Public Employees' Retirement System (PERS) Plan Comparison Chart

Feature	Tier III Entered after 6/30/1996	PERS Defined Contribution Plan Entered after 6/30/2006
Employee Contribution (% of pay)	Pre-tax employee contribution: 6.75% beginning 1/1/87—all others 7.5% beginning 1/1/87—police and fire 9.6% beginning 7/1/99—school district	Pre-tax employee contribution: 8%
Employer Contribution (% of payroll)	22% Cost Share PERS on-behalf payment paid by the State of Alaska is 5.65%	5% DCR Plan Account 0.99% Health Plan - adjusted by annual actuarial valuation; 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. Occupational Death & Disability: 1.33% - Police/Fire; .58% All others
Vesting	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 based on the following schedule: 25% after 2 years of service, 50% after 3 years, 75% after 4 years and 100% after 5 years
Qualifications for Retirement	After vesting, normal retirement age is 60, with early retirement at age 55; • 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. Early retirement reduction will be 1/2% per month or 6% per year for every year less than the required normal retirement age.	None for investment account. Taxes and penalties may apply if withdrawn before age 59-1/2. See vesting requirements for Retirement Medical Coverage
Benefit Calculation Formula	Benefit formula: 2% for first 10 years, 2.25% for the next 10 years, and 2.5% per year thereafter. Benefit calculation is determined on the average of the high five consecutive years' salary. Peace Officer/Fire - 2% X 10, 2.5% over 10.	DCR Plan account balance plus investment earnings. May be received in several different payment options. Payout options include lump sum payments, periodic payment, rollovers to another qualified plan, or annuities. Annuities may be taken as a lifetime annuity, joint and survivor annuity, or for a period certain.

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Alaska Cost of Living Allowance (COLA)	An Alaska Cost-of-Living Allowance is payable to benefit recipients age 65 or older or disability benefit recipients regardless of age who remain domiciled in Alaska after retirement. The allowance is $50 or 10% of the base benefit, whichever is greater	None provided
Post Retirement Pension Adjustment (PRPA) (Inflation protection)	Automatic PRPA adjustments to disabled members, retirees age 60 and over, and those who have received benefits for 5 years	Automatic PRPA adjustments to survivors and to peace officers/firefighters receiving disability benefits.
Retirement Medical Coverage	LEGACY DB Health Plan. Employees must accrue a minimum of 10 years of credited service*, to have system-paid coverage at age 60. Employees with less than 10 years must pay the full premiums as long as they wish to continue medical coverage. 100% vested with 10 years of credited service. *Credited service includes all service used in the calculation of a retirement benefit.	DCR Health Plan. 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: 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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Disability Benefits	Nonoccupational disability benefits are calculated as a normal retirement. Occupational disability provides 40% of the gross monthly compensation.	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 DCR 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 25 years of service for peace officers and firefighters or with 30 years of service for all others. Medical insurance is available to members receiving disability when member is eligible for a normal retirement. Peace Officer/Firefighter Provision: Choice of receiving a lifetime DB benefit calculated on service and salaries OR balance of investment account at normal retirement eligibility.