

TRS newsbreak

Alaska Teachers' Retirement System

Winter 2021

Number 126

JP Morgan's SmartSpending Fund



The Alaska Treasury Division—working with Empower Retirement and the Division of Retirement and Benefits—is pleased to announce the addition of JP Morgan's SmartSpending fund for members who are close to retiring or who have already retired. SmartSpending is a mutual fund designed to help you spend down your money gradually during your retirement years, while also generating returns. The SmartSpending calculator provides a sample spend-down amount to help you decide what works for you.

Click the SmartSpending link on Empower's website, akdrb.com, to learn more about this new tool to help you better manage your spending after retirement. 🦅

Self-Directed Brokerage Window for PERS and TRS Defined Contribution Members

The Division of Retirement and Benefits is pleased to announce we are in the final stages of implementing the Self-Directed Brokerage (SDB) window. This will allow members of the PERS and TRS Defined Contribution retirement plans to self-direct investments within the SDB window available within the Empower Retirement website at akdrb.com. Registration and the disclosure acknowledgement will be required to access the above referenced accounts and the SDB.

The SDB will be available soon to all active members and retirees of the PERS and TRS Defined Contribution retirement plans.

If you have questions or concerns with accessibility, please contact an Empower representative at (800) 232-0829.

Please note, members who have a General Delivery address will need to speak with an Empower representative for the initial akdrb.com account registration. 🦅

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The TRS Fiscal Year 2021

The Division of Retirement and Benefits (Division) prepares a Annual Comprehensive Financial Report (ACFR) which is available online at Alaska.gov/drb/trs/employee/resources/acfr.html. The Teachers' Retirement System (TRS) ACFR 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. 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, 2020, the date of the latest actuarial valuation, the Defined Benefit unfunded actuarial accrued liability was \$1,328,364,000.



The TRS Defined Benefit plan (DB) includes a defined benefit pension plan and the Alaska Retiree Healthcare Plan. The TRS Defined Contribution Retirement plan (DCR) includes a defined contribution retirement plan, an occupational death and disability plan, a healthcare reimbursement arrangement, and a retiree medical plan. A summary of the TRS Financial Statements as of June 30, 2021 is reported below.

Summary of Fiscal Year 2021

- There were 57 TRS employers.
- At June 30, 2020, there were 3,789 TRS DB Plan employees and 5,332 TRS DCR 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 \$134,976,000 to meet the actuarially determined contribution rate of 30.47%.
- Based on the June 30, 2020 actuarial valuation, there were 13,689 people who received monthly TRS pension benefits, an increase of 1.4% over the prior year. TRS retirees and beneficiaries received an average annual pension benefit of \$36,521.

2022 Retiree Benefit Mailing Dates

Retiree benefits will be mailed on the following dates in 2022:

- | | |
|---------------|----------------|
| • January 25 | • July 25 |
| • February 25 | • August 25 |
| • March 24 | • September 22 |
| • April 25 | • October 25 |
| • May 25 | • November 23 |
| • June 24 | • December 22 |

The mailing date is also the date that funds are available from your financial institution. If you would like to have your benefit directly deposited, complete the Electronic Direct Deposit Authorization for Retirees form and return it to the Alaska Division of Retirement and Benefits. You can find the form at Alaska.gov/drb/checkDates.

Changes in TRS Assets During Fiscal Year 2021

	<u>DB Plan</u>	<u>DCR Plan</u>
Fiduciary Net Position at June 30, 2020.....	\$ 8,398,260,000	\$ 785,191,000
Additions		
Employer Contributions.....	\$ 54,036,000	\$ 47,338,000
Plan Member Contributions.....	33,342,000	36,513,000
State of Alaska Contributions.....	134,070,000	-
Net Investment Income.....	2,463,777,000	249,539,000
Other.....	31,060,000	33,000
Total Additions.....	\$ 2,716,285,000	\$ 333,423,000
Deductions		
Pension Benefits Paid.....	\$ 499,942,000	\$ -
Healthcare Benefits Paid.....	147,861,000	301,000
Member Refunds and Disbursements.....	1,487,000	22,294,000
Administrative Expenses.....	10,743,000	1,904,000
Total Deductions.....	\$ 660,033,000	\$ 24,499,000
Fiduciary Net Position at June 30, 2021.....	\$ 10,454,512,000	\$ 1,094,115,000

Statement of TRS Assets as of June 30, 2021

	<u>DB Plan</u>	<u>DCR Plan</u>
Assets		
Short-Term Investments.....	\$ 84,332,000	\$ 2,753,000
Securities Lending Collateral.....	26,635,000	688,000
Empower Account.....	-	303,000
Other Receivables.....	12,931,000	6,736,000
Investments, at Fair Value.....	10,377,180,000	1,084,545,000
Other Assets.....	318,000	-
Total Assets.....	\$ 10,501,396,000	\$ 1,095,025,000
Liabilities		
Securities Lending Collateral Payable.....	\$ 26,635,000	\$ 688,000
Accrued Expenses and Other Liabilities.....	20,249,000	222,000
Total Liabilities.....	\$ 46,884,000	\$ 910,000
Fiduciary Net Position at June 30, 2021.....	\$ 10,454,512,000	\$ 1,094,115,000

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for TRS Tiers I and II members

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Monday – Thursday

8:30 a.m. – 3 p.m.
Friday

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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.

State of Alaska Division of Retirement and Benefits
P.O. Box 110203
Juneau, AK 99811-0203

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, email your stories to 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. 🦅



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

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