

***DEPARTMENT
OF
ADMINISTRATION***

Dept. of Admiscellaneous

Division Director	Services to State Agencies	Services to the Public	Services Internal to Department
Finance Keith Busch	Payroll Accounting Vendor Payments	AFR 1099's etc	
General Services & Supply Bob Link	Purchasing Property Control Leasing & Facilities Central Dup.	Surplus Property Vendor Lists	Mail Room RPF review
Risk Management Don Hitchcock	Property Insurance Liability Insurance Self-Insurance	Claims Administration	
Retirement & Benefits Sally Smith	Employee Health Ins. Deferred Compensation PERS/TRS boards	Retirement Programs SBS Administration	
Personnel Dave Otto	Eligible Hire Lists Classification & Pay Productivity Improvement Personnel board	Recruitment	
Labor Relations Bruce Cummings	Contract Negotiations Contract Administration Labor Relations Agency		
Data Resource Management John Valensi	Data Base Support Customer Support Utilization Accounting IRMEAC		
Data Network Services Jan Daniels	Juneau Data Center Anchorage Data Center Data Network Mgmt.		
Telecommunications Mel Hoversten	Equipment Maint. Telephone Network Data Network Facilities	RATNET	
Public Defender John Salemi		Defense for Indigents	
Office Of Public Advocacy Brant McGee		Defense for Indigents Guardians Ad Litem Conservator Svcs	
Public Offices Comm. Karla Forsythe		Campaign Finance Conflict of Int. rest Lobbyists	
Public Broadcasting Comm. Charlie Northrip		Grants & Tech. Assist. to Public Radio/TV	
Older Alaskans Comm. Connie Sipe		Grants & Tech. As: ist. to Seniors Orgs. LTC Ombudsman	
Pioneer Benefits Barbara Bathony		Pioneer Homes Longevity Bonus	
Admin. Services Mik's Maher		Municipal Grants Hearing Officer	Dept. Admin. Svcs Word Proc. Center
Commissioner's Office Jim Fox Chuck Taylor Dean Gottehrer Sioux Plummer	Budget Review Comm. State Bond Comm. Student Loan Corp. Correctional Industries Tele. Info. Council	Public information	Dept. management

Management Perspective

Division Director	Goals & Objectives	Recent Successes
Finance Keith Busch	Reliable & accurate accounting data Prompt payment of vendors Full compliance with IRS requirements	Annual Financial Report done on time New payroll system underway
General Services & Supply Bob Link	Prompt acquirement of goods & services Fair competition among vendors Support of Alaskan vendors	Implementation of Procurement Code
Risk Management Don Hitchcock	Adequate Ins. coverage at minimum cost Prompt adjudication of claims Fair allocation of costs among agencies	Insurance costs reduced by \$1.8 million
Retirement & Benefits Sally Smith	Prompt & accurate benefit payments Sound fiscal mgmt of retirement funds Health Insurance program design	Implemented court decisions SBS changes underway Health Insurance study, phase 1
Personnel Dave Otto	Open & Competitive Recruitment Prompt filling of vacancies	All registers open to recruitment Employee preference, personnel rules Mgmt. training program completed
Labor Relations Bruce Cummings	Control personal services costs Retain management prerogatives Deal fairly with employee grievances	Contracts with SU & CEA
Data Resource Management John Valensi	Provide support for agency operations Streamline IRMEAC procedures	assisted several agencies in improving their computer applications
Data Network Services Jan Daniels	Sufficient capacity to meet demands Provide stable operating environment	Stretched out useful computer life
Telecommunications Mel Hoversten	Keep equipment in good repair Sound mgmt of state operations Sound engineering of state facilities	reduced telephone costs
Office Of Public Advocacy Brant McGee	Proper accounting of trust funds Adequate training for GAL's	Automating trust fund accounting
Pioneer Benefits Barbara Bathony	High quality health care with limited funds Increased client contribution to costs Prompt payment of ALB benefits	Successfully opened Juneau P.H. Reorganized central office
Admin. Services Mike Maher	Prompt & fair payment of munic. grants Assist divisions with accounting problems Prompt payment of vendors	Published dept. Policy & Procedure manual for procurement code
Commissioner's Office Jim Fox Chuck Taylor Dean Gottehrer Sioux Plummer	Helpful service to other state agencies Fair and impartial service to the public Efficient operation of the department	

Six sections in the division cooperate to achieve the goals and effectively operate the programs.

Administration

The administrative section is responsible for all general administrative duties within the division and the more specialized research responsibilities. Staff support to the director includes division oversight, research, budget preparation, expenditure analyses, report writing, review and analysis of legislation, and the development and distribution of public information on the division's programs. The section provides reception, clerical support, inventory control, contract management, and microfiche files for employee and system membership.

