

PERS and TRS Tier Comparison Chart

PERS Tiers	Tier I 1/1/61 - 6/30/86	Tier II Entered after 6/30/86	Tier III Entered after 6/30/96	Tier IV Entered after 6/30/2006
Employee Contribution Rates (% of pay)	Pre-tax employee contribution: 6.75% begin 1/1/87—all others 7.5% begin 1/1/87—police and fire 9.6% begin 7/1/99—school district	Pre-tax employee contribution: 6.75% begin 1/1/87—all others 7.5% begin 1/1/87—police and fire 9.6% begin 7/1/99—school district	Pre-tax employee contribution: 6.75% begin 1/1/87—all others 7.5% begin 1/1/87—police and fire 9.6% begin 7/1/99—school district	Pre-tax employee contribution: 8% for all employees
Employer Contribution (% of payroll)	22% Cost Share PERS on-behalf payment paid by the State of Alaska is 10.51% State of Alaska FY 2010 Contribution is \$241,600,000	22% Cost Share PERS on-behalf payment paid by the State of Alaska is 10.51% State of Alaska FY 2010 Contribution is \$241,600,000	22% Cost Share PERS on-behalf payment paid by the State of Alaska is 10.51% State of Alaska FY 2010 Contribution is \$241,600,000	5% - Retirement <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> 0.99% - Health Plan – adjusted by annual actuarial valuation annually. plus Health Reimbursement Arrangement (HRA)- Flat dollar amount per employee based on 3% of the average annual compensation of all employees of all employers in the system. </div> Occupational Death & Disability 1.33% – Police /Fire 0.58% – All others
Vesting	Employees vest with 5 years of service.	Employees vest with 5 years of service.	Employees vest with 5 years of service in the pension plan and with 10 years of service for the medical plan.	100% vested in employee contributions immediately. % vested in employer contributions: 25% after 2 years of service, 50% after 3 years, 75% after 4 years 100% after 5 years.

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PERS Tiers	Tier I 1/1/61 - 6/30/86	Tier II Entered after 6/30/86	Tier III Entered after 6/30/96	Tier IV Entered after 6/30/2006
Qualifications for Retirement	<p>Normal retirement age is 55, with early retirement at age 50;</p> <ul style="list-style-type: none"> ▪ police/fire members can retire at any age after 20 years of police/fire service; ▪ all other members can retire at any age after 30 years of membership service. <p>Early retirement reduction will be 1/2% per month or 6% per year for every year less than the required normal retirement age.</p>	<p>Normal retirement age is 60, with early retirement at age 55;</p> <ul style="list-style-type: none"> ▪ police/fire members can retire at any age after 20 years of police/fire service; ▪ all other members can retire at any age after 30 years of membership service. <p>Early retirement reduction will be 1/2% per month or 6% per year for every year less than the required normal retirement age.</p>	<p>Normal retirement age is 60, with early retirement at age 55;</p> <ul style="list-style-type: none"> ▪ police/fire members can retire at any age after 20 years of police/fire service; ▪ all other members can retire at any age after 30 years of membership service. <p>Early retirement reduction will be 1/2% per month or 6% per year for every year less than the required normal retirement age.</p>	<p>None for investment account.</p> <p>Taxes and penalties may apply if withdrawn before age 59-1/2.</p> <p>See requirements for Retirement Medical Coverage.</p>
Benefit Calculation Formula	<p>Benefit formula:</p> <ul style="list-style-type: none"> ▪ 2% for first 10 years and all years of service prior to July 1, 1986, ▪ 2.25% for the next 10 years, and ▪ 2.5% per year thereafter. <p>Benefit calculation is determined on the average of the high three consecutive years' salary.</p> <p>Police/Fire - 2% X 10, 2.5% over 10.</p>	<p>Benefit formula:</p> <ul style="list-style-type: none"> ▪ 2% for first 10 years, ▪ 2.25% for the next 10 years, and ▪ 2.5% per year thereafter. <p>Benefit calculation is determined on the average of the high three consecutive years' salary.</p> <p>Police/Fire - 2% X 10, 2.5% over 10.</p>	<p>Benefit formulas did not change.</p> <p>However, the benefit calculation is determined on the average of the high five consecutive years' salary.</p> <p>The benefit calculation for police and fire members is the average of the high three consecutive years regardless of tier (effective 2002).</p>	<p>DC account balance plus investment earnings.</p> <p>May be received in several different payment options. Payout options include lump-sum payments, rollovers to another qualified plan, or annuities.</p> <p>Annuities may be taken as a lifetime annuity, joint and survivor annuity, or for a period certain.</p>
Alaska Cost-of-living Increases (COLA)	<p>An Alaska Cost-of-Living Allowance is payable to benefit recipients who remain domiciled in Alaska after retirement.</p> <p>The allowance is \$50 or 10% of the base benefit, whichever is greater.</p>	<p>An Alaska Cost-of-Living Allowance is payable to benefit recipients 65 or older or disability benefit recipients regardless of age who remain domiciled in Alaska after retirement.</p> <p>The allowance is \$50 or 10% of the base benefit, whichever is greater.</p>	<p>An Alaska Cost-of-Living Allowance is payable to benefit recipients 65 or older or disability benefit recipients regardless of age who remain domiciled in Alaska after retirement.</p> <p>The allowance is \$50 or 10% of the base benefit, whichever is greater.</p>	<p>None provided.</p>

