

State of Alaska  
Division of Retirement & Benefits

# Deferred Compensation Plan



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## Deferred Compensation Overview

- State of Alaska employees and participating Political Subdivisions/School Districts
- Eligible governmental deferred compensation plan under Internal Revenue code (IRC) Section 457(b)
- Employee contributions only (for most employers)
- Administered by the Alaska Division of Retirement & Benefits
- Empower Retirement is the contract record keeper and payer



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## EMPOWER Services



Online - [akdrb.com](http://akdrb.com)

Phone - 1-800-232-0859

- Investment information
- Rate of return
- Account statements
- You can set up automatic rebalancing
- Retirement calculators
- Beneficiaries
- Retirement Plan Advisors



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## Getting Started

- SOA employees:
  - Eligible to participate the first of month after enrollment
  - Regular and Long-term nonpermanent employees
  - Can defer up to 100% of net pay, pre-tax or/and post-tax
    - subject to annual maximum
  - Enrollment available online at [akdrb.com](http://akdrb.com)
- Political Subdivisions/School Districts who offer this plan can elect to customize Participation and Eligibility rules.



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## Roth 457 Option – Effective July 1, 2015

- Roth is a *post-tax* contribution option
- May allocate contributions to both pre-tax and post-tax (Roth) at the same time
- Same annual maximums **joint** with pre-tax option
- Earnings not taxed when distributed **if**;
  - Account held for 5 years; **and**
  - Age 59 ½; or you become disabled; or
  - At Participant's Death (beneficiaries take withdrawal)



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## Contributions

- SOA: Minimum \$25 per pay period
  - Political Subdivisions/School Districts can elect to customize Participation and Eligibility rules. See your HR for contribution minimums.
- Subject to IRS annual maximum contribution limit
- Age 50 and older: additional contributions allowed by IRS
- Limits are based on current tax year



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## Special Catch-up Program

- Make up for contributions not previously made during DCP employment by doubling the normal contribution limit
- Start as early as three years prior to normal retirement (age or service)
- Utilize over three consecutive years
- Contact Empower Retirement (Anchorage) to determine eligibility  
**(907) 276-1500 / Direct      (800) 526-0560 / Toll Free**



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## Contribution Changes



- Increase, decrease, discontinue, or reinstate contributions
- Changes effective the first of the next month
- Set up future date changes
- Schedule annual increases



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## Leave Cash-in Contributions

- Cash in unused leave hours during employment
  - Assists with maximizing annual contributions and meeting retirement goals
- State workers: Contact Member Services Contact Center:
 

8:30am - 4pm Monday - Thursday & 8:30am - 3pm Friday  
**(907) 465-4460    (800) 821-2251**  
[doa.drb.dcp@alaska.gov](mailto:doa.drb.dcp@alaska.gov)
- Political Subdivision/School District workers: contact your HR/payroll unit



## DCP Contributions from Final Check

- May defer terminal leave payout including unpaid wages
- Written request must be received the month **prior** to your last day of employment
- Subject to annual maximums
- Deferral must occur in year worked



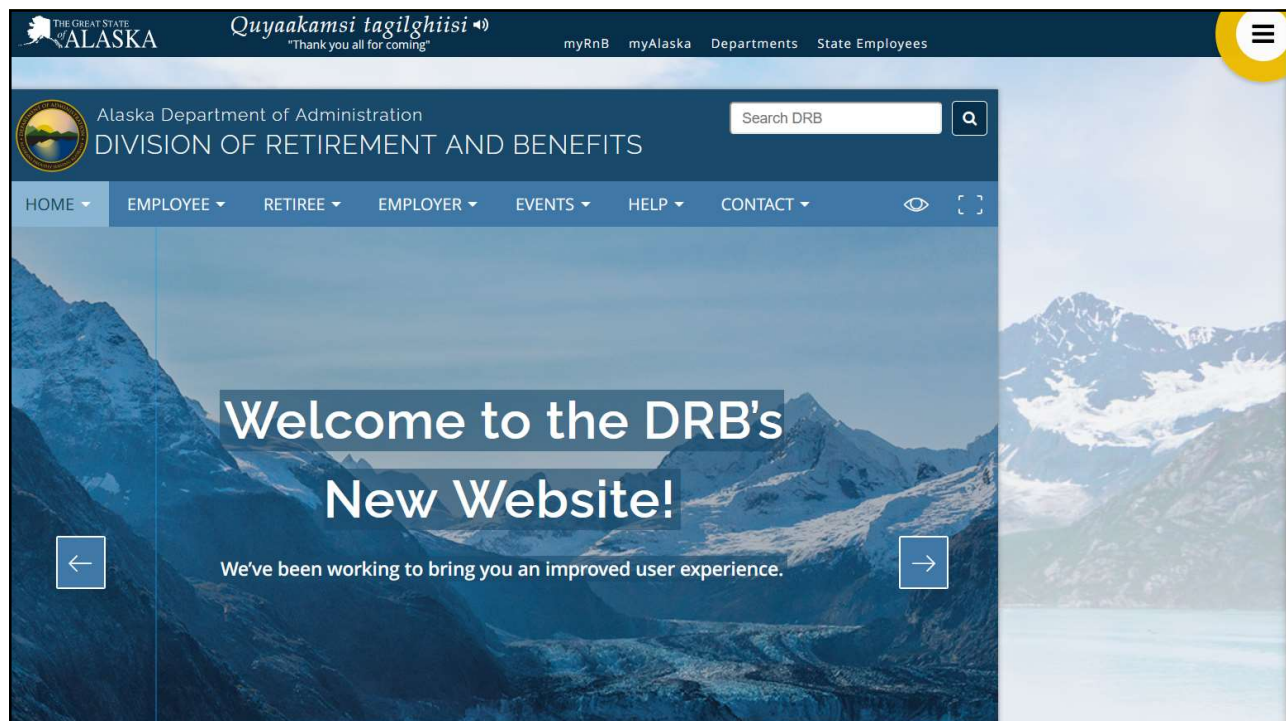
## Investments

Participant is in the Driver's Seat

- Default into one of 12 Target Retirement Funds
- Can self direct to numerous other funds





