires, the actual salary the member was paid while on sabbatical leave will be used in the benefits calculation if it was one of the member's three highest. Member and employers should contact the Division for more information.

Workers' Compensation Procedures

If you have a member on a period of WKC LWOP, the LWOP time should be reported through the payroll process.

Should the member elect to claim the period of WKC LWOP, they will submit the *Workers' Compensation and LWOP Claim and Verification* form (trs032) to the employer for completion. The member must complete the top portion of the form, sign, date, and submit to the employer for verification.

- *Workers' Compensation and LWOP Claim and Verification* form (trs032): [Alaska.gov/drb/pdf/forms/trs032.pdf](https://alaska.gov/drb/pdf/forms/trs032.pdf)

The employer will verify the date the WKC began and ended for each calendar year, the hourly rate of pay, the scheduled hours per week, and the hours the member was on WKC for each segment. The time the employer is verifying for the WKC claim is the period of time the member was paid by the WKC carrier and no contributions were paid to the system.

Further information on claiming Workers' Compensation can be located under "Claimed Additional Service" in this manual.

Disability

If a member becomes permanently disabled, they may be eligible to receive monthly benefits from the TRS. Disability benefits are intended to provide a means of partial income replacement if the member must terminate their TRS employment because of a permanent disability. Disability benefits provide members with a monthly benefit payment and major medical insurance and are not intended to supplement their income should they recover from their disability and return to teaching.

To qualify for a TRS disability benefit, members must meet the following requirements:

- have at least five paid-up years of TRS membership service,
- have a total and apparently permanent disability because of a physical or mental condition that presumably prevents the member from satisfactorily performing their usual duties for the employer or another position or job that an employer makes available for which the member is qualified by training or education,
- terminate TRS employment because of the disability, and
- file a timely application for the disability benefit with the TRS administrator. The application is timely if it is filed by the later of six months after the date that their disability began or 90 days after the member's termination of employment.

The cost for providing disability benefits to members is borne by the employer and is included in the employer contribution rates. Employers should attempt to make accommodations or placement in a comparable position before terminating a member because of disability.

If the member has already met the requirements for a normal retirement based on age or years of service, they are not eligible to receive a disability benefit. Those members receiving disability benefits convert to a regular retirement benefit once they meet the age or service requirement.

Members who are age-eligible to retire early may apply simultaneously for early retirement and disability benefits. If the disability is later approved, they will be appointed to a disability benefit retroactive to the first of the month following termination of employment due to the disability and benefits will be adjusted accordingly. If the disability is denied, the member will remain on early retirement.

Receiving a disability benefit is not automatic. Members do not need to terminate employment before applying for a disability benefit. However, if they are approved for benefits, they must terminate TRS employment within 30 days of the Administrator's decision.

CAUTION: Members may choose to receive a refund of their accumulated member contributions in a lump sum, rather than apply for a disability benefit. However, if the member refunds their contributions instead of applying for a disability retirement, they are no longer eligible for that benefit or any future TRS retirement benefit or associated system-paid medical insurance benefits.

Members should be directed to contact the Division and request a disability packet. Their application must be received by the Division or postmarked within six months after their disability begins, or 90 days after termination of TRS employment. If the member misses either deadline, contact the Division for assistance. In general, it takes approximately six to eight weeks to process the application. It can take longer if the member does not provide adequate medical documentation or other required information to support their application. It is the member's responsibility to provide complete information to the Division so a determination can be made.

Members must provide physician statements and complete medical records along with an employer's statement of disability to the Division. A consulting physician reviews the file and makes a recommendation to the TRS Administrator who makes a final recommendation. The member will be notified of the final outcome. If denied disability benefits, they may appeal to the Department of Administration's Office of Administrative Hearings.

Once the disability application is approved, they will begin receiving monthly benefits. Benefits accrue from the first day of the month following termination of employment and are paid at the end of the month. If the appointment to disability is delayed to allow time for the TRS Administrator to obtain and review records, retroactive payments will be made.

The benefit is equal to 50% of the member's annual base contract salary immediately before becoming disabled (divided by 12 months). An additional 10% of their base contract salary is payable for each of their dependent children, if any, up to a maximum of four children (40% of salary). Dependent children are defined as a child who is under age 19, or 23 if registered as a full-time student and attending an accredited school, college, or university.

The member, their spouse and their dependent children are eligible for major medical coverage at no cost to the member as long as they are receiving disability benefits. Dependent children up to age 19 are covered and may be included up to age 23 if enrolled full-time in an accredited college or university. The medical coverage will continue once the disability benefit converts to normal retirement. There are also optional insurance coverages for dental-vision-audio (DVA) and long-term care (LTC) insurances which they may elect and pay premiums for. They must elect optional coverages when they are appointed to disability benefits or they will not have the opportunity to elect them at any future time, including when their disability benefit converts to a normal retirement.

Disability benefits, including the benefits for dependent children, will cease when they:

- recover from the disability,
- fail to comply with eligibility requirements,
- die, or
- become eligible for normal retirement.

Benefits may also be terminated if they return to work in a teaching position.