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PERS Tiers	Tier I 1/1/61 - 6/30/86	Tier II Entered after 6/30/86	Tier III Entered after 6/30/96	Tier IV Entered after 6/30/2006
Post Retirement Pension Adjustments (PRPA) (Inflation Protection)	PRPA increases granted on an ad hoc basis. If an ad hoc is not granted, Tier I employees must be age 60 or over or receiving benefits for 5 years to qualify for the automatic PRPA. The automatic PRPA passed in 1986 applied to all members regardless of hire date.	Automatic PRPA adjustments to disabled members, retirees 60 and over, and those who have received benefits for 5 years.	Automatic PRPA adjustments to disabled members, retirees 60 and over, and those who have received benefits for 5 years.	None provided.
Retirement Medical Coverage	<p>Medical coverage is provided to all benefit recipients and their eligible dependents for life. The retiree medical plan premium is paid by the retirement system.</p> <p>5 year vesting.</p>	<p>Medical coverage is provided to disabilitants, regardless of age and benefit recipients over age 60 or,</p> <ul style="list-style-type: none"> ▪ Peace officer/fire members with 25 years of police/fire service, ▪ all other members with 30 years of membership service <p>and their eligible dependents for life. The retirement system pays the retiree medical plan premium.</p> <p>Retirees and survivors under age 60 must pay the full premium cost if they want coverage.</p> <p>5 year vesting.</p>	<p>Same as Tier II. However, employees must accrue a minimum of 10 years of credited service* to have system-paid coverage at age 60.</p> <p>Employees with less than 10 years must pay the full premiums as long as they wish to continue medical coverage.</p> <p>100% vested with 10 years of credited service.</p>	<p>Access to medical coverage at Medicare eligible age with 10 years of service or at any age with 25 years of service for peace officers and firefighters or with 30 years of service for all others. Must retire directly from the system. If not eligible for Medicare, must pay full premium. May use health reimbursement arrangement (HRA) account to pay premiums. Once the HRA is exhausted, member self- pays premiums. When eligible for Medicare, the percentage of premium paid by the retiree or surviving spouse is:</p> <ul style="list-style-type: none"> ▪ 10-14 years of service - 30% ▪ 15-19 years - 25% ▪ 20-24 years - 20% ▪ 25-29 years - 15% ▪ 30 years or more - 10%

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PERS Tiers	Tier I 1/1/61 - 6/30/86	Tier II Entered after 6/30/86	Tier III Entered after 6/30/96	Tier IV Entered after 6/30/2006
Disability Benefits	<p>Nonoccupational disability benefits are calculated as a normal retirement.</p> <p>Occupational disability provides 40% of the gross monthly compensation.</p> <p>Different occupational disability formula available before 7/1/76.</p>	<p>Nonoccupational disability benefits are calculated as a normal retirement.</p> <p>Occupational disability provides 40% of the gross monthly compensation.</p>	<p>Nonoccupational disability benefits are calculated as a normal retirement.</p> <p>Occupational disability provides 40% of the gross monthly compensation.</p>	<p>Must be a total and presumably permanent disability whose cause is directly related to performance of duties of the job or an on the job injury. Benefit is 40% of salary, earns service while on occupational disability.</p> <p>Employer continues to make all required contributions as if the member were working, plus the member's required contributions to the DCR account, without deduction from the member's disability payment.</p> <p>Disability benefits cease when the member becomes eligible for normal retirement at Medicare eligible age and 10 years of service or at any age with 25 years of service for peace officers and firefighters or with 30 years of service for all others.</p> <p>Medical insurance is available to members receiving disability when member is eligible for a normal retirement.</p>

