

## Retirees In Touch: Meet Michael Hankins

**“No other state can top Alaska when it comes to adventure!”**

*What does one do after working for nearly 30 years for the State of Alaska? It turns out, quite a lot! Michael Hankins lived in Alaska full-time for 45 years and now splits time between here and Arizona where he enjoys time with his wife, writing stories, and hanging in his ‘man cave’. Over time Michael and his wife Joleen picked up a few tips for the next generation of retirees. Michael says, “My wife and I made it a point to never spend 100% of our paycheck . . . at least 10% each month went into some type of investment.” And about their life now in retirement he says, “Perhaps the biggest thing we had to learn was to readjust our style of living. We closely monitor entertainment expenses for ‘wants’ instead of ‘needs’ and credit cards are paid off monthly.” So what kind of adventures can one have if they are as practical about retirement and Michael and Joleen Hankins?*

*Here, in his own words, is Michael’s retirement story.*

I wasn’t sure what retirement would bring after 27 years of State of Alaska employment. The majority of time (26 years) was with Department of Transportation – State Equipment Fleet. I worked there as a parts person, light duty mechanic, heavy equipment mechanic, and ultimately shop foreman. Before that, 1 year of shuffling license plates for the Division of Motor Vehicles taught me to be extra courteous where DMV personnel are concerned. Up close and personal, I observed how brutal the public can be on those valuable public employees. Whenever I visit a DMV office in any state I make sure to thank the person helping me.



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# Retirees In Touch: Michael Hankins

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Free time after retirement allows me to pursue writing as a hobby. At first I didn't know what to write, but once the creative juices started flowing I couldn't stop. A good many of my manuscripts have been published by select periodicals. Currently I'm working on a book about Christmas cards. My wife advised me to find an alternate means to use my time. She said sitting behind a computer 12 hours a day wasn't the healthiest activity in the world.

The garage or 'man cave' helps soak up extra time not spent at the keyboard. Working on hot rods and similar projects keeps me happy. Many of the skills gleaned working alongside master machinists, fabricators, welding technicians, and drivetrain specialists at DOT come in handy. I can't say that I miss punching a time clock these days, but I definitely miss the people worked with.

At SEF (State Equipment Fleet) we assisted all agencies with their vehicles. I came to know folks at Department of Administration, Public Safety, Fish & Game, Department of Corrections, Natural Resources, Health and Social Services, Labor & Workforce Development, to name a few. Many of these former *customers* are now my friends. A great number are also retired.

After living in Alaska 45 years, my wife and I decided to spend winters elsewhere. Arizona beckoned after having vacationed there on numerous occasions. I talked to several former state employees and they gave *thumbs up* to the Grand Canyon State as being a good place to winter. Hawaii was also considered for a brief period, but being constrained to the small restrictive boundaries of an island wasn't to our liking. Almost all retirees we chatted with agreed on one thing—



*"No other state can top Alaska when it comes to adventure!"*

I found my share of Alaskan adventure via foot, bicycle, motorcycle, boat, and airplane. Many of the stories I've written relate to these trips. Exploring the Arizona desert is now high on my list of areas to tread. That can only be accomplished during the winter months, as it is not unusual in July to find the thermometer topping 120 degrees. Looking for meteorites and antique bottles while out there puts distinct purpose in these explorations.

Metal detecting is a favorite pastime and there are plenty of places to do this, especially along infamous 'Route 66'. Because Arizona was used as a training ground during WWII, it's not unusual to uncover military artifacts hidden deep within the sand. I have a box full of neat army relics including a pocket watch and Mercedes-Benz emblem found miles from any road.

My wife and I also like to travel. Joleen put in 32 years for DOT and one of her requests after retirement was to experience places she hadn't been. Thanks to a small

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# Alaska Cost of Living Allowance (COLA) Overpayment: Decision Reached

## Overpayment In Benefits

The Office of Administrative Hearings (OAH) has reached a decision regarding overpayment of benefits, that will be of interest to retired members of the Public Employees' (PERS) and Teachers' (TRS) Retirement Systems.

The appeal focused on the receipt of Cost of Living Allowance (COLA) benefits that a member received in error. The error occurred when the Division did not stop the COLA benefit and continued the payment for six years, until the Division noted the discrepancy.

The Division is required by AS 14.25.173 (TRS) and AS 39.35.520 (PERS) to not only correct errors that are discovered in benefit payments, but to also recoup the amount overpaid, with interest, from the affected retiree. The overpayment can only be waived under a set of conditions, including having no reasonable grounds to believe the amount of the benefit being paid was in error.

