



**State of Alaska
Public Employees' Retirement System**

**Actuarial Valuation Report
as of June 30, 2000**

March 15, 2001

State of Alaska
Public Employees' Retirement Board
Department of Administration
Division of Retirement and Benefits
P.O. Box 110203
Juneau, AK 99811-0203

Dear Members of the Board:

Actuarial Certification

The annual actuarial valuation required for the State of Alaska Public Employees' Retirement System has been prepared as of June 30, 2000 by William M. Mercer, Incorporated. The purposes of the report include:

- (1) a review of experience under the Plan for the year ended June 30, 2000;
- (2) a determination of the appropriate contribution rate for each employer in the System;
- (3) the provision of reporting and disclosure information for financial statements, governmental agencies, and other interested parties.

The following schedules that we have prepared are included in this report:

- (1) Summary of actuarial assumptions and methods (Section 2.3)
- (2) Schedule of active member valuation data (Section 2.2(d) and (f))
- (3) Schedule of retirants and beneficiaries added to and removed from rolls (Section 2.2(p) and 2.2(q))
- (4) Solvency test (Section 3.3)
- (5) Analysis of financial experience (Section 3.1)

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions, in conjunction with employee data provided to us by the System's staff and financial information provided by the audited report from KPMG LLP, to determine a sound value for the System liability. This data has not been audited, but it has been reviewed and found to be consistent, both internally and with prior years' data. Actuarial assumptions are based on the results of an experience study presented to the Board in October 2000 and adopted in December 2000.

The contribution requirements are determined as a percentage of payroll, and reflect the cost of benefits accruing in FY01 and a rolling amortization of the funding surplus or the unfunded accrued liability. The amortization period is set by the Board. Contribution levels are recommended by the Actuary and adopted by the Board each year. Over time, the contribution rate is expected to remain constant as a percentage of payroll. The ratio of assets to liabilities changed from 105.5% to 101.1% during the year. Over the years, progress has been made toward achieving the funding objectives of the System.

There were significant changes in the actuarial assumptions and actuarial methods used in the determination of system liabilities this year. The member data used to determine system liabilities is as of June 30, 1999 projected using standard actuarial techniques to June 30, 2000. A summary of the actuarial assumptions and methods is presented in Section 2.3 of this report. The assumptions and methods, when applied in combination, fairly represent past and anticipated future experience of the System.

Future contribution requirements may differ from those determined in the valuation because of:

- (1) differences between actual experience and anticipated experience based on the assumptions;
- (2) changes in actuarial assumptions or methods;
- (3) changes in statutory provisions; or
- (4) differences between the contribution rates determined by the valuation and those adopted by the Board.

The undersigned are members of the American Academy of Actuaries or the Society of Actuaries and are fully qualified to provide actuarial services to the State of Alaska.

We believe that the assumptions and methods used for funding purposes and for the disclosures presented in this report satisfy the parameter requirements set forth in the Government Accounting Standards Board (GASB) Statement Nos. 25 and 27.

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We believe that this report conforms with the requirements of the Alaska statutes, and where applicable, other federal and accounting laws, regulations and rules, as well as generally accepted actuarial principles and practices.

Sincerely,



Brian R. McGee, FSA, MAAA

JWJ/PM/RMR/BRM/jls:ago



James W. Jacobson, ASA, MAAA

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Highlights

This report has been prepared by William M. Mercer, Incorporated for the State of Alaska Public Employees' Retirement System to:

- (1) present the results of a valuation of the Alaska Public Employees' Retirement System as of June 30, 2000;
- (2) review experience under the plan for the year ended June 30, 2000;
- (3) determine the appropriate contribution rate for each employer in the System;
- (4) provide reporting and disclosure information for financial statements, governmental agencies, and other interested parties.

The report is divided into three sections. Section 1 contains the results of the valuation. It includes the experience of the plan during the 2000 Fiscal Year, the current annual costs, and reporting and disclosure information.

Section 2 describes the basis of the valuation. It summarizes the plan provisions, provides information relating to the plan participants, and describes the funding methods and actuarial assumptions used in determining liabilities and costs.

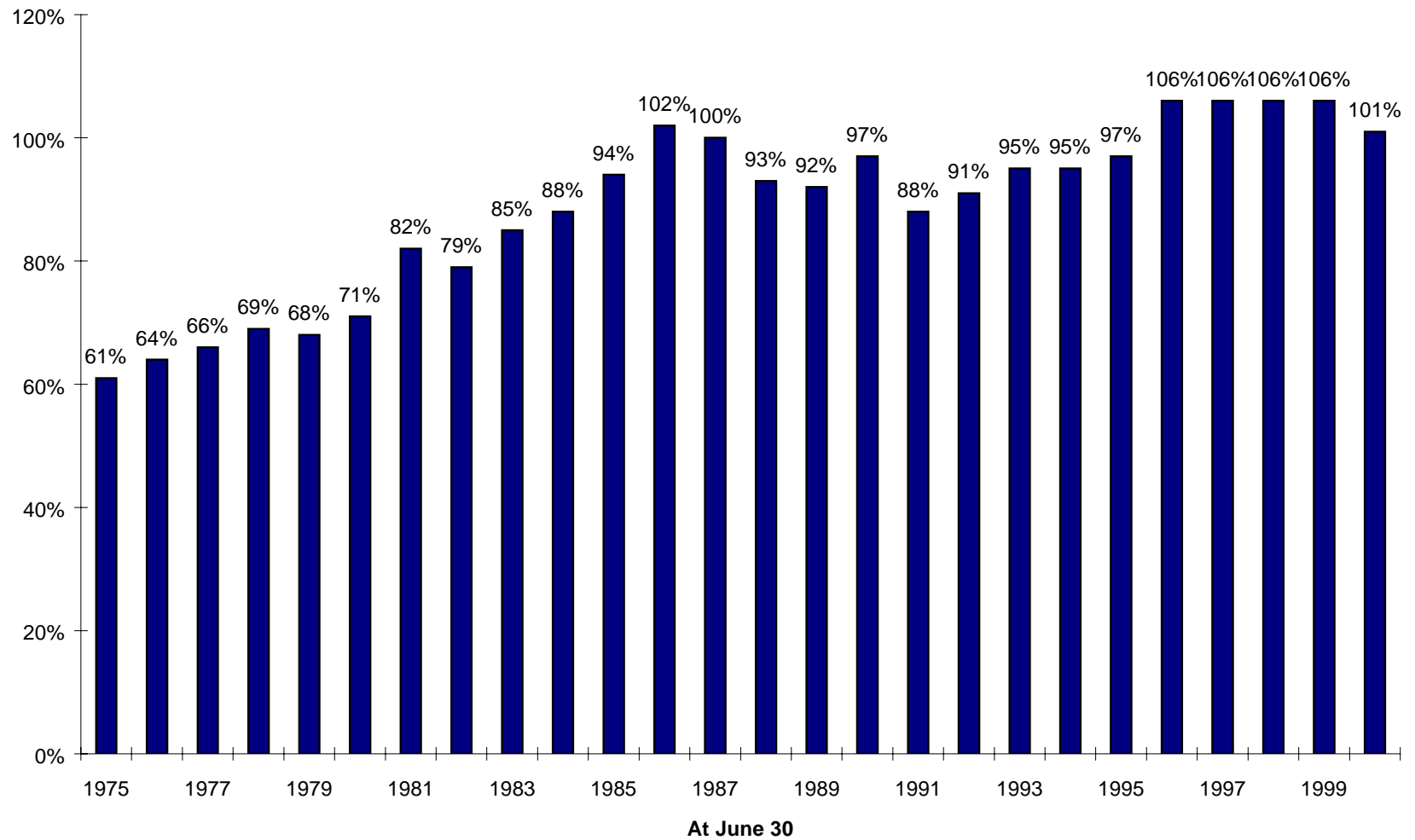
Section 3 contains additional exhibits showing historical information on system experience and unfunded liabilities.

The principle results are as follows:

	<u>1999</u>	<u>2000</u>
Funding Status as of June 30:		
(a) Valuation Assets*	\$ 7,016,340	\$ 7,454,758
(b) Accrued Liability*		
i) Non-Medical Benefits	4,730,841	5,190,835
ii) Total Benefits (including medical)	6,648,673	7,376,912
(c) Funding Ratio, (a) ÷ (b)		
i) Non-Medical Benefits	148.3%	143.6%
ii) Total Benefits (including medical)	105.5%	101.1%

* In thousands.

State of Alaska PERS Funding Ratio History



Highlights *(continued)*

Employer Contribution Rates
for Fiscal Year:

	<u>2002</u>	<u>2003</u>
(a) Consolidated Rate	8.07%	5.43%
(b) Average Past Service Rate	(1.51%)	0.69%
(c) Average Total Contribution Rate	6.56%	6.12%
(d) Public Employees' Retirement Board Adopted Average Total Contribution Rate	6.75%	6.75%

Analysis of the Valuation

As shown in the Highlights section of the report, the funding ratio as of June 30, 2000 has decreased from 105.9% to 101.1% a decrease of 4.8%. The average employer contribution rate has decreased from 6.56% of payroll for FY02 to 6.12% for FY03, a decrease of 0.44% of payroll. The reasons for the change in the funded status and contribution rate are explained below.

(1) Retiree Medical Insurance

The following table summarizes the monthly premium per benefit recipient since retiree medical benefits have been provided under PERS and TRS.

<u>Time Period</u>	<u>Monthly Premium Per Retiree For Health Coverage</u>	<u>Annual Percentage Increase</u>	<u>Average Compound Annual Increase Since FY78</u>
2/1/76-1/31/77	\$ 34.75	--	--
2/1/77-1/31/78	57.64	66%	--
2/1/78-1/31/79	69.10	20%	20%
2/1/79-1/31/80	64.70	- 6%	6%
2/1/80-1/31/81	96.34	49%	19%
2/1/81-1/31/82	96.34	0%	14%
2/1/82-1/31/83	115.61	20%	15%
2/1/83-1/31/84	156.07	35%	18%
2/1/84-1/31/85	191.85	23%	19%
2/1/85-1/31/86	168.25	-12%	14%
2/1/86-1/31/87	165.00	- 2%	12%
2/1/87-1/31/88	140.25	-15%	9%
2/1/88-31/89	211.22	51%	13%
2/1/89-1/31/90	252.83	20%	13%
2/1/90-1/31/91	243.98	- 4%	12%
2/1/91-1/31/92	243.98	0%	11%
2/1/92-1/31/93	226.90	- 7%	10%
2/1/93-1/31/94	309.72	37%	11%
2/1/94-1/31/95	336.05	9%	11%
2/1/95-1/31/96	350.50	4%	11%
2/1/96-1/31/97	350.50	0%	10%
2/1/97-1/31/98	368.00	5%	10%
2/1/98-12/31/98	368.00	0%	9%
1/1/99-12/31/99	442.00	20%	10%
1/1/00-12/31/00	530.00	20%	10%
1/1/01-12/31/01	610.00	15%	10%

As you can see from the above table, the monthly retiree medical premium for the January 1, 2001 to December 31, 2001 time period has increased to \$610.00. Since the 86/87 time period, annual premium rate changes have ranged from 51% up to 15% down, but the average compound annual increase has been about 9%.

Effective June 30, 2000, the Board adopted a health cost trend assumption which varies by year, declining to an ultimate rate equal to inflation plus 0.5%, or 4.0% for FY14 and later. If the long-term assumption remains reasonable, short-term gains and losses from the annually-determined medical premium rate will offset each other over time.

To help avoid the volatility in the funding and solvency of the System from bringing large health-related gains and losses into the System every year, we have been using the health cost trend assumption to

Analysis of the Valuation *(continued)*

determine actuarial liabilities for retiree medical benefits. On June 30, 1999, the assumed total blended premium was reset to the actual total blended premium for FY00. The difference between the assumed rate and the actual rate will be tracked annually and reduced if the gap becomes too wide. Also, adjustments will be made, if necessary, to the assumed medical premium rate every four to five years when a formal experience analysis is performed.

The net effect of the Medical premium trend assumption change and the resetting of the FY00 assumed blended premium was a 0.1% increase in the funding ratio and a 0.28% reduction in the average contribution rate.

As of June 30, 2000, the PERS Board adopted an enhancement in the asset valuation a description of the valuation of assets enhancement can be found on page 55 of this report.

(2) Investment Performance

The approximate FY00 investment return based on market values was 9.78%. In the development of valuation assets, we use an expected investment return equal to the investment return assumption of 8.25%. The valuation assets, plus (minus) the outstanding balance of previously amortized amounts, are then compared to a 5% corridor around the market value of assets. Any amount outside the corridor is amortized and applied to the employer contribution rates as a level percentage of the present value of pay over 20 years under the 1% population projection scenario.

As of June 30, 2000, there is \$863,993,000 outside the corridor, resulting in a 4.64% reduction in the employer rate.

(3) Salary Increases

For the June 30, 2000 actuarial valuation, member data from the June 30, 1999 actuarial valuation was projected one year using standard actuarial techniques. Since the salaries for active members were projected based on the actuarial assumptions, there is no gain or loss due to salary increases. Therefore, there is no change in the funding ratio or contribution rate due to salary increases.

(4) Employee Data

For the June 30, 2000 actuarial valuation, member data from the June 30, 1999 actuarial valuation was projected one year using standard actuarial techniques. Active member counts from the three prior fiscal year ends were used to estimate the active member count at June 30, 2000. The PRPA for retirees for FY00 was calculated using actual CPI data.

The overall effect of these participant data projections were an actuarial gain to the System, resulting in a decrease in the average employer contribution rate equal to 0.81% of total payroll.

(5) Ad hoc PRPA

An ad hoc Post Retirement Pension Adjustment (PRPA) was granted during FY00. This increased benefit payments to many Tier I (hired before July 1, 1986) retirees. This action produced a loss to the system of approximately \$9,495,000.

The overall effect of the ad hoc PRPA was an actuarial loss to the System which lowered the funding ratio by 0.2% and increased the average employer contribution rate by 0.07% of total payroll.

Analysis of the Valuation *(continued)*

(6) Actuarial Assumptions

Last year, an experience study was performed to compare recent System experience to the actuarial assumptions.

Based on this review as well as anticipation of future trends, a new set of actuarial assumptions was presented to the Board and adopted in December 2000. The results of the study can be found in the State of Alaska Public Employees' Retirement System Analysis Study of Actuarial Assumptions dated October 2000.

The net effect of the change in actuarial assumptions (excluding changes in asset components) was 5.7% decrease in the funding ratio and 3.09% increase in the total employer contribution rate.

(7) Actuarial Projections

At the Fall 1991 Board Meetings, the PERS Board approved the use of an enhanced actuarial projection system. The same actuarial cost method is used, but the enhanced system projects population growth patterns and their associated liabilities 25 years into the future. By also projecting plan assets, this report in effect produces an actuarial valuation for each of the next 25 years. Section 1.5, Actuarial Projections, contains the results of this analysis.

This type of information can be especially useful to multi-tiered systems, such as PERS. All of the projected new entrants will be covered under the cost savings provisions of the third tier so that the ultimate effect of the second and third tiers on plan liabilities can be anticipated. As you can see in Section 1.5, based on the actuarial assumptions and asset valuation method, future contribution rates are expected to remain fairly stable.

(8) 102% Target Funding Ratio

Effective June 30, 1998 the PERS Board adopted an actuarial method change that would target an ultimate funding ratio of 102% for the System. Using the actuarial projections discussed in item (6) above, an adjustment is made to the current and projected unfunded accrued liability so that the projected employer contributions to the System will result in an ultimate funding ratio of 102%.

Analysis of the Valuation (continued)

Summary

The following table summarizes the sources of change in the average employer contribution rate:

Last year's average employer contribution rate	6.56%*
Change due to:	
Recognition of additional investment gains outside of the 5% corridor	(2.67%)
Asset (gain)/loss (investment performance).....	(0.12%)
Assumption changes (excluding asset components).....	3.09%
Data roll forward.....	(0.81%)
Ad hoc PRPA	0.07%
Average employer contribution rate this year.....	6.12%

* *The Public Employees' Retirement Board adopted an average employer contribution rate of 6.75%.*

Section 1

Valuation Results

This section sets forth the results of the actuarial valuation.

Section 1.1(a) shows the distribution of net assets as of June 30, 2000.

Section 1.1(b) shows the changes in net assets during FY00.

Section 1.1(c) develops the actual valuation assets and investment return as of June 30, 2000.

Section 1.1(d) develops the contribution rate adjustment.

Section 1.2(a) shows the actuarial present values for Police and Fire members as of June 30, 2000.

Section 1.2(b) shows the actuarial present values for "Other" members as of June 30, 2000.

Section 1.3(a) develops the average employer contribution rate for Police and Fire members - FY03.

Section 1.3(b) develops the average employer contribution rate for "Other" members - FY03.

Section 1.3(c) develops the average employer contribution rate for all members - FY03.

Section 1.4 calculates the actuarial gain or loss for FY00.

Section 1.5 contains the financial projections.