PERS and TRS Tier Comparison Chart

TRS Tier	Tier I 7/1/1955 – 6/30/90	Tier II Entered after 6/30/90	Tier III Entered after 6/30/06
Employee Contribution	Pre-tax employee contribution: 8.65% beginning 1/1/91	Pre-tax employee contribution: 8.65% beginning 1/1/91	Pre-tax employee contribution: 8%
Employer Contribution	12.56% Cost Share TRS on-behalf 42.26% State of Alaska FY 2010 Contribution is \$206,300,000	12.56% Cost Share TRS on-behalf 42.26% State of Alaska FY 2010 Contribution is \$206,300,000	7% - DCR account 1.61% Health Plan - determined by annual actuarial valuation after FY07. plus Heath Reimbursement Arrangement (HRA) - Flat dollar amount per employee based on 3% of the average annual compensation of all employees of all employers in the system.
Vesting	Members vest with 8 years of service.	Members vest with 8 years of service.	100% vested in employee contributions from inception. Vested in employer contributions based on the following schedule: 25% after 2 years of service 50% after 3 years 75% after 4 years and 100% after five years.
Qualifications for Retirement	Normal retirement age is 55, with early retirement at age 50; teachers can retire at any age after 20 years of membership service.	Normal retirement age is 60, with early retirement at age 55; teachers can retire at any age after 20 years of membership service.	None for investment account. Taxes and penalties may apply if withdrawn before age 59 1/2. See requirements for Retirement Medical Coverage.
Benefit Calculation Formula	Benefit formula is 2% for the first 20 years and all years of service prior to July 1, 1990, 2.5% thereafter. Benefit calculation is determined on the average of the high three contract salaries.	Benefit formula is 2% for the first 20 years, 2.5% thereafter. Benefit calculation is determined on the average of the high three contract salaries.	DC account balance plus investment earnings. May be received in several different payment options. Payout options include lump sum payments, rollovers to another qualified plan, or annuities. Annuities may be taken as a lifetime annuity, joint and survivor annuity, or for a period certain.
Alaska Cost-of-living Increases (COLA)	An Alaska Cost-of-Living Allowance is payable to benefit recipients who remain domiciled in Alaska after retirement. The allowance is 10% of the base benefit.	An Alaska Cost-of-Living Allowance is payable to benefit recipients 65 or older or disability benefit recipients regardless of age who remain domiciled in Alaska after retirement. The allowance is 10% of the base benefit.	None provided.

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TRS Tier	Tier I 7/1/5555 – 6/30/90	Tier II Entered after 6/30/90	Tier III Entered after 6/30/06
Post Retirement Pension Adjustments (PRPA) Inflation protection	PRPA increases granted on an ad hoc basis. If an ad hoc is not granted, Tier I employees must be age 60 or over or receiving benefits for 8 years to qualify for the automatic PRPA. The automatic PRPA passed in 1990 applied to all members regardless of hire date.	Automatic PRPA adjustments to disabled members, retirees 60 and over, and those who have received benefits for 8 years.	None provided.
Retirement Medical Coverage	Medical coverage is provided to all benefit recipients and their eligible dependents. The retiree medical plan premium is paid by the retirement system.	The retirement system pays the retiree medical plan premium for all disabilitants regardless of age, for retirees and survivors over age 60 and for retirees with at least 25 years of membership service. This coverage includes eligible dependents. Retirees and survivors under age 60, with less than 25 years of membership service must pay the full premium cost if they want coverage.	Access to medical coverage at Medicare eligible age with 10 years of service or at any age with 30 years of service. Must retire directly from the system. If not eligible for Medicare, must pay full premium. May use health reimbursement arrangement (HRA) account to pay premiums. Once the HRA is exhausted, member self- pays premiums. When eligible for Medicare, the percentage of premium paid by the retiree or surviving spouse is: 10-14 years of service - 30% 15-19 years - 25% 20-24 years - 20% 25-29 years - 15% 30 years or more - 10%
Disability Benefits	Disability benefits are 50% of base salary, plus 10% for each eligible dependent child up to a maximum of 4 children.	Disability benefits are 50% of base salary, plus 10% for each eligible dependent child up to a maximum of 4 children.	Must be a total and presumably permanent disability whose cause is directly related to performance of duties of the job or an on the job injury. Benefit is 40% of salary, earns service while on occupational disability. Employer continues to make all required contributions as if the member were working, plus the member's required contributions to the DC account, without deduction from the member's disability payment. Disability benefits cease when the member becomes eligible for normal retirement at Medicare eligible age and 10 years of service or at any age with 30 years of service. No medical insurance until eligible for normal retirement.