



April 22, 2020

Dear RPEA Members,

We have been in contact with Kathy Lea, Chief Pension Officer in the Division of Retirement & Benefits, concerning the Alaska statute requirement that COLA will not be paid if a retiree is outside of the State of Alaska for more than 90 days in light of the COVID-19 travel restrictions.

The Division has always had a process in place for those who need to request an exemption to the COLA rules. That process has been revised to support retirees who are not able to get back to Alaska before the 90 day deadline.

Per Ms. Lea, the Division has implemented the following:

- 1. COLA is not being removed from retiree accounts at this time unless the retiree has actually moved from Alaska.** Once travel bans have been lifted, a true up will occur. If you've moved from Alaska you must contact the Division with your new residence information.
- 2. No action needs to be taken by the retiree now.** If you are not able to return to Alaska due to the travel restrictions, just stay where you are, stay safe and when you return you can begin the exemption process.
- 3. Retirees eligible for a waiver of COLA overpayment due to COVID-19** are those who can demonstrate their intent to return to Alaska within the 90 day period. This can be demonstrated by documentation of a cancelled airline ticket, contemporary newspaper reports with travel ban information, statement of health from physician(s), information regarding the airports you would have to

travel through, etc. It doesn't have to be all of these items, just some documentation of the risk. I'm sorry to have to say that the fact that we're retirees puts us in a high risk category simply by age so don't be shy about stating your age!

4. The Division will have information and a form to apply for a COLA waiver due to COVID-19 on the website within the next couple of days. **Upon your return**, you can download the form and submit it to the Division with your documentation for the waiver. Ms. Lea states that **waivers will be processed quickly.**
5. I asked Ms. Lea to send me a copy of the information and waiver form that will be posted to their website. Once received I will post it to the RPEA website so if you cannot find it on the DRB website you'll have another source. I will send you a link to the RPEA site as soon as this information is posted.
6. Ms. Lea points out that it is not their intent to make the process difficult, but they have a fiduciary duty to the retiree pension trust to do their due diligence.

Some of you have read about the proposed amendments that a couple of Alaska legislators recently submitted concerning the COLA restrictions. After testimony to the legislature by Ms. Lea, both of the amendments were withdrawn.

Apparently the language used in the proposed amendments was so broad that anyone out of state could have received COLA whether they intended to return to Alaska or not. This would have opened the door for COLA abuse. COLA abuse is widespread and according to Ms. Lea one of the Division's most time consuming duties. These amendments would have allowed those who are abusing the COLA benefit to continue unchecked.

Ms. Lea states, "**We want to benefit those who intend to return and the waiver method allows us to do that without paying out extra money to those who would not have been eligible otherwise.**"

Please feel free to contact me if you have questions.  
Sharon

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President

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