1.1(a) Statement of Net Assets as of June 30, 2000 (in thousands)

	<u>Pension</u>	<u>Postemployment Health</u>	<u>Total Market Value</u>
Cash and Cash Equivalents	\$ 387	\$ 157	\$ 544
Retirement Fixed Income Pool	1,548,724	629,388	2,178,112
External Domestic Fixed Income Pool	61,811	25,120	86,931
Domestic Equity Pool	2,715,529	1,038,516	3,754,045
International Equity Pool	1,127,422	458,175	1,585,597
International Fixed Income Pool	286,226	116,319	402,545
Emerging Markets Equity Pool	69,429	28,215	97,644
Real Estate Pool	332,616	135,173	467,789
Private Equity Pool	117,155	47,611	164,766
Mortgages (Net of Reserves)	402	163	565
Net Accrued Receivables	<u>12,828</u>	<u>5,214</u>	<u>18,042</u>
Total Assets	\$ 6,272,529	\$ 2,484,051	\$ 8,756,580

1.1(b) Changes in Net Assets During Fiscal Year 2000 (in thousands)

	Pension	Postemployment Health	Total Market Value
(1) Net Assets, June 30, 1999, (market value)	\$ 5,819,092	\$ 2,286,266	\$ 8,105,358
(2) Additions:			
(a) Employee Contributions	65,387	26,573	91,960
(b) Employer Contributions	66,637	27,079	93,716
(c) Retirement Incentive Program - Employee	576	234	810
(d) Retirement Incentive Program - Employer	9,869	4,011	13,880
(e) Interest and Dividend Income	209,897	85,301	295,198
(f) Net Appreciation in Fair Value of Investments	365,752	148,638	514,390
(g) Net Recognized Mortgage Loan Recovery	<u>234</u>	<u>95</u>	<u>329</u>
(h) Total Additions	\$ 718,352	\$ 291,931	\$ 1,010,283
(3) Deductions:			
(a) Medical Benefits	0	83,794	83,794
(b) Retirement Benefits	239,441	0	239,441
(c) Refunds to Terminated Employees	8,531	3,467	11,998
(d) Investment Expenses	13,923	5,658	19,581
(e) Administrative Expenses	<u>3,020</u>	<u>1,227</u>	<u>4,247</u>
(f) Total Deductions	\$ 264,915	\$ 94,146	\$ 359,061
(4) Net Assets, June 30, 2000 (market value)	\$ 6,272,529	\$ 2,484,051	\$ 8,756,580

Approximate Market Value Investment Return Rate
During the Year, Net of Expenses

9.78%

1.1(c) Development of Valuation Assets as of June 30, 2000 (in thousands)

(1)	June 30, 1999 Valuation Assets	\$ 7,016,340
(2)	Total Contributions for FY 2000, (Item (2a) + (2b) + (2c) + (2d) from 1.1(b))	200,366
(3)	Total Benefit Payments for FY 2000, (Item (3a) + (3b) + (3c) from 1.1(b))	335,233
(4)	Expected Investment Return, Net of Expenses, for the period July 1, 1999 through June 30, 2000, $((1) + .5 \times [(2) - (3)]) \times 8.25\%$	573,285
(6)	June 30, 2000 Valuation Assets, $(1) + (2) - (3) + (4)$	\$ 7,454,758

1.1(d) Determination of Contribution Adjustment Rate due to Investment Returns Outside of 5% Corridor (in thousands)

(1)	Market Value of Assets at June 30, 2000	\$ 8,756,580
(2)	5% Corridor Around Market Value of Assets	
	(a) Upper End (105%)	9,194,409
	(b) Lower End (95%)	8,318,751
(3)	Valuation Assets at June 30, 2000	7,454,758
(4)	Amount Outside of Corridor, (2(b) – 3)	863,993
(5)	Present Value of Total Projected System Payroll Over 22-Year Period (1% population projection scenario fresh start)	18,637,918
(6)	Contribution Adjustment Rate, (4) ÷ (5)	4.64%
(7)	Previous Rate Adjustments for FY03	1.85%
(8)	Total Additional Rate Adjustment for FY03, (6) - (7)	2.79%

**1.2(a) Actuarial Present Values as of June 30, 2000 Police and Fire Members
(in thousands)**

	<u>Normal Cost</u>	<u>Accrued Liability</u>
<u>Active Members</u>		
Retirement Benefits	\$ 18,262	\$ 257,890
Termination Benefits	1,337	12,946
Disability Benefits	518	8,396
Death Benefits	484	7,229
Return of Contributions	561	1,809
Medical Benefits	5,942	84,884
Indebtedness	0	(10,641)
Retirement Incentive Program Receivable	<u>0</u>	<u>(1,814)*</u>
Subtotal	27,104	360,699
<u>Inactive Members</u>		
Not Vested	\$ 0	\$ 763
Vested Terminations		
- Retirement Benefits	0	15,049
- Medical Benefits	0	19,847
Retirees & Beneficiaries		
- Retirement Benefits	0	647,504
- Medical Benefits	<u>0</u>	<u>152,959</u>
Subtotal	0	836,122
<u>Totals</u>	\$ 27,104	\$ 1,196,821

* Allocated between Police/Fire and Other members in proportion to Active Members' Accrued Liability prior to receivable

**1.2(b) Actuarial Present Values as of June 30, 2000 "Other" Members
(in thousands)**

	<u>Normal Cost</u>	<u>Accrued Liability</u>
<u>Active Members</u>		
Retirement Benefits	\$ 110,452	\$ 1,538,001
Termination Benefits	18,209	201,556
Disability Benefits	2,194	32,720
Death Benefits	3,438	55,560
Return of Contributions	6,621	25,171
Medical Benefits	55,286	644,657
Indebtedness	0	(57,439)
Retirement Incentive Program Receivable	<u>0</u>	<u>(12,214)*</u>
Subtotal	196,200	2,428,012
<u>Inactive Members</u>		
Not Vested	\$ 0	\$ 35,534
Vested Terminations		
- Retirement Benefits	0	367,337
- Medical Benefits	0	506,591
Retirees & Beneficiaries		
- Retirement Benefits	0	2,065,478
- Medical Benefits	<u>0</u>	<u>777,139</u>
Subtotal	0	3,752,079
<u>Totals</u>	\$ 196,200	\$ 6,180,091

* Allocated between Police/Fire and Other members in proportion to Active Members' Accrued Liability prior to receivable

1.3(a) Development of Average Employer Contribution Rate - FY03 Police and Fire Members (in thousands)

Consolidated Rate

(1)	Total Normal Cost	\$	27,104
(2)	Total Salaries		140,045
(3)	Normal Cost Rate for Police & Fire Members, (1) ÷ (2)		19.35%
(4)	Member Contribution Rate (Police & Fire)		7.50%
(5)	Preliminary Consolidated Employer Normal Cost Rate For Police & Fire Members, (3) - (4)		11.85%
(6)	Net Adjustment Due to Investment Returns Outside of 5% Corridor, (Section 1.1(d))		(4.64%)
(7)	Consolidated Employer Normal Cost Rate For Police & Fire Members, (5) + (6)		7.21%

Past Service Rate

(1)	Target Accrued Liability	\$	1,226,110
(2)	Valuation Assets		1,209,451*
(3)	Target Unfunded Liability, (1) - (2)		16,659
(4)	Amortization Factor (25 years)		11.312888
(5)	Past Service Cost, (3) ÷ (4)		1,473
(6)	Total Salaries		140,045
(7)	Past Service Rate, (5) ÷ (6)		1.05%
	<u>Average Employer Contribution Rate</u>		8.26%

* Allocated between Police/Fire and Other members in proportion to Accrued Liability.

1.3(b) Development of Average Employer Contribution Rate – FY03 For “Other” Members (in thousands)

Consolidated Rate

(1)	Total Normal Cost	\$ 196,200
(2)	Total Salaries	1,181,435
(3)	Normal Cost Rate for "Other" Members, (1) ÷ (2)	16.61%
(4)	Member Contribution Rate ("Other")	6.75%
(5)	Preliminary Consolidated Employer Normal Cost Rate For "Other" Members, (3) - (4)	9.86%
(6)	Net Adjustment Due to Investment Returns Outside of 5% Corridor, (Section 1.1(d))	(4.64%)
(7)	Consolidated Employer Normal Cost Rate For “Other” Members, (5) + (6)	5.22%

Past Service Rate

(1)	Target Accrued Liability	\$ 6,331,335
(2)	Valuation Assets	6,245,307*
(3)	Target Unfunded Liability, (1) - (2)	86,028
(4)	Amortization Factor (25 years)	11.312888
(5)	Past Service Cost, (3) ÷ (4)	7,604
(6)	Total Salaries	1,181,435
(7)	Past Service Rate, (5) ÷ (6)	0.64%

Average Employer Contribution Rate 5.86%

* Allocated between Police/Fire and Other members in proportion to Accrued Liability.

1.3(c) Development of Average Employer Contribution Rate - FY03 All Members (in thousands)

Consolidated Rate

(1)	Total Normal Cost	\$ 223,304
(2)	Total Salaries	1,321,480
(3)	Normal Cost Rate for All Members, (1) ÷ (2)	16.90%
(4)	Average Member Contribution Rate	6.83%
(5)	Preliminary Consolidated Employer Normal Cost Rate for All Members, (3) - (4)	10.07%
(6)	Net Adjustment Due to Investment Returns Outside of 5% Corridor, (Section 1.1(d))	(4.64%)
(7)	Consolidated Employer Normal Cost Rate For All Members, (5) + (6)	5.43%

Past Service Rate

(1)	Target Accrued Liability	\$ 7,557,445
(2)	Valuation Assets	7,454,758
(3)	Target Unfunded Liability, (1) - (2)	102,687
(4)	Amortization Factor (25 years)	11.312888
(5)	Past Service Cost, (3) ÷ (4)	9,077
(6)	Total Salaries	1,321,480
(7)	Past Service Rate, (5) ÷ (6)	0.69%

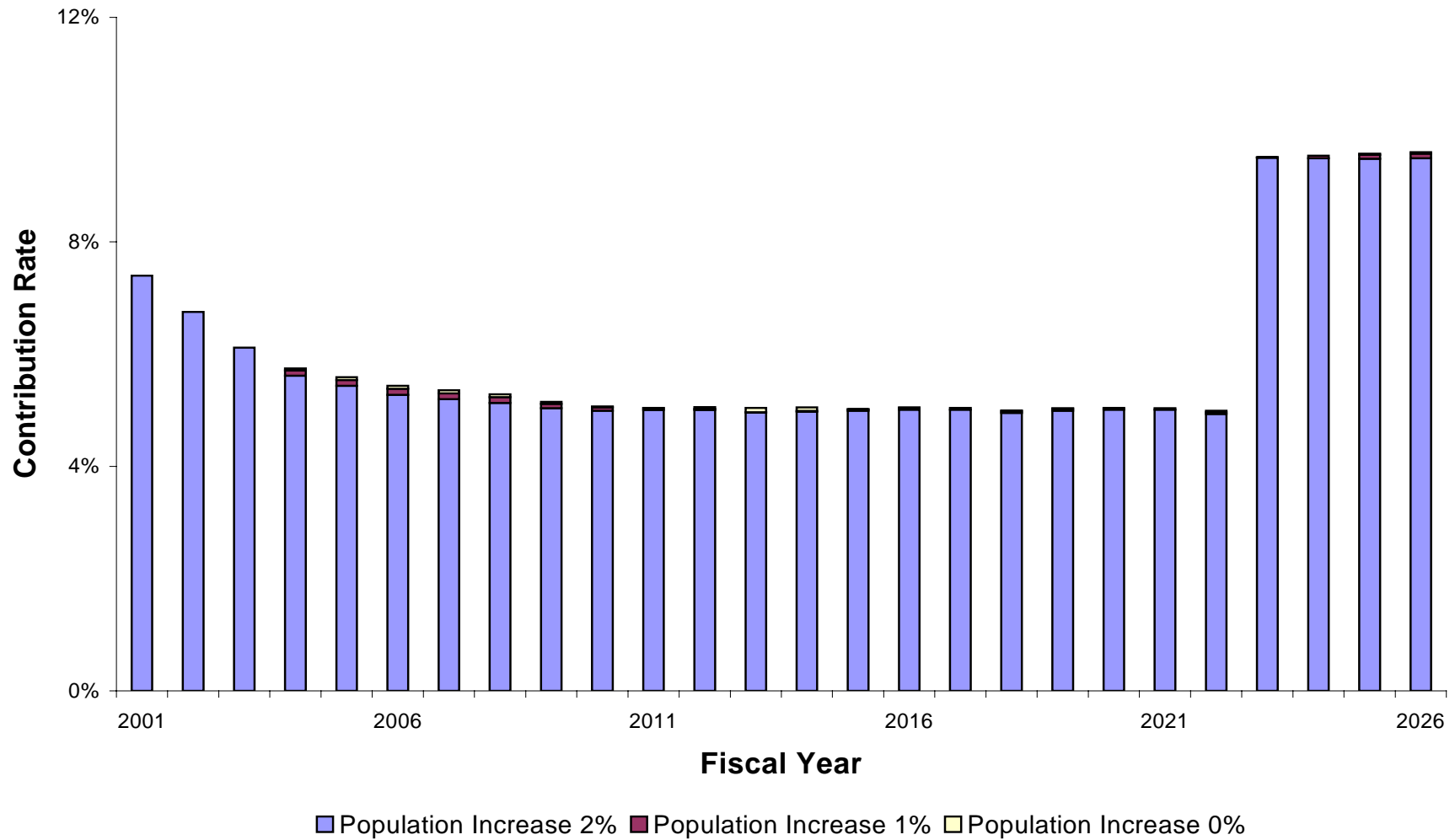
Average Employer Contribution Rate 6.12%

1.4 Development of Actuarial Gain/(Loss) for FY00 (in thousands)

(1)	Unfunded Liability, June 30, 1999	\$ (367,667)
(2)	Normal Cost for FY00	214,971
(3)	Interest on (1) and (2) at 8.25%	(12,597)
(4)	Employee Contributions for FY00	92,770
(5)	Employer Contributions for FY00	107,596
(6)	Interest on (4) and (5) at 8.25% for one-half year	8,265
(7)	Net Increase in Unfunded Liability due to Assumption and Method Changes	413,221
(8)	Expected Unfunded Liability, June 30, 2000, (1) + (2) + (3) - (4) - (5) - (6) + (7)	39,297
(9)	Actual Unfunded Liability, June 30, 2000	(77,846)
(10)	Actuarial Gain/(Loss) for the Year, (8) - (9)	\$ 117,143

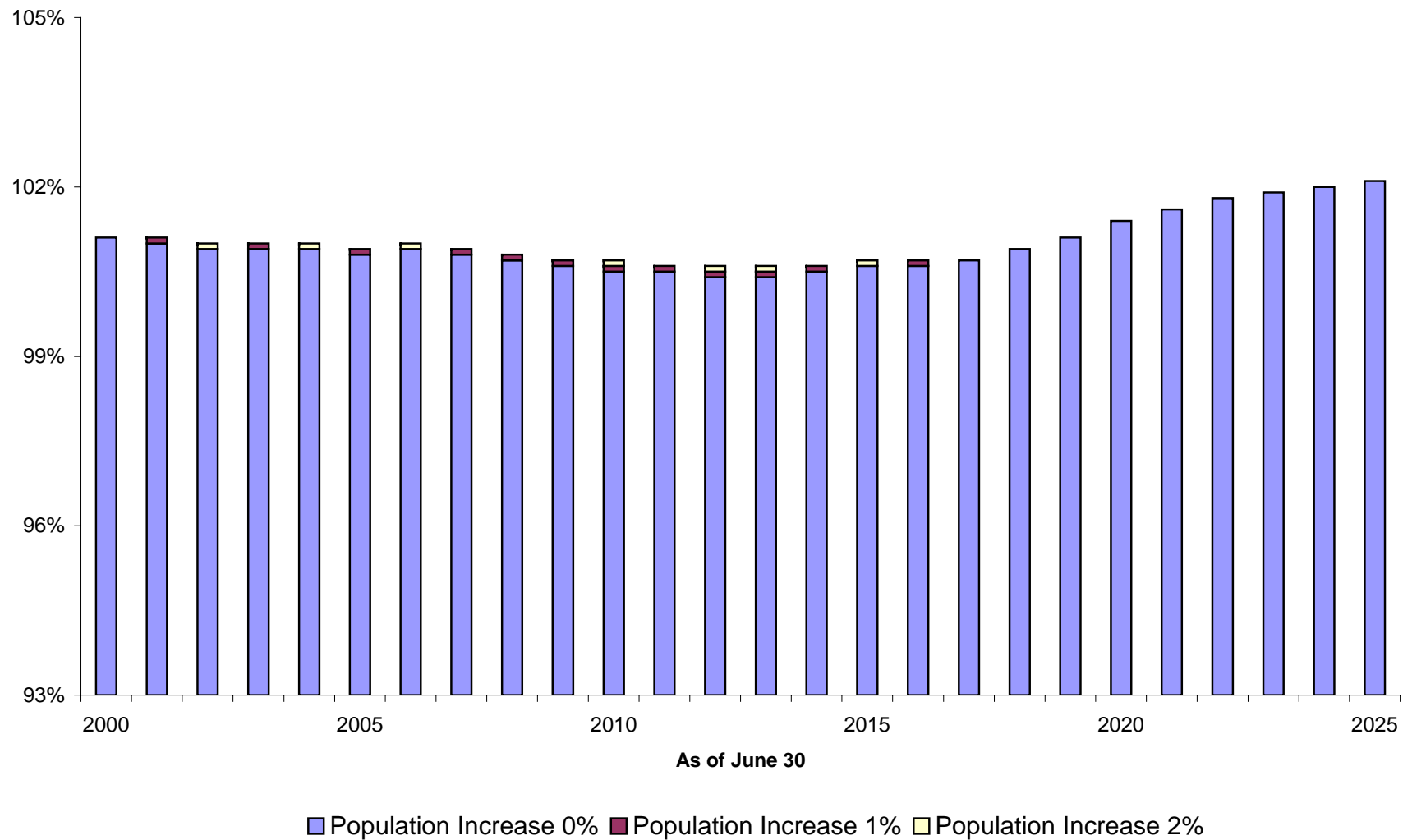
1.5 Actuarial Projections

State of Alaska PERS Projected Contribution Rates



1.5 Actuarial Projections (continued)

State of Alaska PERS Projected Funding Ratios



1.5 Actuarial Projections (continued)

Table 1
State of Alaska PERS
Financial Projections ('000 omitted)

