

Your Retirement Benefit Projection

The estimate on your retirement projection is based on information provided by either your employer(s) or yourself. Please review the information carefully. Contact your employer if this information and your records do not agree.

Remember this is an estimate. The benefits payable to you at retirement will be based on your actual salary and credited service.

Regular Retirement

Normal

This option will provide you with a monthly benefit during your lifetime. However, it will **not** provide a continuing, lifetime monthly benefit to your spouse after you die, unless you select one of the joint and survivor (J&S) options. Your normal benefit amount will be reduced if you select a J&S option.

Early

This option will provide you with a “reduced” monthly benefit during your lifetime. However, it will **not** provide a continuing, lifetime monthly benefit to your spouse after you die, unless you select one of the joint and survivor options. Your early benefit amount will be further reduced if you also select a J&S option. The younger you are when you retire early, the more your monthly benefits are reduced. You would, however, begin receiving benefits earlier than normal and would receive them for a longer period of time. It is also possible to retire at any age with no benefit reduction under the service based retirement provision. See the TRS Handbook for more information.

Joint and Survivor Options

Joint and Survivor options are available with either normal or early retirement. If a J&S option is **not** selected for normal or early retirement, your beneficiary would only receive the remaining balance of the employee contributions you made to your retirement account. The member’s contributions are used first to fund lifetime benefits. If the benefits that you received before your death exceeded the amount in your account, your beneficiary would only receive your last month’s retirement check if not already paid.

If you are married, you must select a joint and survivor (J&S) option, unless your spouse consents to another form of benefit. You may be required to select a J&S option under the terms of a qualified domestic relations order (QDRO) if you are no longer married.

You may choose one of the following J&S options. Under these options, your spouse (or other eligible dependent approved by the administrator) will receive a continuing, lifetime monthly benefit after your death. Your survivor qualifies for medical coverage under the same rules that applied to you, based on the date you first entered TRS. If you do **not** select a J&S option, system-paid medical coverage for qualifying survivors ends at your death.

The joint and survivor actuarial factors can change based on the experience of the system and expected future trends. Your first TRS entry date determines the actuarial factor used in your case. For more information, contact the Division.

• 75% Joint and Survivor Option

Your benefit is actuarially reduced from the normal amount. After your death, your spouse receives a lifetime, monthly benefit equal to 75% of your reduced benefit. If your spouse dies first, your benefit does not change.

• 50% Joint and Survivor Option

Your benefit is actuarially reduced from the normal amount. After your death, your spouse receives a lifetime, monthly benefit equal to 50% of your reduced benefit. If your spouse dies first, your benefit does not change.

If you compare this option to the 75% option, you can see that the 50% option pays a larger benefit to the member and a smaller benefit to the spouse.

• 66-2/3% Last Survivor Option

Your benefit is actuarially reduced from the normal amount. **However, if your spouse dies first, your benefit would be reduced by an additional 33-1/3%.** If you die first, your spouse would receive 66-2/3% of your benefit for the rest of his or her life.

• 1% Supplemental Option

Members who first entered TRS before July 1, 1982, may participate in the 1% supplemental contributions provision. If TRS benefits will not be payable under the 1% supplemental contributions provision, you may select a J&S option. The TRS prohibits benefit payments under more than one provision.

Examples of Survivor Options

In the examples below, a “normal” \$1,000 benefit is reduced to show the Joint and Survivor benefits under all three options for a 60-year-old member and a 55-year-old spouse or qualified same-sex partner. The actual reduction to your benefit will be based on your age and your spouse or qualified same-sex partner’s age when you retire.

75% Joint and Survivor

Using the actuarial age factor from the Joint and Survivor Factors Table, the benefit is reduced from \$1,000 to \$878.37. When

the member dies, the spouse or qualified same-sex partner receives a lifetime monthly benefit equal to 75% of \$878.37 or \$658.78.

$\$1,000 \times .87837 = \878.37 (member's benefit)

$\$878.37 \times .75 = \658.78 (spouse or qualified same-sex partner's benefit)

50% Joint and Survivor

The benefit is reduced from \$1,000 to \$915.48. When the member dies, the spouse or qualified same-sex partner will receive 50% of that benefit, or \$457.74 per month for life.

$\$1,000 \times .91548 = \915.48 (member's benefit)

$\$915.48 \times .50 = \457.74 (spouse or qualified same-sex partner's benefit)

66-2/3% Last Survivor

This benefit is reduced from \$1,000 to \$918.60. When either the member or the spouse or qualified same-sex partner dies, the survivor receives 66-2/3% of that benefit, or \$612.40 a month for life.

$\$1,000 \times .91860 = \918.60 (benefit while both of you are alive)

$\$918.60 \times .66667 = \612.40 (benefit after the death of the member or spouse or qualified same-sex partner).

Indebtedness

If you have an indebtedness, you may make payment arrangements before you retire, unless you have received a refund and are no longer working for a TRS employer. Please contact the Division for more information about indebtedness payment options.

If, at retirement, you have an indebtedness that has not been paid to the TRS, your monthly retirement benefit will be actuarially reduced over your lifetime.

Unused Sick Leave Credit

When you retire, you may receive additional TRS credit by claiming your unused sick leave. Unused sick leave credit will be added to your TRS service and your retirement benefit will be increased after you are on retirement for a period equal to the number of sick leave days claimed.

To be eligible:

- You must have been an active TRS member after June 30, 1977, **and**
- Your claim for unused sick leave credit, as verified by your last employer, must be received by the TRS no later than one year after you are appointed to retirement.

Unused sick leave earned while a member of the University of Alaska's retirement program is not creditable to the TRS.

You are responsible for providing the unused sick leave claim form to your employer, assuring that it is completed, and for the form's timely submission to **the Division of Retirement and Benefits**.

What Tier Am I?

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 Tiers I and II.

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

doa.drb.mscc@alaska.gov

January 2013

drb.alaska.gov

trs024