



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Administration**

**DIVISION OF RETIREMENT AND BENEFITS**

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**EMPLOYERS: PLEASE FORWARD TO ALL STAFF**

**NOTICE TO EMPLOYEES OF SYSTEM OUTAGE AND RECOVERY:**

Dear State of Alaska Retirement and Benefits Participant,

In early November, the Division of Retirement and Benefits experienced a system outage. This affected the timely deposit of retirement contributions to your State of Alaska Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), or Supplemental Annuity Retirement System (SBS-AP) account(s). You should have received an email from the Division forwarded by your employer about this issue.

**What Happened:**

- On November 4, 2024, the State Office of Information Technology detected an intrusion into our main servers.
- This led to our isolation from all networks, making our programs and applications unreachable for three weeks during the investigation.
- The investigation confirmed that our data was not accessed, viewed, or exported.
- Due to the rebuilding time required, we decided to migrate all programs to the State's cloud.

**During Migration:**

- Most programs migrated smoothly except for eReporting, our contribution reporting tool.
- eReporting needed extensive updates and code rewriting to be compatible with the cloud.
- During this time, employers were unable to report retirement plan contributions to the Division.

**Current Status:**

- As of March 7, 2025, all employers have been provided access to eReporting and can now submit retirement system contributions to the Division.

**What You Need to Know:**

- It is incumbent upon each employer to begin submitting payrolls to the Division to get all employees' contributions reported to the retirements systems they participate in. ***The Division's expectation is that employer payroll reporting of your contributions to the Division will be up to date by April 15, 2025.***

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.

- **Payroll submission and posting to member account process:** Employers must submit payrolls sequentially. Employers cannot submit subsequent payrolls until the previous payroll has posted. Detailed instructions have been provided to your employer on how they are to submit the backlog of payrolls to the Division. How quickly each payroll is processed by the Division once submitted by your employer is dependent on the payment method your employer uses, and the accuracy and completeness of the payroll file.
- **You will see past contributions posted to your account once each payroll is processed.** This process may take several weeks.

#### **Compensation for DCR Lost Earnings or DB Interest:**

- **Defined Contribution Retirement (DCR) participants:** Compensation will be based on earnings from the date contributions should have posted after the system outage to the date they actually posted.
  - The Division follows the 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. The goal is to return plan participants to the financial position they would have been in had the error not occurred.
  - **It is important to note that the DCR compensation calculations will occur after all employer payroll reporting is up to date.**
- **Defined Benefit PERS members and Voluntary Savings Plan contributions:** Will receive **2.25%** accrued interest for contributions that would have posted to member accounts due by December 31, 2024 had the system outage not occurred. Interest will be systematically applied by the Division as employers submit their November and December payrolls.
- **To ensure that sufficient funds are available to compensate participants for lost earnings, all employers must ensure their payroll contributions are up to date by April 15, 2025.**

#### **For more information:**

- Visit the Division's website at [alaska.gov/drb](https://alaska.gov/drb). Status updates will also be posted on the Division's Facebook and Instagram pages.
- The Division's website will have an **Employer Payroll Reporting Status** section to show the last pay period end date posted. Both employees and employers will be able to see if employee contributions are up-to-date and if the employer is reporting within normal payroll timeframes.

Thank you for your patience. The Division has taken all necessary steps to prevent a recurrence. Please monitor our website and social media for further updates.