

State of Alaska

# Department of Administration

Division of Retirement and Benefits

## Presentation to the Senate Finance Committee

### Funding Status Update

Public Employees' Retirement System (PERS)

Teachers' Retirement System (TRS)

Kathy Lea, Director

Christopher Novell, Chief Financial Officer

Chris Murray, Acting Chief Health Administrator

February 9, 2026



# Organization – PERS / TRS



# Membership (as of June 30, 2025)

	PERS					TRS				Total	%
Employers	151					57					
<u>Defined Benefit (DB) Plans</u>	Tier I	Tier II	Tier III	Total		Tier I	Tier II	Total			
Actives	336	1,322	5,521	7,179	DB: 20%	49	2,124	2,173	DB: 25%	9,352	DB: 21%
Inactive – Vested	167	1,071	2,916	4,154	DB: 56%	14	559	573	DB: 29%	4,727	DB: 51%
Retired	20,571	10,082	6,796	37,449	DB: 99%	9,215	4,501	13,716	DB: 99%	51,165	DB: 99%
TOTAL	21,074	12,475	15,233	48,782		9,278	7,184	16,462		65,244	
<u>Defined Contribution (DC) Plans</u>											
Actives	28,616				DC: 80%	6,528				35,144	DC: 79%
Inactive - Vested	3,205				DC: 44%	1,378				4,583	DC: 49%
Retired	412				DC: 1%	88				500	DC: 1%
TOTAL	32,233					7,994				40,227	
GRAND TOTAL	81,015					24,456				105,471	



Source: Division of Retirement and Benefits. June 30, 2025, Audited Financial Statements

\* Percentages by membership status - DB vs DC.

# Investment Experience

	2024		2025 (DRAFT)	
	PERS	TRS	PERS	TRS
Assumed Actuarial Earnings Rate	7.25%	7.25%	7.25%	7.25%
Based on Fair Market Value of Assets	8.80%	8.90%	10.80%	10.90%
Based on Actuarial Value of Assets ( <i>Smoothing over 5-Year Period</i> )	8.00%	8.00%	9.30%	9.30%

The actuarial value of assets was reinitialized to equal, fair value as of June 30, 2014, with the \$3 billion infusion from HB 119.

Beginning in FY2015, the valuation method recognizes 20 percent of the investment gain or loss each year for five years ("*Smoothing*").



Source: Gallagher, Actuarial Valuation Reports as of June 30, 2024, and 2025 draft results for PERS and TRS DB

# Funded Status – Pension (\$ thousands)

Defined Benefit Pension	PERS			TRS		
	2023	2024	2025	2023	2024	2025
a. Actuarial Accrued Liability	\$16,835,581	\$17,059,775	\$17,311,947	\$8,036,685	\$8,018,737	\$8,051,399
b. Actuarial Value of Assets (AVA)	\$11,272,339	\$11,608,256	\$12,162,329	\$6,171,460	\$6,247,250	\$6,422,103
c. Unfunded Actuarial Accrued Liability based on AVA	\$5,563,242	\$5,451,519	\$5,149,618	\$1,865,225	\$1,771,487	\$1,629,296
<b>d. Funded Ratio based on AVA</b>	<b>67.0%</b>	<b>68.0%</b>	<b>70.3%</b>	<b>76.8%</b>	<b>77.9%</b>	<b>79.8%</b>
e. Fair Value of Assets (FVA)	\$11,137,489	\$11,555,868	\$12,286,031	\$6,099,520	\$6,216,525	\$6,478,048
f. Unfunded Actuarial Accrued Liability based on FVA	\$5,698,092	\$5,503,907	\$5,025,916	\$1,937,165	\$1,802,212	\$1,573,351
<b>g. Funded Ratio based on FVA</b>	<b>66.2%</b>	<b>67.7%</b>	<b>71.0%</b>	<b>75.9%</b>	<b>77.5%</b>	<b>80.5%</b>



Source: Gallagher, Actuarial Valuation Reports as of June 30, 2024, and 2025 draft results for PERS and TRS DB

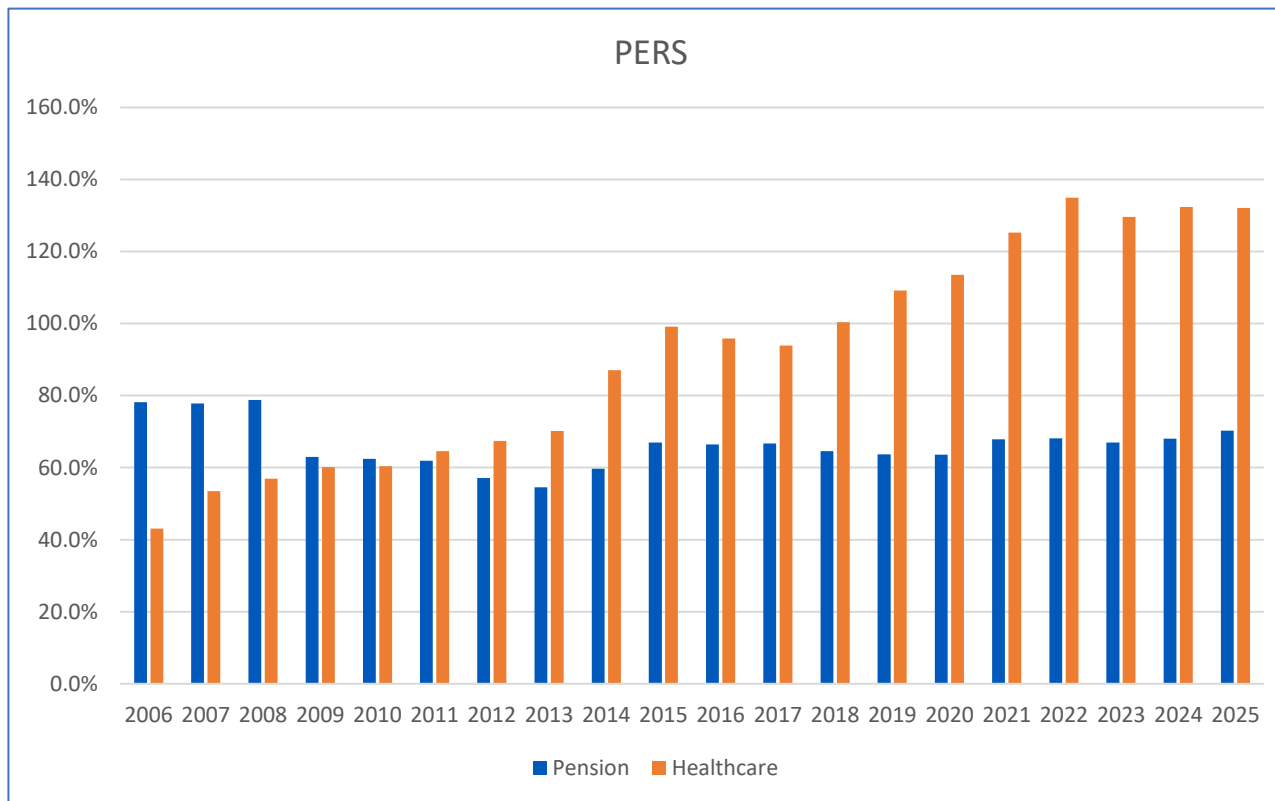
# Funded Status – HealthCare (\$ thousands)

