

AK LEGISLATURE SPECIAL COMMITTEE FILES SCOMM 150 3256
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Sectional Analysis for SB 125 and HB 206 PERS Cost Share Bills

Reason: Sets out the definition and calculation of the employer normal cost rate and past service rate that all employers will contribute under the new cost-share plan and specifies the minimum rate allowed. Normal cost rate and past service rates are based on all members in the system rather than only those members in the plan employed by a participating employer. Also prescribes the timing of transmittal of contributions to the plan and requires past service contributions be made for returned retirees.

Sec. 6 AS 39.35.260. Changes the annual calculation of the employer rate from separate employer rates to one uniform employer rate.

Reason: To establish a cost share plan that uses a uniform employer contribution rate.

Sec. 7 AS 39.35.260. Adds subsection (b) to allocate 65% of the unfunded liability of the plan as of June 30, 2006, to the State of Alaska, regardless of the rate calculated in AS 39.35.255 or (a) of the section. The remaining 35 percent of that unfunded liability is allocated to the other participating employers. Once the rate for the State of Alaska, as calculated in this subsection, is within one percentage point of the rate for all other employers, a separate rate for the State of Alaska will not be calculated.

Reason: To assign 65% of the unfunded liability to the State of Alaska and assign the remaining 35% of that unfunded liability to political subdivisions and public organizations.

Sec. 8 AS 39.35.520. Changes the reference from AS 39.35.270 (repealed by sec. 13 of the bill) referring to individual employer rates to new AS 39.35.255 (sec. 5 of the bill) providing for a single employer contribution rate.

Reason: Conforming change.

Sec. 9 AS 39.35.610(b). Addition of a new subsection allowing the system to collect the amount of contributions and interest due from an employer if the employer fails to make timely payment of contributions. The administrator may claim an employer's past due contributions and interest from any agency of the state or political subdivision that has funds in its possession that are to be distributed to the employer.

Reason: To provide a method of collecting over due contributions and to prevent one employer in default from adversely affecting the rate shared by all employers in the plan.

Sec. 10 AS 39.35.615. Removes the ability of an employer to amend its participation agreement and allows only for termination from the plan.

Reason: Currently employers may designate groups or classifications of their employees for coverage under the PERS defined benefit plan and individually bear any related costs or savings from those choices. With a cost share plan, amendments of this type by one employer could create liability to all employers in the plan.

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Sec. 11 AS 39.35.615(g) Adds new subsection that requires employers voluntarily terminating from the plan to pay the associated termination cost within a set timeframe. Allows for a payment plan as well as a lump sum payment. Allows the administrator to collect funds per AS 39.35.610(b) (sec. 9 of the bill), if the employer fails to pay the termination cost in a timely manner. Provides for a refund of excess assets to the employer's should allocated assets exceed the termination liability, if allowed under the Internal Revenue Code. Allows the employer to join the PERS defined contribution plan at a future date once termination costs are paid in full.

AS 39.35.615(h). Adds a new subsection that requires employers who are voluntarily terminating participation in the plan to pay the cost associated with the termination cost study.

Reason: To establish a process for voluntarily termination of an employer's participation and collection of termination costs from the employer under the cost share plan.

Sec. 12 AS 39.35.620(i). Adds a new subsection that requires employers involuntarily terminated from the plan to pay the associated termination cost within a set timeframe. Allows for a payment plan as well as a lump sum payment. Allows the administrator to collect funds per AS 39.35.610(b) (sec. 9 of the bill), if the employer fails to pay the termination cost in a timely manner. Provides for a refund of excess assets to the employer should allocated assets exceed the termination liability, if allowed under the Internal Revenue Code. Allows the employer to join the PERS defined contribution plan at a future date once termination costs are paid in full.

AS 39.35.620(j). Adds a new subsection that requires employers who are involuntarily terminated from participation in the plan to pay the cost associated with the termination cost study.

Reason: To establish a process for collecting the termination cost of an employer that is involuntarily terminated from participation under the cost share plan.

Sec. 13 AS 39.35.650. Clarifies the circumstances under which an employer may receive an amount from the plan.

Reason: Clarification of statute to codify existing practice and to comply with the Internal Revenue Code.

Sec. 14 Repeals: Repeals all sections and subsections referring to the calculation or payment of individual employer rates; repeals statutes that allow employers to join the defined benefit plan, which was closed by SB 141 (ch 9, FSSIA 2005); and repeals prior statutes that provide for participation and termination of participation of classifications or groups of employees, and of provisions regarding termination that are replaced by secs. 11-13 of the bill.