Accounting

The accounting section maintains account balances for approximately 65,000 PERS, TRS, JRS, EPORS, and NGNMRS members. Accounts are also maintained for 129 PERS employers, 62 TRS employers, and the other smaller retirement systems. Employer contribution reports are processed at least once each month for every employer. On a monthly basis the section receives and deposits contributions, calculates indebtednesses to the systems, refunds account balances for those who request them upon termination, updates files on members' accounts, transfers account balances between systems when needed, and responds to members' needs and questions regarding account balances through written, telephone and one-on-one contact. The section also reconciles the retirement system records with AkSAS, provides internal and external audits of participating employers to assure compliance with appropriate statutes and regulations, produces the Public Employees' and Teachers' Retirement Fund Annual Financial Reports, and works with independent auditors to obtain opinions on the financial statements for PERS and TRS. Following is a breakout of employees in the systems:

	Active/State	Active/Political Subdivisions	Retirees
PERS	13,231	13,445	6,702
TRS	118	8,100	2972
JRS	37	n/a	36
EPORS	10	n/a	26
NGNMRS	3,000	n/a	5204

Benefits

The benefits section administers: group health and life insurance benefits for all PERS, TRS, JRS and EPORS retirees, including the newly created long term care program and the dental-vision-audio program; group health and life insurance benefits for the state and 49 participating political

subdivisions; deferred compensation for state employees; disability benefits under the PERS and TRS; death benefits including the basic, optional and supplemental life insurances; coverage under the travel accident policy; and survivor benefits under the PERS, TRS and SBS; and social security participation for political subdivisions.

In addition to handling the day-to-day functions of these programs, the section drafts appeals on benefit issues and RFP's related to various benefit programs.

Supplemental Benefits

The supplemental benefits section administers the supplemental annuity plan, a cafeteria-style insurance benefits plan and the active employees' major medical plan. Day-to-day activities include accounting, maintaining employee records, determining eligibility, enrolling members, counseling on benefits, disseminating plan information to employees, developing and distributing plan booklets, drafting regulations, reviewing and processing claims, and initiating annuity and insurance claims payments. In addition to these activities, the section drafts appeals on SBS issues and competitive bids and RFP's related to the SBS program.

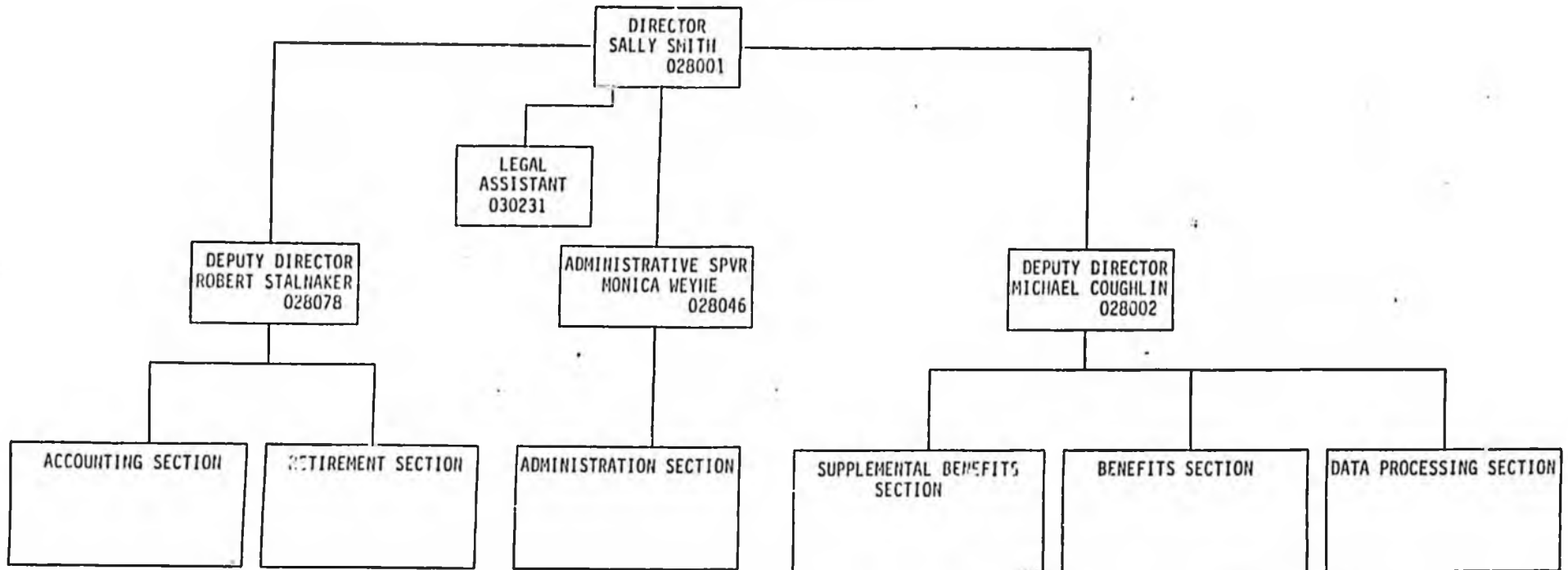
Data Processing

The data processing section is responsible for the development, enhancement, maintenance and operation of the automated data processing systems and subsystems which support the division's administration of the various programs. The section prepares RFP's for large automated data processing system development and enhancement projects and oversees contract work. The section coordinates, provides technical resources and acts as the primary contact for all automated data processing interface with other state agencies, political subdivisions, carriers, actuaries, auditors, federal agencies and any of their systems.

