State of Alaska

DEFINED CONTRIBUTION PLANS

Alaska Teachers' Defined Contribution Retirement Plan (TRS DCR) Overview

Alaska's Defined Contribution Retirement (DCR) Plan at a glance. The plan provides participants with both an investment plan and defined benefits such as occupational death, occupational disability, retiree medical coverage and a Health Reimbursement Arrangement (HRA). More detailed information is available on the Alaska Division of Retirement and Benefits website at ***Alaska.gov/drb/dcrp***.

FEATURE	TRS DCR PLAN
Your Contribution	8% of contract salary (pre-tax payroll deductions)
Employer Contribution	7% of contract salary
Vesting in Investment Account	100% vested in your 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 • 100% after 5 years
Occupational Disability Benefits	40% of salary; you earn service while on occupational disability. Employer continues to make all required contributions to your DCR account, including your 8% employee contribution. Disability benefits cease when you become eligible for normal retirement; at that point, you can access your investment account.

FEATURE	TRS DCR PLAN
Occupational Death Benefits	Survivor receives 40% of member's salary; you earn service while occupational death benefits are paid to your surviving spouse or eligible dependent children. Employer continues to make all required contributions to an account set up for your survivors, including your 8% employee contribution. Death benefits cease when you would have become eligible for normal retirement; at that point, your survivors can access your investment account.
Retiree Medical Coverage	Must retire directly from the system at Medicare-eligible age with 10 years of service, or any age with 30 years of service. If you are not eligible for Medicare, you will have to pay the full premium until you reach Medicare eligibility. You may use the health reimbursement arrangement (HRA) account to pay premiums. Once the account is exhausted, you will self-pay the premiums. When you are eligible for Medicare, Medicare will be your primary insurance with the retiree medical plan being supplemental. The percentage of the premium you or your surviving spouse will pay is: • 10-14 years of service: 30% • 15-19 years: 25% • 20-24 years: 20% • 25-29 years: 15% • 30 years or more: 10%
Health Reimbursement Arrangement	100% funded by your employer each payday. The employer will deposit a flat dollar amount based on 3% of the annual average salary across all PERS and TRS employees. The HRA is accessible at Medicare age with 10 years of service or with a service-based retirement. Once eligible for normal retirement, you can use this account to pay any qualified out-of-pocket medical expenses.

DISCLAIMER: The information contained in this flyer contains a summary description of benefits for the Teachers' Retirement System and the AlaskaCare Defined Contribution Retiree Benefit Plan. The Division of Retirement and Benefits has made every effort to ensure, but does not guarantee, that the information provided is accurate and up-to-date. Where information in this flyer conflicts with the relevant Plan Document, the Plan Document controls.