Investment Return					Annual Population Increase					0.00%				
----- Valuation Amounts on July 1 -----					----- Flow Amounts During Following 12 Months -----									
As of June 30	Total Assets	Accrued Liability	Funding Ratio	Surplus* (Deficit)	Total Salaries	Employer Ctb Rate	Employer Contribs	Employee Contribs	Total Contribs	Benefit Payments	Net Contribs	Investment Earnings	Recognized Gain	Ending Asset Value
2000	7,454,758	7,376,912	101.1%	77,846	1,321,480	7.40%	99,043	91,414	190,457	383,690	(193,233)	607,047	62,336	7,933,479
2001	7,933,479	7,851,202	101.0%	82,277	1,355,353	6.75%	92,659	93,757	186,416	415,242	(228,826)	645,073	64,408	8,416,790
2002	8,416,790	8,339,210	100.9%	77,580	1,390,095	6.12%	86,105	96,094	182,199	451,737	(269,538)	683,267	66,514	8,899,777
2003	8,899,777	8,816,396	100.9%	83,381	1,423,785	5.75%	82,842	98,445	181,287	485,612	(304,325)	721,678	68,681	9,388,644
2004	9,388,644	9,305,289	100.9%	83,355	1,458,932	5.59%	82,567	100,890	183,457	520,687	(337,230)	760,652	70,966	9,885,959
2005	9,885,959	9,804,737	100.8%	81,222	1,495,388	5.44%	82,421	103,535	185,956	556,813	(370,857)	800,294	73,515	10,391,944
2006	10,391,944	10,302,767	100.9%	89,177	1,536,385	5.35%	83,364	106,335	189,700	604,397	(414,697)	840,229	76,269	10,896,890
2007	10,896,890	10,807,786	100.8%	89,104	1,577,383	5.29%	84,454	109,135	193,589	656,458	(462,869)	879,900	79,022	11,396,203
2008	11,396,203	11,316,760	100.7%	79,444	1,618,381	5.15%	84,410	111,935	196,346	698,721	(502,375)	919,464	81,776	11,898,441
2009	11,898,441	11,827,000	100.6%	71,441	1,659,378	5.07%	85,104	114,736	199,840	743,719	(543,880)	959,186	84,529	12,401,764
2010	12,401,764	12,336,169	100.5%	65,595	1,700,376	5.04%	86,955	117,906	204,861	793,523	(588,663)	998,863	87,741	12,903,325
2011	12,903,325	12,842,277	100.5%	61,048	1,752,219	5.05%	89,884	121,447	211,331	845,811	(634,480)	1,038,352	91,411	13,402,378
2012	13,402,378	13,343,682	100.4%	58,696	1,804,061	5.04%	92,223	124,988	217,211	897,492	(680,282)	1,077,635	95,081	13,898,734
2013	13,898,734	13,839,094	100.4%	59,640	1,855,904	5.05%	95,009	128,529	223,537	944,035	(720,498)	1,116,925	98,751	14,397,986
2014	14,397,986	14,327,570	100.5%	70,416	1,907,747	5.02%	97,078	132,070	229,148	995,271	(766,123)	1,156,231	102,421	14,894,740
2015	14,894,740	14,808,516	100.6%	86,224	1,959,589	5.05%	100,641	136,117	236,758	1,061,825	(825,067)	1,194,782	106,709	15,375,566
2016	15,375,566	15,281,687	100.6%	93,879	2,026,268	5.04%	103,804	140,671	244,476	1,109,525	(865,049)	1,232,801	111,616	15,859,538
2017	15,859,538	15,747,187	100.7%	112,351	2,092,947	4.99%	106,188	145,225	251,413	1,154,105	(902,692)	1,271,176	116,522	16,349,350
2018	16,349,350	16,205,469	100.9%	143,882	2,159,625	5.04%	110,495	149,779	260,274	1,202,032	(941,757)	1,309,974	121,429	16,844,005
2019	16,844,005	16,657,334	101.1%	186,670	2,226,304	5.04%	113,952	154,334	268,286	1,251,951	(983,665)	1,349,054	126,335	17,340,940
2020	17,340,940	17,103,935	101.4%	237,005	2,292,982	5.03%	117,707	159,670	277,376	1,318,966	(1,041,590)	1,387,662	132,142	17,824,605
2021	17,824,605	17,546,770	101.6%	277,835	2,382,554	4.99%	121,126	165,787	286,913	1,366,027	(1,079,114)	1,426,016	138,850	18,316,085
2022	18,316,085	17,987,688	101.8%	328,398	2,472,126	9.51%	239,350	171,905	411,255	1,413,088	(1,001,832)	1,469,751	0	18,784,004
2023	18,784,004	18,428,887	101.9%	355,118	2,561,698	9.54%	248,575	178,023	426,597	1,460,148	(1,033,551)	1,507,046	0	19,257,500
2024	19,257,500	18,872,913	102.0%	384,587	2,651,269	9.57%	257,988	184,141	442,129	1,507,209	(1,065,080)	1,544,809	0	19,737,229
2025	19,737,229	19,322,661	102.1%	414,567	2,740,841	9.60%	267,569	190,362	457,931	1,554,270	(1,096,339)	1,583,097	0	20,223,987

* Surpluses reduce employer contributions over 25 years

* Deficits increase employer contributions over 25 years

1.5 Actuarial Projections (continued)

Table 2
State of Alaska PERS
Financial Projections ('000 omitted)

Investment Return					8.25%	Annual Population Increase							1.00%		
----- Valuation Amounts on July 1 -----					----- Flow Amounts During Following 12 Months -----										Ending
As of	Total	Accrued	Funding	Surplus*	Total	Employer	Employer	Employee	Total	Benefit	Net	Investment	Recognized	Asset	
June 30	Assets	Liability	Ratio	(Deficit)	Salaries	Ctb Rate	Contribs	Contribs	Contribs	Payments	Contribs	Earnings	Gain	Value	
2000	7,454,758	7,376,912	101.1%	77,846	1,321,480	7.40%	99,415	91,757	191,172	383,690	(192,518)	607,076	62,336	7,934,224	
2001	7,934,224	7,851,394	101.1%	82,830	1,365,409	6.75%	93,697	94,807	188,504	415,245	(226,741)	645,220	64,408	8,419,768	
2002	8,419,768	8,340,629	100.9%	79,140	1,410,798	6.12%	87,730	97,908	185,638	451,833	(266,195)	683,650	66,514	8,906,482	
2003	8,906,482	8,820,187	101.0%	86,295	1,456,198	5.71%	84,501	101,097	185,598	485,871	(300,273)	722,398	68,681	9,400,121	
2004	9,400,121	9,312,820	100.9%	87,301	1,504,189	5.54%	84,736	104,461	189,197	521,177	(331,980)	761,816	70,966	9,903,850	
2005	9,903,850	9,817,625	100.9%	86,226	1,554,702	5.38%	85,288	108,213	193,500	557,599	(364,098)	802,049	73,515	10,418,348	
2006	10,418,348	10,322,909	100.9%	95,438	1,614,046	5.30%	87,160	112,266	199,426	605,399	(405,973)	842,767	76,269	10,934,557	
2007	10,934,557	10,837,575	100.9%	96,982	1,673,391	5.23%	89,122	116,319	205,442	657,713	(452,271)	883,445	79,022	11,448,012	
2008	11,448,012	11,359,039	100.8%	88,974	1,732,736	5.11%	90,146	120,372	210,518	700,274	(489,756)	924,259	81,776	11,967,664	
2009	11,967,664	11,885,102	100.7%	82,562	1,792,080	5.05%	91,978	124,426	216,404	745,586	(529,183)	965,504	84,529	12,492,001	
2010	12,492,001	12,413,952	100.6%	78,049	1,851,425	5.04%	95,291	129,153	224,444	795,757	(571,313)	1,007,023	87,741	13,019,071	
2011	13,019,071	12,944,162	100.6%	74,909	1,930,520	5.02%	98,959	134,556	233,514	848,506	(614,992)	1,048,705	91,411	13,547,967	
2012	13,547,967	13,474,691	100.5%	73,276	2,009,616	4.96%	101,700	139,958	241,658	900,751	(659,094)	1,090,520	95,081	14,078,396	
2013	14,078,396	14,004,882	100.5%	73,514	2,088,711	4.99%	106,172	145,360	251,532	948,000	(696,467)	1,132,738	98,751	14,617,491	
2014	14,617,491	14,534,463	100.6%	83,028	2,167,807	5.02%	110,722	150,762	261,484	1,000,109	(738,625)	1,175,475	102,421	15,160,987	
2015	15,160,987	15,063,550	100.6%	97,437	2,246,902	5.04%	115,983	157,074	273,057	1,067,721	(794,664)	1,218,002	106,709	15,695,436	
2016	15,695,436	15,592,642	100.7%	102,793	2,352,644	5.04%	121,218	164,297	285,515	1,116,713	(831,199)	1,260,586	111,616	16,241,044	
2017	16,241,044	16,122,625	100.7%	118,419	2,458,385	4.98%	125,176	171,519	296,694	1,162,855	(866,160)	1,304,157	116,522	16,800,369	
2018	16,800,369	16,654,768	100.9%	145,601	2,564,126	5.03%	131,518	178,741	310,259	1,212,685	(902,426)	1,348,805	121,429	17,373,186	
2019	17,373,186	17,190,727	101.1%	182,459	2,669,867	5.03%	137,060	185,963	323,023	1,264,950	(941,926)	1,394,433	126,335	17,957,239	
2020	17,957,239	17,732,545	101.3%	224,695	2,775,608	5.01%	142,670	194,511	337,181	1,334,717	(997,536)	1,440,324	132,142	18,537,620	
2021	18,537,620	18,282,646	101.4%	254,974	2,920,171	4.96%	148,531	204,384	352,916	1,386,576	(1,033,660)	1,486,715	138,850	19,135,253	
2022	19,135,253	18,843,845	101.5%	291,408	3,064,734	9.50%	298,163	214,258	512,421	1,438,436	(926,015)	1,540,460	0	19,749,699	
2023	19,749,699	19,419,337	101.7%	330,362	3,209,297	9.53%	312,856	224,132	536,988	1,490,295	(953,307)	1,590,026	0	20,386,418	
2024	20,386,418	20,012,705	101.9%	373,712	3,353,860	9.55%	327,232	234,005	561,238	1,542,155	(980,917)	1,641,417	0	21,046,917	
2025	21,046,917	20,627,919	102.0%	418,998	3,498,423	9.57%	341,982	244,092	586,074	1,594,015	(1,007,940)	1,694,793	0	21,733,770	

* Surpluses reduce employer contributions over 25 years

* Deficits increase employer contributions over 25 years

1.5 Actuarial Projections (continued)

Table 3
State of Alaska PERS
Financial Projections ('000 omitted)

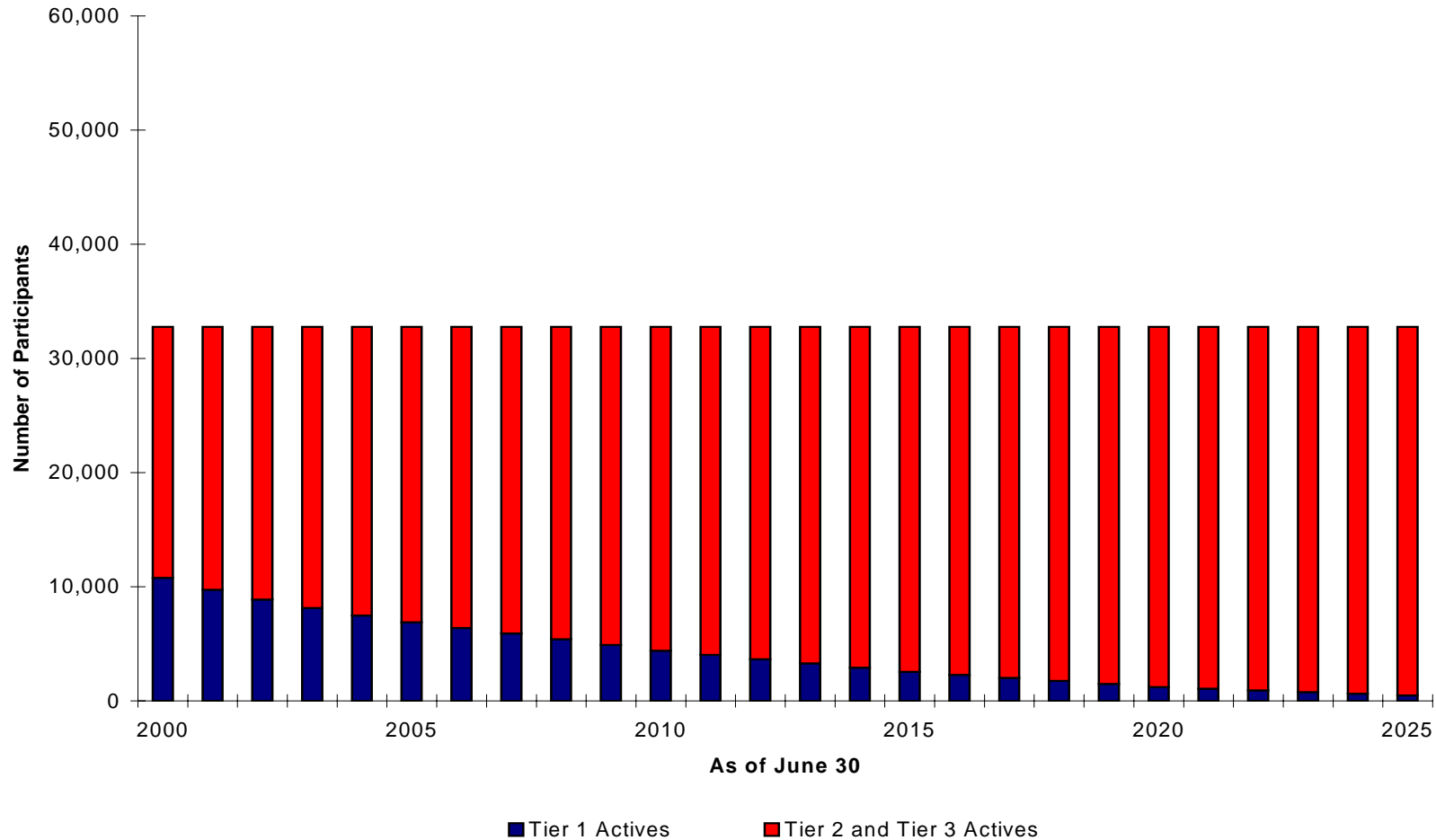
Investment Return					Annual Population Increase					2.00%					
----- Valuation Amounts on July 1 -----					----- Flow Amounts During Following 12 Months -----										Ending
As of	Total	Accrued	Funding	Surplus*	Total	Employer	Employer	Employee	Total	Benefit	Net	Investment	Recognized	Asset	
June 30	Assets	Liability	Ratio	(Deficit)	Salaries	Ctb Rate	Contribs	Contribs	Contribs	Payments	Contribs	Earnings	Gain	Value	
2000	7,454,758	7,376,912	101.1%	77,846	1,321,480	7.40%	99,789	92,102	191,891	383,690	(191,799)	607,106	62,336	7,934,973	
2001	7,934,973	7,851,585	101.1%	83,387	1,375,514	6.75%	94,745	95,868	190,614	415,247	(224,633)	645,369	64,408	8,422,773	
2002	8,422,773	8,342,050	101.0%	80,723	1,431,758	6.12%	89,385	99,755	189,139	451,929	(262,789)	684,039	66,514	8,913,280	
2003	8,913,280	8,824,011	101.0%	89,269	1,489,311	5.62%	85,400	103,822	189,222	486,132	(296,910)	723,098	68,681	9,410,982	
2004	9,410,982	9,320,464	101.0%	90,517	1,550,862	5.44%	86,109	108,164	194,273	521,675	(327,402)	762,901	70,966	9,920,374	
2005	9,920,374	9,830,790	100.9%	89,584	1,616,456	5.27%	87,352	113,136	200,488	558,403	(357,915)	803,667	73,515	10,442,673	
2006	10,442,673	10,343,436	101.0%	99,237	1,696,451	5.20%	90,267	118,599	208,866	606,436	(397,570)	845,121	76,269	10,969,639	
2007	10,969,639	10,868,169	100.9%	101,471	1,776,446	5.13%	93,226	124,063	217,289	659,027	(441,738)	886,774	79,022	11,496,957	
2008	11,496,957	11,402,853	100.8%	94,104	1,856,442	5.04%	95,491	129,527	225,018	701,914	(476,896)	928,827	81,776	12,034,037	
2009	12,034,037	11,945,806	100.7%	88,231	1,936,437	4.99%	98,665	134,991	233,656	747,580	(513,925)	971,609	84,529	12,579,737	
2010	12,579,737	12,495,793	100.7%	83,944	2,016,433	5.01%	103,750	141,547	245,297	798,164	(552,867)	1,015,023	87,741	13,133,252	
2011	13,133,252	13,052,034	100.6%	81,218	2,128,415	5.00%	109,309	149,195	258,504	851,430	(592,926)	1,059,035	91,411	13,694,543	
2012	13,694,543	13,614,197	100.6%	80,346	2,240,398	4.96%	113,890	156,843	270,733	904,310	(633,577)	1,103,665	95,081	14,263,635	
2013	14,263,635	14,182,402	100.6%	81,232	2,352,380	4.97%	119,795	164,492	284,287	952,350	(668,063)	1,149,192	98,751	14,847,588	
2014	14,847,588	14,757,221	100.6%	90,367	2,464,363	4.99%	125,803	172,140	297,943	1,005,440	(707,497)	1,195,742	102,421	15,442,479	
2015	15,442,479	15,339,676	100.7%	102,803	2,576,346	5.01%	133,032	181,295	314,327	1,074,239	(759,912)	1,242,658	106,709	16,036,336	
2016	16,036,336	15,931,239	100.7%	105,097	2,732,437	5.01%	140,837	191,956	332,793	1,124,686	(791,893)	1,290,332	111,616	16,650,995	
2017	16,650,995	16,533,834	100.7%	117,160	2,888,528	4.95%	146,892	202,617	349,509	1,172,585	(823,076)	1,339,755	116,522	17,289,003	
2018	17,289,003	17,149,837	100.8%	139,166	3,044,619	4.99%	155,937	213,278	369,215	1,224,561	(855,346)	1,391,060	121,429	17,951,154	
2019	17,951,154	17,782,073	101.0%	169,081	3,200,710	5.01%	164,318	223,939	388,257	1,279,469	(891,212)	1,444,208	126,335	18,635,696	
2020	18,635,696	18,433,818	101.1%	201,878	3,356,801	5.01%	173,659	236,783	410,443	1,352,351	(941,908)	1,498,591	132,142	19,329,972	
2021	19,329,972	19,108,802	101.2%	221,171	3,576,820	4.93%	181,898	251,810	433,708	1,409,686	(975,977)	1,554,464	138,850	20,053,036	
2022	20,053,036	19,811,201	101.2%	241,835	3,796,840	9.50%	371,201	266,838	638,038	1,467,021	(828,982)	1,620,180	0	20,844,234	
2023	20,844,234	20,545,647	101.5%	298,587	4,016,859	9.49%	391,590	281,865	673,455	1,524,356	(850,901)	1,684,550	0	21,677,883	
2024	21,677,883	21,317,219	101.7%	360,663	4,236,878	9.48%	412,180	296,892	709,073	1,581,691	(872,618)	1,752,430	0	22,557,695	
2025	22,557,695	22,131,450	101.9%	426,245	4,456,897	9.49%	433,977	312,310	746,287	1,639,026	(892,738)	1,824,184	0	23,489,140	