The disabled member will be required to provide information for proof of continuing eligibility by submitting a completed physician's statement of continuing eligibility signed by the physician who is treating the member's condition(s). In addition, the member will be asked to provide a copy of their previous year's federal income taxes to verify they are not employed. They may also be required by the TRS Administrator to undergo a medical examination. Proof may be required once a year during the first five years of disability and once every three years thereafter.

TRS members continue to accrue service while receiving disability benefits until they become eligible for a normal retirement benefit. At that time, disability benefits will cease and they will be appointed to normal retirement. The monthly retirement benefit will be calculated on their total TRS service and average monthly compensation earned while employed. For Tier I members, age 55 or 20 years of accrued service determines normal retirement eligibility; for Tier II members, it is age 60 or 20 years of service.

Members should contact a Regional Counselor for more information on disability benefit requirements.

Death

When a member dies before they have retired, there may be death benefits payable to their survivors. Survivors include spouses and, in some cases, dependent children.

There are two types of TRS death benefits: occupational and non-occupational.

Members or survivors should contact their Regional Counselor for more information on death benefits.

Occupational Death Before Retirement

When a member dies from occupational causes before retirement or while receiving occupational disability benefits, the spouse or other eligible beneficiary is entitled to the monthly survivor's pension as described in this section, unless benefits are payable under the 1% Supplemental Contributions Provision. The member does not have to be vested to qualify for occupational death benefits.

The spouse is automatically the beneficiary unless, in the case of the spouse, the Division received a *Spousal Waiver of Death Benefits* form (gen054). The spouse will receive a monthly survivor's pension. If there is no surviving spouse and the member has dependent children, the survivor's pension will be divided equally among those children.

The monthly survivor's pension is 40% of the member's last base contract salary (divided by 12 months).

At the member's normal retirement date (by age or service) the benefit changes. The new benefit will be based on the member's average base salary at the time of death and the total TRS service. This includes potential service accrued as if the member had worked until eligible for normal retirement.

Benefits accrue from the first day of the month after the member's death and are payable at the end of the month. Benefits stop when there is no longer a surviving spouse or eligible dependent child.

Lump Sum Benefit

If there is no surviving spouse or dependent child, and someone else is the designated beneficiary, that person will receive the following lump sum amount:

1. the balance of the employee contribution account. This includes mandatory contribution, indebtedness principal and interest payments, supplemental contributions, and interest on the account,
2. a lump sum payment of \$1,000, and
3. \$100 times the number of years of TRS membership service at the time of death.

The sum of 2 and 3 may not exceed \$3,000.

Non-Occupational Death Before Retirement

When a member dies from non-occupational causes before retiring, the spouse or other eligible beneficiary is entitled to the death benefit described below, unless benefits are payable under the 1% Supplemental Contributions Provision.

Non-vested Member Death Benefits

For a member with less than one year of TRS service, or before becoming vested if the member is inactive, the death benefit is:

- The balance of the employee contribution account, including mandatory contributions, indebtedness principal and interest payments, supplemental contributions, and interest credited to the account.

For an active member with at least one year of TRS service, but before becoming vested, the death benefit is the sum of:

1. the balance of the employee contribution account, which includes mandatory contributions, indebtedness principal and interest payments, supplemental contributions, and interest credited to the account,
2. a lump sum payment of \$1,000,
3. \$100 times the number of years of TRS membership service at the time of death, and
4. \$500 if the member is survived by at least one dependent child at the time of death. This benefit is payable only if the member's dependent child or that child's parent or legal guardian is the designated beneficiary.

The sum of 2 and 3 cannot exceed \$3,000.

Vested Member Death Benefits

For a member vested in TRS, the death benefit is:

Spouse Beneficiary

Either the non-vested member death benefits for members with at least one year of service, or a monthly 50% joint and survivor benefit based on the member's average monthly compensation and years of TRS credited service at the time of death.

The spouse must have been married to the member for at least one year to be eligible to receive the 50% joint and survivor benefit. If the death is accidental or occupational, this one-year requirement does not apply.

Non-Spouse Beneficiary

If someone other than the spouse is the designated beneficiary, that person will receive the non-vested member death benefits for members with at least one year of service.

Death Benefits for Retired Members

When a retired member dies, the beneficiary is entitled to receive the final retirement check for the month in which the member dies, if not already paid to the member. However, a check payable to a deceased member must be returned to the Division and reissued in the beneficiary's name. It is illegal to cash a deceased member's check.

If the member selected a joint or last survivor option at the time of retirement, the spouse at the time of retirement is eligible to receive a continuing lifetime survivor benefit.

If a member did not select a joint and survivor option, then the beneficiary will receive the balance remaining in the employee contribution account, if any.

Who Receives the TRS Death Benefit

The benefit that is payable upon the death of a member will be paid to the primary beneficiary or, if that person is deceased, benefits will be paid to the contingent beneficiary, unless:

- The member was married at the time of their death and they were married to the same person during part of their TRS employment. In that case, their spouse is automatically the designated beneficiary, regardless of their written designation. The spouse may consent to another beneficiary on the *Beneficiary Designation* form (gen053): [Alaska.gov/drj/pdf/forms/gen053.pdf](https://alaska.gov/drj/pdf/forms/gen053.pdf), or
- a qualified domestic relations order provides for payment to a former spouse.