Defined Benefit HealthCare	PERS			TRS		
	2023	2024	2025	2023	2024	2025
a. Actuarial Accrued Liability	\$7,085,823	\$7,129,523	\$7,408,403	\$2,617,821	\$2,651,545	\$2,735,920
b. Actuarial Value of Assets (AVA)	\$9,180,231	\$9,433,351	\$9,785,277	\$3,547,973	\$3,677,415	\$3,846,857
c. Unfunded Actuarial Accrued Liability based on AVA	(\$2,094,408)	(\$2,303,828)	(\$2,376,874)	(\$930,152)	(\$1,025,870)	(\$1,110,937)
d. Funded Ratio based on AVA	129.6%	132.3%	132.1%	135.5%	138.7%	140.6%
e. Fair Value of Assets (FVA)	\$9,076,222	\$9,400,625	\$9,891,510	\$3,506,595	\$3,665,189	\$3,891,081
f. Unfunded Actuarial Accrued Liability based on FVA	(\$1,990,399)	(\$2,271,102)	(\$2,483,107)	(\$888,774)	(\$1,013,644)	(\$1,155,161)
g. Funded Ratio based on FVA	128.1%	131.9%	133.5%	134.0%	138.2%	142.2%



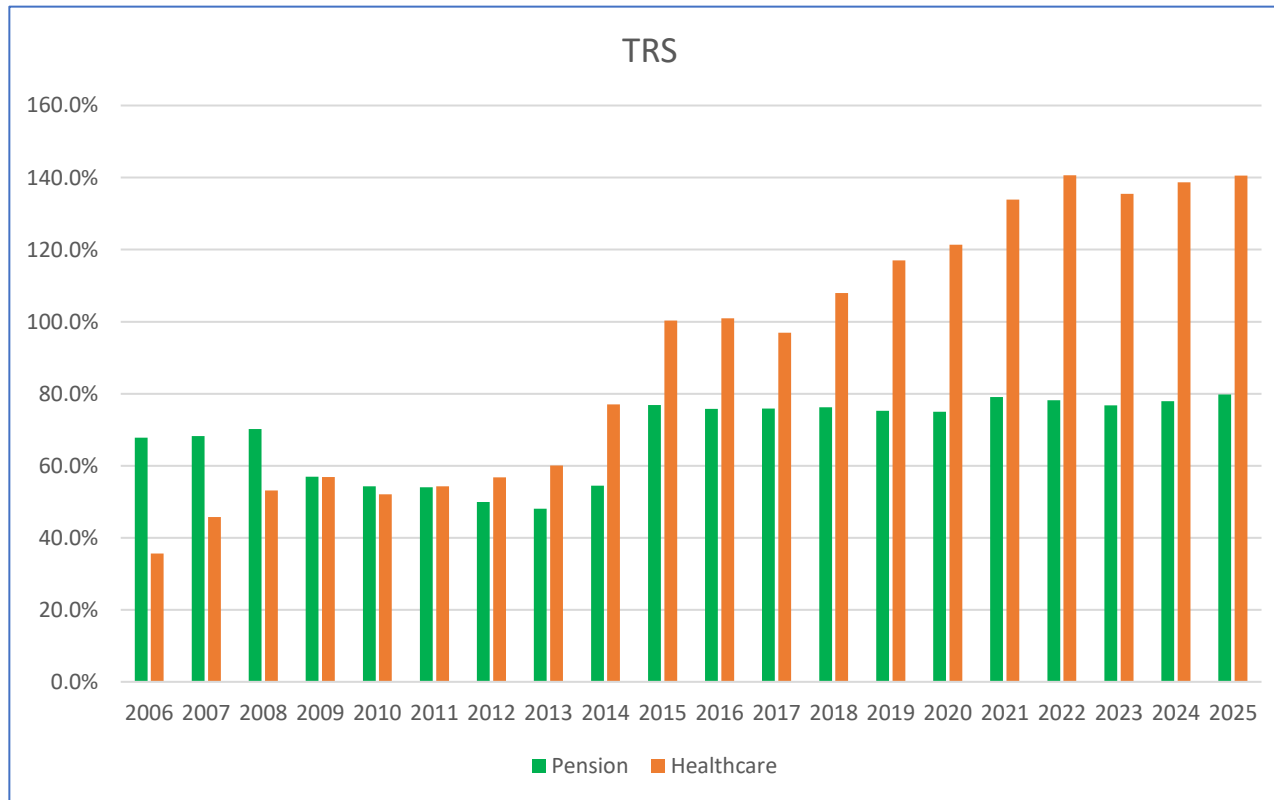
Source: Gallagher, Actuarial Valuation Reports as of June 30, 2024, and 2025 draft results for PERS and TRS DB

# Funded Ratio – PERS Pension and HealthCare – By Fiscal Year (Based on Actuarial Valuation Reports)



Source: Gallagher, Actuarial Valuation Reports as of June 30, 2024, and 2025 draft results for PERS DB and TRS DB

# Funded Ratio – TRS Pension and HealthCare – By Fiscal Year (Based on Actuarial Valuation Reports)



Source: Gallagher, Actuarial Valuation Reports as of June 30, 2024, and 2025 draft results for PERS DB and TRS DB



# Correlation between Actual Rate of Return and Funded Ratio – Pension only PERS

Fiscal Year End 30-Jun	Assumed Actuarial Earnings Rate	Actual Rate of Return	Actuarial Funded Ratio	Actuarial Value of Assets (AVA)	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Liability (UAL)
		<b>PERS</b>		<b>(\$millions)</b>		
2000	8.25%	10.16%	102.9%	\$5,340	\$5,191	-\$149
2001	8.25%	-5.37%	103.0%	\$5,691	\$5,528	-\$163
2002	8.25%	-5.48%	86.8%	\$5,324	\$6,133	\$809
2003	8.25%	3.67%	87.4%	\$5,531	\$6,331	\$799
2004	8.25%	15.08%	86.0%	\$5,775	\$6,712	\$937
2005	8.25%	8.95%	84.9%	\$6,017	\$7,087	\$1,070
2006	8.25%	11.74%	78.2%	\$6,331	\$8,094	\$1,763
2007	8.25%	18.93%	77.8%	\$6,739	\$8,662	\$1,923
2008	8.25%	-3.13%	78.8%	\$7,211	\$9,154	\$1,944
2009	8.25%	-20.53%	63.0%	\$6,109	\$9,702	\$3,594
2010	8.25%	11.39%	62.4%	\$6,470	\$10,372	\$3,902
2011	8.00%	21.18%	61.9%	\$6,762	\$10,919	\$4,157
2012	8.00%	0.46%	57.1%	\$6,530	\$11,429	\$4,899
2013	8.00%	12.50%	54.5%	\$6,511	\$11,946	\$5,435
2014	8.00%	18.56%	59.7%	\$7,731	\$12,948	\$5,216
2015	8.00%	3.29%	67.0%	\$8,931	\$13,338	\$4,407
2016	8.00%	-0.36%	66.4%	\$9,057	\$13,633	\$4,576
2017	8.00%	13.35%	66.7%	\$9,230	\$13,832	\$4,602
2018	7.38%	9.61%	64.6%	\$9,430	\$14,606	\$5,176
2019	7.38%	6.40%	63.7%	\$9,577	\$15,039	\$5,462
2020	7.38%	3.83%	63.6%	\$9,714	\$15,280	\$5,566
2021	7.38%	27.62%	67.9%	\$10,467	\$15,420	\$4,953
2022	7.25%	-4.08%	68.1%	\$10,961	\$16,094	\$5,132
2023	7.25%	7.03%	67.0%	\$11,272	\$16,836	\$5,564
2024	7.25%	9.22%	68.0%	\$11,608	\$17,060	\$5,452
2025	7.25%	10.10%	70.3%	\$12,162	\$17,312	\$5,150
30-year average rate of return:		7.60%				

