

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2012 Employer Contribution Rate
For the Public Employees' Retirement System

Resolution 2010-32

WHEREAS, the Alaska Retirement Management Board (Board) was established by law to serve as trustee to the assets of the State's retirement systems; and

WHEREAS, under AS 37.10.210-220, the Board is to establish and determine the investment objectives and policy for the funds of the Public Employees' Retirement System, Teachers' Retirement System, Judicial Retirement System, and Alaska National Guard and Naval Militia Retirement System; and

WHEREAS, AS 37.10.071 and AS 37.10.210-220 require the Board to apply the prudent investor rule and exercise the fiduciary duty in the sole financial best interest of the funds entrusted to it and treat beneficiaries thereof with impartiality; and

WHEREAS, AS 37.10.220(a)(8) requires the Board to coordinate with the retirement system administrator to conduct an annual actuarial valuation of each retirement system to determine system assets, accrued liabilities and funding ratios, and to certify to the appropriate budgetary authority of each employer in the system an appropriate contribution rate for normal costs and an appropriate contribution rate for liquidating any past service liability; and

WHEREAS, AS 39.35.255 establishes a statutory employer contribution rate of 22.00 percent and AS 39.35.280 requires additional state contribution to make up the difference between 22.00 percent and the actuarially determined contribution rate;

WHEREAS, the June 30, 2009 PERS actuarial valuation report determines that the actuarially determined contribution rate for pension benefits is 14.65 percent composed of the normal cost rate of 2.52 percent and past service rate of 12.13 percent;

WHEREAS, the June 30, 2009 PERS actuarial valuation report determines that the actuarially determined contribution rate for postemployment healthcare benefits is 16.11 percent composed of the normal cost rate of 5.76 percent and past service rate of 10.35 percent;

WHEREAS, in June 2010 Buck Consultants presented an alternative method of calculating the employer rate incorporating the normal cost of the Defined Contribution Retirement Plan of 2.73%;

WHEREAS, the November 2010 Board Trustee Study Group recommends the Board adopt the alternative method as presented by Buck Consultants;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that the Fiscal Year 2012 actuarially determined contribution rate attributable to employers participating in the Public Employees' Retirement System is set at 33.49 percent, composed of the contribution rate for defined benefit pension of 14.65 percent, the contribution rate for postemployment healthcare of 16.11 percent, and the contribution rate for defined contribution pension of 2.73 percent.

This resolution replaces and repeals resolution 2010-09.

DATED at Anchorage, Alaska this 3rd day of December, 2010.


Chair

ATTEST:


Secretary