Report a Death

To report the death of a member or surviving spouse of the Public Employees' Retirement System (TRS), Teachers' Retirement System (TRS), Judicial Retirement System (JRS), or Elected Public Officers' Retirement System (EPORS), please have the following information ready:

- Name of the deceased
- Date of birth
- Name and contact information for the surviving spouse
- A contact name and phone number or email address

Complete the *Death Notification* form (gen055) and email it to: Doa.drb.survivorbenefits@alaska.gov.

You may also report a death by calling the Member Service Center at (800) 821-2251 toll-free or (907) 465-4460 in Juneau, or by email at doa.drb.msc@alaska.gov.

What to expect:

- Information about any benefits payable and any forms required for payment will be mailed to beneficiaries within 5 business days of a report of death. Please allow 5-7 additional days for mailing.
- The Division must receive a certified copy of the death certificate before any benefits can be paid.
- Due to confidentiality requirements, only beneficiaries will receive information on benefits payable. An exception can be the executor of the estate. Executors should be prepared to provide:
 - ~ Acceptance of Duties by Personal Representative
 - ~ Letters of Testamentary by Court

Please note: Depending on the age and tier of the deceased member, system-paid medical coverage may end, even if a survivor option was elected.

Divorce or Dissolution

Retirement accounts are marital assets. If the member is married and there is a divorce or dissolution during any period of the member's TRS employment, the member is required to submit court certified copies of the divorce or dissolution documents and the property settlement to the Division. These documents will be placed in their permanent record with the Division.

If the documents stipulate or contain an order by the judge entitling the former spouse to a portion of an account, a Qualified Domestic Relations Order (QDRO) must be filed as well.

If the documents indicate there was an agreement about the equitable division of retirement benefits, but no separate agreement is included in the documents, the member must provide a court certified copy of the separate agreement or the magistrate or judge's notes from the court hearing.

If the documents are silent on the retirement plans, the account will be considered free from attachment.

Where To Get Help

All the legal requirements involving a member's benefits must be resolved before any amount can be paid. No funds will be disbursed from any accounts until all issues have been resolved—even if the responsibility to file the necessary documents rest with the former spouse. The Division has a booklet available containing useful information regarding how a member's benefits may be affected by divorce. The booklet also includes sample language that may help in drafting QDROs. The booklet is available on request.

In Alaska, the court may include the retirement benefits and plans earned by both spouses as marital assets available for division. The Division does not provide valuation calculation services. If calculations are needed, an independent actuary or CPA must be retained. However, the Division can provide benefit information as needed for calculations. If account details are to be sent other than directly to the member, the member must sign a release authorizing another person access to their account.

Different methods of valuation are used to determine the value of a marital asset. When the spouses agree, courts usually accept what they say about the value of an asset. Absent an agreement, third-party experts, including accountants and pension valuers, may be retained by the parties or by the courts to determine the value of marital assets.

Third parties may be authorized to request information regarding a member's retirement accounts and other benefits. Retirement benefits, which vary greatly, may potentially include accumulated employee leave time. In some cases, information regarding an active employee's benefits must be relayed directly through the employer.

Ending a marriage is considered a “status change” event. A member must contact their human resources office to advise them of:

- a change in marital status,
- any address changes,
- inquiries about changing or updating beneficiaries, and
- any necessary changes to their health insurance coverage.

A change in status is reported to the Division through payroll reporting.

Whether the marriage ended in divorce or dissolution distinguishes the types of documents required. In Alaska and other applicable states, the documentation is specific:

- court-certified copies of the Decree of Divorce, Findings of Facts and Conclusions of Law, Property Settlement, and any other attachments or court documents that may address the TRS account, or
- court-certified copies of the Decree of Dissolution, Petition for Dissolution, and any other attachments or court documents that may address the TRS account.

In Alaska, court-certified copies are usually distinguished from photocopies by either a raised, embossed or blue-ink seal of the court. Members should contact the Alaska Trial Court to obtain certified copies of divorce documents:

[Courts.alaska.gov](https://courts.alaska.gov).

Members should note, an agreement regarding the TRS is not effective until the Decree and Order are filed with the Plan Administrator and the parties receive notice it is accepted. If divorce documents are filed with the member’s human resource office, please remind them to submit their court documents to the Division if they have not done so already.

A member’s divorce documents must be reviewed to determine if any interest in their TRS benefit was awarded to the former spouse, before they may access their account or be appointed to retirement.

If a prior spouse is deceased, the Division requires a copy of the death certificate for the member’s file.

Terminations

It is the employer’s responsibility to report terminations of employment timely to the TRS. The termination action should be reported as soon as possible after the member’s last day of work and include the final year contract salary and verification of days worked during the school year.

Bona Fide Termination

Separation of employment is a requirement of eligibility to receive retirement benefits. Both the Alaska statutes governing the retirement plans and the Internal Revenue Service (IRS)—which allows contributions to the retirement plans to be made on a pre-tax basis—require a bona fide separation of employment before any disbursement of retirement funds can occur.

A bona fide separation of employment is a total separation of the employer-employee relationship. Reduction of hours worked, a change in status from full-time to part-time, from permanent to non-permanent, or to a fee-for-service arrangement do not meet the separation requirement.

Members and their employers cannot have a prearrangement to return to work prior to separating from service to retire.