Source: Funded Ratio - Actuarial Reports; Actual Rate of Returns - Department of Revenue, Investment Performance

\* Figures for Fiscal Years 2000 – 2005 are estimates as actuarial reporting during this period was on a combined Pension / Healthcare Basis



# Correlation between Actual Rate of Return and Funded Ratio – Pension only TRS

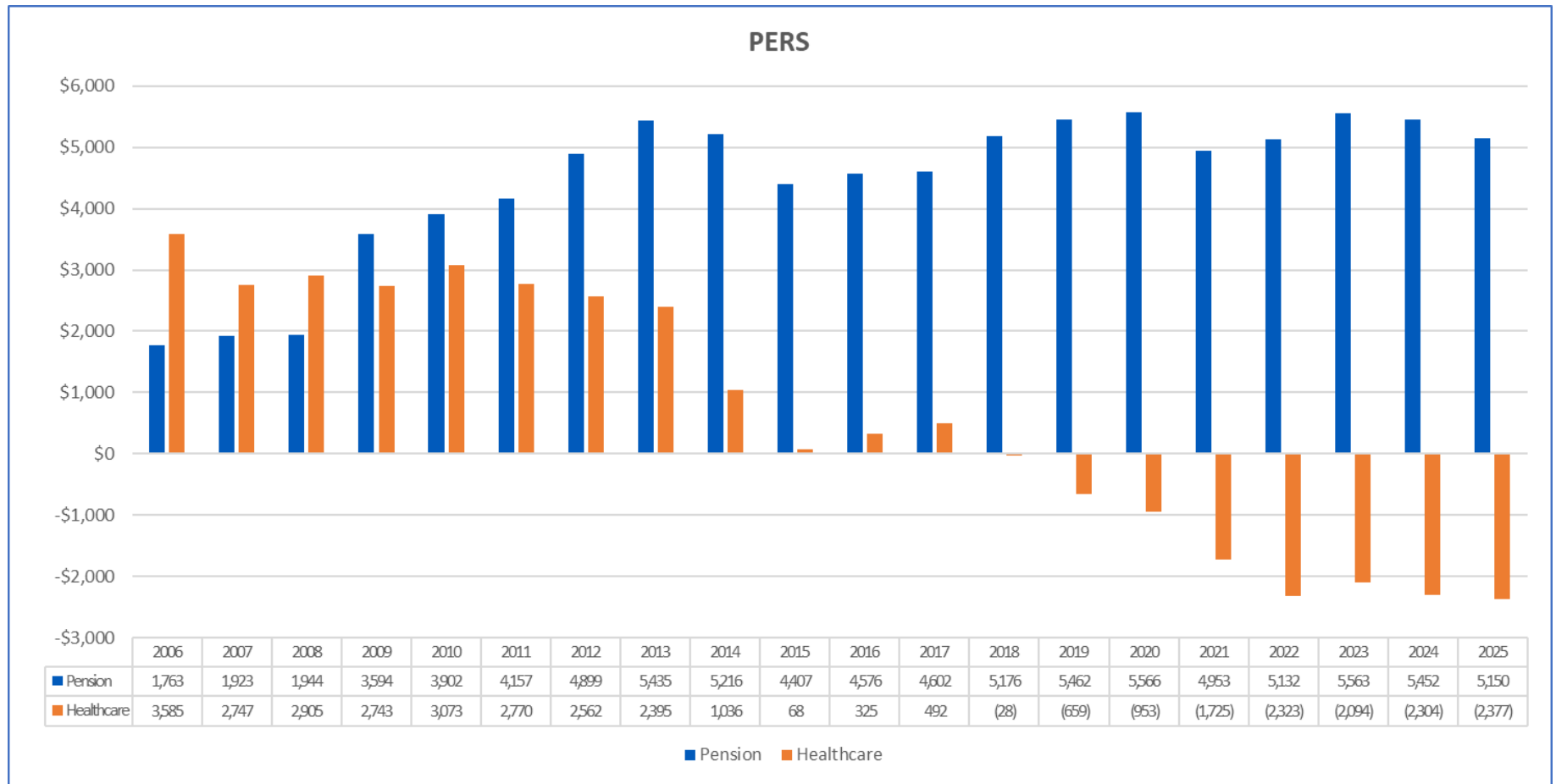
Fiscal Year End 30-Jun	Assumed Actuarial Earnings Rate	Actual Rate of Return	Actuarial Funded Ratio	Actuarial Value of Assets (AVA)	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Liability (UAL)
		TRS		(\$millions)		
2000	8.25%	10.25%	101.0%	\$3,383	\$3,351	-\$33
2001	8.25%	-5.44%	96.8%	\$3,533	\$3,651	\$118
2002	8.25%	-5.49%	75.3%	\$2,983	\$3,960	\$977
2003	8.25%	3.68%	72.5%	\$3,039	\$4,191	\$1,152
2004	8.25%	15.09%	73.8%	\$3,111	\$4,217	\$1,106
2005	8.25%	9.01%	73.5%	\$3,185	\$4,335	\$1,150
2006	8.25%	11.78%	67.8%	\$3,297	\$4,859	\$1,562
2007	8.25%	18.97%	68.2%	\$3,442	\$5,043	\$1,602
2008	8.25%	-3.12%	70.2%	\$3,670	\$5,232	\$1,562
2009	8.25%	-20.67%	57.0%	\$3,116	\$5,464	\$2,348
2010	8.25%	11.58%	54.3%	\$3,260	\$6,007	\$2,747
2011	8.00%	21.36%	54.0%	\$3,346	\$6,196	\$2,850
2012	8.00%	0.51%	49.9%	\$3,195	\$6,400	\$3,205
2013	8.00%	12.59%	48.1%	\$3,170	\$6,590	\$3,419
2014	8.00%	18.56%	54.5%	\$3,771	\$6,921	\$3,150
2015	8.00%	3.30%	76.9%	\$5,423	\$7,052	\$1,629
2016	8.00%	-0.36%	75.8%	\$5,429	\$7,160	\$1,731
2017	8.00%	13.36%	75.9%	\$5,477	\$7,218	\$1,741
2018	7.38%	9.62%	76.2%	\$5,542	\$7,276	\$1,735
2019	7.38%	6.39%	75.3%	\$5,564	\$7,388	\$1,824
2020	7.38%	3.82%	75.0%	\$5,587	\$7,447	\$1,860
2021	7.38%	27.65%	79.1%	\$5,910	\$7,472	\$1,562
2022	7.25%	-4.10%	78.2%	\$6,100	\$7,804	\$1,704
2023	7.25%	7.02%	76.8%	\$6,171	\$8,037	\$1,866
2024	7.25%	9.23%	77.9%	\$6,247	\$8,019	\$1,772
2025	7.25%	10.12%	79.8%	\$6,422	\$8,051	\$1,629
30-year average rate of return:		7.64%				