Retirement

The retirement section is responsible for the administration of five retirement systems. It provides ongoing counseling and communication with both the employers and the employee participants of all the retirement systems. The section processes retirements, claims for service, service and salary verifications, appeals on retirement issues and employer participation agreements. They provide field counseling for state and political subdivision employees on all of the division's programs including health insurance and supplemental benefits. In addition they provide benefit projections for those planning for retirement. The section also drafts appeals on retirement issues.

FUNCTIONAL CHART
OCTOBER 1, 1988





PERS

NEWSBREAK

Alaska Public Employees' Retirement System

Number 33

January 1989

Federal Income Tax Withholding

If you want to change the amount being withheld from your PERS checks, you must file a new **W-4P** form (Withholding Certificate for Pension or Annuity Payments) with the Division of Retirement and Benefits. You may choose from three options:

- Elect no withholding and pay your taxes directly to the Internal Revenue Service (IRS). You should contact the IRS about filing requirements and deadlines to avoid interest or penalty charges.
- Specify your withholding allowances.
- Specify your withholding allowances plus have an additional amount withheld.

Active employees can change their withholding by filing a **W-4** or **W-4a** form with their employers. These forms are normally available at personnel offices.

Remember, it is your responsibility to make sure that enough federal tax is being withheld. If the amounts withheld or paid as estimated tax do not meet your tax obligation, the IRS may assess interest or penalty charges. Therefore, it is a good idea to review your withholding option annually to make sure that it is up-to-date.

Questions about taxes and withholding should be directed to the IRS.

W-2-P's

All PERS benefit recipients were mailed a **W-2P** at the end of January.

If you are receiving PERS benefits, you will need the **W-2P** to file your federal income tax return. It will show your annual income from the PERS and income tax, if any, withheld during 1988.

Healthful Hints! How to Cut Medical Expenses

Patients may be able to cut their medical expenses by asking their doctors these questions before medical services are performed:

- (1) How much will it cost?
- (2) Is it covered by my insurance or medicare plan?

Although many people are reluctant to ask these questions, the answers are extremely important since most medical plans limit the amounts that they will pay for certain medical procedures.

A good example is the group medical plans administered by the State of Alaska which only reimburse covered expenses up to the usual, customary and reasonable (UCR) amounts established by the insurance carrier. Whenever covered medical expenses exceed the UCR, the patient is responsible for paying the excess.

If you are unsure whether services will be less than the UCR, you

may wish to call Aetna at 800-426-3211. You will need to know how much the doctor is going to charge and what services he is going to provide before you place your call.

By asking "how much" and finding out if the expenses are covered by insurance ahead of time, you will be better prepared. If the doctor's fee exceeds the UCR or the medical procedure is not covered by insurance, both you and the doctor will have a chance to consider alternatives.

Pension Adjustments

There has been some concern as to how the post retirement pension adjustments (PRPAs) are calculated.

Here are some examples of how much retirees' monthly checks increased as a result of the PRPA that was granted effective July 1, 1988.

Using \$1,000 as the benefit amount, retirees who retired on these dates received:

October 1, 1986	\$ 12.17
October 1, 1976	119.61
August 1, 1968	164.76

Those who retired before 1980 generally received larger PRPAs. More recent retirees either received small PRPAs or none at all because their benefits have kept pace with the relatively small cost of living increases the past several years.

PRPAs may be granted to PERS retirees when there is an increase in the Anchorage Consumer Price Index (CPI) for urban wage earners and clerical workers.

Additional factors are also considered for members who were first hired under the PERS before July 1, 1986.

Continued on page 3

REMINDER - Direct Bank Deposits

Are your PERS benefit checks mailed directly to your bank account? If so, notify the PERS right away when there is a change in the bank's address or your account number. This is especially important when a bank merges or closes down the branch office where you do business.

To change your address, just send the PERS a signed request with your name, social security number, new address and account number.



