

# State of Alaska

## **Department of Administration**

Division of Retirement and Benefits

### Presentation to the House State Affairs Committee

- Overview of the Division of Retirement and Benefits
- Kathy Lea, Director
- January 28, 2025



# Division of Retirement and Benefits

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- Department of Administration Oversight
- Governed by both state and federal laws (IRS)
- Plans are designed by the Legislature
- Provides actuarial and financial information to the  
Alaska Retirement Management Board



# Programs Administered-Pension

- Public Employees' Retirement System-DB and DC
- Teachers' Retirement System-DB and DC
- Alaska Supplemental Benefits Annuity Plan-DC
- Alaska Public Employees Deferred Compensation Plan-DC
- National Guard and Naval Militia Retirement System
- Judicial Retirement System
- Elected Public Officers Retirement Plan-DB (Closed)



# Programs Administered-Health Benefits

- AlaskaCare Employee Health Plan
  - Health, dental, vision, audio
- AlaskaCare Retiree Health Plan
  - Health, dental, vision, audio, long term care
- Group Life & Supplemental Benefits
  - Life insurance at varying levels
  - Short Term Disability
  - Long Term Disability
  - Pet Insurance
  - Supplemental Critical Illness



# DRB Internal Organization

- Director
- Chief Pension Officer
  - Processing Units
  - Member Education Center
  - Appeals
- Chief Financial Officer
  - Employer Payroll Reporting
  - Retiree Payroll
  - Financial Accounting and Required Statements
  - Actuarial valuations
  - Audit

