

# **State of Alaska FY2004 Governor's Operating Budget**

## **Department of Administration Retirement and Benefits Component Budget Summary**

## **Component: Retirement and Benefits**

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### **Component Mission**

To assure access to benefits for public employees and retirees.

### **Component Services Provided**

Record keeping and counseling services for the following retirement systems:

- Public Employees' (PERS)
- Teachers' (TRS)
- Judicial (JRS)
- National Guard and Naval Militia (NGNMRS)
- Elected Public Officers (EPORS)

Record keeping and counseling services for two benefit programs:

- Supplemental Annuity Plan
- Supplemental Benefits System

Counseling services for the Deferred Compensation Plan

Administer group health insurance and life insurance programs for active state employees and retired members of the retirement systems, including claims adjudication and counseling. The division has offices in Juneau and Anchorage and provides services to other Alaskan communities by telephone, Internet/e-mail and during field trips.

### **Component Goals and Strategies**

TO ADMINISTER THE STATE'S RETIREMENT AND BENEFIT PLANS EFFICIENTLY AND EFFECTIVELY

- Maintain accurate records
- Distribute benefits in a timely manner
- Protect participants' assets
- Negotiate most cost beneficial benefit plan rates
- Assist employers and employees to make informed decisions
- Provide the maximum in customer service at minimum in cost to the retirement trust funds and each participant.

### **Key Component Issues for FY2003 – 2004**

- Legislative changes to bring existing retirement systems statutes and regulations into compliance with the Internal Revenue Code.
- Retirement and Benefits Systems Growth: Projections prepared by the Division of Retirement and Benefits indicate that the number of PERS and TRS retirees will double over the next 10 years. We also project a gradual increase in the number of PERS and TRS active employees.

### **Major Component Accomplishments in 2002**

- Online computer services for active and retired members were enhanced.
- Legislative changes to bring existing retirement systems statutes and regulations into compliance with the Internal Revenue Code went into effect July 1, 2002.

### Statutory and Regulatory Authority

AS 14.20.310-345	Teachers' Leave and Retirement
AS 14.25	Teachers' Retirement System
AS 22.25	Judiciary Retirement and Death Benefits
AS 39.30	Insurance and Supplemental Employee Benefits
AS 39.35	Public Employees' Retirement System
AS 39.45	Public Employees' Deferred Compensation Program
AS 44.21.020 (7)	Duties of Department
2 AAC 35	Public Employees' Retirement System
2 AAC 36	Teachers' Retirement System
2 AAC 37	Judicial, Elected Public Officers, and National Guard/Naval Militia
Retirement systems and	Employee Benefit Systems
2 AAC 39	Group Health and Life Insurance

**Retirement and Benefits**  
**Component Financial Summary**

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	5,698.9	6,295.1	6,370.9
72000 Travel	211.9	206.8	206.8
73000 Contractual	3,638.1	4,389.3	4,389.3
74000 Supplies	469.3	287.0	287.0
75000 Equipment	91.6	85.6	85.6
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>10,109.8</b>	<b>11,263.8</b>	<b>11,339.6</b>
<b>Funding Sources:</b>			
1007 Inter-Agency Receipts	63.7	1.4	1.5
1017 Benefits Systems Receipts	2,692.4	3,063.5	3,085.4
1023 FICA Administration Fund Account	112.7	143.0	144.2
1029 Public Employees Retirement Fund	5,166.7	5,674.1	5,711.5
1034 Teachers Retirement System Fund	1,958.1	2,252.9	2,267.1
1042 Judicial Retirement System	22.9	28.4	28.6
1045 National Guard Retirement System	93.3	100.5	101.3
<b>Funding Totals</b>	<b>10,109.8</b>	<b>11,263.8</b>	<b>11,339.6</b>

**Retirement and Benefits**

**Proposed Changes in Levels of Service for FY2004**

- Access to online computer services for active and retired members will be further enhanced.
- A customer service initiative will be implemented to improve direct service to active and retired members who contact the division. Service enhancements will include an 800 number and staff whose main purpose is answering telephone and mailed inquiries.
- Develop and implement an improved employee benefits statement for teachers and public employees of political subdivisions.

**Summary of Component Budget Changes**

**From FY2003 Authorized to FY2004 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2003 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>11,263.8</b>	<b>11,263.8</b>
<b>Adjustments which will continue current level of service:</b>				
-Annualize FY2003 COLA Increase for General Government, Confidential and Supervisory Bargaining Units	0.0	0.0	75.0	75.0
- \$75 per Month Health Insurance Increase for Non-covered Staff	0.0	0.0	0.8	0.8
<b>FY2004 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>11,339.6</b>	<b>11,339.6</b>

## Retirement and Benefits

## Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	105	105	Annual Salaries	4,910,130
Part-time	0	0	Premium Pay	26,911
Nonpermanent	5	9	Annual Benefits	1,816,375
			<i>Less 5.69% Vacancy Factor</i>	<i>(383,938)</i>
			Lump Sum Premium Pay	1,422
<b>Totals</b>	<b>110</b>	<b>114</b>	<b>Total Personal Services</b>	<b>6,370,900</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant II	0	0	4	0	4
Accountant III	0	0	4	0	4
Accountant V	0	0	1	0	1
Accounting Clerk II	0	0	2	0	2
Accounting Tech II	0	0	1	0	1
Accounting Tech III	0	0	2	0	2
Administrative Assistant	0	0	1	0	1
Administrative Clerk I	0	0	7	0	7
Administrative Clerk II	1	0	2	0	3
Administrative Clerk III	1	0	2	0	3
Administrative Manager IV	0	0	1	0	1
Analyst/Programmer II	0	0	2	0	2
Analyst/Programmer III	0	0	1	0	1
Analyst/Programmer IV	0	0	3	0	3
Analyst/Programmer V	0	0	2	0	2
College Intern III	0	0	1	0	1
Data Processing Mgr III	0	0	1	0	1
Data Processing Tech II	0	0	2	0	2
Division Director	0	0	1	0	1
Information Officer II	0	0	1	0	1
Internal Auditor II	0	0	1	0	1
Internal Auditor III	0	0	1	0	1
Microfilm Equip Op I	0	0	2	0	2
Microfilm Equip Op II	0	0	2	0	2
Microfilm Equip Op III	0	0	1	0	1
Payroll Specialist II	0	0	1	0	1
Publications Spec III	0	0	1	0	1
Publications Tech II	0	0	1	0	1
Retirement & Benefits Spec I	1	0	7	0	8
Retirement & Benefits Tech II	2	0	20	0	22
Retirement & Benefits Tech III	0	0	12	0	12
Retirement Ben Manager	0	0	2	0	2
Retirement Ben Spec II	2	0	8	0	10
Retirement Ben Spec III	0	0	2	0	2
Secretary	0	0	1	0	1
Student Intern II	0	0	2	0	2
Supply Technician I	0	0	1	0	1
Systems Programmer II	0	0	1	0	1
<b>Totals</b>	<b>7</b>	<b>0</b>	<b>107</b>	<b>0</b>	<b>114</b>