Source: Funded Ratio - Actuarial Reports; Actual Rate of Returns - Department of Revenue, Investment Performance

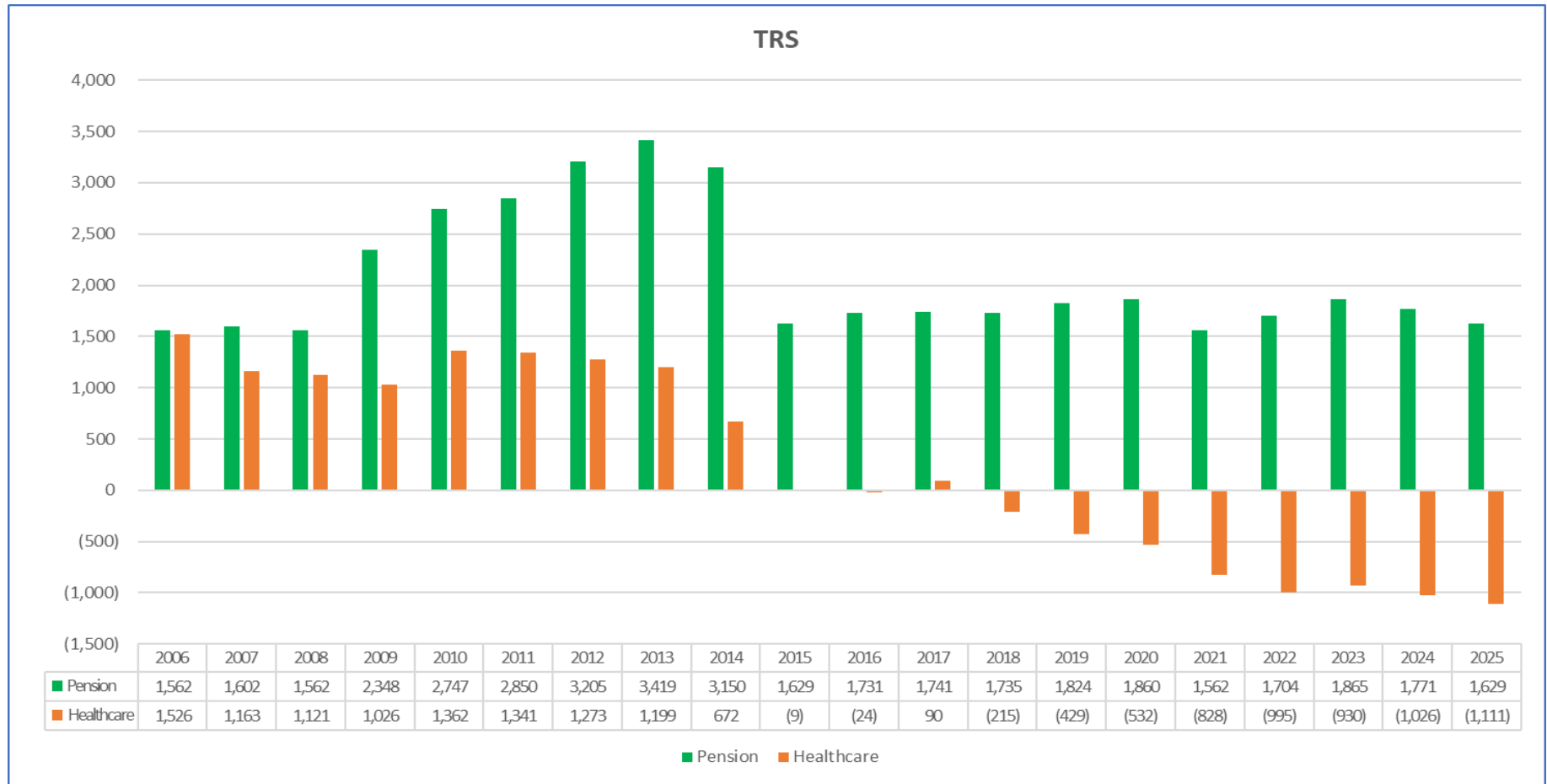
\* Figures for Fiscal Years 2000 – 2005 are estimates as actuarial reporting during this period was on a combined Pension / Healthcare Basis

# Unfunded Actuarial Liability – PERS (in \$millions)



Source: Gallagher, Actuarial Valuation Reports as of June 30, 2024, and 2025 draft results for PERS DB and TRS DB

# Unfunded Actuarial Liability – TRS (in \$millions)



Source: Gallagher, Actuarial Valuation Reports as of June 30, 2024, and 2025 draft results for PERS DB and TRS DB

# Additional State Contributions – History (\$ Dollars)

FY	Legislation	PERS	TRS	Total
2006	Chapter 3, FSSLA 05 (SB 46), Sec 59(b)	\$ 18,426,923	\$ -	\$ 18,426,923
2007	Chapter 82, SLA 06 (SB 231), Sec 60(b)	18,581,921	-	18,581,921
2008	Chapter 30, SLA 07 (SB 53), Sec 55(e)	185,000,000	269,992,300	454,992,300
	Chapter 28, SLA 07 (HB95), Sec 15(a)			
2009	Chapter 27, SLA 08 (HB 310), Sec 13(b) & (a)	241,600,000	206,300,000	447,900,000
2010	Chapter 12, SLA 09 (HB 81), Sec 23(b) & (a)	107,953,000	173,462,000	281,415,000
2011	Chapter 41, SLA 10 (HB 300), Sec 29(b) & (a)	165,841,171	190,850,258	356,691,429
2012	Chapter 3, FSSLA 11 (HB 108), Sec 29(b) & (a)	242,609,397	234,517,333	477,126,730
2013	Chapter 15, SLA 12 (HB 284), Sec 27(a) & (b)	307,302,392	302,777,153	610,079,545
2014	Chapter 14, SLA 13 (HB 65), Sec 29(a) & (b)	312,472,952	316,847,291	629,320,243
2015	Chapter 18, SLA 14 (HB 119), Sec 48(a) & (b)	1,000,000,000	2,000,000,000	3,000,000,000
2016	Chapter 1, SSSLA 15 (HB 2001), Sec 10(a) & (b)	126,520,764	130,108,327	256,629,091
2017	Chapter 3, 4SSLA 16 (HB 256), Sec 28(a) & (b)	99,166,576	116,699,959	215,866,535
2018	Chapter 1, SSSLA 17 (HB 57), Sec 41(a) & (b)	72,719,000	111,757,000	184,476,000
	Chapter 17, SLA 18 (HB 286), Sec 25(a)			
2019	Chapter 17, SLA 18 (HB 286), Sec 25(b) & (c)	135,219,000	128,174,000	263,393,000
2020	Chapter 1, FSSLA 19 (HB 39), Sec 35(a) & (b)	159,055,000	141,129,000	300,184,000
2021	Chapter 8, SLA 20 (HB 205), Sec 41(a) & (b)	203,585,000	134,976,000	338,561,000
2022	Chapter 1, SSSLA 21 (HB 69), Sec 73(b) & (c)	97,699,500	142,665,000	240,364,500
2023	Chapter 11, SLA 22 (HB 281), Sec 80(a) & (b)	33,933,000	91,029,000	124,962,000
2024	Chapter 1, FSSLA 23 (HB 39), Sec 74(a) & (b)	37,942,000	98,766,000	136,708,000
2025	Chapter 7, SLA 24 (HB 268), Sec 51(a) & (b)	59,149,000	123,358,000	182,507,000
2026	Chapter 10, SLA 25 (HB 53), Sec 45(a) & (b)	79,807,000	138,982,000	218,789,000
Total:		\$ 3,704,583,596	\$ 5,052,390,621	\$ 8,756,974,217