The retirement systems require a break in service before a member can return to work with the same employer. If a member reemploys with the same employer before the required break period has elapsed, the member's retirement will be reviewed to determine if a valid separation occurred. **If a prearrangement for reemployment is discovered, the member's separation of employment will be invalid and all retirement benefits, including retiree medical claims, must be repaid to the retirement system.**

The requirements for bona fide termination apply to both PERS/TRS DB and DCR plans. If a member intends to withdraw retirement funds or participate in the DCR retiree medical plan, there can be no prearrangement for reemployment with the same employer prior to termination of employment. If a PERS/TRS DCR member terminates employment and withdraws their funds or participates in the medical plan, they must fulfill the required break in service before reemploying with the same employer.

If no prearrangement is evident, but the member returns to the same employer without fulfilling the required break in service period, the member's benefit will be coded as an early distribution and an additional 10% tax penalty will be applied by the IRS on benefits received.

- **If a member is under age 62 at retirement**, they are required to have a 6-month break in service before returning to work for the same employer.
- **If a member is age 62 or older at retirement**, they are required to have a 60-day break in service before returning to work for the same employer.

Again, no prearrangement for reemployment can occur prior to the member's retirement. This includes signing up for the substitute teaching list. Please see [Alaska.gov/drj](https://alaska.gov/drj) for consequences for violations.

Refunds

When a member terminates employment, they may request a refund of their account by completing the *Refund Election* form (gen008). The form is available on the Division's website.

- TRS Defined Benefit Refund Election form: [Alaska.gov/drj/pdf/forms/gen008.pdf](https://alaska.gov/drj/pdf/forms/gen008.pdf)

If a member refunds their TRS account, they forfeit all retirement benefits, including tier status, future pension, and medical coverage.

The refundable amount to a terminated member includes:

- Member mandatory contributions,
- Any indebtedness principal and interest payments, and
- Interest earned on the contributions.

Members must be terminated from employment for at least 60 days before a refund will be issued.

There are two ways to receive a refund payment:

- A one-time payment
- A direct rollover

Members may rollover their refund only into a qualifying plan. Please advise the member to read the *Refund Election* form instructions on their choices for payment or rollover. Members may want to speak to a tax advisor before making a decision. The Division does not give tax advice.

A refund of contributions does not include the employer contributions that have been made or the investment income earned. Refunds also do not include any 1% supplemental contributions paid by the member.

Terminated members who are married may not receive a refund of their member contribution account (if balance is greater than \$5,000) unless their spouse gives written consent. Terminated members who are divorced may not receive a refund of their member contribution account unless they can show that their former spouse was not granted an entitlement to the account. The member will need to send court-certified copies of the divorce decree and property settlement to the Division of Retirement and Benefits, if they have not already done so.

If a qualified domestic relations order (QDRO) has been filed awarding the former spouse a monthly benefit, the court would have to amend the QDRO to allow for a refund of the member contribution account as a lump-sum payout.

Terminated Members

If no application for benefits or for refund has been filed with the administrator by July 1 following the date on which an inactive member—except an employee on LWOP—would attain age 75, or, if no application for benefits or for refund has been filed with the administrator within the 50 years following the most recent date on which the employee was an active member, benefits or refunds may not be paid under AS 14.25.009 – 14.25.220 and the member's records may be destroyed.

Taxes

If the member's contributions have already been taxed, no more taxes or penalties will be taken from them. This includes indebtedness payments which may have been made with after-tax dollars.

Contributions which have already had taxes paid on them may not be rolled over into an Individual Retirement Arrangement (IRA).

The federal government may charge a penalty when untaxed PERS and TRS contributions and interest are refunded in one lump-sum before age 59-1/2.

The PERS and TRS must withhold 20 percent federal income tax on all untaxed, lump-sum accounts directly refunded to members. The 20 percent tax does NOT apply to PERS or TRS refunds that are rolled DIRECTLY into an IRA or other qualified plans.

The following have NOT been taxed at the time of contribution:

- TRS members' mandatory employee contributions made after December 31, 1986 and all interest earned on those employee contribution accounts.

Please direct questions about taxes to the IRS or a tax expert. The Division cannot give tax advice.

Retirement

Providing the member is vested in the system, they are first eligible to retire based on either age or years of service requirements. Three things must happen for a member to retire: they must be eligible to retire, they must terminate their employment, and they must submit a completed retirement application to the Division, postmarked no later than the last day of the month prior to when benefits are to begin. The Division recommends applications be submitted 60 days in advance of the retirement date to enable timely payment of benefits. If the Division does not receive applications by this requested time, eligibility reporting to the health carriers may be delayed.

Retirements are always effective the first day of the month. Because the school year ends June 30, unless the member works less than 172 days in the school year, the earliest the member can retire is July 1.

For example, to retire July 1, the Division would like the completed retirement application submitted in May. The last day that a retirement application would be accepted for a July 1 retirement is if it was postmarked or received no later than the last day of June.

Minimum Requirements for Age-Based Retirement

- Vested and age 55 for normal retirement or age 50 for early retirement if employee first entered the TRS before July 1, 1990 (Tier I), or
- Vested and age 60 for normal retirement or age 55 for early retirement if employee first entered the TRS on or after July 1, 1990 (Tier II).