* Surpluses reduce employer contributions over 25 years

* Deficits increase employer contributions over 25 years

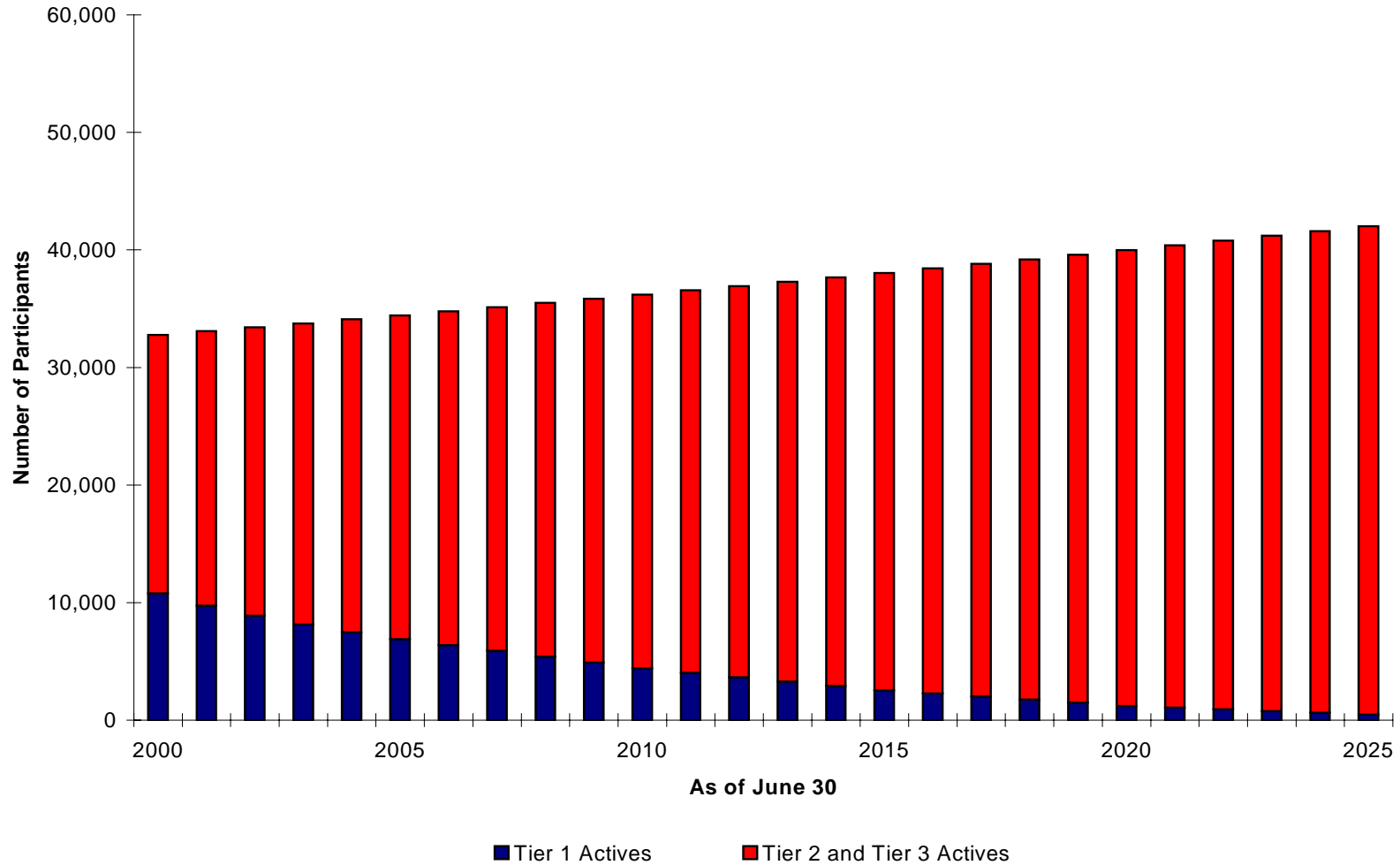
1.5 Actuarial Projections (continued)

**State of Alaska PERS Projected Active Participant Count
Annual Population Increase 0%**



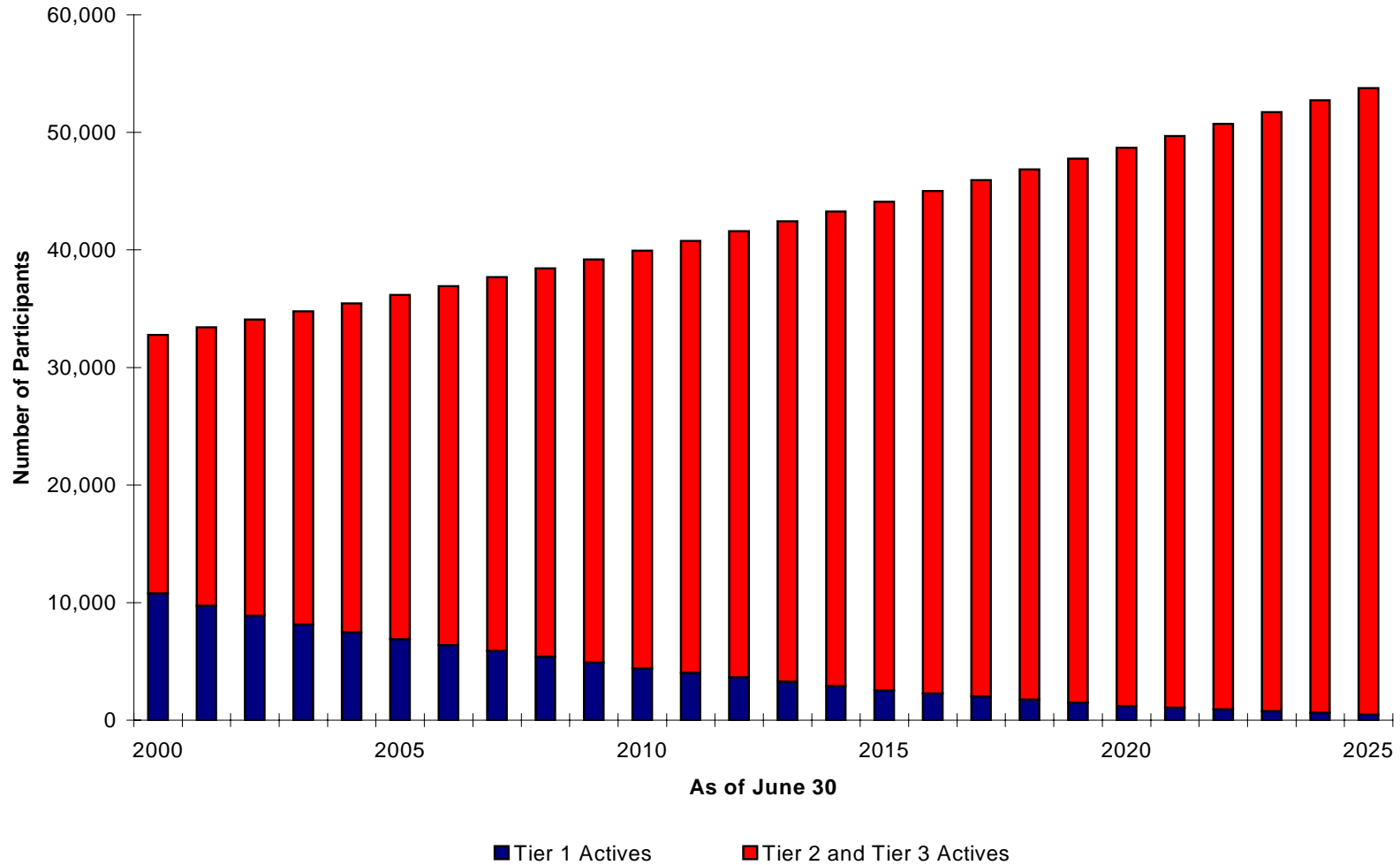
1.5 Actuarial Projections (continued)

**State of Alaska PERS Projected Active Participant Count
Annual Population Increase 1%**



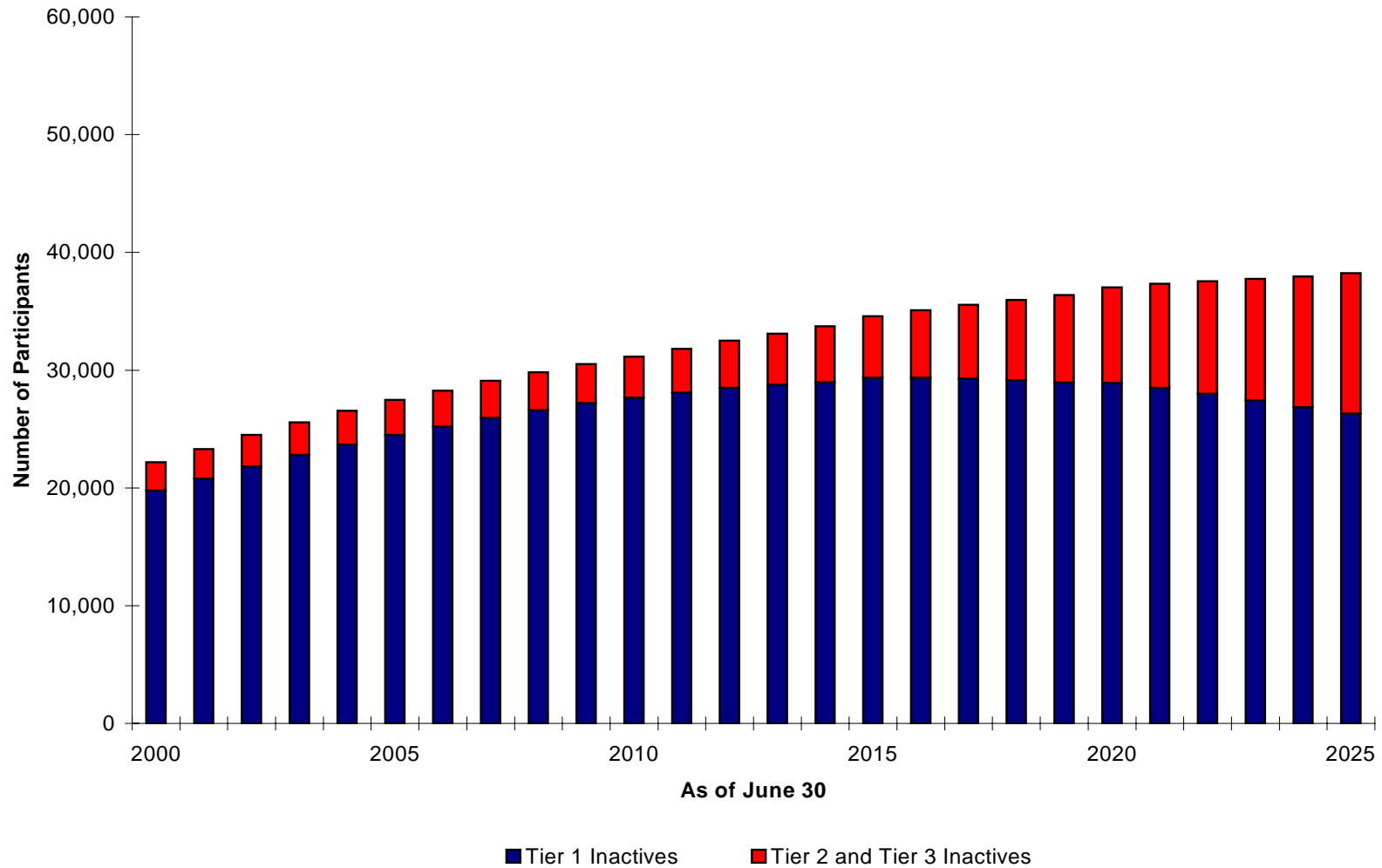
1.5 Actuarial Projections (continued)

**State of Alaska PERS Projected Active Participant Count
Annual Population Increase 2%**



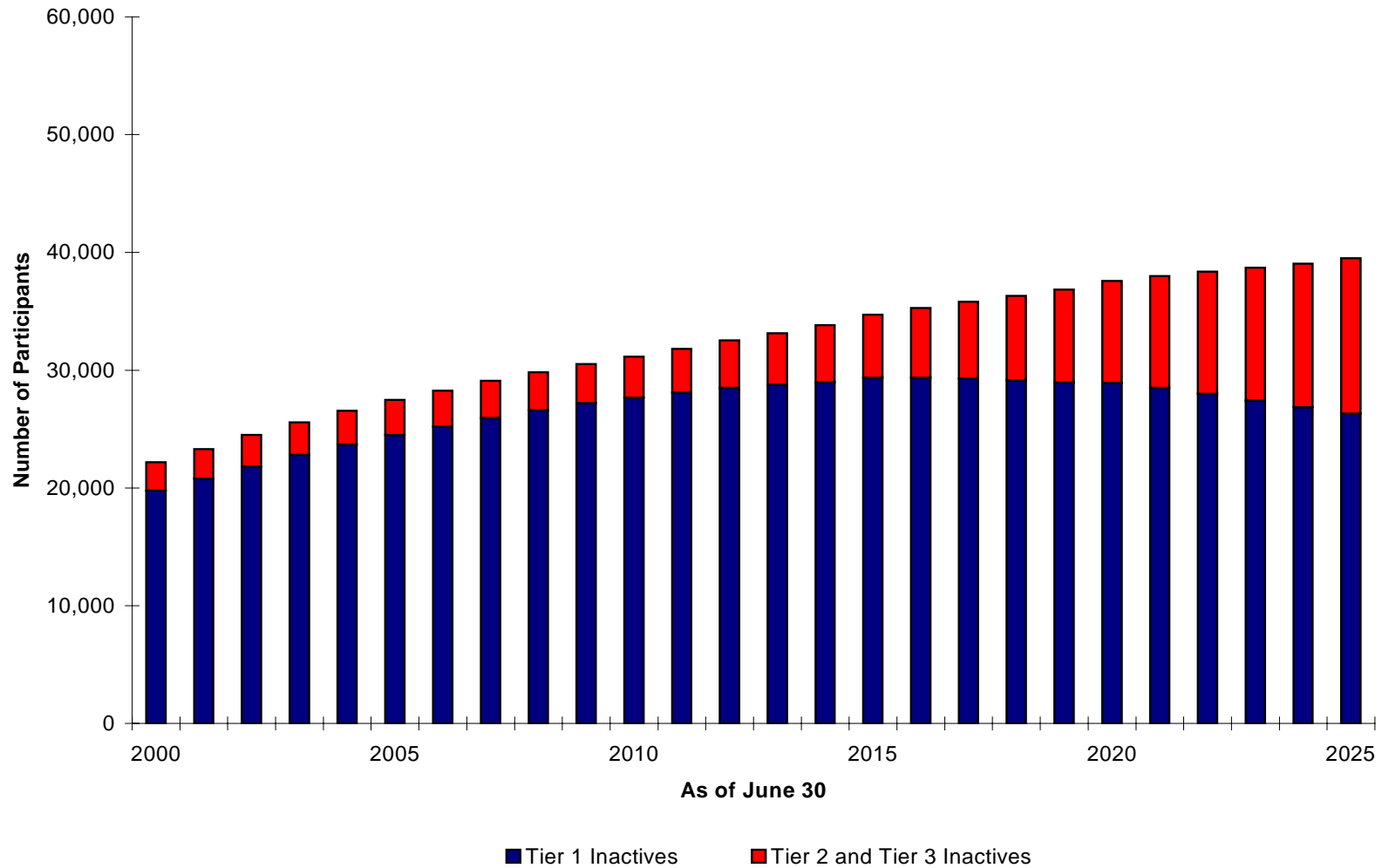
1.5 Actuarial Projections (continued)

**State of Alaska PERS Projected Inactive Participant Count
Annual Population Increase 0%**



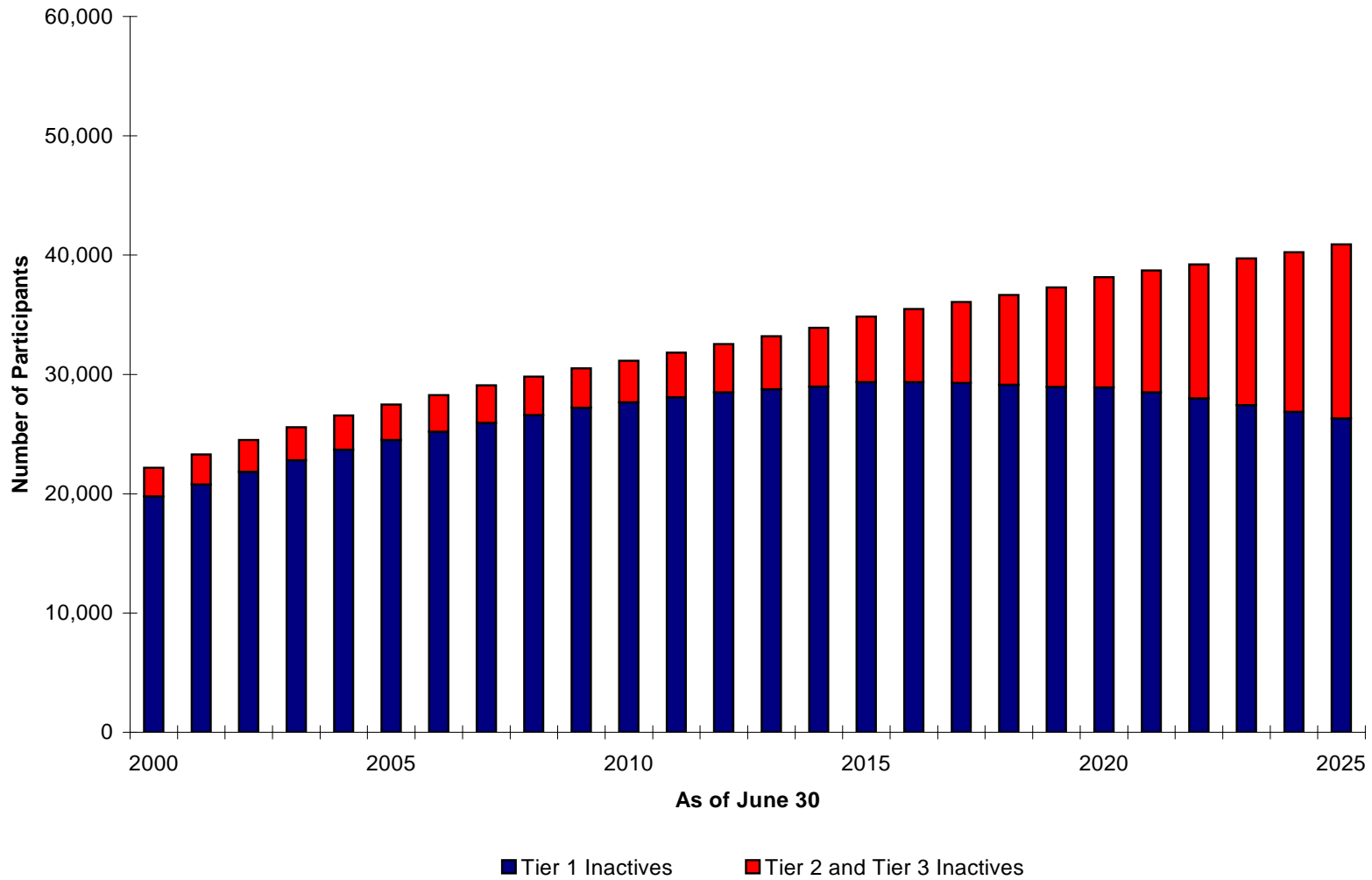
1.5 Actuarial Projections (continued)

**State of Alaska PERS Projected Inactive Participant Count
Annual Population Increase 1%**



1.5 Actuarial Projections (continued)

**State of Alaska PERS Projected Inactive Participant Count
Annual Population Increase 2%**



Section 2

Basis of Valuation

In this section, the basis of the valuation is presented and described. This information—the provisions of the plan and the census of participants—is the foundation of the valuation, since these are the present facts upon which benefit payments will depend.

A summary of plan provisions is provided in Section 2.1 and participant census information is shown in Section 2.2.

The valuation is based upon the premise that the plan will continue in existence, so that future events must also be considered. These future events are assumed to occur in accordance with the actuarial assumptions and concern such events as the earnings of the fund, the number of participants who will retire, die, terminate their services, their ages at such termination and their expected benefits.

The actuarial assumptions and the actuarial cost method, or funding method, which have been adopted to guide the sponsor in funding the plan in a reasonable and acceptable manner, are described in Section 2.3.