Statement of PERS Assets

As of June 30, 1988

CASH POSITION		ASSETS	
Net Assets on June 30, 1987	\$2,010,196,000	Cash	\$ 1,710,000
Net Decrease in Market Value of Investments held at June 30, 1988	(112,755,000)	Short Term Investments	23,432,000
Additions		U.S. Govt. Securities	874,896,000
Employee Contributions	66,732,000	Other Notes and Bonds	225,931,000
Employer Contributions	108,767,000	Domestic Stocks	556,880,000
Investment Income	<u>154,468,000</u>	Foreign Stocks and Bonds	138,421,000
TOTAL ADDITIONS	\$ 329,967,000	Real Estate Equity Fund	140,802,000
Deductions		Real Estate Mortgages and Small Business Loans	114,934,000
Benefits Paid	85,340,000	Receivables, including Investment Income and Contributions	<u>49,410,000</u>
Member Refunds	11,409,000	TOTAL ASSETS	\$2,126,416,000
Administrative Expenses	<u>6,964,000</u>		
TOTAL DEDUCTIONS	\$ 103,713,000	LIABILITY	
		Accrued Expenses	(2,721,000)
BALANCE ON JUNE 30, 1988	\$2,123,695,000	NET ASSETS ON JUNE 30, 1988	\$2,123,695,000

The PERS continues to make satisfactory funding progress. During fiscal year 1988, the PERS fund increased by \$217,212,000 due to contributions received and investment income (adjusted to reflect market values). The PERS paid out \$103,713,000 in benefits, refunds and administrative expenses.

Governor's Corner

Retirement - A Time for Enjoyment and Enrichment

By Governor Steve Cowper

Your participation in the Public Employees' Retirement System (PERS) will help you prepare for retirement - that special time of your life when you will be able to pursue special interests and do the things you have always wanted to do.

The Alaska PERS was established in 1961 to attract qualified people into public service employment. Since that time, it has undergone many improvements. Most experts agree that it is one of the best plans in the nation. The PERS offers a wide variety of generous benefits designed to provide financial security to you and your family:

- Retirement Benefits
- Occupational and Nonoccupational Disability Benefits
- Survivor's Benefits
- Major Medical Insurance Coverage
- Post Retirement Pension Adjustments
- Alaska Cost of Living Allowance for Alaska residents

The "major medical insurance coverage" has become an extremely

important and valuable benefit because of the skyrocketing cost of medical care. The coverage begins when you start drawing retirement or disability benefits; and if you were first hired under the PERS before July 1, 1986, there is no cost to you. If you were hired later, you will also be eligible for this coverage at no cost after age 65.

You can feel secure in knowing that your retirement system is fi-

nancially sound because it is actuarially funded. That means that contributions, sufficient to pay for future benefits must be paid into the retirement fund now. As a PERS member, you contribute 6.75% of your salary (7.5% if you are a peace officer or fireman). However, since your contributions are not enough to pay for all the benefits you and your survivors could receive, your employer contributes the balance needed to actuarially fund the system. Those contributions are deposited into the PERS fund, which is carefully managed and invested by the Department of Revenue.

Even though you participate in the PERS, you should take a close look at your present and future savings, investments, annuity and retirement benefits, to make sure that you will have enough income when you retire. The benefits available from the PERS will help make it possible for you to enjoy your retirement years in comfort.

Highlights

During fiscal year 1988:

- There were 26,676 PERS employees working for 126 PERS employers.
- \$19,499,103 in interest was credited to PERS employees' accounts.
- On the average, PERS employers paid 9.38% of each employee's gross salary in addition to the contributions paid by the employee.
- 6,702 people received monthly PERS benefits, an increase of 18.24% over fiscal year 1987.
- On the average, PERS benefit recipients received \$11,328 during the year.
- Total benefits paid increased 26% over fiscal year 1987.

Board Meetings

The PERS Board met in Anchorage on January 24 and 25 to hear members' appeals.

The board will meet again in Juneau for its semi-annual meeting on April 5 and 6. At that meeting, the board will review the annual actuarial valuation for the PERS and hear members' appeals in addition to regular board business. A combined PERS and Teachers' Retirement System (TRS) investment meeting with State Department of Revenue officials will also be held on April 4.

PERS retirees and members who are interested in attending should contact the Division of Retirement and Benefits for the exact time and location of the meeting.

PERS Benefit Checks

Checks are mailed around the end of the month to PERS benefit recipients (retirees, disabled members and survivors). Because the actual mailing and pay dates vary each month, we are providing 1989 mailing dates below to give recipients a better idea of when to expect their checks. Even though the pay date is the last working day of the month, checks are mailed to benefit recipients as shown below:

January 26	July 26
February 23	August 25
March 24	September 25
April 24	October 26
May 25	November 24
June 26	December 22

If your monthly check does not arrive within 15 days of the above mailing date, please let us know so we can issue a new check. However, please wait until the 15 days are past since we **cannot** issue a new check until then. That also gives your check time to arrive if it is late because of the mail.

Do let us know right away when a check is lost or stolen - do not wait 15 days.

Pension Adjustments - Continued from page 1

On that date, the new *automatic PRPA* provision was adopted and the old *ad hoc PRPA* provision was eliminated for new members who were first hired after June 30, 1986. For earlier members who are

covered under both provisions, the PERS calculates PRPAs using both the automatic and ad hoc formulas and then pays the larger amount to make sure that they receive the best possible benefit.