Under early retirement, the monthly pension check is actuarially reduced based on the member's age at the time of retirement. The reduction is approximately 7-8 percent for each full year prior to the normal age requirement. The early retirement reduction is effective for the lifetime of the pension benefit.

Minimum Requirements for Service-Based Retirement

- 20 paid-up years of TRS membership service,
- 20 paid-up years of combined TRS membership and Alaska BIA service, if the last five years are membership years,
- 20 paid-up years of combined part-time and full-time TRS membership service (you must have worked at least 172 days and have one half year of membership service as a part-time member or one full year of membership service as a full-time member in each of 20 school years), or
- 25 paid-up years of credited service, if the last five years are TRS membership service.

Members retiring based on years of service are encouraged to have their service verified by the employer before terminating employment to ensure they have the required amount of service. This is important if they are terminating right on the date of reaching the 20 or 25 years, if they have any school years of less than 172 days during their employment. Members should not leave employment until they are absolutely certain they are eligible to retire. It is the member's responsibility to be sure they are eligible for retirement before they terminate employment.

To meet the 20-year eligibility period for normal retirement, members may use paid Alaska BIA service in addition to the membership service needed.

Those members needing 25 years to meet eligibility may use paid Alaska BIA, active military and outside service to meet this requirement.

Refunded service that has not been fully repaid will not count towards retirement eligibility.

Benefit Calculation

The pension benefit calculation is dependent on the years of service as well as the member's average base salary. To include a year of salary in the three highest years, the member must work and receive compensation during at least two-thirds of that school year (115 days) either full-time or part-time.

The normal retirement benefit will be calculated as follows:

- 2 percent times the average base salary (ABS) times all service years up to 20, including all years earned prior to 1990 divided by 12, plus
- 2-1/2 percent times your ABS times all service years over 20 that were earned after 1990, divided by 12.

The ABS is determined by adding the three highest annual-based contract salaries (including addenda) together and dividing the total by three. The member must work and receive compensation during at least two-thirds of a school year (115 days), either full-time or part-time, to include it as one of their three highest.

The base salary for part-time teachers will be figured at the full-time rate for this calculation. Only the actual salary paid during a sabbatical year can be considered for calculation of ABS. Bonuses received in your last year of employment that are contingent on termination are not included as compensation.

Members are encouraged to contact the Member Service Center if they have any questions on retirement eligibility toll-free at (800) 821-2251 or in Juneau at (907) 465-4460 or by email at doa.drb.msc@alaska.gov.

Supplemental Contributions for Members Who Entered the TRS Prior to July 1, 1982

The 1% Supplemental Contributions Provision was designed to allow a member to elect a spouse's pension or a survivor's allowance for a minor child. If a member first joined the plan before July 1, 1982, is married or has a minor child and wishes to make a spouse or minor child eligible for a spouse's pension or a survivor's allowance, an additional 1% in contributions is made. The member makes this election on the *Election/Waiver of Supplemental Contributions* form (trs019).

- *Election/Waiver of Supplemental Contributions* form (trs019): [Alaska.gov/drb/pdf/forms/trs019.pdf](https://alaska.gov/drb/pdf/forms/trs019.pdf)

This election can be made within 90 days of the member's entry into the TRS, or within 90 days of marriage or the birth or adoption of a child that is dependent upon the member. Once an election is made under this section, supplemental contributions must be made whenever contributions are required unless the member submits a waiver to the Division.

Members may stop participation of the 1% supplemental contributions by sending the Division the *Election/Waiver of Supplemental Contributions* form (trs019). The member does not pay the 1% supplemental contribution while receiving TRS disability benefits. Unlike the member's contribution account, the supplemental contributions are not refundable to the member.

If a member retires under the 1% supplemental option and later returns to employment, they can waive their participation in the 1% supplemental option. This does not forfeit their benefits earned during the prior period of employment when they are re-appointed to retirement.

Eligibility Requirements for Survivor's Allowance and Spouse's Pension

When members have made the required 1% supplemental contributions, benefits may be payable to their spouse, dependent children, or former spouse(s) if provided for in a qualified domestic relations order (QDRO). When a member dies, benefits are payable if:

- the member was 1) actively employed or on sabbatical leave or approved LWOP, and 2) paid mandatory and 1% supplemental contributions for at least one year immediately before his or her death, or
- the member was disabled and paid 1% supplemental contributions for at least one year immediately before his or her disability, or
- the member was retired or deferred vested and paid 1% supplemental contributions for at least five years immediately before terminating TRS employment.

Survivor's Allowance

A monthly survivor's allowance is payable if a deceased member has dependent children and meets the above eligibility requirements. The survivor's allowance is based on the member's annual base salary immediately before the member's death, retirement, or disability. The monthly allowance is calculated by multiplying that salary by the percentage that applies and dividing that number by 12 months.

The survivor's allowance is 10% of salary for each dependent child up to a maximum of four children (40%). The allowance ceases when a child is no longer eligible.

The survivor's allowance is 35% for an eligible spouse. The spouse must be legally responsible for the member's dependent child(ren). This allowance is paid in addition to the above dependent child's allowance. When there is no longer a dependent child eligible for an allowance, the survivor's allowance ceases and the spouse becomes eligible for the spouse's pension.

