

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.

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

This is the Full Balance of the Voluntary Savings plus accrued interest to the date of retirement divided by the designated period of time as elected by the member. Should the member die prior to the designated period of time, the remaining payments will be paid to the designated beneficiary(s) in a lump sum.

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.

What Tier Am I?

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

- **Tier I** — Before 7/1/86.
- **Tier II** — On or after 7/1/86, but before 7/1/96.
- **Tier III** — On or after 7/1/96, but before 7/1/06.

The information included here only applies to Tiers I, II, and III.

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.

Sign up today by completing a *Voluntary Employee Savings Plan Enrollment, Change, Discontinuation or Withdrawal* form. Contact the plan administrator for information or to request a form, or download the form from our web site at alaska.gov/drb.

Alaska Division of Retirement and Benefits

6th Floor, State Office Building | 333 Willoughby Ave. | P.O. Box 110203 | Juneau, AK 99811-0203

Member Services Contact Center

Hours: Monday – Thursday 8:30 a.m. - 4 p.m. | Friday 8:30 a.m. - 3 p.m.

Toll-Free: (800) 821-2251 | In Juneau: (907) 465-4460 | Fax: (907) 465-3086 | TDD: (907) 465-2805
alaska.gov/drb | doa.drb.rcsc@alaska.gov

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Voluntary Employee Savings Plan Enrollment, Change, Discontinuation or Withdrawal

(for PERS Tiers I, II & III Active Employees Only)

FOR OFFICE USE ONLY

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alaska.gov/drb

Division of Retirement and Benefits
P.O. Box 110203
Juneau, Alaska 99811-0203

Juneau: (907) 465-4460
TDD: (907) 465-2805
Fax: (907) 465-3363

SECTION I. PERSONAL DATA

Employee Name Last	First	M.I.	RIN or Last 4 of Social Security Number	
Mailing Address Street or P.O. Box				
City			State	ZIP+4
Employer (State or Political Subdivision)			Email Address	

SECTION II. ELECTION, CHANGES OR DISCONTINUATION

Please note: If you are on a bi-weekly pay schedule, the Voluntary Savings amount will be withheld each pay period. In accordance with the provisions of the Public Employees' Retirement System Act, I hereby:

- Elect to make contributions of \$_____. Please specify dollar amount each pay period to Voluntary Savings.
Please note: Employee can only contribute up to 5% of gross salary per pay period.
- Please change Voluntary Savings amount from \$_____ to \$_____. Dollar amount cannot exceed 5% of gross salary per pay period.
- Elect to make _____% of gross salary per pay period. If you choose this option, the amount will be capped at 5%.
- Please change my Voluntary Savings contribution from _____% of my gross salary each pay period to _____% of gross salary each pay period (can not exceed 5% per pay period).
- Discontinue my Voluntary Savings contribution.

Signature	Date
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SECTION III. WITHDRAWAL OF VOLUNTARY CONTRIBUTIONS (SEC. 39.35.240)

Please note: When completing the withdrawal portion of this application you must state a financial need.

- I hereby apply for a withdrawal of my Voluntary Savings Contributions.

Please state financial need _____

Note: Interest on Voluntary Contributions is considered income for federal income tax reporting purposes when refunded to you. Please indicate below whether or not you want taxes withheld from accrued interest on your voluntary contributions. Taxes will be withheld at a rate of 20%.

- YES. Please withhold taxes. NO. Do not withhold taxes.

In completing this form, I acknowledge that a person who knowingly makes a false statement, or falsifies or permits to be falsified, a record of the retirement system in an attempt to defraud the system, is guilty of a class A misdemeanor, which, upon conviction, is punishable by a fine of not more than \$500.00 or by imprisonment for not more than twelve months or both. AS 39.35.670; AS 11.56.210. I also acknowledge that a person who obtains funds and/or benefits by deception may be subject to prosecution for other crimes, including theft, which may be charged as misdemeanors or felonies with potential fines and penalties including imprisonment. I also acknowledge that a person who obtains funds and/or benefits from the system unlawfully may also be required to make restitution.

Signature	Date
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FOR OFFICE USE ONLY

Signature of Plan Administrator	Date
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