Source: Legislative Bills for the respective year



# Additional State Contributions– Projected (\$ Dollars)

Fiscal Year	PERS	TRS	Total
2027	75,283,000	157,201,000	232,484,000
2028	93,282,000	159,411,000	252,693,000
2029	91,969,000	154,892,000	246,861,000
2030	91,705,000	152,279,000	243,984,000
2031	95,885,000	154,280,000	250,165,000
2032	99,235,000	156,144,000	255,379,000
2033	102,955,000	157,925,000	260,880,000
2034	59,582,000	157,472,000	217,054,000
2035	38,540,000	144,885,000	183,425,000
2036	30,944,000	140,184,000	171,128,000
2037	73,407,000	180,515,000	253,922,000
2038	59,315,000	161,570,000	220,885,000
2039	0	81,039,000	81,039,000
	\$ 912,102,000	\$ 1,957,797,000	\$ 2,869,899,000

**Without HealthCare Normal Cost Contributions**



Source: Gallagher

# Additional State Contributions and Past Service Cost PERS (\$ Dollars)

Fiscal Year	Non-State Employers	State-as-an-Employer	Additional State Contribution	Total
2027	182,870,000	259,366,000	75,283,000	517,519,000
2028	189,478,000	296,008,000	93,282,000	578,768,000
2029	190,664,000	295,736,000	91,969,000	578,369,000
2030	192,227,000	297,097,000	91,705,000	581,029,000
2031	193,545,000	302,961,000	95,885,000	592,391,000
2032	195,630,000	308,775,000	99,235,000	603,640,000
2033	197,746,000	314,856,000	102,955,000	615,557,000
2034	200,035,000	270,814,000	59,582,000	530,431,000
2035	202,644,000	250,973,000	38,540,000	492,157,000
2036	205,714,000	245,987,000	30,944,000	482,645,000
2037	209,115,000	294,959,000	73,407,000	577,481,000
2038	213,109,000	284,057,000	59,315,000	556,481,000
2039	178,296,000	184,463,000	0	362,759,000
	\$ 2,551,073,000	\$ 3,606,052,000	\$ 912,102,000	\$ 7,069,227,000



Source: Gallagher

# Additional State Contributions and Past Service Cost TRS (\$ Dollars)

Fiscal Year	Employer	Additional State Contribution	Total
2027	20,253,000	157,201,000	177,454,000
2028	19,706,000	159,411,000	179,117,000
2029	19,311,000	154,892,000	174,203,000
2030	18,943,000	152,279,000	171,222,000
2031	18,510,000	154,280,000	172,790,000
2032	18,178,000	156,144,000	174,322,000
2033	17,944,000	157,925,000	175,869,000
2034	17,718,000	157,472,000	175,190,000
2035	17,594,000	144,885,000	162,479,000
2036	17,478,000	140,184,000	157,662,000
2037	17,466,000	180,515,000	197,981,000
2038	17,465,000	161,570,000	179,035,000
2039	17,563,000	81,039,000	98,602,000
	\$ 238,129,000	\$ 1,957,797,000	\$ 2,195,926,000



Source: Gallagher



# HealthCare Trusts Funded Level

Fiscal Year	With NC Contributed	Without NC Contributed	With NC Contributed	Without NC Contributed
	<b>PERS</b>		<b>TRS</b>	
2026	131%	131%	140%	140%
2027	134%	134%	144%	144%
2028	137%	137%	148%	147%
2029	141%	140%	152%	151%
2030	144%	142%	156%	154%
2031	147%	145%	160%	158%
2032	151%	148%	164%	162%
2033	155%	151%	170%	167%
2034	159%	155%	176%	173%
2035	165%	160%	183%	179%
2036	171%	165%	190%	186%
2037	177%	171%	199%	194%
2038	185%	178%	209%	203%
2039	194%	186%	220%	214%

NC = Normal Cost (*the annual cost of current year benefit accruals and administrative expenses assigned under an actuarial cost method.*)

Source: Gallagher



# FY2027 Contribution Rates (\$ Dollars)

## Health Plan – Zero Normal Cost Impact on Contribution Rates

PERS					TRS			
FY27 PERS Total Payroll *					FY27 TRS Total Payroll			
\$ 2,801,225,000					\$ 791,148,000			
	With HCC	Contribution	Without HCC	Contribution	With HCC	Contribution	Without HCC	Contribution
DB Pension Plan - Normal Cost	1.89%	52,943,000	1.89%	52,943,000	1.98%	15,665,000	1.98%	15,665,000
DB Pension Plan - Past Service Cost	18.57%	520,188,000	18.57%	520,188,000	23.14%	183,072,000	23.14%	183,072,000
DB Health Plan - Normal Cost	1.78%	49,862,000	0.00%	-	1.93%	15,269,000	0.00%	-
DCR Plan	7.09%	198,606,000	7.09%	198,606,000	8.02%	63,450,000	8.02%	63,450,000
	<b>29.33%</b>	<b>821,599,000</b>	<b>27.55%</b>	<b>771,737,000</b>	<b>35.07%</b>	<b>277,456,000</b>	<b>33.14%</b>	<b>262,186,000</b>
State Of Alaska Contributions	29.33%	409,649,000	27.55%	384,788,000				
Non-State Employer Contributions	<b>22.00%</b>	<b>308,997,000</b>	<b>22.00%</b>	<b>308,997,000</b>	<b>12.56%</b>	<b>99,368,000</b>	<b>12.56%</b>	<b>99,368,000</b>
<b>Additional State Contributions</b>	<b>7.08%</b>	<b>99,441,000</b>	<b>5.36%</b>	<b>75,283,000</b>	<b>21.74%</b>	<b>171,995,000</b>	<b>19.87%</b>	<b>157,201,000</b>

* PERS Non-State Employers Total Payroll:	\$ 1,404,534,000
PERS State as an Employer Total Payroll:	<u>1,396,691,000</u>
FY27 (projected) PERS Total Payroll:	\$ 2,801,225,000

Total Savings : **\$49,019,000 (PERS) + \$14,794,000 (TRS) = \$63,813,000**

(NOTE: some totals may not add due to rounding)



Source: Gallagher, September 2025

# FY2027 Contribution Rates – Defined Benefit Plans

Defined Benefit Plans	PERS	TRS
Employee		
• All Other Employees	6.75%	8.65%
• Peace Officer/Firefighter	7.50%	
• School District Alternate Option	9.60%	
Employer (Rates capped by Alaska statute)	22.00%	12.56%
Additional State Contribution (for non-State employers)	5.55%	20.58%
Total Required Contributions for the Fiscal Year *	<b>27.55%</b>	<b>33.14%</b>

\* The total contribution rates for PERS and TRS include the DCR contribution rates.



