



David J. Kershner  
Principal, Retirement  
Wealth Practice

Buck Consultants, LLC  
3200 North Central Avenue  
Suite 2200  
Phoenix, AZ 85012

david.kershner@xerox.com  
tel 602.864.3507  
fax 602.864.3538

December 18, 2015

Ms. Rhonda McLeod  
Chief Financial Officer  
Alaska Court System  
820 W. 4<sup>th</sup> Ave.  
Anchorage, AK 99501-2005

**Re: FY16 and FY17 Employer Contribution Rates for the State of Alaska  
Judicial Retirement System**

Dear Ms. McLeod:

Buck Consultants, LLC is engaged by the Alaska Retirement Management Board to determine the funded status and contribution requirements for the State of Alaska Judicial Retirement System (JRS).

Based on our June 30, 2012 and June 30, 2014 actuarial valuations of JRS, we determined the following employer contribution rates, expressed as a percentage of payroll, for fiscal years ending June 30, 2016 and June 30, 2017:

- FYE June 30, 2016
  - Pension 35.92%
  - Healthcare 3.74%
  - Total 39.66%
  
- FYE June 30, 2017
  - Pension 37.00%
  - Healthcare 4.48%
  - Total 41.48%

We understand you have requested the State of Alaska's Department of Administration to approve an alternative pattern of employer contribution rates to the plan for FY16 and FY17. We have determined an alternative employer contribution pattern that is equivalent, on a present value basis, to the FY16 and FY17 employer contribution rates shown above. That is, employer contributions to the plan based on the rates shown above or the rates and lump sum amount shown below would have no adverse financial effect on the plan (assuming the plan's invested assets earn the expected rate of return used in the actuarial valuations).

The equivalent contribution rates and lump sum contribution amount as of January 1, 2016 are as follows:

- FYE June 30, 2016
  - Pension 35.92%
  - Healthcare 3.74%
  - Total 39.66%
  
- FYE June 30, 2017
  - Pension 36.32%
  - Healthcare 4.40%
  - Total 40.72%
  
- Lump Sum Contribution as of January 1, 2016
  - Pension \$87,500
  - Healthcare \$10,500
  - Total \$98,000

The present values of the alternative contribution patterns shown in this letter were determined using a discount rate of 8.0%, which is the same as the long-term expected rate of return used in the JRS actuarial valuations.

I would be happy to discuss this with you further at your convenience.

Sincerely,



David J. Kershner, FSA, EA, MAAA  
Principal and Consulting Actuary

c: John Boucher  
Kevin Worley