
Department of Administration



Division of Retirement & Benefits

Director: Kathy Lea



Core Function: Administer State of Alaska and political subdivision retirement and benefit plans

- Retiree pension plans Public Employees Retirement System (PERS) and Teachers Retirement System (TRS) defined benefit & defined contribution; Judicial Retirement System (JRS) defined benefit; National Guard and Naval Militia Retirement System (NGNMRS); Supplemental Annuity Plan (SBS-AP); Deferred Compensation Plan
- Alaska Care Defined Benefit and Defined Contribution retiree medical plans, the Alaska Care retiree dental, vision, and audio plan (optional) and Long-Term Care plan (optional)
- Alaska Care active employee medical, dental, and vision plan and voluntary benefits



Staffing

131 positions, .5% vacancy rate

- **Member Benefits:** 57 positions, 8% vacancy rate
 - Retirement, Survivor, Disability, and Adjustment Benefit Processing
 - Appeals and Risk Mitigation
 - Member Service Contact Center
 - Member Counseling
- **Health Plan Administration:** 14 positions, 0% vacancy rate
 - Health Plan Policy
 - Health Plan Administration Operations
- **Finance:** 32 positions, 3% vacancy rate
 - Accounting
 - Retiree and Employer Payroll
 - Audit and Compliance
- **Operations:** 28 positions, 0% vacancy rate
 - Administrative Services
 - Information Services
 - Communications
 - IT/Project Support



Successes

- Issued PERS and TRS Annual Comprehensive Financial Reports early
- Managed and administered two rounds of communication with members affected by the Alaska Retirement Management Board decision to close financial advice services for defined contribution plans
- Reduced the vacancy rate by use of hiring and retention bonuses
- Returned to 4-6 week processing time for completed retirement applications in August of 2024



Challenges

- Effects of security incident in November of 2024 affecting reporting of contributions
- Steadily increasing volume of survivor benefit applications, refunds, and member contacts
- Benefits And Retirement System (BEARS) implementation timeline



Retirement Processing Backlog

The backlog experienced was resolved by August 2024. Resolution occurred due to:

- Offering overtime to all technicians in the Division
- Reversing a reorganization that removed member counseling staff from the Member Benefits Section
- Securing hiring and retention bonuses to attract new employees and retain current employees – Cost \$34,000

Current status: Processing in 4-6 weeks as of August 2024



Efficiencies

- Implementing a cross-training program for technical staff to enable all techs to support any team that is experiencing overload
 - Pro: Better trained technicians who can meet overload in any section or promote to other sections
 - Con: Increases the use of overtime and may cause slow down in other work
 - This method will not be sustainable in the long term



Implementation and cost mitigation for retiree health plan administration

- AlaskaCare network 2024: 56 new groups added, 843 new providers, 5,681 Alaska based providers in network
- Hinge Health – New virtual physical therapy program to improve access to and utilization of rehabilitative therapy
- Lantern – Surgical provider of excellence program that connects patients with vetted, board-certified providers with enhanced travel benefits at overall savings to the plan; includes infusion therapy



Implementation and cost mitigation for employee & retiree health plan administration

- Annual assessment of competitive pricing and renegotiation of discounts to reduce costs
- Annual rebate audit to verify that 100% of drug rebates were returned to the AlaskaCare plans
- Preparing to go out for Request for Proposal for Pharmacy Benefit Manager (PBM) contract
- New behavioral health and Employee Assistance Program communication plan to increase awareness of available programs
- Added Aetna enhanced maternity for employee plan members
- Added coverage for acupuncture for certain diagnoses - when medically necessary



BEARS

- User Acceptance Testing
 - Low user acceptance rate on testing modules
 - Identification of multiple defects requiring retesting
- Extension of implementation timeline to Fall 2025



Pension Compliance Officer

- A pension compliance officer position will ensure we are aware of, analyze, and adopt all federal laws affecting qualified government retirement plans (Example: Secure 2.0)
- Will also work with employers to ensure compliance with federal and state retirement statutes and regulations to reduce the errors identified during audits
- Division managers and supervisors to ensure practices and procedures remain in compliance with statutes and regulations which will reduce the number of appeals



Questions?

