



February 21, 2008

VIA EMAIL

Mr. Pat Shier
 Director
 Division of Retirement and Benefits
 Department of Administration
 State of Alaska
 333 Willoughby Avenue
 6th Floor State Office Building
 Juneau, AK 99811-0208

**Re: Alaska PERS Peace Officer / Firefighter Actuarial Study –
 Lowering Years of Service Eligibility for Occupational Disability Medical
 Coverage from 25 to 20**

Dear Pat:

As requested, we are providing an estimate of the cost to the State of Alaska Public Employees' Retirement System (PERS) of allowing any Peace Officer/Firefighter member with an Occupational Disability to receive State paid medical benefits starting at 20 years of service versus 25 years of service as the eligibility rules currently read.

RESULTS

The results provided represent employer costs for FY10. The rates were determined using both total system payroll and Peace Officer / Firefighter payroll.

PERS Peace Officer / Firefighter	Occupational Disability Only (in thousands)
Change in Present Value of Future Benefits	\$ 567
Change in Accrued Liability	\$ 419
Change in Required Contribution	\$ 47
Change in Contribution As a Level Percent of Payroll	
– Peace Officer / Firefighter Pay Only	.0225%
– Total PERS Pay*	.0026%

*This represents the affect on the PERS actuarially required contribution rate.

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DATA

No additional data was provided by the State in order to perform this analysis. The data used is summarized below:

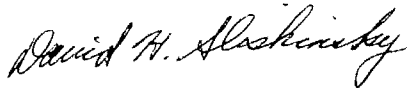
	PERS Peace Officer / Firefighters
Number of Actives	2,687
Average Age	41.48
Average Credited Service	10.05
Average Salary (Projected for FY08)	\$ 78,209

ASSUMPTIONS, METHODS AND PROVISIONS

The assumptions, plan provisions and methods used to determine plan costs are those described in the actuarial valuation reports as of June 30, 2007, unless otherwise indicated.

Please let me know if you have any questions or if we can be of further assistance.

Sincerely,



David H. Sliskinsky, ASA
Principal and Consulting Actuary

/mlp

- c: Mr. Kevin Worley, State of Alaska
- Mr. Joe Cooper, Buck Consultants
- Ms. Monica DeGraff, Buck Consultants
- Ms. Michelle DeLange, Buck Consultants
- Mr. Chris Hulla, Buck Consultants

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bcc: Originator – Dave Slishinsky
 Colin Wein
 Kyla O'Rourke
 Aaron Jurgaitis
 COR
 Client Code: 019732 – 0001 RET04

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<input type="checkbox"/>	C	2 ND OPINION	→ 3
<input type="checkbox"/>	D	PROCEDURES & REPORT	→ 2
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