

# Alaska Division of Retirement and Benefits

Defined Benefit Retirement Systems, PERS Tier I/II/III and TRS Tier I/II

## Alaska Cost-of-Living Allowance

### What is the Alaska Cost-of-Living Allowance?

The Alaska Cost-of-Living Allowance (COLA) was established as an allowance to assist retirees, who elect to remain in state, to defray the higher cost of living in Alaska.

The amount of COLA a PERS member receives is 10% of their base retirement benefit (or a minimum of \$50 per month, whichever is larger).

The amount of COLA a TRS member receives is 10% of their base retirement benefit (no minimum amount).

### Who is Eligible to Receive COLA?

If you reside in Alaska after you retire, you may receive COLA in addition to your regular monthly benefit.

The following benefit recipients are eligible for COLA:

- Members who first entered the PERS before July 1, 1986, and their survivors;
- Members who first entered the PERS after June 30, 1986, and their survivors, if they are at least age 65;
- Members who first entered the TRS before July 1, 1990, and their survivors;
- Members who first entered the TRS after June 30, 1990, and their survivors, if they are at least age 65; and
- All disabled members receiving PERS or TRS disability benefits, regardless of age or date of hire.

If you wish to receive COLA, you must submit an “Application for Cost-of-Living Allowance” (form 02-1896).

“**Residing in Alaska**” means domiciled and physically present in Alaska. A domicile is that place where you maintain your principal place of residence in Alaska, and to which, whenever you are absent, you intend to return. You may not claim residency outside of the state or obtain benefits of residency in another state or nation. An absence which exceeds 90 days constitutes a break in residency for COLA purposes.

### If I leave Alaska on a trip, will I be entitled to COLA while I am away?

Yes, if you return to Alaska in *less than 91 days*. You may be asked to provide copies of your travel documentation, which shows your departure and return dates.

You are not eligible for COLA and you are required to notify the Division of Retirement and Benefits *in writing* if:

- You intend to be gone from Alaska continuously for more than 90 days;

- Your current absence exceeds 90 consecutive days (COLA entitlement ends retroactively to the end of the month of your departure from Alaska); or
- Your principal domicile is no longer in Alaska.

### When does COLA stop and start?

COLA will stop on the first of the month following your departure from Alaska. If you receive COLA to which you are not entitled, you are required to repay it to the PERS or TRS. The Division will notify you of your options for repaying an overpayment.

COLA will start again on the first of the month AFTER:

1. You return to Alaska; and
2. Your notification (form 02-1896a) is received by the Division of Retirement and Benefits.

If your notification is received or postmarked *after* the first of the month, COLA will not start again until the following month, *regardless of your return date* to Alaska. To avoid missing out on COLA benefits, you should submit your notification as soon as you return to Alaska.

You may hand-deliver or mail your notification form to the Division. Mailed notifications must be postmarked in Alaska.\* If a postmark date is illegible, your notification is presumed to have been mailed five working days before the date the notification is received by the Division.

\***Note:** Private meter postmarks will not be accepted.

### Am I entitled to COLA if I am gone from Alaska for less than 91 days?

Yes, you are entitled to COLA during the time you are gone. Any COLA payments due will be included on your next benefit check.

COLA will begin again on the first of the month AFTER you return to Alaska *and* the Division receives your notification (form 02-1896a).

### Am I entitled to COLA if I am gone from Alaska for more than 90 days because of illness?

You may continue to receive COLA for up to six months if:

1. You are out of Alaska because of illness, and
2. Your physician certifies your absence is necessary on a form provided by the Division.

If your absence exceeds six months, COLA will stop on the first day of the seventh month following the date you left. If your illness began before leaving Alaska, you must make every effort to notify the Division before departing Alaska.

## What do I do if my eligibility for COLA is questioned?

Most frequently, eligibility for COLA is questioned when:

1. the duration of continuous residence (time in state) is less than the full year, and
2. you are not out of Alaska because of a certified medical reason; or
3. if the Division receives information you are not living in Alaska. You will be asked to provide substantial proof your principal place of residence is in Alaska. The burden is on you to provide the PERS or TRS Administrator with sufficient documentation to support your eligibility. Regulations 02 AAC 35.240 (d) and 02 AAC 36.210 (d) state in part:

» *The administrator's determination of an applicant's residency will be based on the totality of relevant circumstances. Intent is demonstrated by establishing and maintaining customary ties indicative of Alaska residency. Acts that are required by law or contract or that are routinely performed by temporary residents of the state are not sufficient to demonstrate residency. The burden is on the applicant or recipient to provide the administrator with documentation or other information necessary to support eligibility for the Alaska cost-of-living allowance. The following may be used as evidence of domicile:*

### What Tier Am I?

Members who first entered a PERS position and were making contributions:

- **Tier I** — Before 7/1/86.
- **Tier II** — On or after 7/1/86, but before 7/1/96.
- **Tier III** — On or after 7/1/96, but before 7/1/06.

Members who first entered a TRS position and were making contributions:

- **Tier I** — Before 7/1/90.
- **Tier II** — On or after 7/1/90, but before 7/1/06.

The information included here only applies to PERS Tiers I, II, and III, and TRS Tiers I and II.

1. *the applicant's written or oral statements at the time in question, including statements made to obtain a license to drive, fish, hunt, or engage in another activity regulated by a governmental entity;*
2. *the affidavits of other persons who had reason to know of the applicant's intent;*
3. *voter registration and voting records;*
4. *proof of a substantial ownership or leasehold interest in applicant's residence in Alaska;*
5. *proof such as the presence of household goods owned by applicant, that the residence referred to in (4) of this subsection is inhabited by and used as a primary residence by applicant;*
6. *an Alaskan telephone listing in the applicant's or the applicant's spouse's name;*
7. *the duration of continuous residence in the state;*
8. *employment and unemployment records;*
9. *permanent fund dividend or longevity bonus records;*
10. *travel records;*
11. *other information that the applicant deems relevant.*

If your eligibility for COLA is in question, you will be notified by certified mail that you need to provide evidence of domicile as outlined in the regulation. You must provide the information within 30 days of your receipt of the notice otherwise COLA will be removed. Upon receipt of evidence confirming you satisfy the requirements for eligibility, COLA will be reinstated retroactively to the date it was removed if you have not been out of state for a continuous period exceeding 90 days from your date of departure.

### PERS Alaska Statute 39.35.670 and TRS Alaska Statute

**14.25.210** — A person who knowingly makes a false statement, or falsifies or permits to be falsified a record of this system, in an attempt to defraud the system, is guilty of a Class A Misdemeanor and upon conviction is punishable by a fine of not more than \$500 or by imprisonment for not more than 12 months, or by both.

## Alaska Division of Retirement and Benefits

6th Floor, State Office Building | 333 Willoughby Ave. | P.O. Box 110203 | Juneau, AK 99811-0203

### Member Education Center

Hours: Monday-Thursday 8:30 a.m. to 4 p.m. | Friday 8:30 a.m. to 3 p.m.

Toll-Free: (800) 821-2251 | In Juneau: (907) 465-4460 | Fax: (907) 465-4668 | TDD: (907) 465-2805

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*The information in this brochure is not intended to replace the Alaska Statutes, the Alaska Administrative Code, or the plan documents. Language contained in Alaska Statutes, the Alaska Administrative Code, and the plan documents governs the plans.*