Commissioner's Comments

DVA and LTC Options

By John Andrews, Commissioner
Department of Administration

The cost of Dental-Vision-Audio (DVA) insurance for retirees will drop 29 percent beginning February 1, 1989. At the same time, two new options will be added so retirees can choose DVA coverage that best fits their personal needs. The new monthly rates for all options are:

\$ 29.10	Retiree Only
58.20	Retiree and Spouse (new option)
52.60	Retiree and Children (new option)
81.40	Retiree, Spouse and Children

To decrease the rates and make DVA insurance more affordable, some restrictions to the plan are necessary. For example, a \$50 deductible for class I and II dental services will be instituted. Other changes include the following reductions in coverage:

- 100% to 80% for class I dental services, such as exams, x-rays and cleaning;
- 90% to 80% for class II den-

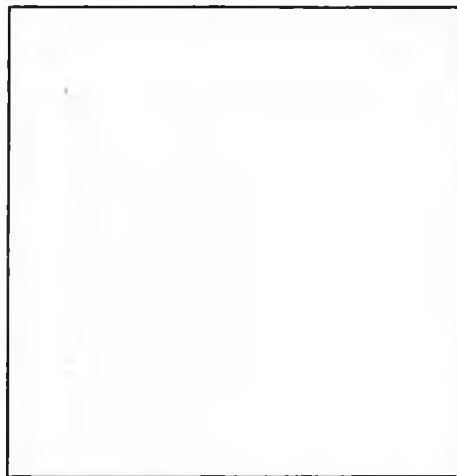
tal services, such as fillings and extractions; and

- 90% to 80% for vision services.

On the other hand, the annual maximum for covered dental expenses will increase to \$1,500.

The Long Term Care (LTC) insurance rates will also drop 2-1/2% beginning February 1, 1989. The state reopened negotiations with the insurance carrier when the rates increased 10% last August. After some tough negotiations, the carrier agreed to the new rates. LTC participants will be contacted directly about the new rates and other plan changes.

Retirees have also requested more flexibility in changing who is included under their DVA and Long-Term Care (LTC) coverage. Regulations are being adopted to allow retirees to reduce their DVA and LTC coverage whenever they want. For example, retirees who are enrolled for "retiree and spouse" coverage may change to "retiree only."



Retirees should carefully weigh their future needs **before** reducing coverage. Coverage may be increased only under special circumstances. DVA and LTC coverage, for instance, may be increased within 120 days of a retiree's marriage. DVA may also be increased within 120 days of the birth or adoption of a first child.

These changes will make it easier for retirees to tailor their coverages more to their needs and to make them more affordable.

Want to Meet With Us?

PERS representatives will be visiting the following locations to meet with employees and answer questions. Employees who want to meet with representatives should contact their personnel offices or the Division of Retirement and Benefits to set up appointments.

The travel schedule is as follows:

Bill Church the week of
 Mar. 20.....Nome, Kotzebue
 May 1.....Dillingham

David Watson the week of
 Apr. 17.....Sitka
 May 22.....Hoonah, Angoon,
 Pelican

Mary Lou Niemann the week of
 Apr. 10.....Fairbanks
 May 8.....Nenana, Healy

Sue Palmer the week of
 Mar. 20.....Palmer, Wasilla
 Apr. 3.....Yakutat, Cordova,
 Valdez
 May 1.....Kenai Peninsula

Division of Retirement and Benefits
 P. O. Box CR
 Juneau, Alaska 99811-0203

Where Are You?

We are trying to locate the following people who may be eligible for refunds or benefits. If you can help, contact the appropriate section of the Division of Retirement and benefits.

Accounting Section

Boduch, Barbara
 Clark, Faith I.
 Deptula, Benjamin C.
 Edison, Eddie L.
 Hall, Eugene
 Hayward, Thomas G.
 Lang, James J.
 Oslund, Mark D.
 Park, Sam
 Pittman, Daniel J.

Supplemental Benefits System (SBS) Section

Adkins, Lark K.
 Allen, Ronald R.
 Anderson, Randy C.
 Backford, Mary
 Bailey, Luther R.
 Barnett, Nicole M.
 Baumgartner, Gail R.
 Bennett, Warren W.
 Benson, Benjamin

Benefits Section

Durkin, Allyson
 Durkin, Kevin
 Gillford, Sylvia
 Grissom, Cleo T.
 Hutter, John A.
 Judd, Cynthia
 Phillips, Eugene D.
 Randall, James I.
 Storck, Phuong Thi

BOARD MEMBERS

Steve Hafling
 (Chair)

Marlene Johnson
 Michael Andrews

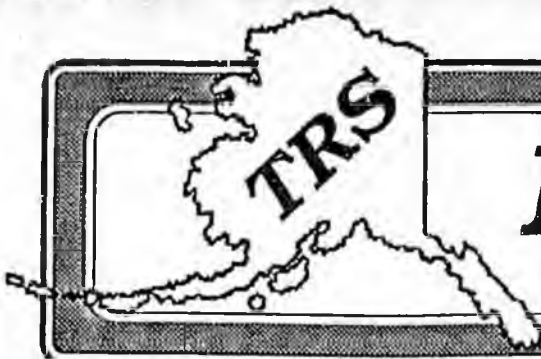
Mary A. Notar
 Pat Wellington

PEKS Newsbreak is published quarterly by the Division of Retirement & Benefits, Sally Smith, Director and PERS Administrator; Carol Storkel, Editor.