2.1 Summary of the Alaska Public Employees' Retirement System

(1) Effective Date

January 1, 1961, with amendments through June 30, 2000. Chapter 82, 1986 Session Laws of Alaska, created a two-tier retirement system. Members who were first hired under the PERS before July 1, 1986, are eligible for different benefits than members hired after June 30, 1986. Members who were first hired after June 30, 1996 are eligible for different health benefits and a different Final Average Earnings calculation than members from the other tiers.

(2) Administration of Plan

The Commissioner of Administration is responsible for administering the system. The Public Employees' Retirement Board prescribes policies and regulations and performs other activities necessary to carry out the provisions of the system. The Alaska State Pension Investment Board, Department of Revenue, Treasury Division is responsible for investing PERS funds. The Attorney General represents the system in legal proceedings.

(3) Employers Included

Currently there are 148 employers participating in the PERS, including the State of Alaska and 147 political subdivisions and public organizations.

(4) Members Included

PERS membership is mandatory for all permanent full-time and part-time employees of the State of Alaska and participating political subdivisions and public organizations, unless they are specifically excluded by Alaska Statute or participation agreements. Employees participating in the University of Alaska's Optional Retirement Plan or other retirement plans funded by the State are not covered by the PERS. Elected officials may waive PERS membership.

Certain members of the Alaska Teachers' Retirement System (TRS) are eligible for PERS retirement benefits for their concurrent elected public official service with municipalities. In addition, employees who work half-time in the PERS and TRS simultaneously are eligible for half-time PERS and TRS credit.

(5) Credited Service

Permanent employees who work at least 30 hours a week earn full-time credit; part-time employees working between 15 and 30 hours a week earn partial credit based upon the number of hours worked. Members receiving PERS occupational disability benefits continue to earn PERS credit while disabled.

Members may claim other types of service, including:

- part-time State of Alaska service rendered after December 31, 1960, and before January 1, 1976;
- service with the State, former Territory of Alaska, or U.S. Government in Alaska before January 1, 1961;
- past peace officer, correctional officer, fire fighter, and special officer service after January 1, 1961;
- military service (not more than five years may be claimed);
- temporary service after December 31, 1960;
- elected official service before January 1, 1981;

2.1 Summary of the Alaska Public Employees' Retirement System (continued)

- Alaska Bureau of Indian Affairs service;
- past service rendered by employees who worked half-time in the PERS and Teachers' Retirement System (TRS) simultaneously; and
- leave without pay service after June 13, 1987, while receiving Workers' Compensation.

Except for service before January 1, 1961, with the State, former Territory of Alaska, or U.S. Government in Alaska, contributions are required for all past service.

Past employment with participating political subdivisions that occurred before the employers joined the PERS is creditable if the employers agree to pay the required contributions.

At the election of certain PERS members, certain service may be credited in the same fashion as members in the State of Alaska Teachers' Retirement System (TRS).

(6) Employer Contributions

Individual contribution rates are established for PERS employers based upon their consolidated and past service rates.

The consolidated rate is a uniform rate for all participating employers, amortized to include future service liabilities (less the value of members' contributions) for the members' future service.

The past service rate is determined separately for each employer to amortize their unfunded past service liability with level payments over 25 years. Effective June 30, 1996, funding surpluses are amortized over 25 years.

(7) Member Contributions

Mandatory Contributions: Police and fire members are required to contribute 7.5% of their compensation; all other members contribute 6.75%. Members' contributions are deducted from gross wages before federal income taxes are withheld.

Contributions for Claimed Service: Member contributions are also required for most of the claimed service described in (5) above.

Voluntary Contributions: Members may voluntarily contribute up to 5% of their salary. Voluntary contributions are recorded in a separate account and are payable to the:

- (a) member in lump sum payment upon termination of employment;
- (b) member's beneficiary if the member dies; or
- (c) member in a lump sum, life annuity, or payments over a designated period of time when the member retires.

Interest: Members' contributions earn 4.5% interest, compounded semiannually on June 30 and December 31.

2.1 Summary of the Alaska Public Employees' Retirement System (continued)

Refund of Contributions: Terminated members may receive refunds of their member contribution accounts, which includes their mandatory and voluntary contributions, indebtedness payments, and interest earned. Terminated members' accounts may be attached to satisfy claims under Alaska Statute 09.38.065, federal income tax levies, and valid qualified domestic relations orders.

Reinstatement of Contributions: Refunded accounts and the corresponding PERS service may be reinstated upon reemployment in the PERS. Accounts attached to satisfy claims under Alaska Statute 09.38.065 or a federal tax levy may be reinstated at any time. Interest accrues on refunds until paid in full or members retire.

(8) Retirement Benefits

Eligibility:

- (a) Members, including deferred vested members, are eligible for normal retirement at age 60¹, or early retirement at age 55, if they have at least:
 - (i) five years of paid-up PERS service;
 - (ii) 60 days of paid-up PERS service as employees of the legislature during each of five legislative sessions and they were first hired under the PERS before May 30, 1987;
 - (iii) 80 days of paid-up PERS service as employees of the legislature during each of five legislative sessions and they were first hired under the PERS after May 29, 1987; or
 - (iv) two years of paid-up PERS service and they are vested in the Teachers' Retirement System.
- (b) Members may retire at any age when they have:
 - (i) 20 paid-up years of PERS police/fire service; or
 - (ii) 30 paid-up years of PERS "all other" or "elected official" service.

Benefit Type: Lifetime benefits are paid to members. Eligible members may receive normal, unreduced benefits when they (1) reach normal retirement age and complete the service required; or (2) satisfy the minimum service requirements under the "20 and out" or "30 and out" provisions. Members may receive early, actuarially reduced benefits when they reach early retirement age and complete the service required.

Members may also select level income or joint and survivor options. Under those options and early retirement, benefits are actuarially adjusted so that members receive the actuarial equivalents of their normal benefit amounts.

Benefit Calculation: Retirement benefits are calculated by multiplying the average monthly compensation (AMC) times credited PERS service times the percentage multiplier. The AMC is determined by averaging the salaries earned during the three highest (five highest if hired after June 30, 1996), consecutive payroll years. Members must earn at least 115 days of credit in the last year worked to include it in the AMC calculation. The PERS pays a minimum benefit of \$25.00 per month for each year of service when the calculated benefit is less.

¹ Members participating before July 1, 1986 are eligible for normal retirement at age 55 or early retirement at age 50.

2.1 Summary of the Alaska Public Employees' Retirement System (continued)

The percentage multipliers for police/fire members are 2% for the first ten years of service and 2.5% for all service over 10 years.

The percentage multipliers for all other members are 2% for the first ten years, 2.25% for the next ten years, and 2.5% for all remaining service earned on or after July 1, 1986. All service before that date is calculated at 2%.

Indebtedness: Members who terminate and are refunded their PERS contributions are not eligible to retire, unless they return to PERS employment and pay back their refunds, plus interest, or accrue additional service which qualifies them for retirement. PERS refunds must be paid in full if the corresponding service is to count toward the minimum service requirements for retirement. Refunded PERS service is included in total service for the purpose of calculating retirement benefits. However, when refunds are not completely paid before retirement, benefits are actuarially reduced for life.

(9) Reemployment of Retired Members

Retirement benefits are suspended while retired members are reemployed under the PERS. During reemployment, members earn additional PERS service and contributions are withheld from their wages.

Members retired under the Retirement Incentive Programs (RIPs) who return to employment under the PERS, Teachers' Retirement System (TRS), or the University of Alaska's Optional Retirement Plan will:

- (a) forfeit the three years of incentive credits that they received;
- (b) owe the PERS 110% of the benefits that they received under the RIP, which may include costs for health insurance, excluding amounts that they paid to participate; and
- (c) be charged 7% interest from the date that they are reemployed until their indebtedness is paid in full or they retire again. If the indebtedness is not completely paid, future benefits will be actuarially reduced for life.

(10) Postemployment Healthcare Benefits

Major medical benefits are provided to retirees without cost for all employees hired before July 1, 1986. Employees hired after June 30, 1986 with five years of credited service (or ten years of credited service for those first hired after June 30, 1996) must pay the full monthly premium if they are under age sixty, must pay half of the monthly premium if they are over age sixty but under age sixty-five, and received benefits at no cost if they are over age sixty-five.

2.1 Summary of the Alaska Public Employees' Retirement System (continued)

(11) Disability Benefits

Monthly disability benefits are paid to permanently disabled members until they die, recover or become eligible for normal retirement. Members are appointed to normal retirement on the first of the month after they become eligible.

Occupational Disability: Members are not required to satisfy age or service requirements to be eligible for occupational disability. Monthly benefits are equal to 40% of their gross monthly compensation on the date of their disability. Members on occupational disability continue to earn PERS service until they become eligible for normal retirement.

Nonoccupational Disability: Members must be vested (five paid-up years of PERS service) to be eligible for nonoccupational disability benefits. Monthly benefits are calculated based on the member's average monthly compensation and PERS service on the date of termination from employment because of disability. Members do not earn PERS service while on nonoccupational disability.

(12) Death Benefits

Monthly death benefits may be paid to a spouse or dependent children upon the death of a member. If monthly benefits are not payable under the occupational and nonoccupational death provisions, the designated beneficiary receives the lump sum benefit described below.

Occupational Death: When an active member dies from occupational causes, a monthly survivor's pension may be paid to the spouse. The pension equals 40% of the member's gross monthly compensation on the date of death or disability, if earlier. If there is no spouse, the pension may be paid to the member's dependent children. On the member's normal retirement date, the benefit converts to a normal retirement benefit. The normal benefit is based on the member's salary on the date of death and service, including service accumulated from the date of the member's death to the normal retirement date.

Death after Occupational Disability: When a member dies while occupationally disabled, benefits are paid as described above in *Occupational Death*.

Nonoccupational Death: When a vested member dies from nonoccupational causes, the surviving spouse may elect to receive a monthly 50% joint and survivor benefit or a lump sum benefit. The monthly benefit is calculated on the member's average monthly compensation and PERS service at the time of termination or death.

Lump Sum Benefit: Upon the death of a member who has less than one year of service, the designated beneficiary receives the member's contribution account, which includes mandatory and voluntary contributions, indebtedness payments, and interest earned. If the member has more than one year of PERS service, the beneficiary also receives \$1,000 and \$100 for each year of PERS service.

Death After Retirement: When a retired member dies, the designated beneficiary receives the member's contribution account, less any benefits already paid. If the member selected a survivor option at retirement, the eligible spouse receives continuing, lifetime monthly benefits.

2.1 Summary of the Alaska Public Employees' Retirement System (continued)

(13) Post Retirement Pension Adjustments

Post retirement pension adjustments (PRPAs) are granted annually to eligible benefit recipients when the consumer price index (CPI) increases during the preceding calendar year. PRPAs are calculated by multiplying the recipient's base benefit, including past PRPAs, times:

- (a) 75% of the CPI increase in the preceding calendar year or 9%, whichever is less, if the recipient is at least age 65 or on PERS disability; or
- (b) 50% of the CPI increase in the preceding calendar year or 6%, whichever is less, if the recipient is at least age 60, or has been receiving benefits for at least five years.

Ad hoc PRPAs, up to a maximum of 4%, may be granted to eligible recipients who were first hired before July 1, 1986, if the CPI increases and the financial condition of the fund will permit an increase.

(14) Alaska Cost of Living Allowance

Eligible benefit recipients who reside in Alaska receive an Alaska cost of living allowance (COLA) equal to 10% of their base benefits or \$50, whichever is more. The following benefit recipients are eligible:

- (a) members who were first hired under the PERS before July 1, 1986, and their survivors;
- (b) members who were first hired under the PERS after June 30, 1986, and their survivors if they are at least age 65; and
- (c) all disabled members.

2.2(a) Participant Census Information – Total PERS as of June 30

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Active Members					
(1) Number	31,450	31,960	31,854	31,910	32,214
(2) Average Age	42.58	42.95	43.21	43.32	43.55
(3) Average Credited Service	8.20	8.41	8.56	8.51	8.53
(4) Average Annual Salary	\$ 37,776	\$ 38,231	\$ 38,587	\$ 38,716	\$ 39,844
Retirees and Beneficiaries					
(1) Number	10,173	10,921	11,802	13,101	14,185
(2) Average Age	64.48	64.61	64.62	64.43	64.67
(3) Average Monthly Benefit:					
Base	\$ 900	\$ 913	\$ 941	\$ 994	\$ 1,031
C.O.L.A.	64	64	67	70	73
P.R.P.A.	136	131	212	209	199
Adjustment	-1	-4	-10	0	0
TOTAL	1,099	1,104	1,210	1,273	1,303
Vested Terminations					
(1) Number	4,144	4,382	4,742	5,143	5,395
(2) Average Age	45.00	45.43	45.83	46.20	46.69
(3) Average Monthly Benefit	\$ 653	\$ 662	\$ 690	\$ 717	\$ 749
Non-Vested Terminations With Account Balances					
(1) Number	5,398	5,847	6,260	6,571	7,500 ^(*)
(2) Average Account Balance	\$ 2,758	\$ 2,896	\$ 2,981	\$ 3,138	\$ 4,631

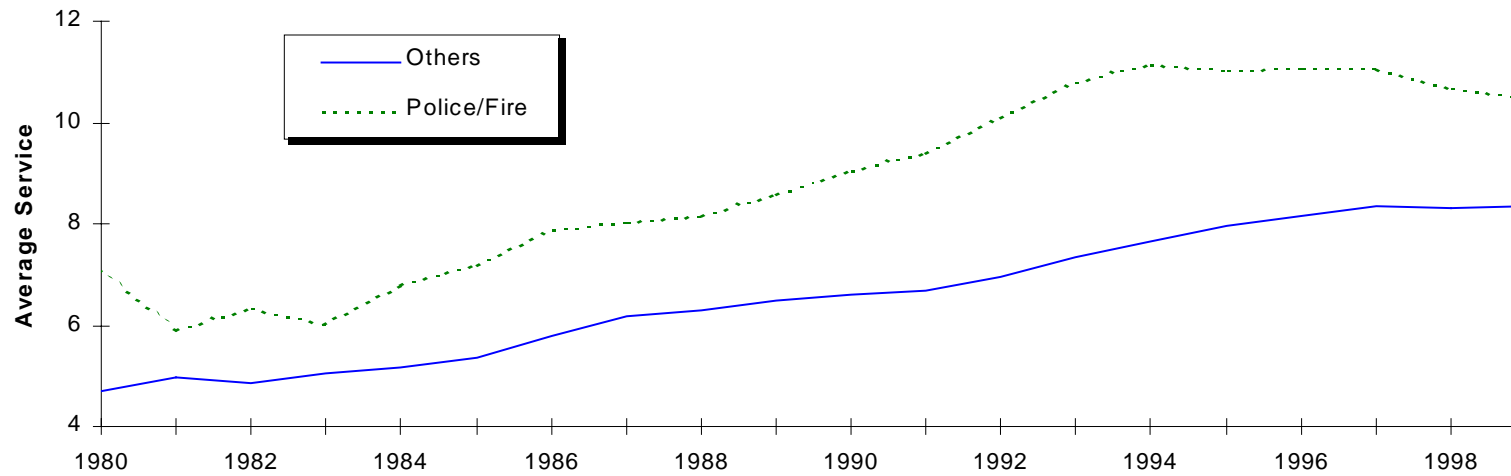
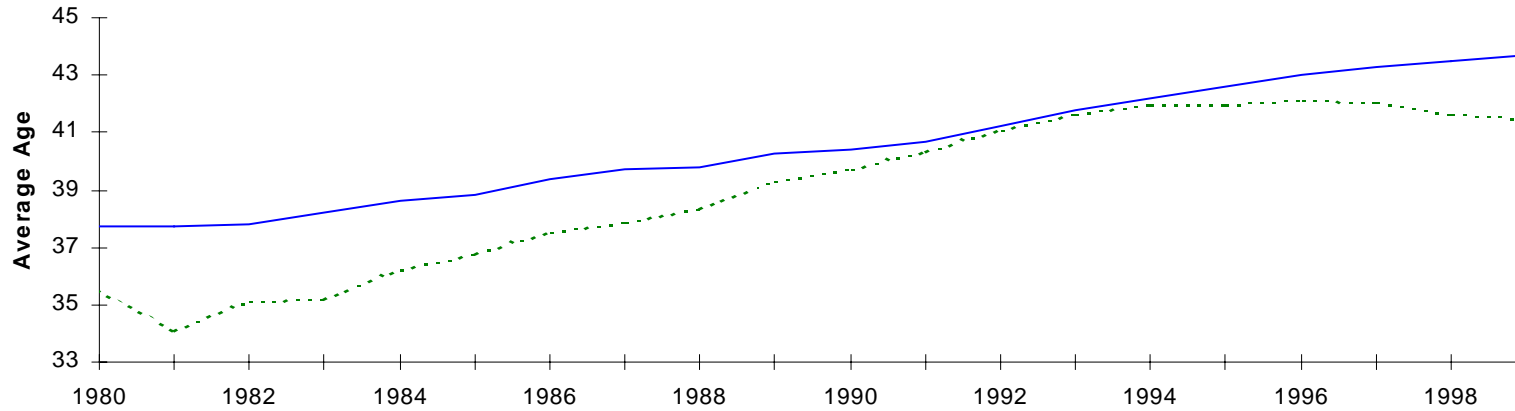
^(*) Includes deceased retirees with account balances.