The survivor's allowance is 10% for each court-appointed guardian up to a maximum of four guardians (40%) if there are four or more children. This allowance is limited to one guardian (10%) for each child and is in addition to the dependent child's allowance. When there is no longer a dependent child eligible for an allowance, the guardian's allowance ceases. If a spouse is eligible for the survivor's allowance, a guardian's allowance will not be paid.

Spouse's Pension

A monthly spouse's pension is payable to the surviving spouse if there are no dependent children and the eligibility requirements have been satisfied. The spouse's pension is equal to:

- 50% of the member's retirement benefit, including post retirement pension adjustments (PRPA), at the time of the retired member's death, or
- 50% of the normal retirement benefit that would have been payable had the member been retired.

For information on how to apply for a spouse's pension, and for when benefits start and stop, please contact the Member Service Center toll-free at (800) 821-2251 or in Juneau at (907) 465-4460, or by email at doa.drb.mscc@alaska.gov.

Conditional Service Benefit

Members may be eligible for a conditional service benefit from the TRS if:

- they are vested in the PERS in either the DB plan or the DCR plan,
- are eligible for a PERS retirement benefit, and
- have at least two paid-up years of TRS membership service.

If members are retired from the PERS, they may receive a conditional service benefit from the TRS with only one year of TRS service.

Conditional service benefits, when both plans are DB plans, are calculated based on the highest salaries that the member earns in either system. For example, if the TRS salary is higher than the PERS salary, the TRS salary will be used to calculate the PERS conditional benefit amount. However, TRS salaries may not be used to calculate regular PERS retirement benefits, unless the member is vested in both systems.

Conditional service benefits, when the vested PERS plan is a DCR plan, are calculated using only the TRS salaries. Due to the defined contribution plans having no average salary definition, the salaries earned in the conditional service plan will be used for calculation. No defined contribution salaries will be used.

For deferred members who elected to have their service reinstated prior to July 1, 2010, conditional service benefits will not be paid unless the reinstatement indebtedness is paid in full.

Contact your Regional Counselor for more information on conditional service benefits.

Public Service Benefit

If a member has service in both the PERS and the TRS Defined Benefit (DB) plans and is not vested in either one, they may be able to combine their PERS and TRS service under the public service benefit provision in the PERS. They must have a minimum of two years in the PERS, and when combined with the TRS service, must have a total of five or more years to be eligible. There is a cost that is borne by the member for this benefit.

Exception: A member of the PERS DB plans (tiers I, II, III) who employs with an employer only participating in the PERS Defined Contribution Retirement (DCR) plan will accrue DCR benefits in addition to their PERS DB plan benefits.

Members should be encouraged to contact their Regional Counselor or the Division's Member Service Center toll-free at (800) 821-2251 or in Juneau at (907) 465-4460, or by email at doa.drb.msc@alaska.gov for more information.

Unused Sick Leave

At retirement, members can receive additional TRS credit by claiming unused sick leave. The claim for unused sick leave must be verified by the last employer and must be received by the TRS no later than one year after the member's appointment to retirement. In addition, the member must have been an active TRS member after June 30, 1977. Only full days are creditable and contributions are not required for the unused sick leave. In order to receive additional service credit, there must be a minimum of nine unused sick leave days.

If a member worked for both a school district and for the University of Alaska and had unused sick leave with both employers, they must submit two separate claim forms in order to receive credit for all unused sick leave earned. Unused sick leave is not transferable from school district to University or from University to a school district.

NOTE: Unused sick leave earned participating in the University of Alaska Optional Retirement Program (ORP) is not creditable in the TRS.

The member receives service credit based on the number of unused sick leave days claimed. When the member is retired for the number of days equal to the unused sick leave days claimed, their benefit will increase according to the added service credit. The benefit increase will be effective on the first of the month following that date.

Example: If the member retires effective July 1 and the claimed unused sick leave is for 181 days, the recalculated retirement pension benefit becomes effective 181 days after July 1 or on January 1. The member would receive a year of credit for 172 days and an additional 0.1 year of credit for the remaining nine days.

The Department of Education and Early Development (DEED) regulates the transfer of unused sick leave. Members have 90 days from their date of hire to transfer their sick leave to their new district. If they do not meet this deadline, the sick leave is lost. Members should contact DEED if they have questions regarding the unused sick leave transfer.

Sick leave cannot be transferred if there is a break in service. For example: If the member works up to the last day of a school year, terminates employment but does not begin again until after 30 days of the start of the next school year with another employer, they are not allowed to transfer in their unused sick leave to their new district. The Division cannot accept any unused sick leave verifications for any district other than the last employer. It is the member's responsibility to ensure that the form is completed and returned to the Division.

When a member submits the *Claim and Verification of Unused Sick Leave Credit* form (trs021) to the employer for verification, the member is required to complete the top portion of the form, sign, and date. The employer is to verify the number of full sick leave days, no partial days will be credited. The employer must sign the bottom portion of the form certifying that only unused sick leave and no other type of leave has been verified for this purpose. Any dispute regarding the number of certified days will be referred back to the employer for resolution.

Retired members who return to work under the TRS may claim unused sick leave earned while they are reemployed in the TRS.