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# EMPOWER





STATE OF ALASKA DEFINED CONTRIBUTION PLANS

[About your plan](#) • [Investing](#) • [Learning center](#) • [Plan resources](#) • [Plan Sponsor Center](#)

## Stock Up For Your Future:

### Enroll in the DCP Today



#### Participant Login


Username

Password

[Login help?](#)


SIGN IN

REGISTER




Want to learn more about your retirement benefits?

Information for new and tenured employees, including how to enroll, plan costs, features and benefits, and DRB resources.



Are you retirement ready?

Schedule a meeting today with your local Alaska Retirement Plan Advisor.



Are you approaching retirement?

Learn how our RISE program can help you plan how to spend your money in retirement.

FOR PLAN SPONSOR OR FINANCIAL PROFESSIONAL USE ONLY.

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## Multi-factor Authentication

### Enhanced security (2 of 3)

To confirm your identity, we will send a verification code to the phone number or email address listed for your account.

WHERE SHOULD WE SEND YOUR CODE?

Choose delivery method


[Already have a code?](#)

SEND ME A CODE

FOR ILLUSTRATIVE PURPOSES ONLY.

**This is an additional layer of security**

- Choose to receive the code via text message, phone call, or email
- Code is valid for 30 minutes
- Enter the code
- Hit the *Sign in* button



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## Distribution

- Requested distributions **do not** require a 60-day waiting period after termination
- **No 10% penalty for early withdrawal**
- Participants may elect from the following options:
  - Leave the balance in the DCP Plan
  - Rollover the account into another employer sponsored retirement plan or individual retirement arrangement
  - Annuity options
  - Periodic payments
  - Lump sum distributions (full or partial)
- Must commence minimum distribution by age 73, except for the Roth portion of the account



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## Hardship Provision for Active Employees

- In-service withdrawal allowed if you have an “unforeseeable emergency” as defined by the IRS
- Must be an extreme financial emergency
  - Sudden and unexpected
  - Loss of property due to an event beyond the control of the participant
  - Illness/accident to the participant or dependent
- Filed with Empower Retirement
- Strict provisions
- Subject to applicable IRC (Internal Revenue Code)
- Contact Empower Retirement for application



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## In-Service Distribution

- Under legislation that includes the SECURE Act, the Deferred Compensation 457(b) plan now offers:
  - Distributions to participants starting at age 59.5
    - allows participants who remain employed after age 59.5 the option of taking a distribution at any time
  - Small account distribution
    - a one-time only, in-service, small account balance distribution that applies to accounts valued at \$5,000 or less and to which no contributions were made for the preceding two years
  - Distribution in the event of birth or adoption
    - up to \$5,000 per child, to help parents defray the expenses of a new baby or an adoption

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## Beneficiaries



### Update with EMPOWER Retirement

- On-line updates
- Hardcopies

### Default Beneficiary

- Spouse
- Children
- Parents
- Estate

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## Death Benefits

- Available in the event participant passes away
- Benefit distribution options differ for spouse and non-spouse beneficiaries
- Beneficiaries should contact Empower Retirement for detailed information regarding options



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## Miscellaneous

- Re-enroll if there's a break in service
  - Returning legislative session employees
  - Lay-off status
- Plan-to-Plan transfer accepted from another eligible 457(b) plan



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## Purchase of Service Credit (Defined Benefit only)

- PERS and TRS DB plans can utilize the SBS-AP account funds and other qualified pre-tax plans to pay for
  - Temporary service
  - Military service
  - Workers' Compensation leave without pay
  - REIs (refunded service indebtedness)
  - Deficient contributions
- Must complete prior to beginning retirement
- Contact Retirement & Benefits Accounting Section at:  
**(907) 465-4460 or (800) 821-2251**



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## Other Considerations

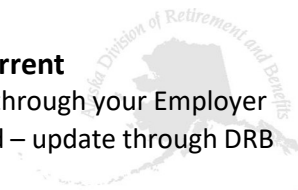
### Divorce & Dissolution

- Retirement accounts are considered a marital asset
- If you were/are married during employment and later divorce, your former spouse may have a claim to part of your retirement benefits
- You must provide the DRB with court certified copies of your divorce or dissolution documents, and Empower Retirement as well if there is a QDRO



### Keep Address Current

- Active—update through your Employer
- Deferred/Retired – update through DRB and Empower



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## Next Steps

- Register to access your account information at <https://akdrb.empower-retirement.com>
- Identify your investments and associated risk level
- Utilize tools and educational resources to help you understand how much you might want to consider saving
- Check your beneficiaries and update if needed

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## Contacts

### DRB Member Services Center

- **(800) 821-2251** or **(907) 465-4460** –
- Monday - Thursday, 8:30am to 4pm
- Friday, 8:30 am to 3 pm

### EMPOWER Customer Service

- **(800) 232-0859** - Monday - Friday between 4 a.m. - 6 p.m. Alaska time, and Saturdays between 5 a.m. - 1:30 p.m. Alaska time
- Voice Response System (24 hours)



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*Thank You!*