2.2(b) Additional Information – Active Members by Type of Status as of June 30

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Active Police & Fire					
(1) Number	2,557	2,634	2,587	2,617	2,624
(2) Average Age	42.00	42.09	42.04	41.62	41.51
(3) Average Credited Service	11.03	11.07	11.05	10.68	10.50
(4) Average Annual Salary	\$ 50,921	\$ 51,011	\$ 52,455	\$ 52,982	\$ 54,437
(5) Number Vested	1,986	1,986	1,887	1,799	1,781
(6) Percent Who Are Vested	77.7%	75.4%	72.9%	68.7%	67.9%
Active "Other" Members					
(1) Number	28,893	29,326	29,267	29,293	29,590
(2) Average Age	42.63	43.03	43.31	43.47	43.73
(3) Average Credited Service	7.95	8.17	8.34	8.32	8.35
(4) Average Annual Salary	\$ 36,612	\$ 37,083	\$ 37,361	\$ 37,442	\$ 38,550
(5) Number Vested	16,877	17,618	17,695	17,335	17,254
(6) Percent Who Are Vested	58.4%	60.1%	60.5%	59.2%	58.3%

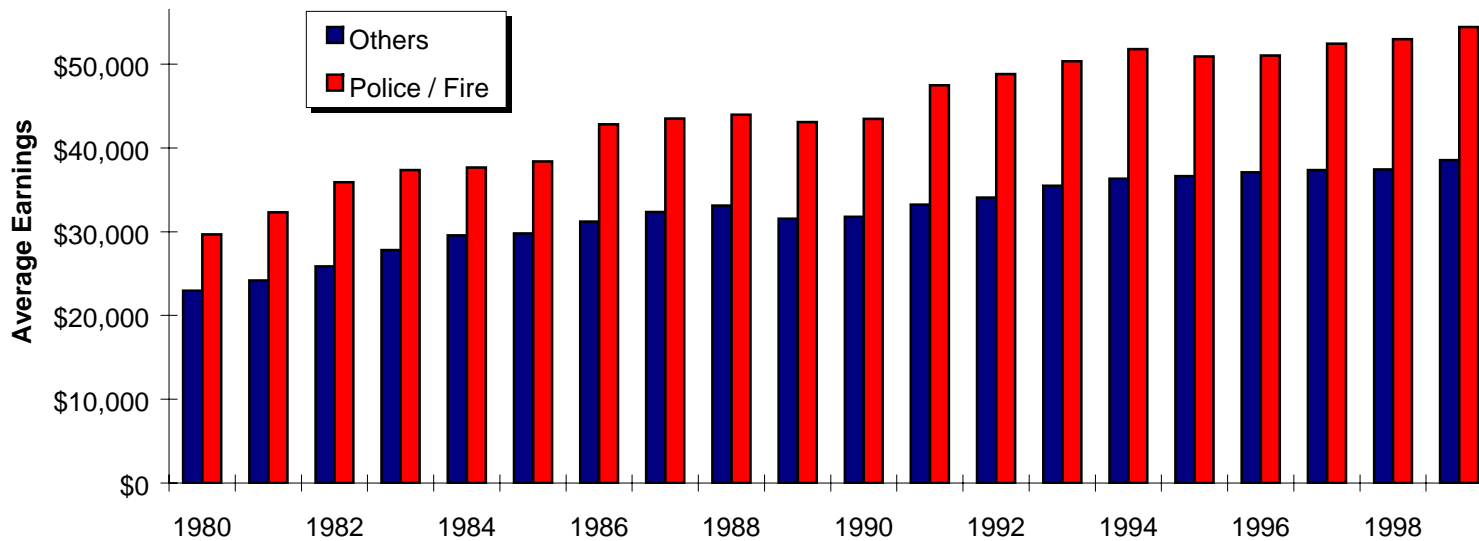
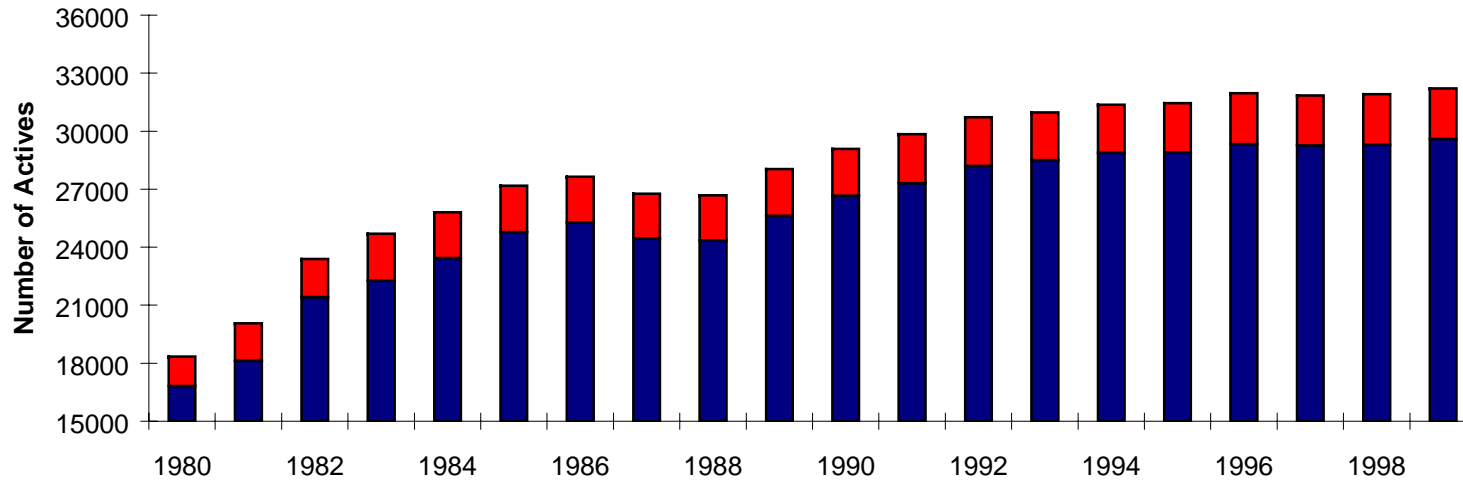
2.2(b) Additional Information – Active Members by Type of Status as of June 30

State of Alaska - PERS Actives



2.2(b) Additional Information – Active Members by Type of Status as of June 30

State of Alaska - PERS Actives



2.2(c) Distribution of Active Police and Fire Participants

----- Annual Earnings By Age -----				----- Annual Earnings By Credited Service -----			
Age Groups	Number of People	Total Annual Earnings	Average Annual Earnings	Years of Service	Number of People	Total Annual Earnings	Average Annual Earnings
0-19	0	\$ 0	\$ 0	0	186	\$ 5,190,988	\$ 27,909
20-24	56	1,974,136	35,252	1	185	8,045,879	43,491
25-29	286	13,594,109	47,532	2	131	6,351,813	48,487
30-34	354	18,493,235	52,241	3	162	8,278,471	51,102
35-39	392	21,425,208	54,656	4	179	10,274,909	57,402
40-44	530	29,988,785	56,583	0- 4	843	38,142,060	45,246
45-49	546	31,031,978	56,835	5- 9	478	25,987,867	54,368
50-54	324	18,453,089	56,954	10-14	493	28,052,606	56,902
55-59	108	6,403,079	59,288	15-19	495	30,068,544	60,745
60-64	23	1,278,865	55,603	20-24	266	17,300,621	65,040
65-69	1	36,608	36,608	25-29	42	2,853,071	67,930
70-74	0	0	0	30-34	7	437,803	62,543
75+	4	163,480	40,870	35-39	0	0	0
				40+	0	0	0
Total	2,624	\$ 142,842,572	\$ 54,437	Total	2,624	\$ 142,842,572	\$ 54,437

Years of Credited Service By Age

-----Years of Service -----										
Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
0-19	0	0	0	0	0	0	0	0	0	0
20-24	56	0	0	0	0	0	0	0	0	56
25-29	247	39	0	0	0	0	0	0	0	286
30-34	212	109	32	1	0	0	0	0	0	354
35-39	132	103	108	49	0	0	0	0	0	392
40-44	87	88	118	169	65	3	0	0	0	530
45-49	65	69	110	163	125	13	1	0	0	546
50-54	29	50	84	76	60	23	2	0	0	324
55-59	9	16	31	32	13	3	4	0	0	108
60-64	2	4	9	5	3	0	0	0	0	23
65-69	0	0	1	0	0	0	0	0	0	1
70-74	0	0	0	0	0	0	0	0	0	0
75+	4	0	0	0	0	0	0	0	0	4
Total	843	478	493	495	266	42	7	0	0	2,624

2.2(d) Schedule of Active Member Valuation Data - Police/Fire

Valuation Date	Number	Annual Payroll (000's)	Annual Average Pay	Percent Increase/ (Decrease) In Average Pay	Number of Participating Employers
June 30, 1999	2,624	\$ 142,843	\$54,437	2.7%	148
June 30, 1998	2,617	138,653	52,982	1.0%	148
June 30, 1997	2,587	135,702	52,455	2.8%	156
June 30, 1996	2,634	134,362	51,011	0.2%	156
June 30, 1995	2,557	130,204	50,921	(1.7%)	153
June 30, 1994	2,481	128,456	51,776	2.8%	155
June 30, 1993	2,463	124,025	50,355	3.2%	155
June 30, 1992	2,515	122,762	48,812	2.8%	155
June 30, 1991	2,533	120,240	47,470	9.2%	145
June 30, 1990	2,419	105,135	43,462	0.9%	143

2.2(e) Distribution of Active "Other" Participants

----- Annual Earnings By Age -----				----- Annual Earnings By Credited Service -----			
Age Groups	Number of People	Total Annual Earnings	Average Annual Earnings	Years of Service	Number of People	Total Annual Earnings	Average Annual Earnings
0-19	80	\$ 1,296,801	\$ 16,210	0	3,765	\$ 82,607,889	\$ 21,941
20-24	810	19,691,889	24,311	1	2,848	88,991,968	31,247
25-29	1,790	53,005,410	29,612	2	2,072	68,859,624	33,233
30-34	2,671	89,308,910	33,437	3	1,962	70,419,372	35,892
35-39	4,321	155,146,891	35,905	4	1,689	61,477,227	36,399
40-44	5,957	232,907,935	39,098	0- 4	12,336	372,356,080	30,185
45-49	6,321	265,886,675	42,064	5- 9	6,957	273,176,834	39,263
50-54	4,566	197,607,433	43,278	10-14	4,699	207,825,359	44,228
55-59	2,110	88,068,763	41,739	15-19	3,317	163,300,444	49,231
60-64	769	30,425,309	39,565	20-24	1,688	89,198,160	52,843
65-69	151	5,884,284	38,969	25-29	512	29,997,429	58,589
70-74	37	1,177,856	31,834	30-34	77	4,592,635	59,645
75+	7	297,894	42,556	35-39	3	214,854	71,618
				40+	1	44,255	44,255
Total	29,590	\$1,140,706,050	\$ 38,550	Total	29,590	\$1,140,706,050	\$ 38,550

Years of Credited Service By Age

Age	-----Years of Service -----									
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
0-19	80	0	0	0	0	0	0	0	0	80
20-24	806	4	0	0	0	0	0	0	0	810
25-29	1,594	190	6	0	0	0	0	0	0	1,790
30-34	1,776	691	197	7	0	0	0	0	0	2,671
35-39	2,113	1,234	690	265	19	0	0	0	0	4,321
40-44	2,241	1,538	1,096	785	288	9	0	0	0	5,957
45-49	1,808	1,480	1,181	1,049	645	154	4	0	0	6,321
50-54	1,116	1,015	925	745	483	241	41	0	0	4,566
55-59	538	536	406	334	193	78	24	1	0	2,110
60-64	201	225	159	107	49	19	7	2	0	769
65-69	43	32	35	20	11	9	1	0	0	151
70-74	18	11	4	2	0	1	0	0	1	37
75+	2	1	0	3	0	1	0	0	0	7
Total	12,336	6,957	4,699	3,317	1,688	512	77	3	1	29,590

2.2(f) Schedule of Active Member Valuation Data - "Other"

Valuation Date	Number	Annual Payroll (000's)	Annual Average Pay	Average Increase/ (Decrease) In Average Pay	Number of Participating Employers
June 30, 1999	29,590	\$ 1,140,706	\$ 38,550	3.0%	148
June 30, 1998	29,293	1,096,786	37,442	0.2%	148
June 30, 1997	29,267	1,093,433	37,361	0.7%	156
June 30, 1996	29,326	1,087,504	37,083	1.3%	156
June 30, 1995	28,893	1,057,840	36,612	0.9%	153
June 30, 1994	28,883	1,048,541	36,303	2.3%	155
June 30, 1993	28,509	1,011,864	35,493	4.2%	155
June 30, 1992	28,206	961,054	34,073	2.5%	155
June 30, 1991	27,307	907,567	33,236	4.6%	145
June 30, 1990	26,667	846,935	31,760	0.6%	143

2.2(g) Statistics on New Retirees - Police and Fire Members During the Year Ending June 30

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Service					
(1) Number	84	63	140	147	142
(2) Average Age at Retirement	51.10	49.82	52.21	51.71	52.47
(3) Average Monthly Benefit	\$ 2,282	\$ 2,735	\$ 2,364	\$ 2,696	\$ 2,410
Survivor (including surviving spouse and QDROs)					
(1) Number	0	2	20	14	14
(2) Average Age at Retirement	N/A	49.47	53.25	51.50	55.79
(3) Average Monthly Benefit	\$ N/A	\$ 1,678	\$ 1,184	\$ 1,265	\$ 1,088
Disability					
(1) Number	4	11	6	3	7
(2) Average Age at Retirement	43.31	47.00	48.77	43.40	45.37
(3) Average Monthly Benefit	\$ 2,513	\$ 1,709	\$ 1,601	\$ 2,056	\$ 2,725
Total					
(1) Number	88	76	166	164	163
(2) Average Age at Retirement	50.75	49.40	52.21	51.54	52.45
(3) Average Monthly Benefit	\$ 2,293	\$ 2,559	\$ 2,194	\$ 2,562	\$ 2,310

2.2(h) Schedule of Average Benefit Payments - New Retirees – Police/Fire

	Years of Credited Service						
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+
Period 7/1/98 - 6/30/99:							
Average Monthly Benefit	\$ 1,879	\$ 698	\$ 1,214	\$ 1,808	\$ 2,849	\$ 3,713	\$ 4,097
Number of Active Retirants	22	8	23	29	61	17	3
Period 7/1/97 - 6/30/98:							
Average Monthly Benefit	\$ 1,472	\$ 723	\$ 1,177	\$ 2,091	\$ 3,199	\$ 3,548	\$ 3,380
Number of Active Retirants	13	8	13	40	64	22	4
Period 7/1/96 - 6/30/97:							
Average Monthly Benefit	\$ 1,263	\$ 592	\$ 957	\$ 1,719	\$ 2,811	\$ 3,545	\$ 4,733
Number of Active Retirants	10	12	18	40	68	15	3
Period 7/1/95 - 6/30/96:							
Average Monthly Benefit	\$ 1,938	\$ 757	\$ 1,708	\$ 1,852	\$ 2,916	\$ 3,375	\$ 3,870
Number of Active Retirants	3	6	5	11	39	10	2
Period 7/1/94 - 6/30/95:							
Average Monthly Benefit	\$ 0	\$ 893	\$ 851	\$ 1,608	\$ 3,002	\$ 3,107	\$ 0
Number of Active Retirants	0	8	10	18	42	10	0
Period 7/1/93 - 6/30/94:							
Average Monthly Benefit	\$ 417	\$ 748	\$ 1,054	\$ 1,532	\$ 2,748	\$ 3,825	0
Number of Active Retirants	1	7	9	13	32	9	0
Period 7/1/92 - 6/30/93:							
Average Monthly Benefit	\$ 1,047	\$ 546	\$ 1,078	\$ 1,648	\$ 2,700	\$ 3,704	\$ 3,231
Number of Active Retirants	3	2	7	6	17	3	1
Period 7/1/91 - 6/30/92:							
Average Monthly Benefit	\$ 1,552	\$ 955	\$ 1,040	\$ 1,427	\$ 2,499	\$ 3,511	\$ 0
Number of Active Retirants	4	3	8	8	11	1	0

"Average Monthly Benefit" includes post-retirement pension adjustments and cost-of-living increases.

2.2(i) Statistics on New Retirees "Other" Members During the Year Ending June 30

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Service					
(1) Number	522	621	791	1,098	921
(2) Average Age at Retirement	57.21	57.80	56.59	56.59	56.07
(3) Average Monthly Benefit	\$ 1,245	\$ 1,183	\$ 1,272	\$ 1,443	\$ 1,450
Survivor (including surviving spouse and QDROs)					
(1) Number	16	45	88	85	97
(2) Average Age at Retirement	50.61	55.87	62.17	61.68	63.58
(3) Average Monthly Benefit	\$ 976	\$ 709	\$ 805	\$ 710	\$ 837
Disability					
(1) Number	23	36	25	36	35
(2) Average Age at Retirement	47.49	49.47	46.69	48.21	48.24
(3) Average Monthly Benefit	\$ 1,243	\$ 1,417	\$ 1,656	\$ 1,421	\$ 1,263
Total					
(1) Number	561	702	904	1,219	1,053
(2) Average Age at Retirement	56.62	57.25	56.86	56.70	56.50
(3) Average Monthly Benefit	\$ 1,237	\$ 1,165	\$ 1,238	\$ 1,391	\$ 1,388

2.2(j) Schedule of Average Benefit Payments - New Retirees – “Other”

	Years of Credited Service						
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+
Period 7/1/98 - 6/30/99:							
Average Monthly Benefit	\$ 653	\$ 518	\$ 894	\$ 1,477	\$ 2,129	\$ 2,853	\$ 3,813
Number of Active Retirants	55	237	249	225	157	86	44
Period 7/1/97 - 6/30/98:							
Average Monthly Benefit	\$ 943	\$ 511	\$ 935	\$ 1,512	\$ 2,090	\$ 3,007	\$ 3,700
Number of Active Retirants	107	246	281	282	175	86	42
Period 7/1/96 - 6/30/97:							
Average Monthly Benefit	\$ 905	\$ 481	\$ 872	\$ 1,507	\$ 2,086	\$ 2,821	\$ 3,308
Number of Active Retirants	43	254	223	191	112	54	27
Period 7/1/95 - 6/30/96:							
Average Monthly Benefit	\$ 652	\$ 483	\$ 855	\$ 1,385	\$ 1,920	\$ 2,624	\$ 3,473
Number of Active Retirants	46	179	188	143	87	35	24
Period 7/1/94 - 6/30/95:							
Average Monthly Benefit	\$ 754	\$ 483	\$ 890	\$ 1,523	\$ 2,087	\$ 2,688	\$ 2,607
Number of Active Retirants	5	148	154	132	76	25	21
Period 7/1/93 - 6/30/94:							
Average Monthly Benefit	\$ 503	\$ 449	\$ 863	\$ 1,412	\$ 1,886	\$ 2,710	\$ 3,131
Number of Active Retirants	17	149	169	136	60	17	19
Period 7/1/92 - 6/30/93:							
Average Monthly Benefit	\$ 558	\$ 449	\$ 866	\$ 1,343	\$ 2,029	\$ 2,534	\$ 3,223
Number of Active Retirants	23	158	143	83	36	13	8
Period 7/1/91 - 6/30/92:							
Average Monthly Benefit	\$ 584	\$ 498	\$ 842	\$ 1,240	\$ 1,941	\$ 2,350	\$ 2,758
Number of Active Retirants	19	161	138	71	32	8	6