Source: Gallagher

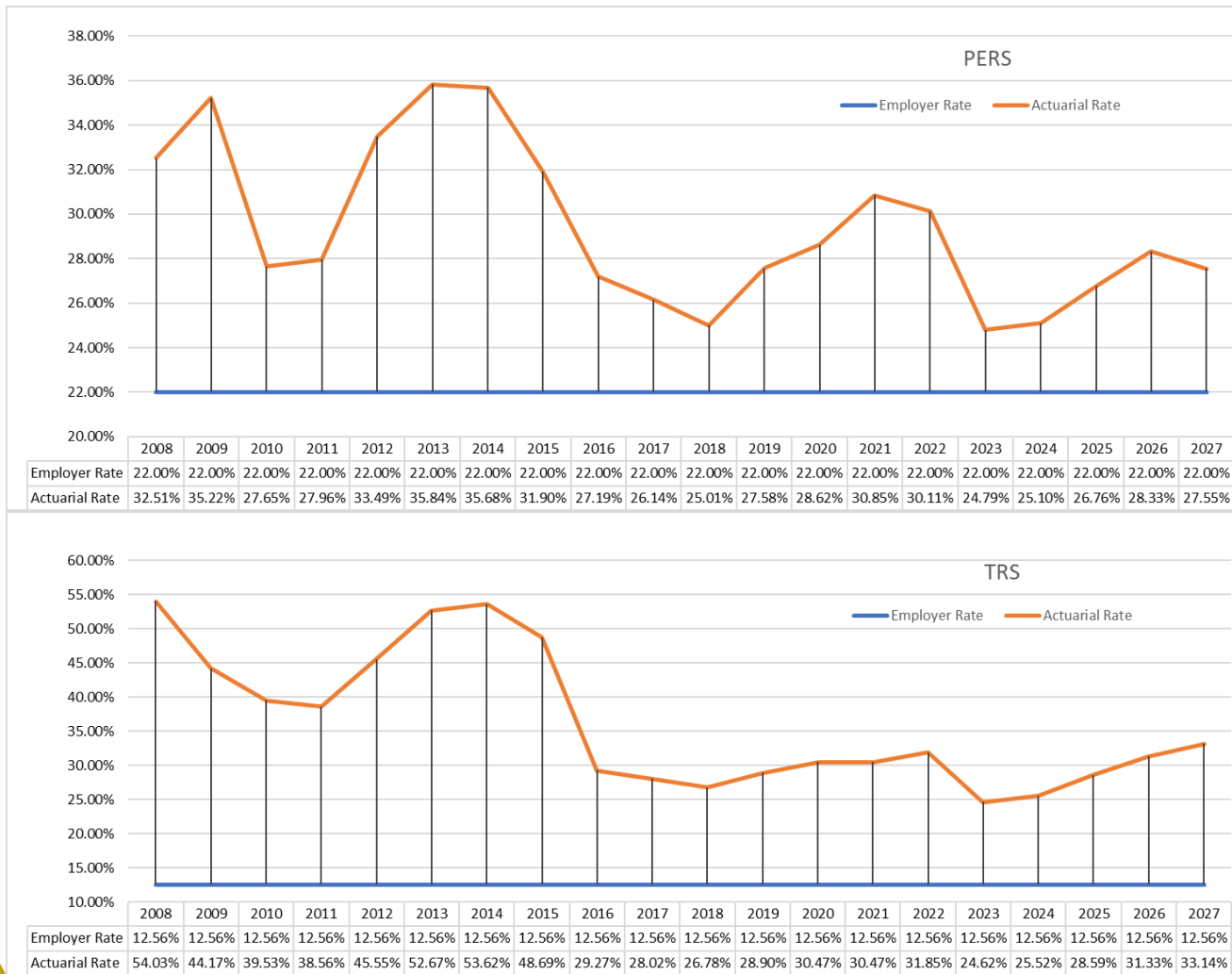
# FY2027 Contribution Rates – Defined Contribution Plans

Defined Contribution Plans	PERS	TRS
Employee (to Investment Account)	8.00%	8.00%
Employer		
Investment Account	5.00%	7.00%
Health Care (Retiree Major Medical Plan)	0.82%	0.75%
Occupational Death & Disability		
• All Others	0.24%	0.08%
• Peace Officer/Firefighter	0.69%	N/A
Health Reimbursement Account (HRA) (3% of all PERS/TRS average annual compensation)	Flat dollar amount computed annually	Flat dollar amount computed annually
Excess from Employers' Contributions (22% / 12.56%)	To DB Plans – Unfunded Liability	