- *Claim and Verification of Unused Sick Leave Credit* form (trs021): [Alaska.gov/drb/pdf/forms/trs021.pdf](https://alaska.gov/drb/pdf/forms/trs021.pdf)

NOTE: *When members separate from TRS but are not eligible for a retirement benefit, they should request that the unused sick leave be verified and submitted to the Division. This way a record of the unused sick leave will be available when the member applies for benefits and the Division will not have to request this information from the employer years later.*

Effects of TRS on Social Security Benefits ·····

TRS employers do not participate in Social Security.

A TRS pension benefit may reduce the amount of benefits that a member is entitled to under Social Security. If the member has at least 30 years of “substantial” earnings during Social Security-covered employment, there will be no reduction to their Social Security benefits.

For members who did not pay Social Security taxes while working for the State of Alaska, University of Alaska, or a school district, there are two laws that may reduce their Social Security benefits: The Windfall Elimination Provision and the Government Pension Offset.

Windfall Elimination Provision

The Windfall Elimination Provision affects people who have earned a pension from the TRS and did not pay Social Security taxes during their TRS employment, but who also worked at other jobs where they paid Social Security taxes long enough to qualify for retirement benefits. If a member is subject to the Windfall Elimination Provision, a different formula is used to calculate their Social Security retirement benefits to prevent a windfall in benefits.

The Windfall Elimination Provision does not apply if the member first became eligible to retire prior to 1985, or if they have 30 years of “substantial” earnings during their Social Security-covered employment.

Governmental Pension Offset

The Governmental Pension Offset affects the Social Security benefits members may be eligible to receive as a spouse or widow(er). Under the offset provisions, some or all of the Social Security spouse’s or widow(er)’s benefit may be offset by the member’s TRS pension if they did not pay Social Security taxes during their TRS employment.

For information on these federal provisions, employers and members are encouraged to contact the Social Security office and request Publication No. 05-10045 for the Windfall Elimination Provision or Publication No. 05-10007 for the Governmental Pension Offset. Contact the Social Security Administration toll-free at (800) 772-1213 or visit the Social Security Administration website at [SSA.gov](https://ssa.gov).

Retired Member Medical Benefits ·····

Along with a monthly pension check, retirement benefits may include a major medical plan for retired members, disabled members, and survivors who are receiving a monthly TRS benefit. The retiree medical plan is a different plan than the coverage that you provide as an employer.

Medical Coverage at Retirement

The following benefit recipients, their spouse, and eligible dependent children will be covered by the system-paid AlaskaCare Retiree Health Plan when they start receiving monthly benefits:

- All members regardless of date of hire if they are receiving TRS disability benefits.
- Members who first entered the TRS before July 1, 1990 (Tier I), and their survivors.
- Members who first entered the TRS on or after July 1, 1990 (Tier II), and their survivors if they have at least 25 years of paid-up Alaska membership service or are at least age 60.

Retiree medical coverage ends when the retired member or survivor dies or is no longer eligible to receive monthly benefits.

Retired members who do not qualify for the system-paid medical coverage may purchase medical coverage for themselves, spouse, and eligible dependent children. These members will pay the monthly premium for as long as they want the coverage.

The retiree AlaskaCare plan covers major medical services and prescription drugs. There are limited preventive services covered under the plan. For more information regarding the medical plan including a current description of the benefits, please refer to the *AlaskaCare Retiree Health Insurance Information Booklet*.

- *AlaskaCare Retiree Health Insurance Information Booklet:* AlaskaCare.gov/retiree/publications/booklets.html

Optional Health and Life Plans

TRS benefit recipients may elect to pay a premium for additional health and life coverage as follows:

- Dental-Vision-Audio (DVA) coverage for self, spouse, and eligible dependent children,
- Long-Term Care (LTC) coverage for self and spouse, and
- Select Life Insurance (for State of Alaska Department of Education and Early Development employees only).

Benefit recipients must pay the monthly premium for as long as they desire coverage.

For more information regarding the optional health plans, including enrollment restrictions, please refer to the *AlaskaCare Retiree Health Insurance Information Booklet*.

- *AlaskaCare Retiree Health Insurance Information Booklet:* AlaskaCare.gov/retiree/publications/booklets.html

Members seeking more information regarding the optional LTC plans, including enrollment restrictions, please refer to the *State of Alaska Long-Term Care Booklet*.

- *State of Alaska Long-Term Care Booklet:* AlaskaCare.gov/retiree/publications/booklets.html

The premium amounts for retiree medical coverage, DVA, LTC, and Select Life Insurance will be deducted from the retired member's monthly pension check. If the amount of the pension check is less than the total of the premiums due, the benefit recipient must pay the premiums directly to the claims administrator.

Contact your Regional Counselor for more information on the retiree medical coverage, DVA, and LTC.

Medicare

The AlaskaCare Retiree health plan was created by statute to provide health coverage to eligible retirees and their dependents in 1975. Alaska Statute Sec. 39.35.535(b) requires that the retiree health plan become supplemental to federal old-age benefits available at age 65. This statute has been in effect since 1975. The *AlaskaCare Retiree Health Insurance Information Booklet* section titled, “Effects of Medicare” states: “If you do not enroll in Medicare coverage, the estimated amount Medicare would have paid will be deducted from your claim before processing by this plan.”