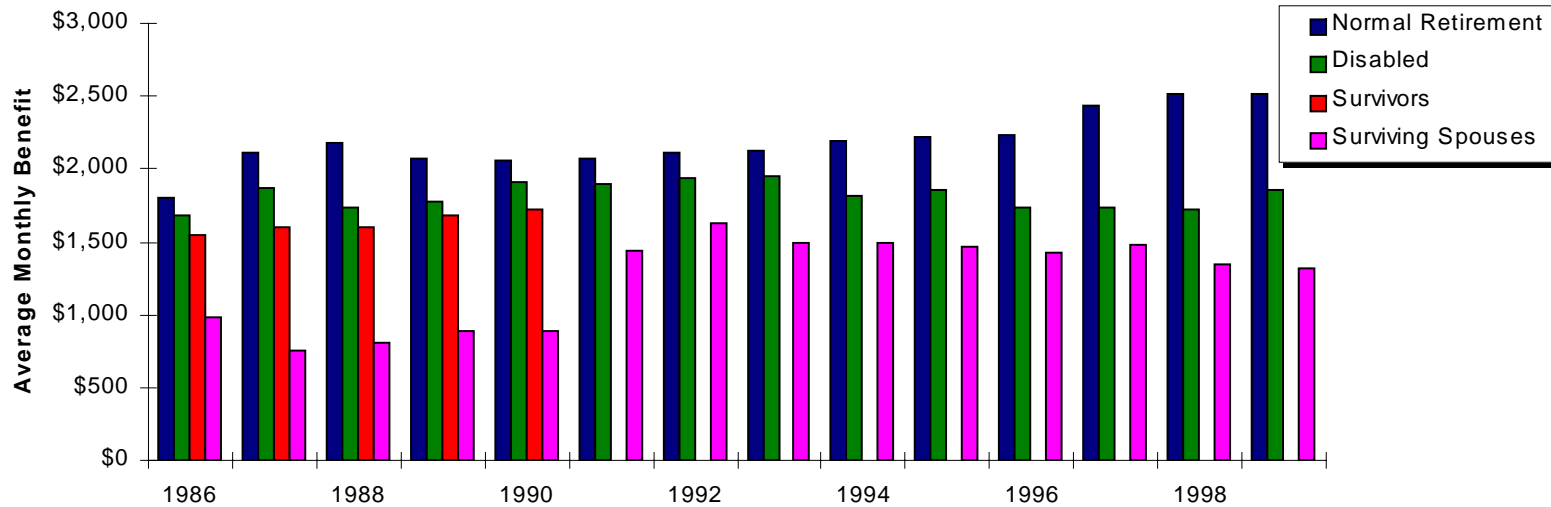
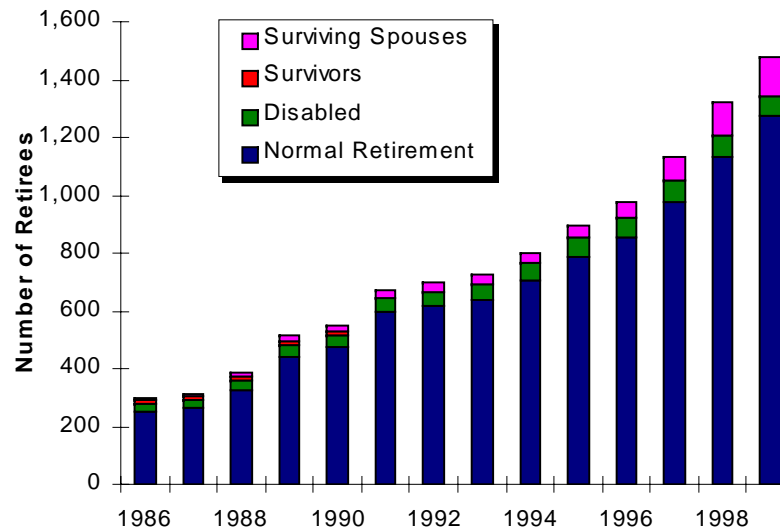
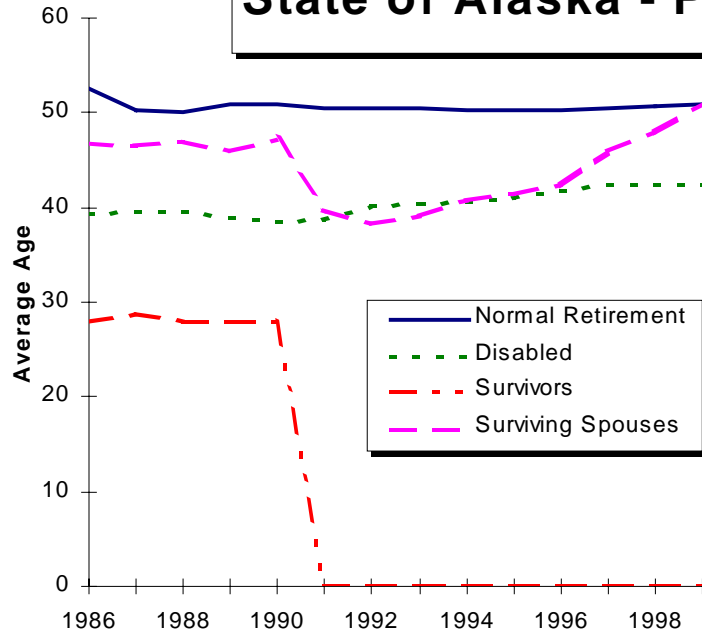
"Average Monthly Benefit" includes post-retirement pension adjustments and cost-of-living increases.

2.2(k) Statistics on All Retirees as of June 30, 1999

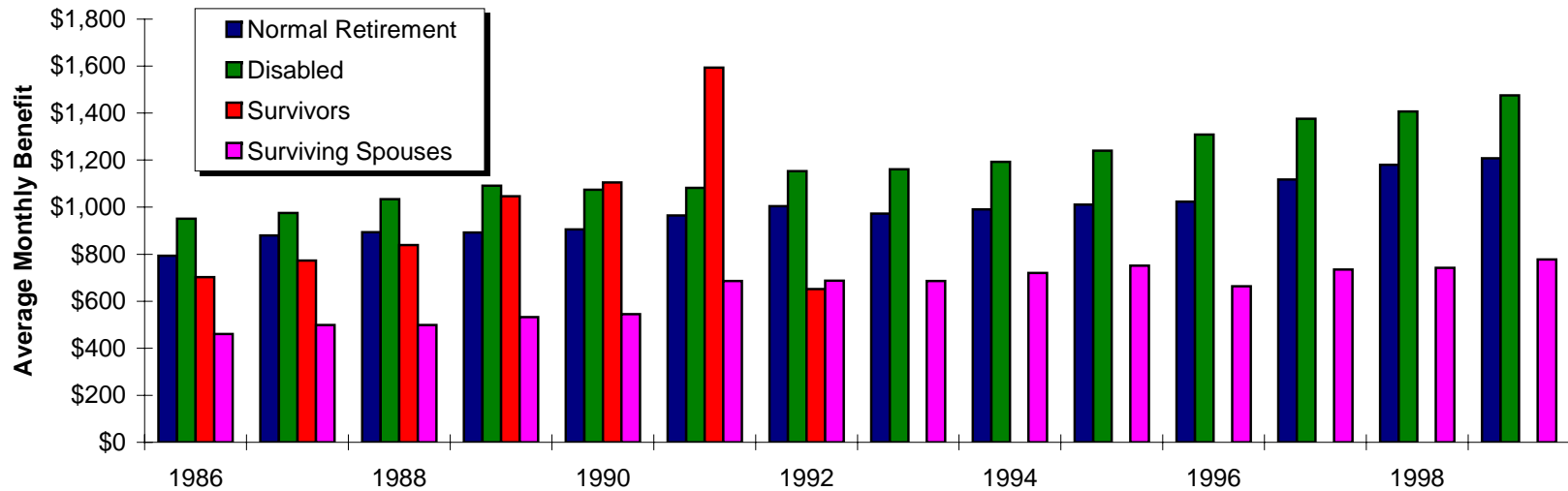
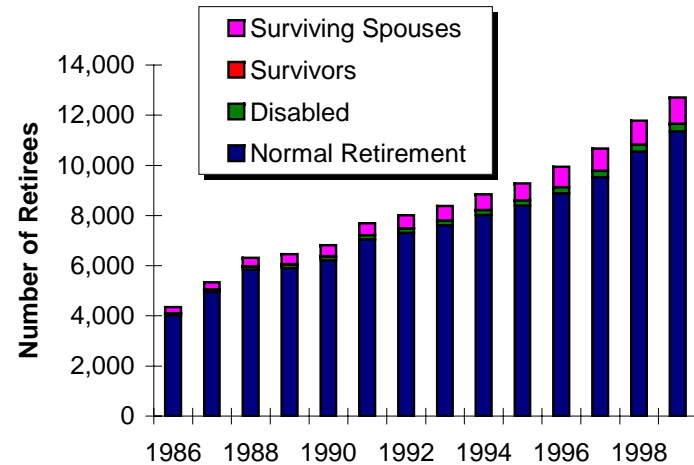
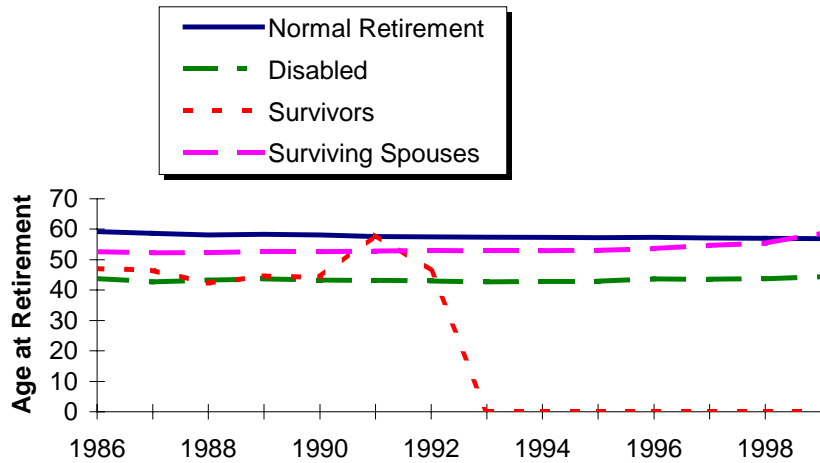
	<u>Police & Fire</u>	<u>"Other"</u>
Service Retirement		
(1) Number, June 30, 1998	1,132	10,552
(2) Net Change During FY99	142	793
(3) Number, June 30, 1999	1,274	11,345
(4) Average Age At Retirement	50.84	56.86
(5) Average Age Now	58.43	65.60
(6) Average Monthly Benefit	\$ 2,514	\$ 1,207
 Survivor (including surviving spouse and QDRO's)		
(1) Number, June 30, 1998	119	944
(2) Net Change During FY99	14	106
(3) Number, June 30, 1999	133	1,050
(4) Average Age At Retirement	50.89	58.76
(5) Average Age Now	58.73	68.57
(6) Average Monthly Benefit	\$ 1,323	\$ 778
 Disabilities		
(1) Number, June 30, 1998	72	282
(2) Net Change During FY99	(1)	30
(3) Number, June 30, 1999	71	312
(4) Average Age At Retirement	42.33	44.39
(5) Average Age Now	48.17	49.54
(6) Average Monthly Benefit	\$ 1,855	\$ 1,476
 Total Number of Retirees	 1,478	 12,707

2.2(k) Statistics on All Retirees as of June 30, 1999 (continued)

State of Alaska - PERS Police / Fire Retirees



State of Alaska - PERS "Other" Retirees



2.2(k) Statistics on All Retirees as of June 30, 1999 *(continued)*

2.2(I) Distribution of Annual Benefits for Police and Fire Benefit Recipients

----- Annual Benefit By Age -----				----- Annual Benefit By Years Since Retirement -----			
Age Groups	Number of People	Total Annual Benefit	Average Annual Benefit	Years Since Retirement	Number of People	Total Annual Benefit	Average Annual Benefit
0-19	0	\$ 0	\$ 0	0	163	\$ 4,518,190	\$ 27,719
20-24	0	0	0	1	170	5,165,026	30,383
25-29	0	0	0	2	172	4,773,184	27,751
30-34	1	24,072	24,072	3	81	2,423,448	29,919
35-39	4	91,548	22,884	4	98	2,766,096	28,225
40-44	45	1,120,380	24,900	0- 4	684	19,645,944	28,722
45-49	176	5,664,024	32,184	5- 9	341	8,928,900	26,184
50-54	340	11,094,108	32,628	10-14	264	8,831,208	33,452
55-59	402	11,317,452	28,152	15-19	112	3,002,712	26,810
60-64	232	6,143,112	26,484	20-24	64	1,456,632	22,760
65-69	136	3,578,100	26,304	25-29	13	261,828	20,141
70-74	95	2,094,240	22,044	30-34	0	0	0
75+	47	1,000,188	21,276	35-39	0	0	0
				40+	0	0	0
Total	1,478	\$ 42,127,224	\$ 28,503	Total	1,478	\$ 42,127,224	\$ 28,503

Years Since Retirement by Age

Age	-----Years of Service -----									
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
0-19	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0
30-34	1	0	0	0	0	0	0	0	0	1
35-39	2	2	0	0	0	0	0	0	0	4
40-44	31	9	5	0	0	0	0	0	0	45
45-49	142	26	5	2	1	0	0	0	0	176
50-54	218	77	37	3	3	2	0	0	0	340
55-59	200	126	70	3	0	3	0	0	0	402
60-64	63	62	80	21	4	2	0	0	0	232
65-69	15	29	46	35	11	0	0	0	0	136
70-74	8	9	16	35	27	0	0	0	0	95
75+	4	1	5	13	18	6	0	0	0	47
Total	684	341	264	112	64	13	0	0	0	1,478

2.2(m) Schedule of Retired Members by Type of Retirant and Option Selected – Police/Fire – June 30, 1999

Amount of Monthly Benefit	Number of Retirees	Type of Retirement			Option Selected #			
		<u>1</u>	<u>2</u>	<u>3</u>	<u>Opt. 1</u>	<u>Opt. 2</u>	<u>Opt. 3</u>	<u>Opt. 4</u>
\$ 1 - \$300	16	13	3	0	11	3	2	0
301 - 600	87	61	20	6	46	24	11	6
601 - 900	89	58	25	6	59	21	3	6
901 - 1200	118	95	19	4	76	15	16	11
1201 - 1500	99	78	16	5	55	21	12	11
1501 - 1800	103	71	18	14	59	22	11	11
1801 - 2100	121	94	13	14	60	46	10	5
2101 - 2400	135	115	10	10	51	54	18	12
2401 - 2700	116	105	5	6	33	49	22	12
2701 - 3000	126	123	1	2	40	53	15	18
3001 - 3300	120	120	0	0	35	57	18	10
3301 - 3600	107	106	1	0	29	53	11	14
3601 - 3900	82	79	0	3	21	46	7	8
3901 - 4200	61	60	1	0	15	31	11	4
over 4200	<u>98</u>	<u>96</u>	<u>1</u>	<u>1</u>	<u>31</u>	<u>53</u>	<u>9</u>	<u>5</u>
Totals	1,478	1,274	133	71	621	548	176	133

Type of Retirement

- 1 - Normal retirement
- 2 - Survivor payment
- 3 - Disability retirement

- Option 1 - Whole Life Annuity
- Option 2 - 75% Joint and Contingent Annuity
- Option 3 - 50% Joint and Contingent Annuity
- Option 4 - 66 2/3% Joint and Survivor Annuity

2.2(n) Distribution of Annual Benefits for "Other" Benefit Recipients

----- Annual Benefit By Age -----				---- Annual Benefit By Years Since Retirement ----			
Age Groups	Number of People	Total Annual Benefit	Average Annual Benefit	Years Since Retirement	Number of People	Total Annual Benefit	Average Annual Benefit
0-19	0	\$ 0	\$ 0	0	1,053	\$ 17,533,471	\$ 16,651
20-24	0	0	0	1	1,297	21,377,719	16,482
25-29	0	0	0	2	1,048	15,669,888	14,952
30-34	4	38,976	9,744	3	729	10,413,264	14,284
35-39	19	231,144	12,165	4	606	9,027,696	14,897
40-44	51	567,564	11,129	0- 4	4,733	74,022,038	15,640
45-49	208	3,028,140	14,558	5- 9	3,073	39,807,116	12,954
50-54	1,129	16,563,648	14,671	10-14	2,669	38,460,720	14,410
55-59	2,570	40,577,374	15,789	15-19	1,330	16,501,116	12,407
60-64	2,614	39,554,268	15,132	20-24	781	9,342,312	11,962
65-69	2,297	31,344,120	13,646	25-29	114	1,441,668	12,646
70-74	1,719	21,738,540	12,646	30-34	6	118,092	19,682
75+	2,096	26,070,552	12,438	35-39	1	21,264	21,264
				40+	0	0	0
Total	12,707	\$ 179,714,326	\$ 14,143	Total	12,707	\$ 179,714,326	\$ 14,143

Years Since Retirement by Age

Age	-----Years of Service ----									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
0-19	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0
30-34	4	0	0	0	0	0	0	0	0	4
35-39	12	5	2	0	0	0	0	0	0	19
40-44	34	10	6	1	0	0	0	0	0	51
45-49	142	44	16	4	2	0	0	0	0	208
50-54	1,033	52	33	8	3	0	0	0	0	1,129
55-59	1,764	706	77	16	7	0	0	0	0	2,570
60-64	935	1,060	588	20	7	3	1	0	0	2,614
65-69	534	648	885	215	11	3	1	0	0	2,297
70-74	171	390	598	447	110	3	0	0	0	1,719
75+	104	158	464	619	641	105	4	1	0	2,096
Total	4,733	3,073	2,669	1,330	781	114	6	1	0	12,707

2.2(o) Schedule of Retired Members by Type of Retirant and Option Selected – “Other” – June 30, 1999

Amount of Monthly Benefit	Number of Retirees	Type of Retirement			Option Selected #			
		<u>1</u>	<u>2</u>	<u>3</u>	<u>Opt. 1</u>	<u>Opt. 2</u>	<u>Opt. 3</u>	<u>Opt. 4</u>
\$ 1 - \$ 300	1,264	1,046	210	8	829	234	154	47
301 - 600	2,764	2,413	300	51	1,703	523	359	179
601 - 900	2,236	1,990	209	37	1,291	485	286	174
901 - 1200	1,784	1,592	148	44	1,013	390	228	153
1201 - 1500	1,256	1,141	72	43	693	288	188	87
1501 - 1800	916	839	45	32	477	235	114	90
1801 - 2100	643	586	21	36	340	154	91	58
2101 - 2400	499	464	15	20	236	135	79	49
2401 - 2700	354	332	11	11	180	96	43	35
2701 - 3000	287	270	8	9	136	86	38	27
3001 - 3300	194	184	6	4	72	70	36	16
3301 - 3600	152	141	4	7	67	57	18	10
3601 - 3900	122	119	0	3	45	49	18	10
3901 - 4200	71	67	1	3	29	25	8	9
over 4200	<u>165</u>	<u>161</u>	<u>0</u>	<u>4</u>	<u>69</u>	<u>50</u>	<u>30</u>	<u>16</u>
Totals	12,707	11,345	1,050	312	7,180	2,877	1,690	960

Type of Retirement

- 1 - Normal retirement
- 2 - Survivor payment
- 3 - Disability retirement

Option 1 - Whole Life Annuity

Option 2 - 75% Joint and Contingent Annuity

Option 3 - 50% Joint and Contingent Annuity

Option 4 - 66 2/3% Joint and Survivor Annuity

2.2(p) Schedule of Retirants and Beneficiaries Added to and Removed from Rolls - Police/Fire

Year Ended	Added to Rolls		Removed from Rolls		Rolls - End of Year		Increase in Annual Allowances	Average Annual Allowance
	No.*	Annual Allowances*	No.*	Annual Allowances*	No.	Annual Allowances		
June 30, 1999	163	\$ 4,761,117	8	\$ 233,673	1,478	\$ 42,127,224	12.0%	\$ 28,503
June 30, 1998	195	6,096,918	2	62,532	1,323	37,599,780	19.1%	28,420
June 30, 1997	161	6,672,261 ⁽¹⁾	9	372,984 ⁽¹⁾	1,130	31,565,394	24.9%	27,934
June 30, 1996	88	2,217,256	2	50,392	978	25,266,117	9.4%	25,834
June 30, 1995	95	2,697,924	3	85,198	892	23,099,253	12.8%	25,896
June 30, 1994	77	2,428,767	4	119,938	800	20,486,527	12.7%	25,608
June 30, 1993	39	982,991	11	212,565	727	18,177,698	4.4%	25,004
June 30, 1992	35	1,202,004	8	195,248	699	17,407,272	6.1%	24,903
June 30, 1991	129	3,408,774	4	95,704	672	16,400,516	25.3%	24,406
June 30, 1990	38	907,997	3	71,784	547	13,087,446	6.8%	23,926

* Numbers are estimated, and include other internal transfers.

