

Overview of Your Retirement Benefits

Welcome to the Alaska Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) Defined Contribution Retirement (DCR) plans. Your DCR benefits include your defined contribution retirement account, access to retiree health benefits, a Health Reimbursement Arrangement (HRA) account, and other additional benefits.

Defined Contribution Retirement Account

Both you and your employer make monetary contributions to your DCR account over your working lifetime. Retirement benefits in this type of plan are based on your account balance, which varies depending on your contributions, your employer contributions, net investment earnings or losses, the length of time your money has been invested, and the investment options that you select.

You are always 100% vested in the contributions you make to your retirement account. You become vested in your employer's contributions to your retirement account over time. Members vest in the employer contributions on a schedule that equals 100% vesting with five years of service.

For more information about contributions and vesting in the DCR Plan, please visit the Defined Contribution Retirement Plan page at drb.alaska.gov/employee/dcrplan.html#vesting.

How can I view and manage my defined contribution retirement account?

Your DCR account information is available online at akdrb.com. You can see how much you've saved so far, choose from your account management and investment options, and more.

When can I access the money in my defined contribution retirement account?

No withdrawals from your account are allowed until 60 days after you quit working—at which time you will have different options to choose how you receive your account balance. If you are not ready to begin drawing money out of your account when you terminate employment, you can:

- leave your retirement account in the DCR plan;
- direct your retirement account to another qualified retirement account such as an Individual Retirement Arrangement (IRA) with a plan-to-plan rollover; or
- direct your retirement account to another qualified plan with your new employer with a plan-to-plan rollover providing your new employer's plan accepts transfers.

Retiree Health Benefits

When you retire, you may be eligible to elect coverage under the AlaskaCare DCR Health Plan, which includes Medical, Dental-Vision-Audio (DVA), and Long-Term Care (LTC) benefits. The medical plan is secondary to Medicare once you reach Medicare age-eligibility, and it also includes prescription drug coverage.

If you are interested in electing these benefits when you retire, you must contact the Division of Retirement and Benefits before your employment ends to ensure you have reached the required 10 years of qualified service.

How can I learn more about the DCR health benefits?

Learn more about these benefits by visiting AlaskaCare.gov/dcr.

How do I know if I'm eligible to elect retiree health benefits?

Your eligibility for these benefits depends on how long you've been working for a PERS or TRS employer before you terminate your employment, as well as how many years of PERS or TRS service you have over your lifetime. To elect retiree health benefits when you terminate employment, you must be an active member* of the DCR plan (i.e., actively employed by a participating employer) for 12 months** immediately before your application for retirement; **AND**

- You must have at least 25 years of membership service as a peace officer or firefighter; **OR**
- You must have at least 30 years of membership service as a teacher or other public employee; **OR**
- You must have reached Medicare age-eligibility (currently age 65) and have at least 10 years of membership service.

Note: Once you meet these eligibility requirements, if you are not yet **70 ½ years of age*****, you may choose to enroll during an annual open enrollment period – subject to certain restrictions.

Health Reimbursement Arrangement

During your employment, your employer makes contributions into an individual HRA account on your behalf. When you are eligible to access it, you can use it to be reimbursed for out-of-pocket qualified medical expenses as you see fit. You can use your HRA to cover your health insurance premiums, out-of-pocket-medical costs, and other qualified medical expenses.

Participation in the AlaskaCare DCR Health Plan is not required in order to access your HRA.

How can I find out how much is in my HRA account?

Your HRA balance is available online at myrnb.alaska.gov under Member Services/Account Summary. You can also find it on your quarterly statement provided by Empower. For additional information, contact Empower Retirement at (800) 232-0859.

What can I use my HRA funds for?

You may request reimbursement from the HRA account for eligible medical expenses you have incurred. You will be reimbursed up to the amount of your balance in the HRA or the amount of the claim, whichever is less.

Eligible medical expenses are certain health, dental and vision expenses that are not otherwise reimbursable by your health plan.

