

**ALASKA DIVISION OF RETIREMENT AND BENEFITS**  
**Teachers' Retirement System (TRS) Plan Comparison Chart**

Feature	Tier I 7/1/1955 – 6/30/1990	Tier II Entered after 6/30/1990	Tier III Entered after 6/30/2006
<b>Employee Contribution</b> (% of pay)	Pre-tax employee contribution: 8.65% beginning 1/1/91	Pre-tax-employee contribution: 8.65% beginning 1/1/91	Pre-tax employee contribution: 8%
<b>Employer Contribution</b> (% of payroll)	12.56% Cost Share  TRS on-behalf payment paid by the State of Alaska is 26.97%	12.56% Cost Share  TRS on-behalf payment paid by the State of Alaska is 26.97%	7% DCR Plan Account 0.99% Health Plan - adjusted by annual actuarial valuation; <b>plus</b> Health Reimbursement Arrangement (HRA) - Flat dollar amount per employee based on 3% of the average annual compensation of all employees of all employers in the system. Occupational Death & Disability: 0.62%
<b>Vesting</b>	Employees vest with 8 years of service.	Employees vest with 8 years of service.	100% vested in employee 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 and 100% after 5 years.
<b>Qualifications for Retirement</b>	After vesting, normal retirement age is 55, with early retirement at age 50; teachers can retire at any age after 20 years of membership service.	After vesting, normal retirement age is 60, with early retirement at age 55; teachers can retire at any age after 20 years of membership service.	None for investment account. Taxes and penalties may apply if withdrawn before age 59-1/2. See requirements for Retirement Medical Coverage.
<b>Benefit Calculation Formula</b>	Benefit formula: 2% for first 20 years <b>and all years of service prior to July 1, 1990</b> , 2.5% thereafter.  Benefit calculation is determined on the average of the <b>high three</b> consecutive years' salary.	Benefit formula: 2% for first 20 years, 2.5% per year thereafter.  Benefit calculation is determined on the average of the <b>high three</b> consecutive years' salary.	DCR Plan account balance plus investment earnings. May be received in several different payment options. Payout options include lump sum payments, rollovers to another qualified plan, or annuities. Annuities may be taken as a lifetime annuity, joint and survivor annuity, or for a period certain.

Feature	Tier I 7/1/1955 – 6/30/1990	Tier II Entered after 6/30/1990	Tier III Entered after 6/30/2006
<b>Alaska Cost-of-living Allowance (COLA)</b>	An Alaska Cost-of-Living Allowance is payable to benefit recipients who remain domiciled in Alaska after retirement. The allowance is 10% of the base benefit.	An Alaska Cost-of-Living Allowance is payable to benefit recipients age 65 or older or disability benefit recipients regardless of age who remain domiciled in Alaska after retirement. The allowance is 10% of the base benefit.	None provided.
<b>Post Retirement Pension Adjustments (PRPA) (Inflation Protection)</b>	PRPA increases granted on an ad hoc basis. If an ad hoc is not granted, Tier I employees must be age 60 or over or receiving benefits for 8 years to qualify for the automatic PRPA. The automatic PRPA passed in 1990 applied to all members regardless of hire date.	Automatic PRPA adjustments to disabled members, retirees age 60 and over, and those who have received benefits for 8 years.	None provided.
<b>Retirement Medical Coverage</b>	After vesting, medical coverage is provided to all benefit recipients and their eligible dependents.  The retirement system pays the AlaskaCare retiree medical plan premium.	After vesting, medical coverage is provided to disabilitants, regardless of age, and benefit recipients age 60 and over or, and for retirees with at least 25 years of membership service.  This coverage includes eligible dependents.  The retirement system pays the AlaskaCare retiree medical plan premium.  Retirees and survivors under age 60, with less than 25 years of membership service must pay the full premium cost of they want coverage.	Access to medical coverage at Medicare eligible age with 10 years of service or at any age with 30 years of service. Must retire directly from the system. If not eligible for Medicare, must pay full premium. May use health reimbursement arrangement (HRA) account to pay premiums. Once the HRA is exhausted, member self-pays premiums.  When eligible for Medicare, the percentage of premium paid by the retiree or surviving spouse is: 10-14 years of service - 30% 15-19 years - 25% 20-24 years - 20% 25-29 years - 15% 30 years or more - 10%
<b>Disability Benefits</b>	Disability benefits are 50% of base salary, plus 10% for each eligible dependent child up to a maximum of 4 children.	Disability benefits are 50% of base salary, plus 10% for each eligible dependent child up to a maximum of 4 children.	Must be a total and presumably permanent disability whose cause is directly related to performance of duties of the job or an on the job injury. Benefit is 40% of salary; earns service while on occupational disability.  Employer continues to make all required contributions as if the member were working, plus the member's required contributions to the DCR account, without deduction from the member's disability payment.  Disability benefits cease when the member becomes eligible for normal retirement at Medicare eligible age and 10 years of service or at any age with 30 years of service. No medical insurance until eligible for normal retirement.