Members should contact Medicare about three months before their 65th birthday to sign up for Medicare. They can sign up with Medicare even if they do not plan to retire at age 65. Members who are still working and covered by an employer-sponsored health insurance plan may be able to defer enrollment in Medicare. Employers should encourage their members to contact Medicare to ensure they comply with the current requirements.

There are several parts to Medicare and there are time limit requirements to enroll timely to avoid penalty at a later date.

For more information regarding Medicare benefits, employers and members should contact the local Medicare office, or call the toll-free number (800) 772-1213, or visit the Medicare website at [Medicare.gov](https://www.Medicare.gov).

Retired Member AlaskaCare Benefits Supplemental to Medicare

When a retired member turns 65, Medicare becomes the primary health plan and the retiree AlaskaCare becomes a supplemental coordination of benefits plan. For services covered by both plans, the claims are paid first by Medicare and then by AlaskaCare. Most people are eligible for premium-free Part A. Social Security will send you a letter if you are **not** eligible for Part A. Members must provide a copy of that letter to the AlaskaCare health claims administrator, and AlaskaCare will continue to pay as their primary plan for Part A services. If a retired member does not enroll in Medicare at age 65, AlaskaCare will estimate what Medicare would have paid and deduct that amount before paying expenses, regardless of any other insurance which you may have. Members will have a larger part of the bill to pay.

Remember: Everyone is eligible to enroll in Medicare Part B and should to so at age 65 to avoid paying for uncovered expenses.

AlaskaCare coordination may provide up to 100% of covered expenses, less any deductible that has not been met. For retired members who have not enrolled in Medicare at age 65, the AlaskaCare will estimate what Medicare would have paid and deduct that amount before paying for covered medical expenses.

- Medicare and the AlaskaCare Retiree Health Plan: [AlaskaCare.gov/retiree/medicare](https://www.AlaskaCare.gov/retiree/medicare)

Members seeking more information on coordination between Medicare and the AlaskaCare Retiree Health Plan should contact the Division’s Member Service Center at (800) 821-2251 toll-free or (907) 465-4460 in Juneau, or by email at doa.drb.mscc@alaska.gov.

More Information

Additional information is available from the federal Medicare website at [Medicare.gov](https://www.Medicare.gov). If members have questions about Medicare, have them contact the nearest Social Security office, call toll-free at (800) 772-1213 or visit the Social Security website at [SSA.gov](https://www.SSA.gov).

The State of Alaska Medicare Information Office can also offer one-on-one counseling to Medicare beneficiaries and their families, seminars for those new to Medicare, and other resources. Call toll-free at (800) 478-6065 in Alaska or (907) 269-3680 in Anchorage.

VII. Miscellaneous

Leave Run Outs

To receive TRS service credit, members must be in pay status the regularly scheduled day before and the regularly scheduled day after the period of leave. Members are required to physically return to work after periods of paid leave to receive credit for the leave period in the TRS.

Employers are responsible for correctly reporting member termination dates. If a member is on leave and terminates employment, the employer should correct the termination date to the last day the member actually worked.

Verifications of Service

The employer may receive a request to verify periods of employment in the TRS for their past or current members. The verification request can be made by the Division, the employer, or the member. It is most often requested by the Division at the time of retirement or when an anomaly is found with a member's service records. The member most often requests the verification if they are retiring based on years of service in the system. Members are encouraged to periodically review their service history as shown on their annual statements or in Member Services online to ensure it has been correctly reported to the TRS. If any discrepancies are noted, members should contact the employer they were serving with at the time for more information. If an error has occurred, employers will have to take action to correct service with the TRS. To correct service with your current employees, you will need to send the correction with your payroll report to the Division. To correct service with past employees, employers must send in a verification of the member's service on the approved forms.

- TRS Verification of Service (02-808): [Alaska.gov/drb/pdf/forms/02-808.pdf](https://alaska.gov/drb/pdf/forms/02-808.pdf)
- TRS Salary Verification (02-803): [Alaska.gov/drb/pdf/forms/02-803.pdf](https://alaska.gov/drb/pdf/forms/02-803.pdf)

Instructions for completing the verifications of service are provided on the forms. If you require any assistance with completing the verification of salary and service forms, please contact your Regional Counselor.

It is important that the employer provide complete accurate information on salary and service for members. The information verified by the employer will be used to determine retirement eligibility and other retirement benefits.

Records Retention

It is the responsibility of the employer to verify service and salaries and to keep accurate records for each member. TRS is a 20-year retirement system and when a member retires, the employer may be asked to verify salary and service dates that occurred up to 20 or more years in the past.

Information that may be requested from the Division includes: hire and termination dates, salaries, member occupational codes, part-time or full-time status, elected official waivers, part-time hours worked, payroll reporting, calendar year salaries, and all periods of leave without pay.

Make-Whole Agreements and Grievance Settlements

- Contact a Regional Counselor
- Provide a tentative copy of agreement to Division for approval of awards to member's retirement accounts
- Submit final agreement for service corrections

When the employer is entering into a make-whole agreement or a grievance settlement with a current or former member, the Division must approve any terms and conditions that affect the member's retirement accounts. This requirement is to ensure that the award is in compliance with the TRS statutes and regulations.







STATE OF ALASKA

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