In addition, expenses reimbursed out of your HRA must be expenses incurred by you, your spouse, and your dependent children. Examples of eligible medical expenses include:

- your monthly health plan premiums
- your monthly Medicare premiums
- custodial care expenses
- hearing aids
- deductibles
- copayments

Additional Benefits

Select Life Insurance Plan Contribution

If you are a State of Alaska employee or an employee of a participating political subdivision, you may be able to continue life insurance coverage into retirement. Once you have retired, watch your mail for additional information from MetLife on these portability and conversion options.

Death & Survivor Benefits

Non-Occupational Death Before Retirement

If you die before distribution from your retirement account has started, benefits will be paid to your beneficiary in any form of his/her choice other than a joint and survivor annuity. These benefits include all contributions in the retirement account in which you are vested, plus investment gains or losses earned, less expenses.

If you die after distribution from your retirement account has started, your beneficiary will receive further payments only to the extent provided with the form of payment you chose at the time you began annuity payments, if any.

Occupational Death Before Retirement

If you die from occupational causes before your retirement, your spouse or eligible dependents may be entitled to survivor benefits paid monthly until you would have reached normal retirement eligibility. Your spouse will receive 40% of the monthly compensation you were receiving in the month in which you die, or 50% if you are a peace officer or firefighter.

Survivors who are receiving monthly survivor benefits are not eligible for medical benefits until you would have met the eligibility for normal retirement benefits had you lived.

Survivor Health Benefits

Based on your reported years of service, your surviving spouse may qualify for medical coverage. The Division of Retirement and Benefits

** Active member is defined in PERS AS 39.35.680 and TRS AS 14.25.009 as an employee who is employed by an employer, is receiving compensation for seasonal, permanent full-time or permanent part-time services, and is making contributions to the plan.*

*** TRS members must meet a "year of service" as defined by AS 14.25.220 (47) where 172 days or more worked equates to 1 year of service.*

**** Per PERS AS 39.35.870 (g) and TRS AS 14.25.470 (g): An eligible person must make the irrevocable election to participate or not participate in the retiree major medical insurance plan by reaching 70 ½ years of age, or upon application for retirement and medical benefits, whichever is later.*

Resources

Resources for additional information can be found on the Division of Retirement and Benefits website: drb.alaska.gov.

- DCR Insurance Information Booklet: drb.alaska.gov/retiree/healthplans.html#retireebooklets
- DCR Plan Information Handbook: drb.alaska.gov/docs/booklets/DCR_handbook_WEB.pdf
- DCR Plan General Information: drb.alaska.gov/employee/dcrplan.html#intro

You can also request additional information and enrollment forms by contacting the Division's Member Education Center (MEC) toll-free at (800) 821-2251 or in Juneau at (907) 465-4460, or by email at doa.drb.benefits@alaska.gov.

will confirm their eligibility and provide additional information on enrollment. In addition, the Health Reimbursement Arrangement (HRA) may be available for them to offset qualified medical expenses. Dental-Vision-Audio (DVA) coverage and Long-Term Care (LTC) coverage are optional benefits that may also be available.

Disability Benefits

In the event of an occupational disability, you will receive 40% of the monthly compensation you were receiving in the month in which you terminated due to disability; at which time you will become fully vested in the employer contributions made to your account. You will continue to earn service while on occupational disability and your employer will continue to make all the required contributions to your DC retirement account. Disability benefits cease when you become eligible for normal retirement; at that point, you can access your retirement account.

Long-Term Care Benefits

The State of Alaska offers a voluntary Long-Term Care (LTC) Plan for benefit recipients and their spouses. The options available under the LTC plan provide a range of health and social services for people who need assistance with the basic activities of daily living. There are three plan options available: Silver, Gold and Platinum. More information on LTC benefits can be found in the LTC Booklets at drb.alaska.gov/retiree/ltc.html.

Note: You have a one-time opportunity to enroll in a Long-Term Care (LTC) plan at the time of your initial retirement.

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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