State of Alaska
Division of Retirement & Benefits

## Supplemental Benefit System Annuity Plan

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# **Supplemental Benefit System Annuity Plan** (SBS-AP) Overview

- Defined contribution plan governed by section 401(a) of the IRC
- Administered by the Alaska Division of Retirement & Benefits
- Empower Retirement Services is the contract record-keeper and payer
- In addition to mandatory contributions into the defined contribution account, the SBS-AP offers additional Voluntary Supplemental Benefits

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## **Mandatory Contribution**

- Employee 6.13%
- Employer 6.13%
- Immediately 100% Vested



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## **Incoming Transfers Allowed**

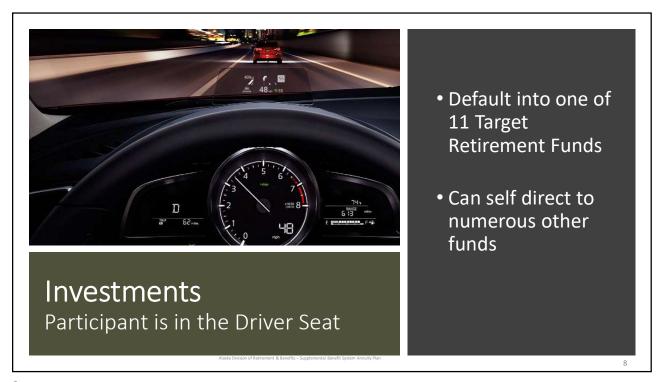


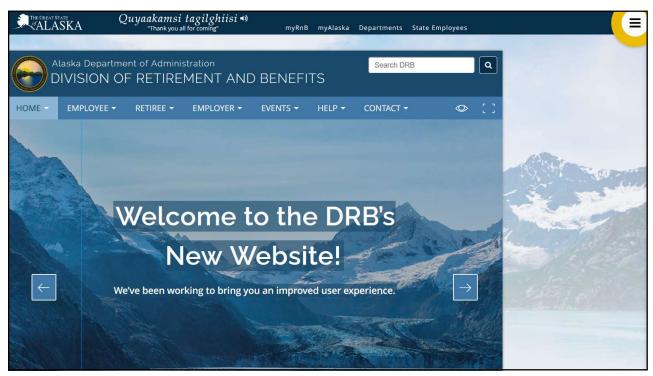
### **Rollover from Qualified Plans**

- Government Sponsored 401(a)
- Private Employer 401(k)
- Government DCP 457(b)
- Tax Sheltered Annuity 403(b)
- Non-Roth IRA

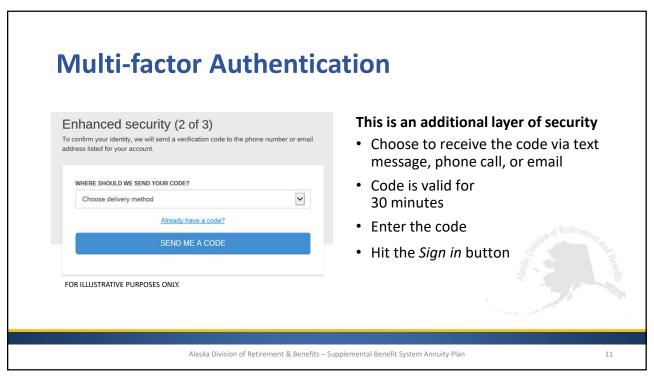
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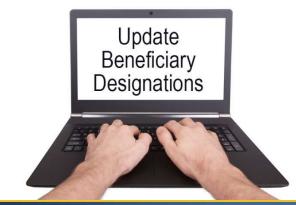








## **Beneficiaries**



### **Update with EMPOWER Retirement**

- Hardcopies
- On-line updates

### **Default Beneficiary**

- Spouse
- Children
- Parents
- Estate

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## **Death Benefits**

- Available in the event participant deceases
- Benefit distribution options differ slightly for spouse and non-spouse beneficiaries
- Contact Division of Retirement & Benefits for detailed information regarding options

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### **Purchase of Service**

- PERS Tiers I, II & III can utilize the SBS-AP account funds and other qualified pre-tax plans to pay for
  - Temporary service
  - Military service
  - Workers' Compensation leave without pay
- Must complete prior to beginning retirement
- Contact Retirement & Benefits Accounting Section at:

(907) 465-4460 or (800) 821-2251

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## **Distribution**

- Lump Sum
- Direct Transfer/Rollover to Non-Roth or ROTH IRA
- Periodic Payments
- Annuity Options
- Do nothing and maintain access to the account



## Stay in the Plan

- Potentially lower fees
- Access to local, dedicated representatives not compensated on a commission basis
- A wide variety of investment choices
- Easy account management
- Retirement planning tools
- Investing advisory services



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## **Distribution Taxes & Penalties**

- Subject to income tax
  - 20% Withholding for lump sum, 5 year certain annuity
  - Choose withholding for payouts lasting 10 or more years
- State tax based on residence
- 10% penalty for early withdrawal
  - Some exclusions apply



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### **Distribution Procedures**



- Requested distributions authorized 60 days after termination
- Can defer payment until April 1<sup>st</sup> of calendar year after you turn age 72
- Submit distribution requests to Empower Retirement after termination of employment



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## **Account Information**



- Account balance and activity included on statements from Empower
- General information including Quarterly (investment performance) Reports, available online
- For specific account information contact Empower Retirement:

(800) 232-0859 or akdrb.com



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### **Other Considerations**

#### **Divorce & Dissolution**

- Retirement accounts are considered a marital asset
- If married during employment and later divorce, former spouse may have a claim to part of retirement benefits
- Required to provide court certified copies of your divorce or dissolution documents



### **Keep Address Current**

- Active through Employer
- Deferred Online Instructions

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## **Next Steps**

- Register to access your account information at https://akdrb.empower-retirement.com
- Identify your investments and associated risk level
- Utilize tools and educational resources to help you understand how much you might want to consider saving
- Consider contributing to Deferred Compensation if offered by your employer
- Check your beneficiaries, update if needed



### **Contacts**

## **DRB Member Services Contact Center**

- **(800) 821-2251** or **(907) 465-4460** -
- Monday Thursday, 8:30am to 4pm
- Friday, 8:30 am to 3 pm

#### **EMPOWER**

### **Customer Service**

- **(800) 232-0859** 5:00am to 5:30pm
- Voice Response System (24 hours)



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