P.O. Box CR
 Juneau, Alaska 99811-0203
 Phone: (907) 465-4460

701 East Tudor Road, Suite 240
 Anchorage, Alaska 99503
 Phone: (907) 563-5885

Presorted
 FIRST CLASS MAIL
 U.S. POSTAGE
 PAID
 Juneau, Ak.
 Permit No. 44



NEWSBREAK

Alaska Teachers' Retirement System

Number 33

January 1989

Federal Income Tax Withholding

If you want to change the amount being withheld from your TRS checks, you must file a new **W-4P** form (Withholding Certificate for Pension or Annuity Payments) with the Division of Retirement and Benefits. You may choose from three options:

- Elect no withholding and pay your taxes directly to the Internal Revenue Service (IRS). You should contact the IRS about filing requirements and deadlines to avoid interest or penalty charges.
- Specify your withholding allowances.
- Specify your withholding allowances plus have an additional amount withheld.

Active employees can change their withholding by filing a **W-4** or **W-4a** form with their employers. These forms are normally available at personnel offices.

Remember, it is your responsibility to make sure that enough federal tax is being withheld. If the amounts withheld or paid as estimated tax do not meet your tax obligation, the IRS may assess interest or penalty charges. Therefore, it is a good idea to review your withholding option annually to make sure that it is up-to-date.

Questions about taxes and withholding should be directed to the IRS.

W2-P's

All TRS benefit recipients were mailed a **W-2P** at the end of January.

If you are receiving TRS benefits, you will need the **W-2P** to file your federal income tax return. It will show your annual income from the TRS and income tax, if any, withheld during 1988.

Healthful Hints! How to Cut Medical Expenses

Patients may be able to cut their medical expenses by asking their doctors these questions **before** medical services are performed:

- (1) How much will it cost?
- (2) Is it covered by my insurance or medicare plan?

Although many people are reluctant to ask these questions, the answers are extremely important since most medical plans limit the amounts that they will pay for certain medical procedures.

A good example is the group medical plans administered by the State of Alaska which only reimburse covered expenses up to the usual, customary and reasonable (UCR) amounts established by the insurance carrier. Whenever covered medical expenses exceed the UCR, the patient is responsible for paying the excess.

If you are unsure whether services will be less than the UCR, you

may wish to call Aetna at 800-426-3211. You will need to know how much the doctor is going to charge and what services he is going to provide before you place your call.

By asking "how much" and finding out if the expenses are covered by insurance ahead of time, you will be better prepared. If the doctor's fee exceeds the UCR or the medical procedure is not covered by insurance, both you and the doctor will have a chance to consider alternatives.

Pension Adjustments

There has been some concern as to how the post retirement pension adjustments (PRPAs) are calculated.

Here are some examples of how much retirees' monthly checks increased as a result of the PRPA that was granted effective July 1, 1988.

Using \$1,000 as the benefit amount, retirees who retired on these dates received:

July 1, 1986	\$ 10.28
July 1, 1976	120.79
July 1, 1966	178.80

Those who retired before 1980 generally received larger PRPAs. More recent retirees either received small PRPAs or none at all because their benefits have kept pace with the relatively small cost of living increases the past several years.

PRPAs may be granted to TRS retirees if: (1) there is an increase in the Anchorage Consumer Price Index (CPI) for urban wage earners and clerical workers; and (2) the financial condition of the TRS fund will permit a PRPA.

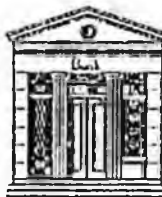
PRPAs are calculated by multiplying the retiree's base benefit by

Continued on page 3

REMINDER - Direct Bank Deposits

Are your TRS benefit checks mailed directly to your bank account? If so, notify the TRS right away when there is a change in the bank's address or your account number. This is especially important when a bank merges or closes down the branch office where you do business.

To change your address, just send the TRS a signed request with your name, social security number, new address and account number.