The TRS provides all retirees information regarding COLA eligibility and monthly benefit statements that show the specific amount of the benefit. Coupled with the member's bank deposits, which show a lack of change in the benefit amount, the OAH determined that the member has reasonable grounds to have known the benefit was overpaid and determined the member must repay the system for benefits received in error.

Members that would like more information regarding this appeal decision may read the appeal on the Office of Administrative Hearings web site under: Categories, Teachers Retirement System (TRS), TRS161236.PDF

## How To Check Your Benefit Amount

A monthly benefit statement, also known as a "warrant advice", is sent to each benefit recipient detailing all payments and deductions from the pension check, or "warrant". If you have electronic deposit, your warrant advice is available after the retiree payroll is issued each month. You can view the document by accessing your personal account in MyRnB. If you receive a paper check in the mail each month, your warrant advice is attached

to the check. For more information about accessing your personal account in MyRnB, please contact the Division's Member Services Contact Center toll-free at (800) 821-2251 or in Juneau at (907) 465-4460, between the hours of 8:30 a.m. and 4 p.m. or email [doa.drb.mscc@alaska.gov](mailto:doa.drb.mscc@alaska.gov).

## Your check amount may change for the following reasons:

- January checks may change due to updated tax tables for the year.
- July checks may change due to payment of the Post Retirement Pension Adjustment (PRPA) to eligible retirees.
- Changes may occur on the first of the month, following the discontinuation or change in a Dental-Vision-Audio or Long Term Care deduction.
- Changes may occur on the first of the month, following notification of Alaska Cost of Living Allowance eligibility.
- Changes may occur on the first of the month, following an Internal Revenue Tax Levy or Child Support Order.
- Changes may occur on the first of the month, following a status change for members receiving either 66% Last Survivor benefits upon the spouse's death, or a Level Income Option benefit when the member reaches age 65.

Retirees should also monitor the amount of their PERS or TRS check by logging on to their banking institutions website and checking the deposit amount, or by visiting their bank in person. Once an error is detected, retirees should notify the Division immediately, preferably in writing, to correct the benefit. Be sure to keep an eye on the benefit amount in succeeding months to ensure the correction was made. 🐦

# The Post Retirement Pension Adjustment Will Be Paid With July 2018 Check

The automatic Post Retirement Pension Adjustment (PRPA) is payable to a Public Employees' Retirement System (PERS) retiree under age 60, if retired for five years or more on or before July 1, 2018, and a Teachers' Retirement System (TRS) retiree under age 60, if retired for eight years on or before July 1, 2018.

In addition to the above requirements, a retiree must have been receiving a benefit in the prior year (2017) to be eligible for the 2018 PRPA. Eligible recipients, who have not received pension benefits during the entire preceding calendar year, will receive a prorated PRPA.

If you meet these requirements or are age 60 to 64 on July 1, 2018, you will receive 50% (0.291%) of the Consumer Price Index (CPI) change during 2017. Retirees age 65 or older, and all disability benefit recipients receive 75% (0.436%) of the CPI. The PRPA for survivor benefit recipients is calculated on the member's eligibility. The CPI for the 2018 PRPA is 0.582%.



If you do not meet any of the above criteria, you are not eligible.

Due to fund conditions, the Division did not recommend an ad hoc PRPA for 2018. The ad hoc PRPA is defined in statute as, "...based on the financial condition of the retirement funds."

- This example shows a retiree who is receiving a benefit from TRS.
- Your statement will show more than one benefit if you worked for both retirement systems or if you are also receiving a survivor's benefit.
  1. Prior PRPAs: The combined monthly amount of all PRPAs paid from the date you retired through June 30, 2018.
  2. 2018 Automatic PRPA: This is effective July 1, 2018, based on the change in consumer price index (CPI).

**Example of monthly statement:**

<i>Monthly Benefit Summary</i>			
<b>Base Benefits</b>		<b>Deductions</b>	
TRS ORIGINAL BASE	\$XX.XX	TRS FED INCOME WITHHOLD	\$XX.XX
1) TRS PRIOR PRPAS	\$XX.XX	TRS DENTAL, VISION, AUDIO	\$XX.XX
2) TRS 2017 AUTOMATIC PRPA	\$XX.XX	TRS OPTIONAL LIFE INSUR	\$XX.XX
		TRS LONG TERM CARE - RET	\$XX.XX

## Retirees In Touch: Michael Hankins

*Continued from page 2*

RV we've been able to do this. There are plenty more trips on her bucket list including Yellowstone National Park and Bryce Canyon. For me, any state having a junkyard full of antique vehicles to drool over is scenic turf.