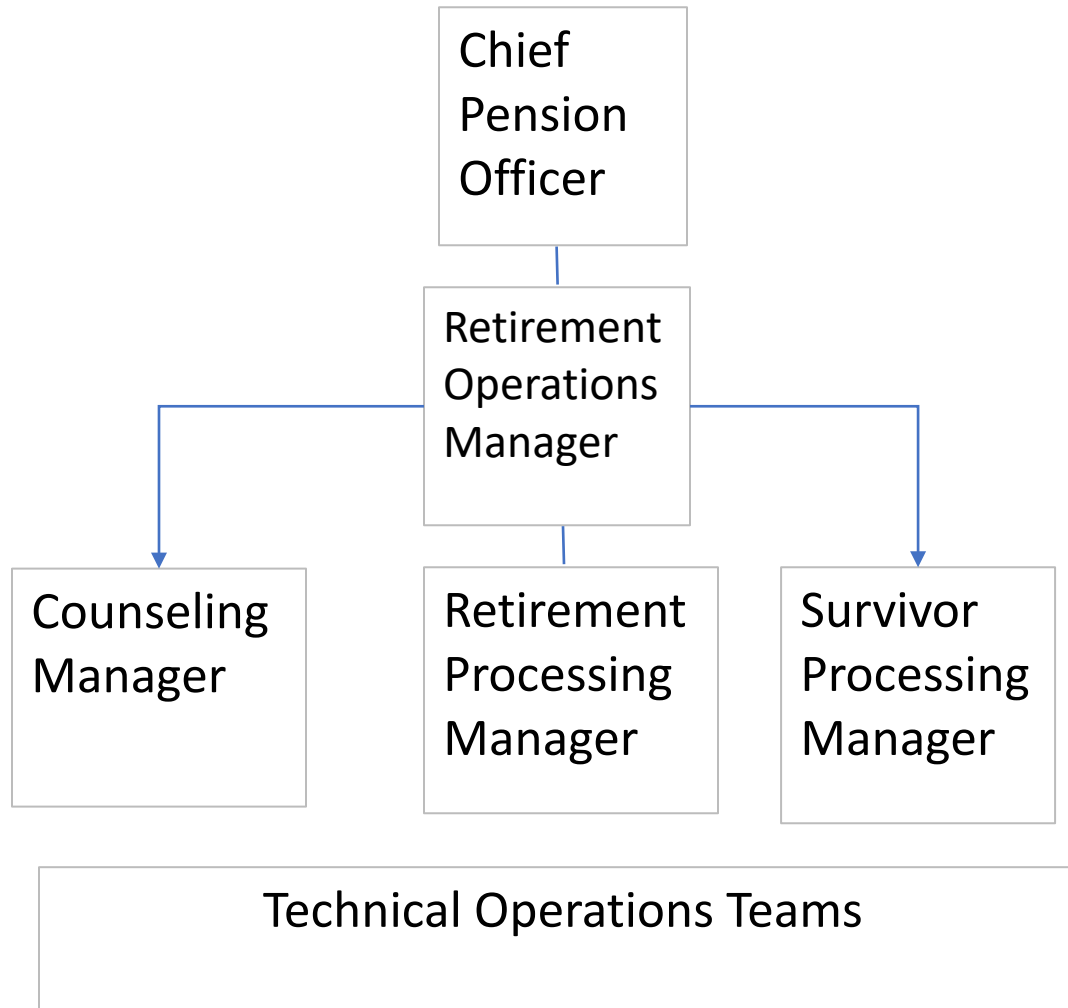


# DRB Internal Organization

- Chief Health Administrator
  - AlaskaCare Employee Health Plan
  - Group Health and Life Plans
  - AlaskaCare Retiree Health Plan
- Operations Manager
  - Administration-Bill paying, employee payroll, travel, legislative support
  - Records Center
  - Information Systems
  - Division support



# DRB Internal Organization



# DRB Processing Units

- Retirement Benefits
- Survivor Benefits
- Disability Benefits
- Alaska Cost of Living Administration
- Benefits Adjustments
- Deferred Compensation
- Certification





# DRB Processing Units

## Cyclical Highs For each Unit

- Survivor Benefits – 2 x regular processing in January and February
- Cola Administration – 2-3 x regular processing in Spring and Fall
- Deferred Compensation – 2 x regular processing in November
- Retirement Benefits – up to 5 x regular processing in July



# DRB Processing Units

- Cyclical Highs for each Unit are met with cross training between Processing Unit technicians
- In addition, July processing requires the help of the Counseling team for calculation of and certification of final benefits



# Normal Retirement Processing Time

- Retirement benefits are effective the first of the month following reaching eligibility requirements when applied for
- Retirement benefits are due to be paid at the end of the month
- Normal processing time is 4-6 weeks; about 20% will go over the 6 weeks when additional information or documents are needed



# Reorganization

- In 2022, a reorganization occurred which moved the counseling staff to the Member Education Unit
- The Member Education Unit was not overseen by the Chief Pension Officer or the Retirement Operations Manager
- When July 2022 occurred, no assistance from Counseling staff was provided



# Reorganization

- Meeting the July 2022 retirement load timely was not possible without assistance
- Retirement Processing fell behind and had difficulty catching up; other Units fell behind by processing retirements
- Staff that could work overtime worked long hours for several months
- Replacing vacant RBT II positions became difficult



# Reorganization

- Retirement Processing was not caught up by the time July 2023 had come
- Again, the Unit could only rely on internal help to meet the load
- Multiple vacancies occurred in the Processing Section-inability to fill
- The Chief Pension Officer position became vacant and was not filled for over 18 months



# Personnel Gaps

By 2024, the Retirement Processing Section was approximately 47% staffed, taking 14 weeks to process retirements.

Unit	Staff Needed	Staff Available 2023-24
Retirement	1 RBS i	0 RBS I
	4 RBT II	1 RBT II
Survivor	1 RBS 1	1 RBS 1
	5 RBT II	4 RBT II
Disability	2 RBT II	2 RBT II
COLA	2 RBT 1	0 RBT I
Benefits Adjustments	2 RBTII	0 RBT II
Deferred Compensation	1 RBS I	0 RBS I
Certification	2 RBS II	2 RBS II



# Reorganization and All Staff Involvement

- The reorganization done in 2022 was reversed and the counseling team returned to the oversight of the Chief Pension Officer in June of 2024
- Overtime was offered to all Division staff to assist in the retirement process
- Working together retirements were caught up by the end of August 2024





# Moving Forward

- Hiring and retention bonuses were approved and instituted to fill vacant positions
- Counseling Team members, under the direction of the Chief Pension Officer, continue to assist when needed
- Rest of Division prepared to assist
- Chief Pension Office position was filled with a 25-year tenured DRB employee



# Processing Status

- Retirement Processing has only a 10% vacancy and is filling those positions now
- Assistance across major sections is being provided when overloads in any section occur
- Counseling staff remains part of the processing teams and continues to assist when needed
- Cross training will be provided in 2025 to better provide assistance



# Ready for the Future

- The Division is much better positioned to meet the challenges presented to it by a changing work force, hiring challenges and unforeseen events
- Division staff stand ready to assist each other in times of crisis and cross changing across differing tasks will increase their effectiveness
- The Division remains focused on its number one priority, its members



# **Department of Administration**

Championing improvement in the State's performance and results.



For more information, send your questions to Forrest Wolfe at  
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