Statement of TRS Assets

As of June 30, 1988

CASH POSITION		ASSETS	
Net Assets on June 30, 1987	\$1,303,464,000	Cash	\$ 4,641,000
Net Decrease in Market Value of Investments held at June 30, 1988	(75,566,000)	Short Term Investments	20,832,000
		U.S. Govt. Securities	523,379,000
		Other Notes and Bonds	144,387,000
		Domestic Stocks	359,898,000
Additions		Foreign Stocks and Bonds	91,246,000
Employee Contributions	33,104,000	Real Estate Equity Fund	85,587,000
Employer Contributions	69,363,000	Real Estate Mortgages and Small Business Loans	98,140,000
Investment Income	<u>100,239,000</u>	Receivables, including Investment Income and Contributions	<u>30,057,000</u>
TOTAL ADDITIONS	\$ 202,706,000	TOTAL ASSETS	\$1,358,167,000
Deductions			
Benefits Paid	65,979,000		
Member Refunds	3,798,000		
Administrative Expenses	<u>4,252,000</u>		
TOTAL DEDUCTIONS	\$ 74,029,000		
BALANCE ON JUNE 30, 1988	\$1,356,575,000		

LIABILITY	
Accrued Expenses	(1,592,000)
NET ASSETS ON JUNE 30, 1988	\$1,356,575,000

The TRS continues to make satisfactory funding progress. During fiscal year 1988, the fund increased by \$127,140,000 due to contributions received and investment income (adjusted to reflect market values). The TRS paid out \$74,029,000 in benefits, refunds and administrative expenses.

Governor's Corner

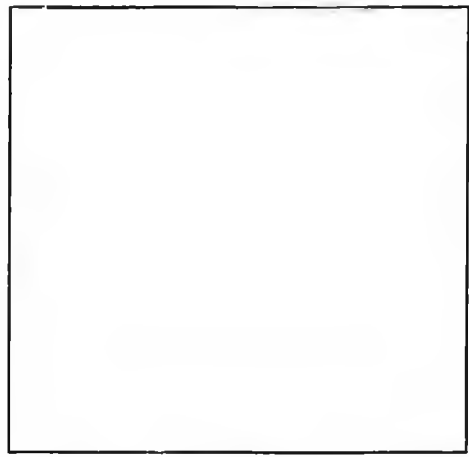
Retirement - A Time for Enjoyment and Enrichment

By Governor Steve Cowper

Your participation in the Teachers' Retirement System (TRS) will help you prepare for retirement - that special time of your life when you will be able to pursue special interests and do the things you have always wanted to do.

The Alaska TRS was established in 1955 to attract qualified people into public service employment. Since that time, it has undergone many improvements. Most experts agree that it is one of the best plans in the nation. The TRS offers a wide variety of generous benefits designed to provide financial security to you and your family:

- Retirement Benefits
- Disability Benefits
- Survivor's Benefits
- Major Medical Insurance Coverage
- Post Retirement Pension Adjustments
- Alaska Cost of Living Allowance for Alaska residents



The "major medical insurance coverage" has become an extremely important and valuable benefit because of the skyrocketing cost of medical care. The coverage begins when you start drawing retirement or disability benefits at no cost to you.

You can feel secure in knowing that your retirement system is fi-

nancially sound because it is actuarially funded. That means that contributions, sufficient to pay for future benefits, must be paid into the retirement fund now. As a TRS member, you contribute 7% of your salary. However, since your contributions are not enough to pay for all the benefits you and your survivors could receive, your employer contributes the balance needed to actuarially fund the system. Those contributions are deposited into the TRS fund, which is carefully managed and invested by the Department of Revenue.

Even though you participate in the TRS, you should take a close look at your present and future savings, investments, annuity and retirement benefits, to make sure that you will have enough income when you retire. The benefits available from the TRS will help make it possible for you to enjoy your retirement years in comfort.

Highlights

During fiscal year 1988:

- There were 8,218 TRS members working for 65 TRS employers.
- \$11,539,894 in interest was credited to TRS members' accounts.
- TRS employers paid 13.76% of each member's gross salary in addition to the 7% paid by the member.
- 2,972 people received monthly TRS benefits, an increase of 23.78% over fiscal year 1987.
- TRS benefit recipients received an average of \$21,240 during the year.
- Total benefits paid increased 29.9% over fiscal year 1987.

Spring Board Meeting

The TRS Board will meet in Juneau for the semi-annual board meeting on April 3. At that meeting, the board will review the annual actuarial valuation for the TRS and hear members' appeals in addition to regular board business. A combined TRS and Public Employees' Retirement System (PERS) investment meeting with State Department of Revenue officials will also be held on April 4.

TRS retirees and members who are interested in attending should contact the Division of Retirement and Benefits for the exact time and location of the meeting.

TRS Benefit Checks

Checks are mailed around the end of the month to TRS benefit recipients (retirees, disabled members and survivors). Because the actual mailing and pay dates vary each month, we are providing 1989 mailing dates below to give recipients a better idea of when to expect their checks. Even though the pay date is the last working day of the month, checks are mailed to benefit recipients as shown below:

January 26	July 26
February 23	August 25
March 24	September 25
April 24	October 26
May 25	November 24
June 26	December 22

Pension Adjustments - Continued from page 1

the PRPA percentage. The PRPA percentage is equal to the lesser of:

- the increase in the Anchorage Consumer Price Index (CPI) for urban wage earners and clerical workers between the retirement date and PRPA date, reduced by prior PRPAs (percentages) paid; or
- 4% for each year of retirement,

reduced by prior PRPAs (percentages) paid. In other words, for someone who is retired five years, the percentage would be 20%. However, if that person already received prior PRPAs equal to 17%, the percentage would be reduced to 3%. Multiply that 3% times the base benefit to figure the monthly PRPA amount.