Spending quality time with family has been one of the brightest sides to retirement. Having 4 grandkids is wonderful and being able to meld with them is priceless. One good thing about living in Arizona is that during the winter months they like to come see us. Joleen and I visit the kids when things turn scorching hot around here.

I've been asked numerous times if I'm glad I retired. That's not a simple question to answer. Some days I am and some days I'm not. My 27 years of state employment flew by so fast that I can't believe it's over. A lot of that had to do with enjoying the people I worked around, including loving the state in which I was employed.

If I had it to do all over again would I follow the same route? Undoubtedly and without hesitation I say, "You betcha!" 🐦

## Where Are You?

### Review Our List of Members Who May Be Eligible for Benefits

The Division of Retirement and Benefits would like to locate people who no longer have a correct address in our system. Please review the list of names on our website at [Alaska.gov/drb/headlines/2016/10/27/where-are-you](http://Alaska.gov/drb/headlines/2016/10/27/where-are-you). If you have a current address or any other information for anyone listed, please call the Member Services Contact Center

toll-free at (800) 821-2251 or (907) 465-4460 in Juneau. **Please note:** People may have the same name as you or they may have a new last name due to marriage, divorce, or name change. Any information you can provide is appreciated. 🐦

## Are You Retirement Ready?

Studies show that 47.2% of Baby Boomers are projected to have insufficient retirement resources to pay for "basic" retirement expenditures, as well as uninsured health care costs. The same studies show 44.5% of Generation X'ers are also at risk. Are you ready for retirement?

The State's recordkeeper and financial services partner, Empower Retirement Services, now offers Financial Wellness Reviews performed by a licensed financial planner. The Financial Wellness Review (FWR) will help determine when you can comfortably retire, by looking at your State of Alaska pension plan assets, as well as other assets you may have.

Any members interested in a review, can contact the Empower Retirement Services office in Anchorage to set up an appointment in person or over the telephone by calling (800) 526-0560. These reviews are provided by your plans, free of charge.



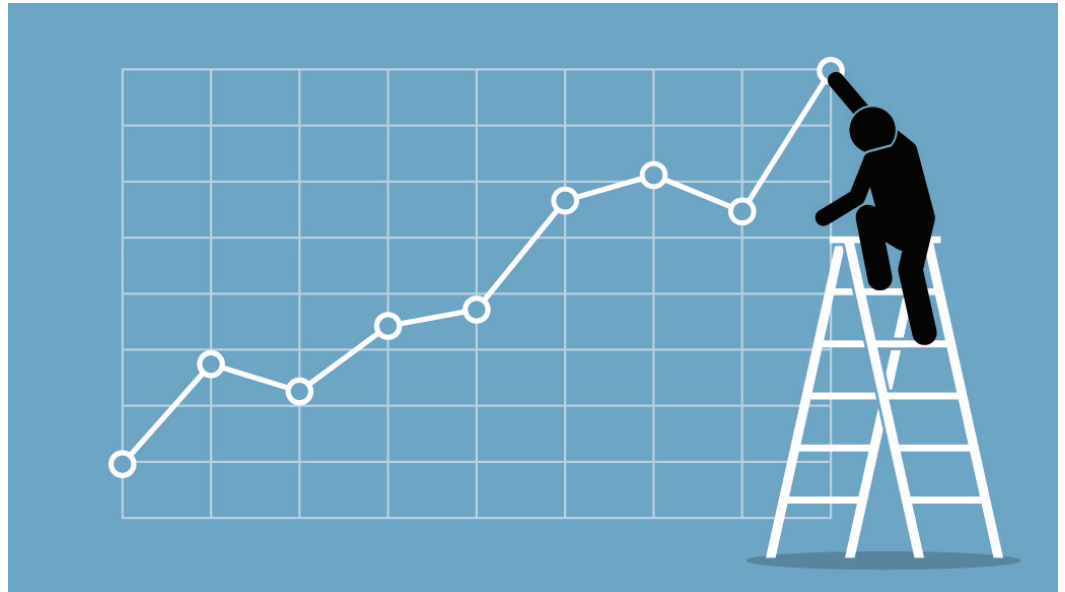
# TRS Performance in Fiscal Year 2017

The Division of Retirement and Benefits (Division) prepares a Comprehensive Annual Financial Report (CAFR) which is available online at [Alaska.gov/drb/trs/employee/resources/cafr.html](http://Alaska.gov/drb/trs/employee/resources/cafr.html). The Teachers' Retirement System (TRS) CAFR provides comprehensive financial, investment, actuarial, and statistical data.