Source: Gallagher

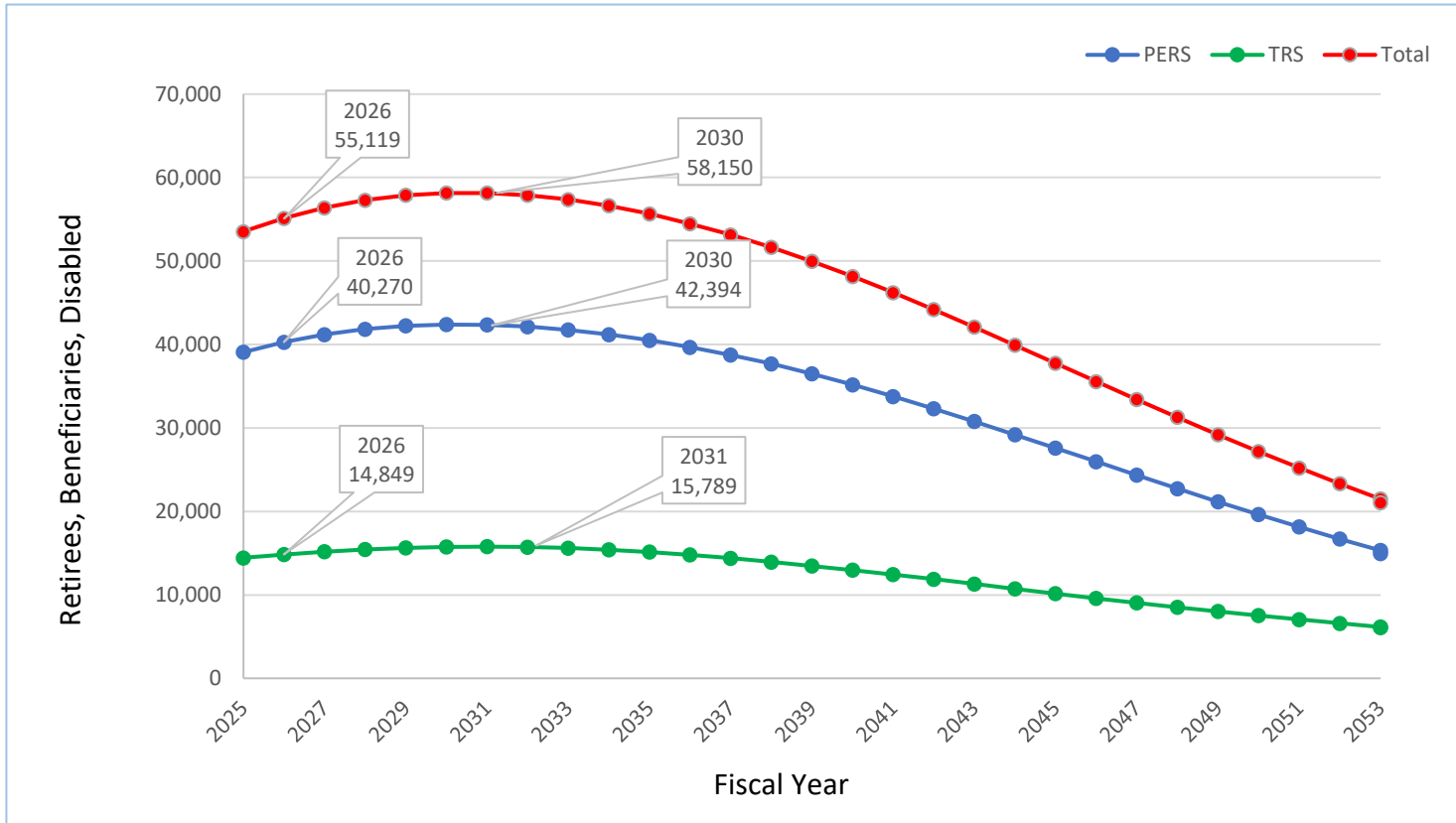
# Contribution Rates – History



Source: Gallagher, [Rates by Fiscal Year shown include both DB and DCR Plan rates]

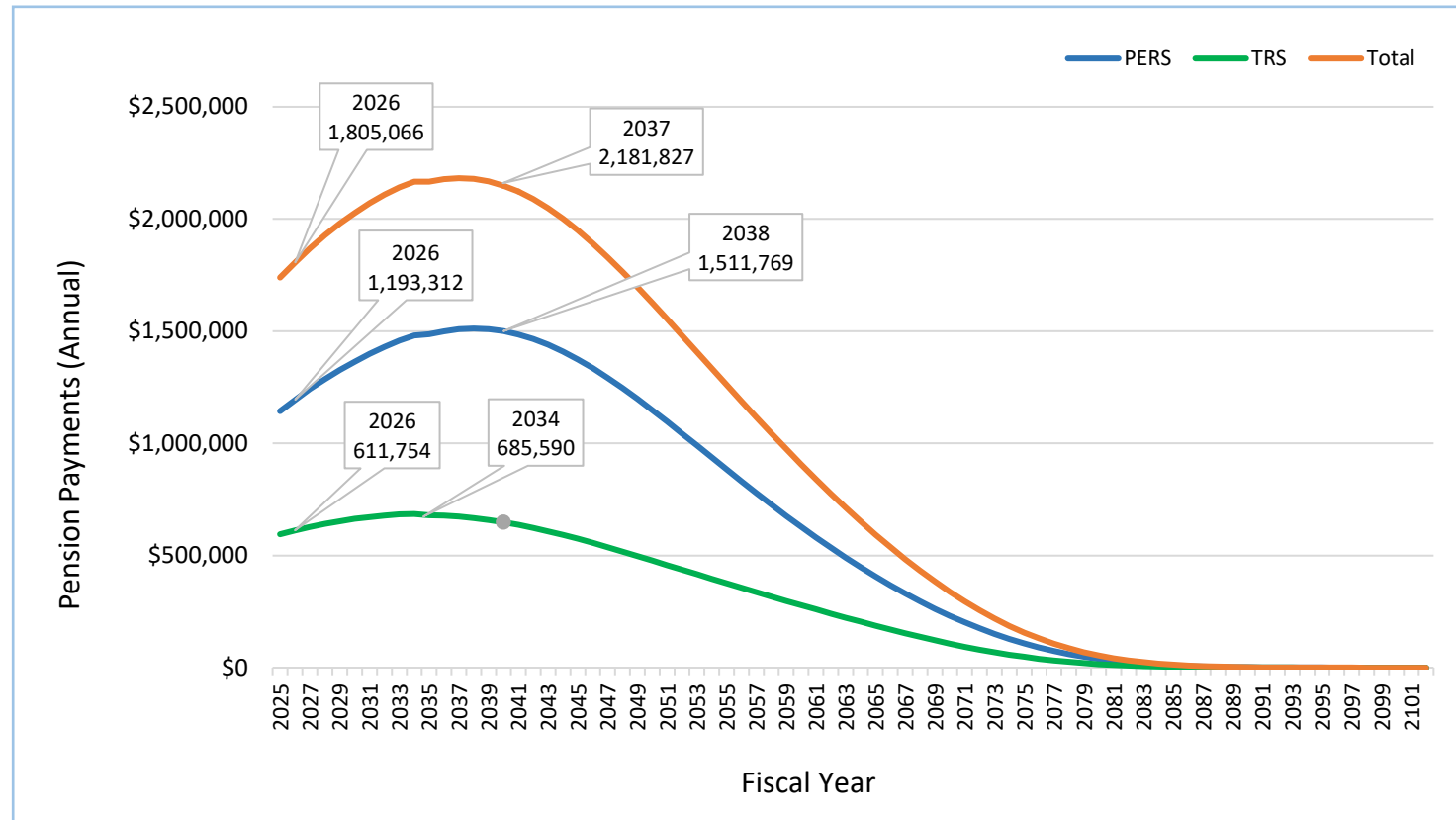


# Projected Pension Benefit Recipients



Source: Gallagher, Actuarial Valuation Reports as of June 30, 2024 for PERS and TRS DB - Section 3.7

# Projected Pension Benefits Payment (\$ thousands)



Source: Gallagher, Actuarial Valuation Reports as of June 30, 2024 for PERS and TRS DB - Section 3.7

# AlaskaCare Employer Group Waiver Plan

- An Employer Group Waiver Plan (EGWP) is a group Medicare Part D prescription drug plan option
- EGWP provides a direct subsidy which allows it to be considered when calculating the Other Post-Employment Benefits (OPEB) liability under both Governmental Accounting Standards Board (GASB) & Financial Accounting Standards Board (FASB) accounting frameworks
- The implementation of EGWP reduced 6/30/18 healthcare liabilities by **\$959 million**, which resulted in lower projected liabilities, lower projected contribution rates, and lower projected Additional State Contributions (\$711 million for PERS, \$248 million for TRS)



GASB = Governmental Accounting Standards Board  
FASB = Financial Accounting Standards Board



# An Employer Group Waiver Plan (EGWP) Subsidy

Types of Funding	\$ (Millions)				
	2021	2022	2023	2024	2025
Direct Subsidy	\$ (2.64)	\$ (5.23)	\$ (5.91)	\$ 4.11	\$ 45.22
Catastrophic Reinsurance*	25.98	35.57	38.36	40.37	15.71
Low Income Premiums Subsidy	0.22	0.22	0.23	0.25	0.14
Low Income Cost Sharing Subsidy*	1.10	1.12	1.28	1.21	0.48
Coverage Gap Discount*	39.75	44.02	52.27	56.55	\$ 46.03
<b>TOTAL</b>	<b>\$ 64.41</b>	<b>\$ 75.70</b>	<b>\$ 86.23</b>	<b>\$ 102.49</b>	<b>\$ 107.57</b>

\* 2025 amounts described above are estimates due to the dynamic nature of claims. The actual subsidy is subject to minor adjustments due to true-up.



