



# PERS newsbreak

Alaska Public Employees' Retirement System

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## Keeping Promises and Securing Alaska's Future

By Commissioner Angela Rodell (Revenue) and Commissioner Curtis Thayer (Administration)



Governor Parnell signed legislation moving \$3 billion to the public employee and teacher retirement funds. Pictured in the first row behind the Governor, from left to right: Representative Charisse Millett, Department of Administration Commissioner Curtis Thayer, Representative Cathy Muñoz, ARM Board Vice Chair Sam Trivette, Alaska Municipal League Executive Director Kathie Wasserman, Senator Dennis Egan, and Department of Revenue Commissioner Angela Rodell.

Keeping promises while maintaining other commitments: It's what most Alaskans and Americans do every day. We pay our mortgages and other bills, and set aside funds for college and retirement. As citizens, we do our best to manage multiple financial demands with the limited financial resources we have.

Similarly, the State of Alaska must keep its financial promises, while balancing many critical priorities. This past legislative session, Governor Sean Parnell and a unanimous Legislature kept a constitutional commitment to retirees while stopping the biggest spending increases in the state budget. By moving \$3 billion from the Constitutional Budget Reserve into the state's public employee and teacher retirement funds, Alaska's financial foundation is much more secure.

Some critics have suggested more should have been appropriated, or the methodology for future payments could be different. While that may be true, just like most Alaskans, the state has other obligations. We need to keep funding education and public safety. We need to save money for the future and fund important projects, such as a gasline, energy

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## Keeping Promises and Securing Alaska's Future

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projects, and roads and bridges.

The issue is not so much whether we pay down Alaska's unfunded pension liability fast, but whether we fairly and appropriately balance all our financial commitments.

Although last session the state could have emptied the \$12 billion Constitutional Budget Reserve into the retirement trust funds, and saved a few billion dollars in interest costs over the next 25 years, a reasonable question to ask is whether that would be fair to the majority of Alaskans who have no stake in these benefit programs.

Further, would that impair the state's ability to invest in a gas pipeline, a project that will benefit all Alaskans for decades to come? There are not many homeowners who take all of their retirement and rainy day savings to pay off their entire home mortgage just five years into their loan, particularly where other financial needs exist.

Across the country, states have been wrestling with unfunded retirement obligations. Some states chose to cut benefits to existing retirees. But Alaska chose a different course because we keep our constitutional

promises. And outside observers are now beginning to take notice. The research director of the National Association of State Retirement Administrators said recently that he is not aware of any other state that has dipped into reserves "in a substantial way like this, to pay down an unfunded liability."

This is vitally important as a statement of who we are as a people, as well as a statement to the nation and the world that our word is good, whether related to retirement, energy security, Arctic transportation, or respect for all people.

Each future legislative session will present an opportunity to consider anew how best to fund the state's multiple financial obligations. For now, we want to express a sincere note of gratitude to the 28th Legislature for its willingness to take the high road, and strike a fair balance to keep the state's promises.

Retirees' pensions are more secure, and with lower annual payments required from the state's budget, we are responsibly reducing the annual state operating budget for years to come. 🐻

## Have You Updated Your Beneficiaries Lately?



When was the last time you filled out a beneficiary form? Most of our members fill out this form when they first start work or first retire... and then forget about it. Many of the beneficiary forms we have on file are more than twenty years old. There's a good chance your beneficiaries are at a different address than the one given for them five, ten, or twenty years ago. Has your marital status changed since you last filed your beneficiary form? Did you list your children as beneficiaries? If so, have they moved away or did they marry and change their last name?

When you die, we must locate your beneficiaries to pay them your death benefits. However, we often struggle to locate beneficiaries with common names or a dependent

who has changed her last name. The best way to ensure your beneficiary information is current is to fill out a new form. Print a new one from [Alaska.gov/drb/forms](http://Alaska.gov/drb/forms).

A trust or will does not take the place of a designated beneficiary form. You can name a trust as beneficiary but cannot name a will. If you name a trust a beneficiary, submit a copy of the trust along with the beneficiary form. Any changes made to the trust after it has been accepted will not be valid unless you submit a new copy and a new beneficiary form.

Make sure your beneficiaries receive what is rightfully theirs by keeping their information current! 🐻

# You, Power of Attorney, and Your Benefits



## What is a Power of Attorney?

If you sign a power of attorney, you give another person (your agent) the right to make decisions for you and you give them the authority to carry out those decisions. You can give your agent broad powers to do almost anything you could do for yourself, known as a general power of attorney, or you can give the agent certain powers, or, a specific power of attorney.

## What You Should Know

It is critically important that you trust the person you name as your agent. The authority you give as the “principal” can have a major impact on you. A person acting with a power of attorney does not have to answer to a court. There is no formal oversight of your agent regarding the decisions he or she makes on your behalf. You need to make sure your agent understands your wishes and desires.

You can choose to appoint an agent immediately or you can make the appointment effective only if you become disabled. In that case, your agent will have to have two affidavits from medical experts stating you are disabled and unable to make decisions before he or she can act on your behalf. You can limit the time your agent will have the power to act on your behalf or you can make the appointment “durable,” which means your agent will have powers even if you become disabled or otherwise incapacitated. You can also state the appointment will be revoked upon your incapacity. You should clearly state on your power of attorney form what powers you want your agent to have and when and under which conditions they are or will become effective.

As long as you are competent, you do have the right to revoke a power of attorney. You must revoke a power of attorney in writing. If you write a new power of attorney naming a new agent, the new power of attorney supersedes the previous one as long as the powers are the same or similar.

You can also name more than one agent to act on your behalf. If you name more than one agent, you need to make it clear whether the agents can make decisions independently or they must act jointly.

Want to learn more about power of attorney or would you like general information about filling out a power of attorney form? You can find more information about power of attorney in Alaska Legal Services Corporation’s Power of Attorney Booklet available through the Alaska Court System’s Self-Help Center at: [Courts.Alaska.gov/shcpoa.htm](https://Courts.Alaska.gov/shcpoa.htm)

## Power of Attorney and Your Retirement Benefits

Have you given a power of attorney to someone? If you have and you gave your agent the power to make decisions about your retirement benefits, please send a copy of the power of attorney to the Division of Retirement and Benefits. 🐦

### Glossary

#### Agent:

The person authorized to act on the behalf of the principal.

#### Principal:

The person authorizing the other person—the agent—to act on their behalf. Also known as grantor or donor (of the power).

#### Power of Attorney:

A written document through which you can give another person (your agent) the right to make decisions for you and the authority to carry the decisions out.

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for PERS Tiers I, II, and III members

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Note: The Division of Retirement and Benefits is unable to unsubscribe members from our mailing list at this time. The Division has a fiduciary duty to provide both its active and retired members with information regarding their health and retirement benefits, including—but not limited to—benefit education, plan enrollment, and any changes in the plans. While we acknowledge that it can be frustrating to receive a high volume of communication from the Division, it is necessary to keep our members up to date on current information and educational opportunities concerning their health and retirement benefits. We apologize for any inconvenience this may cause you.

## Alaska Retirement Management Board Meeting

December 4 through 5, Anchorage

Alaska Retirement Management Board (ARMB) meetings are open to the public. You can find details about future meetings, minutes of past meetings, and meeting agendas at [Alaska.gov/drb/boards](http://Alaska.gov/drb/boards). If you have questions, contact Judy Hall, ARMB liaison, at (907) 465-3749.



Stay up to date on upcoming seminars, events, and tips for your retirement.

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