The Division also posts the results of the Annual Actuarial Valuation online at

[Alaska.gov/drb/trs/employee/resources/actuarialValuationReports.html](http://Alaska.gov/drb/trs/employee/resources/actuarialValuationReports.html). This report contains the funding status of the TRS, as well as the data, assumptions and methods used to develop contribution rate recommendations. As of June 30, 2016, the date of the latest actuarial valuation, the Defined Benefit Unfunded Accrued Liability was \$1,707,233,000.

A summary of the TRS Financial Statements as of June 30, 2017 is reported below.



Tiers I & II include a defined benefit pension plan and the Alaska retiree healthcare trust. Tier III includes a defined contribution pension plan, occupational death and disability plan, a healthcare reimbursement arrangement, and retiree medical plan.

## Summary of Fiscal Year 2017

- There were 57 TRS employers.
- At June 30, 2017, there were 5,123 TRS Tier I-II employees and 4,383 TRS Tier III employees.
- TRS employers paid 12.56% of each employee's gross salary in addition to the contributions paid by the covered employees. The State paid an additional \$116,700,000 to meet the actuarially determined contribution rate of 28.02%.
- Based on the June 30, 2016 actuarial valuation, there were 12,726 people who received monthly TRS pension benefits, an increase of 2.5% over the prior year. TRS retirees and beneficiaries received an average annual pension benefit of \$35,050.

*Continued on the next page*

# TRS Performance in Fiscal Year 2017

## Changes in TRS Assets During Fiscal Year 2017

<b>Additions and Deductions</b>	<u>Tiers I-II</u>	<u>Tier III</u>
Fiduciary Net Position at June 30, 2016.....	\$ 7,465,781,000	\$ 385,796,000
<b>Additions</b>		
Employer Contributions.....	\$ 60,703,000	\$ 35,715,000
Plan Member Contributions.....	39,878,000	26,888,000
State of Alaska Contributions.....	116,700,000	-
Net Investment Income.....	950,403,000	56,444,000
Other.....	<u>13,919,000</u>	<u>57,000</u>
<b>Total Additions.....</b>	<b>\$ 1,181,603,000</b>	<b>\$ 119,104,000</b>
<b>Deductions</b>		
Pension Benefits Paid.....	\$ 446,044,000	\$ -
Healthcare Benefits Paid.....	120,237,000	10,000
Member Refunds and Disbursements.....	2,378,000	9,918,000
Administrative Expenses.....	<u>8,798,000</u>	<u>939,000</u>
<b>Total Deductions.....</b>	<b>\$ 577,457,000</b>	<b>\$ 10,867,000</b>
Fiduciary Net Position at June 30, 2017.....	\$ 8,069,927,000	\$ 494,033,000

## Statement of TRS Assets as of June 30, 2017

<b>Assets</b>	<u>Tiers I-II</u>	<u>Tier III</u>
Short-Term Investments.....	\$ 156,815,000	\$ 11,559,000
Securities Lending Collateral.....	54,348,000	802,000
Empower Account.....	-	1,637,000
Other Receivables.....	7,075,000	4,331,000
Investments, at Fair Value.....	7,919,874,000	486,888,000
Other Assets.....	<u>318,000</u>	<u>-</u>
<b>Total Assets.....</b>	<b>\$ 8,138,430,000</b>	<b>\$ 505,217,000</b>
<b>Liabilities</b>		
Securities Lending Collateral Payable.....	\$ 54,348,000	\$ 802,000
Accrued Expenses and Other Liabilities.....	<u>14,155,000</u>	<u>10,382,000</u>
<b>Total Liabilities.....</b>	<b>\$ 68,503,000</b>	<b>\$ 11,184,000</b>
Fiduciary Net Position at June 30, 2017.....	\$ 8,069,927,000	\$ 494,033,000

# TRSnewsbreak

for TRS Tiers I and II members

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The Alaska Department of Administration complies with Title II of the 1990 Americans with Disabilities Act (ADA). The TRS Newsbreak is available in alternative communication formats upon request. DRB ADA Coordinator: (800) 821-2251; in Juneau: (907) 465-4460, or contact the TDD for the hearing impaired at (907) 465-2805.

**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.

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## We Want to Share Your Retirement Story

We want to share your retirement story with your fellow members. Are you volunteering, traveling, involved in the community or just enjoying life? Let us know where you are living now, what you are involved in, where you were employed, and how your State of Alaska retirement has allowed you to enjoy new adventures in retirement. Submit your stories on our website at [Alaska.gov/drb/retirement/retireesInTouch.html](http://Alaska.gov/drb/retirement/retireesInTouch.html), email your stories to [doa.drb@alaska.gov](mailto:doa.drb@alaska.gov), or mail your stories and photos to the address on this newsletter, Attention: Newsbreak Editor. Please keep your stories to 500 words or less. 🐦



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