⁽¹⁾ Includes additional benefits to current retirees from a one time retroactive ad hoc Post-Retirement Pension Adjustment.

2.2(q) Schedule of Retirants and Beneficiaries Added to and Removed from Rolls - "Other"

Year Ended	Added to Rolls		Removed from Rolls		Rolls - End of Year		Increase in Annual Allowances	Average Annual Allowance
	No.*	Annual Allowances*	No. *	Annual Allowances*	No.	Annual Allowances		
June 30, 1999	1,053	\$ 19,402,623	124	\$ 2,284,829	12,707	\$ 179,714,326	10.5%	\$ 14,143
June 30, 1998	1,219	25,116,364	113	2,328,260	11,778	162,596,532	16.3%	13,805
June 30, 1997	830	23,255,081 ⁽¹⁾	101	2,829,835 ⁽¹⁾	10,672	139,808,428	17.1%	13,100
June 30, 1996	702	8,803,872	40	501,645	9,943	119,383,182	7.5%	12,007
June 30, 1995	561	8,327,484	123	850,316	9,281	111,080,955	7.2%	11,969
June 30, 1994	567	7,584,088	100	225,631	8,843	103,603,787	7.6%	11,716
June 30, 1993	464	5,408,670	93	4,057,669	8,376	96,245,330	1.4%	11,491
June 30, 1992	435	8,520,963	116	1,323,560	8,005	94,894,329	8.2%	11,854
June 30, 1991	876	15,277,842	8	85,072	7,686	87,696,926	21.0%	11,410
June 30, 1990	457	5,776,756	94	986,060	6,818	72,504,156	7.1%	10,634

* Numbers are estimated, and include other internal transfers.

⁽¹⁾ Includes additional benefits to current retirees from a one time retroactive ad hoc Post-Retirement Pension Adjustment.

2.3 Summary of Actuarial Assumptions and Methods

The demographic and non-health economic assumptions used in this valuation were recommended by William M. Mercer, Incorporated and were adopted at the fall 2000 PERS Board Meeting. These assumptions were the result of an experience study performed in the fall of 2000. The funding method used in this valuation was adopted June 30, 1985. The asset smoothing method used to determine valuation assets was changed effective June 30, 1998, and enhanced effective June 30, 2000.

Valuation of Liabilities

- A. Actuarial Method - Projected Unit Credit (no change).** Liabilities and contributions shown in the report are computed using the Projected Unit Credit method of funding. Any funding surpluses or unfunded accrued liability is amortized over a rolling 25 years.

The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, each participant's total pension projected to retirement with salary scale is broken down into units, each associated with a year of past or future service. The principle underlying the method is that each unit is funded in the year for which it is credited. Typically, when the method is introduced there will be an initial liability for benefits credited for service prior to that date, and to the extent that this liability is not covered by Assets of the Plan there is an Unfunded Liability to be funded over a chosen period in accordance with an amortization schedule.

An Accrued Liability is calculated at the valuation date as the present value of benefits credited with respect to service to that date.

The Unfunded Liability at the valuation date is the excess of the Accrued Liability over the Assets of the Plan. The level annual payment to be made over a stipulated number of years to amortize the Unfunded Liability is the Past Service Cost.

The Normal Cost is the present value of those benefits which are expected to be credited with respect to service during the year beginning on the valuation date.

Under this method, differences between the actual experience and that assumed in the determination of costs and liabilities will emerge as adjustments in the Unfunded Liability, subject to amortization.

B. Actuarial Assumptions -

- | | |
|----------------------|---|
| 1. Investment Return | 8.25% per year, compounded annually, net of expenses. |
| 2. Salary Scale | Inflation - 3.5% per year
<u>Police/Fire</u>
Merit (first 5 years of employment) - 1.5% per year
Productivity - 1.0% per year
<u>Others</u>
Merit (first 10 years of employment) – 1.5% per year
Productivity – 0.5% per year |

2.3 Summary of Actuarial Assumptions and Methods *(continued)*

3.	Total Inflation	Total inflation as measured by the Consumer Price Index for urban and clerical workers for Anchorage is assumed to increase 3.5% annually.
4.	Health Cost Trend	FY00 - 8.5% FY01 - 7.5% FY02 - 6.5% FY03 - 5.5% FY04 – FY08 - 5.0% FY09 - FY13 - 4.5% FY14 & later - 4.0%
5.	Mortality	1994 Group Annuity Mortality Basic Table for males and females, 1994 base year. Deaths are assumed to be occupational 85% of the time for Police/Fire, 35% for Others.
6.	Total Turnover	Based upon the 1997-99 actual withdrawal experience. (See Table 1).
7.	Disability	Incidence rates, based upon the 1991-95 actual experience, in accordance with Table 2. Post-disability mortality in accordance with rates published by the Pension Benefit Guaranty Corporation to reflect mortality of those receiving disability benefits under Social Security.
8.	Retirement	Retirement rates based upon the 1997-99 actual experience in accordance with Table 3.
9.	Spouse's Age	Wives are assumed to be four years younger than husbands.
10.	Dependent Children	Benefits to dependent children have been valued assuming members who are not single have one dependent child.
11.	Contribution Refunds	100% of those terminating after age 35 who are vested will leave their contributions in the fund and thereby retain their deferred vested benefit. All others who terminate are assumed to have their contributions refunded.
12.	C.O.L.A.	Of those benefit recipients who are eligible for the C.O.L.A., 68% are assumed to remain in Alaska and receive the C.O.L.A.

2.3 Summary of Actuarial Assumptions and Methods *(continued)*

- | | | |
|-----|------------------------------------|--|
| 13. | New Entrants | Growth projections are made for the active PERS population under three scenarios:

Pessimistic: 0% per year
Median: 1% per year
Optimistic: 2% per year |
| 14. | Post-Retirement Pension Adjustment | 50% and 75% of assumed inflation is valued for the automatic Post-Retirement Pension Adjustment (PRPA) as specified in the statute. |
| 15. | Expenses | Expenses are covered in the investment return assumption. |
| 16. | Marital Status | 75% of participants are assumed to be married. |
| 17. | Participant Data | For this valuation, data as of June 30, 1999 was projected one year using standard actuarial techniques. The active population count was assumed to increase by 1.72% (quadratic extrapolation over the most recent 3 valuation dates). Actual CPI data was used to estimate new PRPA benefits for participants retired as of June 30, 1999. |

Valuation of Assets

In the development of valuation assets, we use an expected investment return equal to the investment return assumption of 8.25%. The valuation assets, plus (minus) the outstanding balance of previously amortized amounts, are then compared to a 5% corridor around the market value of assets. Any amount outside the corridor is amortized and applied to the employer contribution rates as a level percentage of pay over 20 years under the 1% population projection scenario. Valuation assets cannot be outside the range of 80% to 120% of the market value of assets. Assets are accounted for on an accrual basis and are taken directly from audited financial statements provided by KPMG LLP.

Determination of the Adjustment for the 102% Target Funding Ratio

The target unfunded (surplus) accrued liability is determined by first reducing the actuarial value of assets by 2.343757% and calculating the resulting unfunded (surplus) accrued liability. This unfunded (surplus) liability is then loaded by 6% to account for the 2-year delay in employer contributions. Both of these factors are determined empirically from the actuarial projection valuation. This target unfunded accrued liability (surplus) is then added to the actuarial value of assets to determine the target accrued liability. This target accrued liability is the basis for the determination of the employer contribution rate before the rate is adjusted for the deferred gains or losses outside the 5% corridor as discussed above.

2.3 Summary of Actuarial Assumptions and Methods *(continued)*

Valuation of Medical Benefits

Medical benefits for retirees are provided by the payment of premiums from the fund. A pre-65 cost and lower post-65 cost (due to Medicare) are assumed such that the total rate for all retirees equals the present premium rate assumption. These medical premiums are then increased with the health inflation assumption. The actuarial cost method used for funding retirement benefits is also used to fund health benefits.

For FY01, the pre-65 monthly premium is \$689.31 and the post-65 premium is \$262.59, based on an assumed total blended premium of \$527.31. For the time period January 1, 2001 - December 31, 2001, the actual blended premium as provided by the State of Alaska Division of Retirement and Benefits is \$610.00.

2.3 Summary of Actuarial Assumptions and Methods *(continued)*

Table 1
Alaska PERS
Total Turnover Assumptions

Select Rates of Turnover During the First 5 Years of Employment			Ultimate Rates of Turnover After the First 5 Years of Employment	
Police and Fire:				
<u>Year of Employment</u>	<u>Rate</u>		<u>Age</u>	<u>Rate</u>
1	.12		20+	.03
2	.10			
3	.08			
4	.07			
5	.06			
 “Other”:				
<u>Year of Employment</u>	<u>----Age at Hire----</u>		<u>Age</u>	<u>Rate</u>
	<u>20-34</u>	<u>35+</u>		
1	.25	.15	20-34	.11
2	.23	.15	35-39	.08
3	.20	.13	40-44	.06
4	.16	.12	45+	.05
5	.15	.11		

2.3 Summary of Actuarial Assumptions and Methods *(continued)*

Table 2
Alaska PERS
Disability Rates
Annual Rates Per 1,000 Employees

<u>Age</u>	<u>Police & Fire Rate</u>	<u>"Other" Member Rate</u>
20	.88	.28
21	.89	.28
22	.90	.29
23	.91	.29
24	.93	.30
25	.94	.30
26	.95	.30
27	.98	.31
28	1.00	.32
29	1.03	.33
30	1.05	.34
31	1.08	.34
32	1.10	.35
33	1.13	.36
34	1.16	.37
35	1.20	.38
36	1.24	.40
37	1.29	.41
38	1.34	.43
39	1.39	.44
40	1.44	.46
41	1.50	.48
42	1.59	.51
43	1.70	.54
44	1.85	.59
45	2.03	.65
46	2.20	.70
47	2.39	.76
48	2.59	.83
49	2.79	.89
50	3.00	.96
51	3.25	1.04
52	3.58	1.14
53	3.98	1.27
54	4.44	1.42
55	5.00	1.60
56	5.74	1.84
57	6.68	2.14
58	7.63	2.44
59	9.00	2.88
60	10.54	3.37
61	12.19	3.90
62	14.13	4.52
63	16.31	5.22
64	18.63	5.96

2.3 Summary of Actuarial Assumptions and Methods *(continued)*

Table 3
Alaska PERS
Retirement Rates

<u>Age</u>	<u>Police & Fire Rate</u>	<u>"Other" Member Rate</u>
50	.10	.05
51	.10	.05
52	.10	.05
53	.05	.06
54	.05	.06
55	.20	.10
56	.13	.10
57	.13	.10
58	.13	.10
59	.13	.10
60	.20	.10
61	.25	.10
62	.25	.15
63	.25	.15
64	.25	.15
65	1.00	.20
66	1.00	.20
67	1.00	.20
68 & Up	1.00	1.00

For ages under 50, Police/Fire members are assumed to retire immediately upon attaining 21 years of service.

Section 3

Other Historical Information

Section 3.1 shows the analysis of financial experience.

Section 3.2(a) shows the summary of accrued and unfunded accrued liabilities for Police and Fire members.

Section 3.2(b) shows the summary of accrued and unfunded accrued liabilities for "Other" members.

Section 3.3 shows the solvency test.

3.1 Analysis of Financial Experience

Change in Average Employer Contribution Rate Due to Gains and Losses in Accrued Liabilities During the Last Five Fiscal Years Resulting From Differences Between Assumed Experience and Actual Experience					
Type of Gain or Loss	Change in Average Contribution Rate During Fiscal Year				
	00	99	98	97	96
(1) Health Experience	0.00%	0.00%	0.00%	0.00%	0.00%
(2) Salary Experience	0.00%	(0.23%)	(0.46%)	(0.06%)	(0.50%)
(3) Investment Experience	(0.12%)	(0.49%)	(3.26%)	(1.26%)	(0.46%)
(4) Demographic Experience	(0.81%)	0.21%	1.12%	0.03%	(0.73%)
(5) (Gain) or Loss During Year From Experience, (1) + (2) + (3) + (4)	(0.93%)	(0.51%)	(2.60%)	(1.29%)	(1.69%)
Non-recurring Changes					
(6) Asset Valuation Method	(2.67%)	0.00%	0.00%	0.00%	0.00%
(7) Assumption Changes	3.09%	0.00%	1.08%	0.00%	(2.47%)
(8) Ad hoc PRPA	0.07%	0.04%	0.20%	0.91%	0.00%
(9) Plan Changes	0.00%	0.00%	0.00%	0.00%	0.00%
(10) Method Changes	0.00%	0.00%	0.99%	0.00%	0.00%
(11) Composite (Gain) or Loss During Year, (5) + (6) + (7) + (8) + (9) + (10)	(0.44%)	(0.47%)	(0.33%)	(0.38%)	(4.16%)
(12) Beginning Average Employer Contribution Rate	6.56%	7.03%	7.36%	7.74%	11.90%
(13) Ending Average Employer Contribution Rate, (11) + (12)	6.12%	6.56%	7.03%	7.36%	7.74%

3.2(a) Summary of Accrued and Unfunded Accrued Liabilities - Police/Fire

Valuation Date	Aggregate Accrued Liability (000's)	Valuation Assets (000's)	Assets as a Percent of Accrued Liability	Unfunded Accrued Liabilities (UAL) (000's)	Annual Active Member Payroll (000's)	UAL as a Percent of Annual Active Member Payroll
June 30, 2000 ⁽²⁾⁽³⁾	\$ 1,196,821	\$ 1,209,451	101.1%	N/A	\$ 140,045	N/A
June 30, 1999	1,008,404	1,064,168	105.5%	N/A	142,843	N/A
June 30, 1998 ⁽¹⁾⁽²⁾⁽³⁾	926,249	981,127	105.9%	N/A	138,653	N/A
June 30, 1997	811,651	863,184	106.3%	N/A	135,702	N/A
June 30, 1996	733,303	776,196	105.8%	N/A	134,362	N/A
June 30, 1995	785,082	757,221	96.5%	27,861	130,204	21.4%
June 30, 1994 ⁽¹⁾⁽²⁾	732,988	694,773	94.8%	38,215	128,456	29.7%
June 30, 1993	639,439	610,149	95.4%	29,290	124,025	23.6%
June 30, 1992 ⁽¹⁾	592,518	540,087	91.2%	52,431	122,762	42.7%
June 30, 1991 ⁽²⁾	523,326	461,103	88.1%	62,223	120,240	51.7%
⁽¹⁾ Change in Asset Valuation Method. ⁽²⁾ Change in Assumptions. ⁽³⁾ Change in Methods.						

3.2(b) Summary of Accrued and Unfunded Accrued Liabilities - "Other"

Valuation Date	Aggregate Accrued Liability (000's)	Valuation Assets (000's)	Assets as a Percent of Accrued Liability	Unfunded Accrued Liabilities (UAL) (000's)	Annual Active Member Payroll (000's)	UAL as a Percent of Annual Active Member Payroll
June 30, 2000 ⁽²⁾⁽³⁾	\$ 6,180,091	\$ 6,245,307	101.1%	N/A	\$ 1,181,435	N/A
June 30, 1999	5,640,269	5,952,172	105.5%	N/A	1,140,706	N/A
June 30, 1998 ⁽¹⁾⁽²⁾⁽³⁾	5,277,742	5,590,435	105.9%	N/A	1,096,786	N/A
June 30, 1997	4,722,465	5,022,304	106.3%	N/A	1,093,433	N/A
June 30, 1996 ⁽²⁾	4,246,655	4,495,057	105.8%	N/A	1,087,504	N/A
June 30, 1995	4,186,090	4,037,533	96.5%	148,557	1,057,840	14.0%
June 30, 1994 ⁽¹⁾⁽²⁾	3,887,194	3,684,532	94.8%	202,662	1,048,541	19.3%
June 30, 1993	3,486,322	3,326,627	95.4%	159,695	1,011,864	15.8%
June 30, 1992 ⁽¹⁾	3,148,364	2,869,772	91.2%	278,592	961,054	29.0%
June 30, 1991 ⁽²⁾	2,815,819	2,481,018	88.1%	334,801	907,567	36.9%

(1) Change in Asset Valuation Method.

(2) Change in Assumptions.

(3) Change in Methods.

3.3 Solvency Test

Valuation Date	Aggregate Accrued Liability For:			Valuation Assets (000's)	Portion of Accrued Liabilities Covered by Assets		
	(1) Active Member Contributions (000's)	(2) Inactive Members (000's)	(3) Active Members (Employer-Financed Portion) (000's)		(1)	(2)	(3)
June 30, 2000 ⁽²⁾⁽³⁾	\$ 892,949	\$ 4,588,201	\$ 1,895,762	\$ 7,454,758	100.0%	100.0%	100.0%
June 30, 1999	854,497	3,961,063	1,833,113	7,016,340	100.0%	100.0%	100.0%
June 30, 1998 ⁽¹⁾⁽²⁾⁽³⁾	819,226	3,610,352	1,774,413	6,571,562	100.0%	100.0%	100.0%
June 30, 1997	795,170	3,020,608	1,716,338	5,885,488	100.0%	100.0%	100.0%
June 30, 1996 ⁽²⁾	754,679	2,511,953	1,713,326	5,271,253	100.0%	100.0%	100.0%
June 30, 1995	673,196	2,445,870	1,852,106	4,794,754	100.0%	100.0%	90.5%
June 30, 1994 ⁽¹⁾⁽²⁾	615,925	2,233,349	1,770,908	4,379,305	100.0%	100.0%	86.4%
June 30, 1993	551,753	1,921,967	1,652,041	3,936,776	100.0%	100.0%	88.6%
June 30, 1992 ⁽¹⁾	484,590	1,783,020	1,473,272	3,409,859	100.0%	100.0%	77.5%
June 30, 1991 ⁽²⁾	422,656	1,621,590	1,294,899	2,942,121	100.0%	100.0%	69.3%

⁽¹⁾ Change in Asset Valuation Method.

⁽²⁾ Change in Assumptions.

⁽³⁾ Change in Methods.