



## TRS III/PERS IV Members:

*Are you saving an extra **25%** for your retirement?*

(You should be)

### Did you know:

1. Alaska is the **ONLY** state without a defined benefit or hybrid retirement plan for teachers, and most other states have better retirement options for ESPs. This means that the retiree assumes 100% of the risk of running out of money in retirement.
2. According to State of Alaska's own analysis, the majority of **educators hired after 2006** will **OUTLIVE** their retirement income.
3. Teachers in Alaska **DO NOT** earn any Social Security for teaching. Some ESPs have access to a supplemental benefit that partially makes up for their loss of Social Security.
4. Educators who worked in other professions or other states lose the majority of any Social Security income they earned in previous jobs. (GPO/WEP penalty reduces previously earned SS income)

### Why can't employees in the 'Death Tier' retire?

1. Employees in TRS III/PERS IV have such an uncertain and poorly funded retirement system that even state of Alaska analysis suggests there is a good chance they will outlive their retirement savings, giving this retirement system the nickname "Death Tier" because they will likely need to work until they die.
2. TRS III and PERS IV educators, along with their district and the state, pay into a retirement savings account and must make their own investment decisions. There is no certainty about how much money they will have upon retiring since their money is invested in the stock market.
3. Because, when TRS III and PERS IV educators retire they do not know how long they will live, they have to "bet on themselves" and plan to die by a certain age or risk running out of money to live on.
4. Most retirement annuity options available to retirees will pay out less than half of what pre-2006 hires receive in their defined benefit retirements.
5. Almost all TRS III and PERS IV educators are not currently saving enough money to retire and maintain their standard of living. Because they can't pay into Social Security for their service, members of TRS III/PERS IV must essentially self-fund their own retirement.

### What can YOU do for yourself?

1. Get educated about your retirement.
2. Log in to your account in Empower (your retirement management system) at: [bit.ly/DeathTier](https://bit.ly/DeathTier)
3. Start saving **10% - 25% more** of your income for retirement in a 403b or similar program.
4. Go to the link below to sign up for more information on retirement issues from NEA-Alaska:

[bit.ly/SpeakUpForStudents](https://bit.ly/SpeakUpForStudents)

# All NEA-Alaska Members:

*How can you help Alaska attract and retain the best educators?*

Did you know:

1. Alaska is the ONLY state without a defined benefit or hybrid retirement plan for teachers, and most other states have better retirement options for ESPs.
2. According to Alaska's own analysis, the majority of **teachers hired after 2006** will OUTLIVE their retirement income. The graph to the right shows the state's assessment of what percent of TRS retirees that will run out of retirement income at different times.

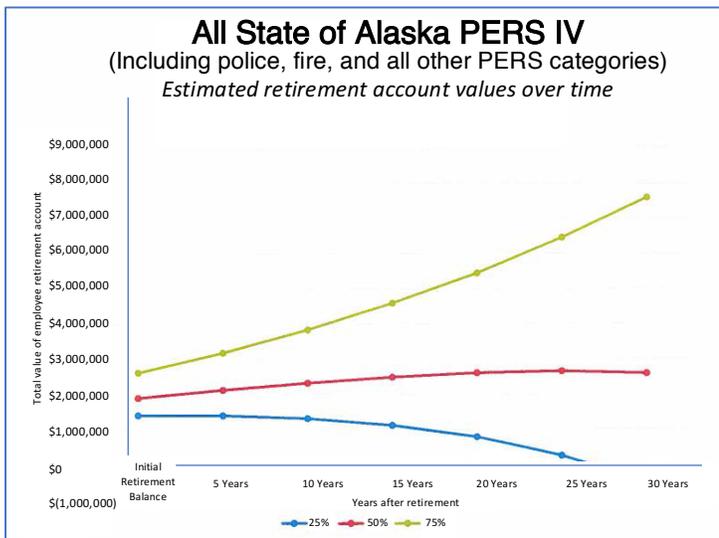


Fig 1: State of Alaska analysis of PERS IV retiree retirement income account balances. Assuming average market returns, the middle line shows the expected value of retirement accounts over time.

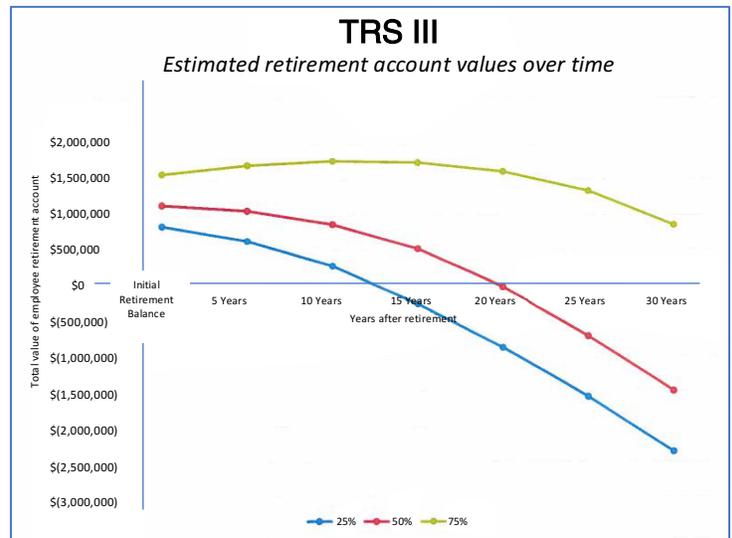


Fig 2: State of Alaska analysis of TRS III retiree retirement income account balances. The bottom line shows the 25<sup>th</sup> percentile, and the middle line shows the 50<sup>th</sup> percentile of expected TRS III retirement accounts over time.

3. There is a direct link between increased teacher turnover and decreased student performance.
4. The situation is so dire, many educators are leaving Alaska to work in other states that offer a system that will provide a reasonable retirement income.

How did we get here?

1. K-12 public school teachers in Alaska have never paid into Social Security.
2. 1983: The Federal Government passed the Windfall Elimination Provision and Government Pension Offset. Alaska is one of the 15 states that were targeted by this law.
3. 2006: The Alaska Legislature voted to end the defined benefit retirement plan for all new hires.
4. 2018: More than half of all the 16,000 educators in Alaska are in defined contribution-only plans, known as the "Death Tier."

Does this only affect people hired after 2006?

No. With decreasing numbers of employees paying into defined benefit systems, at some point Alaska may need to start using general funds to pay pensions for TRS I/II and PERS I/II/III.

What can YOU do about it?

1. Get educated about the issue.
2. Contact your elected representatives.
3. Go to the link below to sign up for more information on retirement issues from NEA-Alaska:

[bit.ly/SpeakUpForStudents](https://bit.ly/SpeakUpForStudents)