Source: OptumRx

# HealthCare Cost Trend Rates

Fiscal Year	Medical Pre-65	Medical Post-65	Rx / EGWP
2026	6.20%	5.40%	8.50%
2027	6.05%	5.35%	8.20%
2028	5.85%	5.35%	7.90%
2029	5.65%	5.30%	7.45%
2030	5.45%	5.30%	7.05%
2031	5.30%	5.30%	6.60%
2032	5.30%	5.30%	6.15%
2033	5.30%	5.30%	5.70%
2034-2038	5.30%	5.30%	5.30%
2039	5.25%	5.25%	5.30%
2050+	4.50%	4.50%	4.50%

Trend rates were updated with the June 30, 2024, draft actuarial valuation reports by adopting the ARM Board of the most recent experience study. Beginning in the Fiscal Year 2039, trend rates were revised to reach an ultimate rate of 4.5% in Fiscal Year 2050.

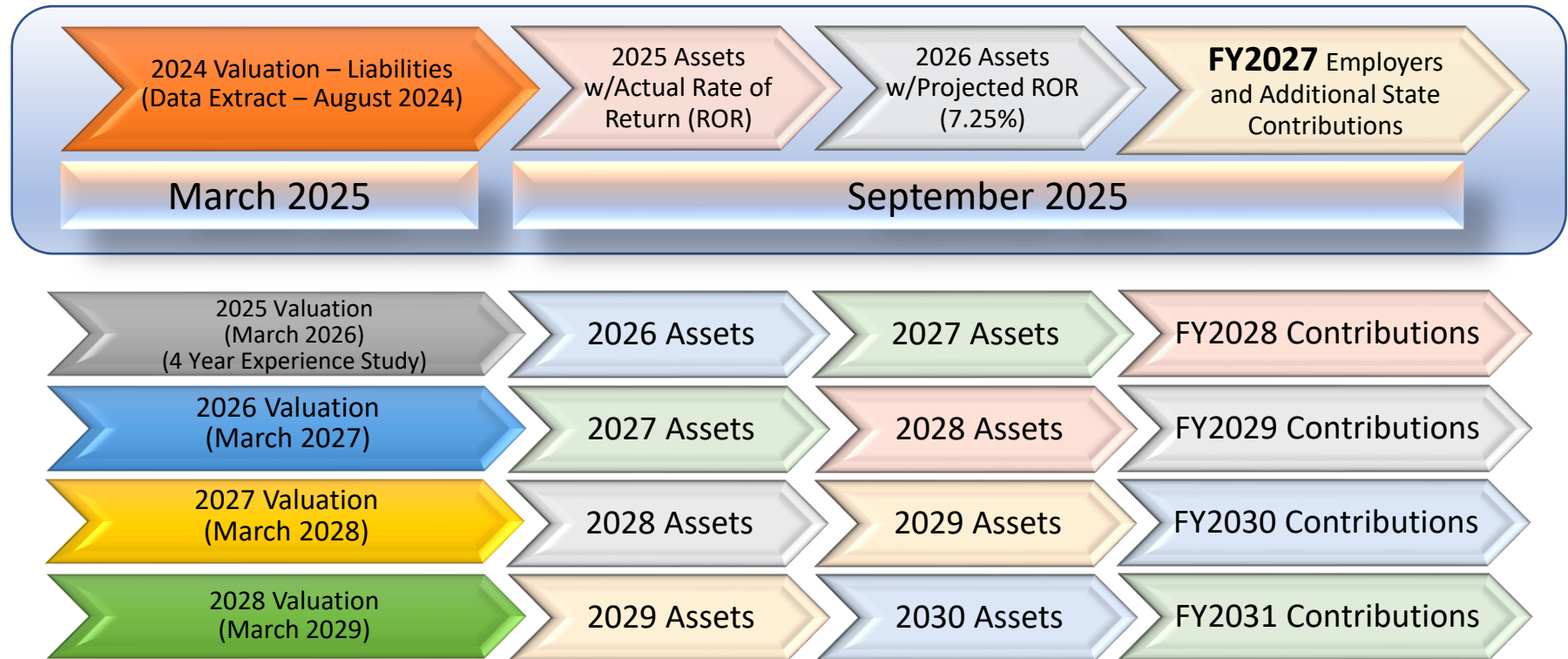
Source: Gallagher - June 30, 2024 valuation reports.



# Employers and Additional State Contributions

## Process Timeline

Allocation of projected employer and Additional State Contribution rates with liabilities “rolled forward” for two years, assets “rolled forward” for one year, and smoothed.



# eReporting Outage – Key Dates and Events

- **November 4, 2024 – February 6, 2025**
  - eReporting system offline
  - Approximately 1,600 payrolls unreported
- **February 6 – April 9, 2025**
  - eReporting back online
  - Three phased approach to prevent the system being overwhelmed
- **April 30, 2025**
  - Deadline given for employer to report all outstanding payrolls
  - Mar 27: Notice provided of deadline to all employers by letter and on the DRB webpage
  - Apr 29: Notice provided to all employers to notify their staff regarding allocation of imminent compensation for lost earnings:
    - May 15: Extension applied as a margin for error and/or reports that were submitted timely but not processed
    - May 30: Reports received after this date would only be entitled to any remaining balance of the make whole appropriation, on a first-come basis
- **June 5, 2025**
  - Make whole appropriation (within HB 53) made available for disbursement
- **June 17 to July 21, 2025**
  - Make Whole Payments were posted to members accounts



# Make Whole Appropriation

- **Amount Appropriated:**
  - \$2,679,460
- **Loss assumptions:**
  - Lost earnings calculation based on US Dept of Labor Voluntary Fiduciary Correction Program (VFCP) online calculator
- **Total amount paid out: \$1,309,635 (49%)**
  - PERS \$692,324, TRS \$552,345, SBS \$64,967
  - Remaining balance: \$1,369,825
- **Total Participants Paid: 23,996**
  - Highest amount paid: \$368.90
  - Lowest amount paid: \$0.0024 (quarter of a cent)
  - Average (mean/median) amount paid: \$54.58 / \$46.98

**Make Whole Payments by Amount**



Source: Empower Retirement Services

# Collaboration and Communication

- DRB Staff
  - Active Payroll Team
  - Counseling Resource
  - Communications Team
    - Frequent updates on the DRB Webpage: [drb.alaska.gov/news/#employer](http://drb.alaska.gov/news/#employer)
    - Letters to employers and employees
- Empower
  - Resources provided to ensure amounts were posted to accounts ahead of schedule
- Employers
  - 99% of Employers were fully caught up by the deadlines



# **Department of Administration**

Championing improvement in the State's performance and results.



For more information, please contact [Christopher.Novell@alaska.gov](mailto:Christopher.Novell@alaska.gov)