

Sign-up today by completing a “PERS Election, Change, Discontinuation or Withdrawal of Voluntary Employee Savings” form. Contact the plan administrator for information or to request a form. You can also download the form from our website at www.state.ak.us/drbb.

What Tier am I?

Members who first entered a PERS position and were making contributions:

- Before 7/1/86—**Tier I.**
- On or after 7/1/1986, but before 7/1/1996—**Tier II.**
- On or after July 1, 1996, but before 7/1/2006—**Tier III.**

This brochure only applies to Tiers I, II, and III.

The information in this brochure is not intended to replace the Alaska Statutes or the Alaska Administrative Code. Language contained in the Alaska Statutes and the Alaska Administrative Code govern the plans.

Alaska Division of Retirement and Benefits

Alaska Division of
Retirement and Benefits
State Office Building
333 Willoughby Ave., 6th floor
PO Box 110203
Juneau, AK 99811-0203
Fax: (907) 465-3086
In Juneau (907) 465-4460
1-800-821-2251

TDD for the hearing impaired
(907) 465-2805

Email:
doa.drb.retirementprocessing@alaska.gov
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Voluntary Savings Plan



Voluntary Savings Plan

What is the Voluntary Savings Plan?

The Voluntary Savings Plan, also known as the Employee's Savings Account, is an account funded solely by post-tax, voluntary contributions from a Public Employees' Retirement System (PERS) employee. Contributions made to a Voluntary Savings Plan are separate and completely independent of the mandatory contributions that each PERS employee is required to make to the retirement system as an active employee.

Who is eligible to enroll in the Voluntary Savings Plan?

Any active employee under Tier I, II or III that is making contributions to the PERS is eligible to enroll in the Voluntary Savings Plan.

When can I enroll?

You can enroll at anytime. Enrollment will take effect the first of the month following receipt of the election.

Can I terminate or suspend my enrollment?

You can terminate your enrollment at anytime. Termination will take effect the first of the month following receipt of the form to discontinue.

How much can I contribute to a Voluntary Savings Plan?

You are eligible to contribute a minimum of \$5.00 and up to 5% of your gross salary to a Voluntary Savings Plan.

Can I change the amount I want to contribute to my plan?

You can change the amount you are contributing at anytime. The change will take effect the first of the month following receipt of the change form.

Why would I choose to enroll in the Voluntary Savings Plan?

The Voluntary Savings Plan provides an opportunity for employees of the PERS to invest their money in an account that will accrue 4.5% interest until the funds are disbursed to the employee in the form of a lump sum payment, life annuity, or installments over a designated period of time.

Lump Sum Payment:

A Lump Sum Payment is a full cash withdrawal of your contributions to the savings plan, plus interest.

Life Annuity:

Life Annuity—A monthly benefit is calculated and disbursed to you during the course of your lifetime. Monthly benefits will cease in the event of your death, however, if you die before the full account balance is paid, the remaining balance would be paid to your beneficiary.

Life Annuity With a Five-Year Certain Period—Monthly payments for your lifetime. If you die before 60 payments have been made, your beneficiary will receive the balance of the remaining payments.

Life Annuity With a Ten-Year Certain Period—Monthly payments for your lifetime. If you die before 120 payments have been made, your beneficiary will receive the balance of the remaining payments.

Installments over a designated period of time:

The account balance, plus interest, is disbursed to you on a monthly basis. The balance of your account would be divided by the number of months you designated payment to be made.

Taxes:

Although the post-tax contributions that are made to a Voluntary Savings Plan would not be taxed when payment is made, the interest that accrues on Voluntary Contributions is considered income and is taxable upon payment of the account.

When can I start to receive payment from my Voluntary Savings Plan?

There is a 60-day waiting period after retirement or termination from employment before payment can be made from a Voluntary Savings Plan. However, an exception can be made for those who can provide proof of a hardship. If a payment request meets the criteria for a hardship, an active employee can potentially access funds from their account.

