



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Administration**

**DIVISION OF RETIREMENT AND BENEFITS**

6th Floor State Office Building  
333 Willoughby Avenue  
P.O. Box 110203  
Juneau, AK 99811-0203  
Phone: (907) 465-4460  
Toll-Free: (800) 821-2251  
FAX: (907) 465-3086  
[Alaska.gov/drb](http://Alaska.gov/drb)

July 22, 2025

**PLEASE FORWARD TO ALL PERS and TRS EMPLOYEES**

Dear Anchorage School District participating PERS and TRS employees,

This letter is to notify Anchorage School District (ASD) employees of the Defined Contributions Retirement (DCR) plan and Defined Benefit (DB) retirement plan of the status of make-whole payment appropriated by the Alaska State Legislature for Fiscal Year 2026.

The Division of Retirement and Benefits (Division) experienced a system outage in early November 2024 that prevented Public Employees Retirement System (PERS) or Teachers Retirement System (TRS) retirement contributions from being deposited timely into employee PERS and TRS accounts for approximately 3 months. As a result of the outage, the Division extended the deadline for employers to submit payroll contributions under AS 14.25.065, AS 14.25.345, AS 39.35.610, and AS 39.35.770.

On April 29, 2025, the Division—by letter and on the Division’s website—communicated that the deadline for all employers to submit payroll contributions made delinquent by the November 2024 system outage was May 15, 2025. This deadline applied to the suspension of interest authorized under AS 39.35.610(a) and AS 39.35.770(b) as well as the DCR make-whole payment authorized by the Legislature. The Division subsequently extended the deadline for ASD to have PERS bi-weekly delinquent payroll contributions submitted to the Division by July 2, 2025, to be included in the DCR make-whole payment calculation.

As stated in our April 29th communications, the Division can only apply the make-whole payment to employee accounts whose employers have submitted deposits for all payrolls impacted by the system outage. For employers who have not submitted all outstanding payrolls, the make-whole interest payment will only be allocated to payrolls that the Division has received. As we also explained, it was critical for employers to ensure that correct payroll information was received by the Division before the expiration of the extended submission deadline to qualify for disbursements from the make-whole appropriation.

Currently, ASD is reporting within normal timeframes for ongoing PERS and TRS payrolls submitted on a monthly pay cycle. However, as of July 21, 2025, ASD remains delinquent in submitting the back log of payroll contributions for employees on the School District’s PERS bi-weekly pay cycle. The last bi-weekly payroll submitted by ASD to the Division was pay period ending March 23, 2025, and posted to employee PERS retirement accounts on July 21, 2025.

Per Alaska Statute, the employer has 15 days from the close of the payroll period to transmit the payroll file and contributions to the Division (AS 39.35.610 and AS 39.35.770).

---

DISCLAIMER: The information contained in this letter is based on the specific facts and circumstances presented and cannot be applied to other facts and circumstances. This letter may contain a summary description of benefits, costs, rates, valuations, other calculations, policies or procedures for one or more pension or benefit plans administered by the Division of Retirement and Benefits, including but not limited to, the Public Employees’ Retirement System, the Teachers’ Retirement System, the Judicial Retirement System, the Supplemental Annuity Plan, the Deferred Compensation Plan, the AlaskaCare Employee Health Plan, or the AlaskaCare Retiree Benefit Plan. The Division of Retirement and Benefits has made every effort to ensure, but does not guarantee, that the information provided is accurate and up to date. Where this letter conflicts with the relevant Plan Document, the Plan Document controls.

**Due to ASD's failure to report payrolls within 15 days of the payroll issue date, failure to meet the extended deadline to be up to date with payroll reporting, and the limitations inherent on the make-whole appropriation included in the Fiscal Year 2026 State budget, the Division must apply the make-whole payments solely to DCR member accounts for payroll contributions recorded in the Division's Retirement System as of July 11, 2025. This includes:**

- PERS Bi-weekly Payroll contributions for pay period end dates through March 9, 2025. Make whole payment posted on July 21, 2025.
- PERS Monthly Payroll contributions for pay period end dates through February 28, 2025. Make whole payment posted on July 14, 2025. Please note, ASD was submitting payrolls within normal reporting timeframes as of pay period end date March 31, 2025.
- TRS Monthly Payroll contributions for pay period end dates through March 31, 2025. Make whole payment posted on July 14, 2025. Please note, ASD was submitting payrolls within normal reporting timeframes as of pay period end date April 30, 2025.

**The funds appropriated by the legislature from the State's General Fund, in the amount of \$2,679,460, are limited, restricted, and non-replenishable. The purpose of those funds was solely to make participants whole for earnings lost due to the eReporting outage. The eReporting system has been operational since February 2025, so it is the Division's determination that any delays occurring beyond the above stated extended deadline can no longer be attributed to the eReporting outage. Employers may be financially responsible for the make-whole payments owed to their employees for payroll submissions which cannot be covered by the appropriation.**

The Division has applied an IRS-required correction method, which permits the use of the Department of Labor correction calculator. This method calculates and restores any "lost earnings" by applying an appropriate interest rate to the affected amount over the error period. By using this correction method, employees were returned to the financial position they would have been in had the error not occurred.

The make-whole interest payment to adjust the December 31, 2024, interest posting for Defined Benefit PERS members and employees who contribute to the Voluntary Savings Plan posted to member accounts on June 15, 2025. This includes:

- PERS Bi-weekly Payroll contributions for pay period end dates through February 23, 2025.
- PERS Monthly Payroll contributions for pay period end dates through May 31, 2025.
- TRS Monthly Payroll contributions for pay period end dates through May 31, 2025.
  - *Note: Annual TRS statutory interest was not impacted by the system outage.*

Statutory interest posted to all PERS and Voluntary Savings DB member accounts on June 30, 2025, for payrolls that were processed in the Division's retirement system as of June 30, 2025, per AS 39.35.100. TRS statutory interest will post to member accounts on July 31, 2025, per AS 14.25.145.

For more information, please visit the Division's website at [alaska.gov/drb](http://alaska.gov/drb). Status updates will also be posted on the Division's Facebook and Instagram pages.

Sincerely,



Christopher Novell  
Chief Financial Officer, Division of Retirement and Benefits