Commissioner's Comments

DVA and LTC Options

By John Andrews, Commissioner
Department of Administration

The cost of Dental-Vision-Audio (DVA) insurance for retirees will drop 29 percent beginning February 1, 1989. At the same time, two new options will be added so retirees can choose DVA coverage that best fits their personal needs. The new monthly rates for all options are:

- \$ 29.10 Retiree Only
- 58.20 Retiree and Spouse
(new option)
- 52.60 Retiree and Children
(new option)
- 81.40 Retiree, Spouse and
Children

To decrease the rates and make DVA insurance more affordable, some restrictions to the plan are necessary. For example, a \$50 deductible for class I and II dental services will be instituted. Other changes include the following reductions in coverage:

- 100% to 80% for class I dental services, such as exams, x-rays and cleaning;
- 90% to 80% for class II den-

tal services, such as fillings and extractions; and

- 90% to 80% for vision services.

On the other hand, the annual maximum for covered dental expenses will increase to \$1,500.

The Long Term Care (LTC) insurance rates will also drop 2-1/2% beginning February 1, 1989. The state reopened negotiations with the insurance carrier when the rates increased 10% last August. After some tough negotiations, the carrier agreed to the new rates. LTC participants will be contacted directly about the new rates and other plan changes.

Retirees have also requested more flexibility in changing who is included under their DVA and LTC coverage. Regulations are being adopted to allow retirees to reduce their DVA and LTC coverage whenever they want. For example, retirees who are enrolled for "retiree and spouse" coverage may change to

If your monthly check does not arrive within 15 days of the above mailing date, please let us know so we can issue a new check. However, please wait until the 15 days are past since we cannot issue a new check until then. That also gives your check time to arrive if it is late because of the mail.

Do let us know right away when a check is lost or stolen - do not wait 15 days.

"retiree only."

Retirees should carefully weigh their future needs before reducing coverage. Coverage may be increased only under special circumstances. DVA and LTC coverage, for instance, may be increased within 120 days of a retiree's marriage. DVA may also be increased within 120 days of the birth or adoption of a first child.

These changes will make it easier for retirees to tailor their coverages more to their needs and to make them more affordable.

Want to Meet With Us?

TRS representatives will be visiting the following locations to meet with employees and answer questions. Employees who want to meet with representatives should contact their personnel offices or the Division of Retirement and Benefits to set up appointments.

The travel schedule is as follows:

Bill Church the week of
Mar. 20.....Nome, Kotzebue
May 1.....Dillingham

David Watson the week of
Apr. 17.....Sitka
May 22.....Hoonah, Angoon,
Pelican

Mary Lou Niemann the week of
Apr. 10.....Fairbanks
May 8.....Nenana, Healy

Sue Palmer the week of
Mar. 20.....Palmer, Wasilla
Apr. 3.....Yakutat, Cordova,
Valdez
May 1.....Kenai Peninsula

Where Are You?

We are trying to locate the following people who may be eligible for refunds or benefits. If you can help, contact the appropriate section of the Division of Retirement and benefits.

Accounting Section

Boduch, Barbara
Clark, Faith I.
Deptula, Benjamin C.
Edison, Eddie L.
Hall, Eugene
Hayward, Thomas G.
Lang, James J.
Oslund, Mark D.
Park, Sam
Pittman, Dante J.

Supplemental Benefits System (SBS) Section

Adkins, Lark K.
Allen, Ronald R.
Anderson, Randy C.
Backford, Mary
Bailey, Luther R.
Barnett, Nicole M.
Baumgartner, Gail R.
Bennett, Warren W.
Benson, Benjamin

Benefits Section

Durkin, Allyson
Durkin, Kevin
Gifford, Sylvia
Grissom, Cleo T.
Hutler, John A.
Judd, Cynthia
Phillips, Eugene D.
Randall, James I.
Storck, Phuong Thi

BOARD MEMBERS

Charles Arteaga
(Chair)

Dorothy Wells
Merritt Olson

Garris "Bob" Covington
Stephanie Winsor

TRS Newsbreak is published quarterly by the Division of Retirement & Benefits, Sally Smith, Director and TRS Administrator; Carol Storck, Editor.

P.O. Box CR
Juneau, Alaska 99811-0203
Phone: (907) 465-4460

701 East Tudor Road, Suite 240
Anchorage, Alaska 99503
Phone: (907) 563-5885

Division of Retirement and Benefits
P. O. Box CR
Juneau, Alaska 99811-0203

Presorted
FIRST CLASS MAIL
U.S. POSTAGE
PAID
Juneau, Ak.
Permit No. 44