

SB 159

PERS/TRS Disbursement

Options



Presented by

Commissioner Leslie Ridle

Deputy Director & Chief Pension Officer Kathy Lea

Proposed Change

- The Alaska Retirement Management Board (ARMB) must be able to add or change distribution options easily and in a relatively short timeframe.
- Our proposal is to move disbursement options from statute into regulation to allow for a faster response to participant needs.
- The ARMB unanimously approved this proposal.

The Issue

- The PERS/TRS DCR (Tier IV) plans use the statutes as the plan document.
- Any changes to modernize options or to meet new Internal Revenue requirements require a statutory change.
- Statutory changes can take several sessions to accomplish, if at all.
- Meanwhile, participants needs are being unmet.
- This bill would give the DCR plans the same flexibility as the SBS and Deferred Compensation plans.

PERS/TRS DCR Needs

- The PERS/TRS DCR plans have vested employees who are retiring and need help facing the challenges of retirement.
- The ARMB Defined Contribution Subcommittee is exploring options that will help participants:
 - not outlive their retirement savings,
 - address purchasing power over time, and
 - protect against market uncertainty.

Transparent Process for Change

- Discussions regarding disbursement options are done in a public forum during the selection process.
- Participants and groups representing participants will have input during subcommittee and ARMB committee meetings.
- The process remains public and transparent, but allows for faster adoption of needed change.
- All interested parties are notified of any changes through the regulation process.

Questions?

For more information on Department of Administration services, priorities, or other issues, please contact:

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