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Sec. 15 Transition. Provides that the administrator will notify every employer in the defined benefit plan of the departments, groups, or other classifications of employees the employer currently covers under their participation agreement. Employers will have 90 days from receipt of the notification to request an amendment to their participation to either add or delete covered groups. Once the 90 days has elapsed, employers may not amend their agreement in the future to add or delete groups. States that past service credit cannot be awarded during this transition period.

Sec. 16 Transition. Provides for the Departments of Administration and Revenue to adopt regulations necessary to implement this act.

Sec. 17 Reviser's Instructions: Change headings for AS 39.35.615 to reflect a voluntary termination of participation and AS 39.35.620 to reflect an involuntary termination of participation.

Sec. 18 Immediate effective date for transition sections.

Sec. 19 July 1, 2007, effective date for implementing the cost share program.

Cost Share Exhibits

Exhibit #		Page #
1	Pure Cost Share all (160) PERS Employers pay one uniform rate – 39.76% - Exhibit 1	1-5
2(a)	Cost Share, State @ 65% unfunded liability plus \$1.7B POB – "Winners" - Exhibit 2(a)	6-7
2(b)	Cost Share, State @ 65% unfunded liability plus \$1.7B POB – "Losers" - Exhibit 2(b)	8-10
3	Hold harmless employers FY07 rate below FY08 Cost Share Rate - Exhibit 3	11-14
4	FY08 Governor's Amended Budget – One page Summary - Exhibit 4	15
5(a)	Impact to PERS going to Cost Share @ 65% and \$1.7B POB on GF for FY08 - Exhibit 5(a)	16
5(b)	Impact to TRS with \$500M cash and \$2B on the GF for FY08 - Exhibit 5(b)	17-18
6(a)	PERS overall savings from proposed solution with POB - Exhibit 6(a)	19-20
6(b)	TRS overall savings from proposed solution with POB and \$500M cash - Exhibit 6(b)	21-22
7(a)	FY06 PERS "Heros" – Employers who applied rate relief (SB46) to unfunded liability - Exhibit 7(a)	23
	- Hero List – City of Soldotna in FY05 made a \$1 million deposit their PERS account to pay down unfunded liability	
7(b)	FY07 PERS "Heros" – Employers who applied rate relief (SB231) to unfunded liability - Exhibit 7(b)	24

**EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION -
CHANGE TO COST SHARE - BEFORE 65/35 AND POBs**

Winners and Losers - FY08 Base

		2	5	6 = 2 x 5				
		Gross Salaries						
ER		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate	FY 08 Est. Contribution - Orig	Average Rate - 05 val w/ level \$ amort	FY 08 Est. Contribution - Straight Cost Share	Loser FY08 cost share > FY08 original	Winner FY08 cost share < FY08 original
101	STATE OF ALASKA PERS	848,376,355	44.01%	373,370,434	39.76%	337,314,439	-	(36,055,995)
113	UNIVERSITY OF ALASKA PERS	136,296,354	33.75%	46,000,019	39.76%	54,191,430	8,191,411	-
208	AKUTAN, CITY OF	307,967	14.48%	44,594	39.76%	122,448	77,854	-
230	ALEUTIANS EAST BOROUGH	704,070	20.31%	142,997	39.76%	279,938	136,942	-
259	ALLAKAKET, CITY OF	19,758	14.48%	2,861	39.76%	7,856	4,995	-
203	ANCHORAGE PARKING AUTHORITY	1,298,338	29.27%	380,024	39.76%	516,219	136,196	-
173	ANCHORAGE, MUNICIPALITY OF	151,287,070	39.33%	59,501,205	39.76%	60,151,739	650,534	-
283	ANDERSON, CITY OF	43,355	14.48%	6,278	39.76%	17,238	10,960	-
243	ATKA, CITY OF	99,456	34.02%	33,835	39.76%	39,544	5,709	-
171	BARROW, CITY OF	1,248,265	17.70%	220,943	39.76%	496,310	275,367	-
219	BARTLETT REGIONAL HOSPITAL	20,709,107	21.87%	4,529,082	39.76%	8,233,941	3,704,859	-
136	BETHEL, CITY OF	5,809,252	17.40%	1,010,810	39.76%	2,309,759	1,298,949	-
144	BRISTOL BAY BOROUGH	1,749,955	29.90%	523,237	39.76%	695,782	172,546	-
163	CORDOVA COMMUNITY MEDICAL CENTER	2,172,784	29.97%	651,183	39.76%	863,899	212,716	-
186	CRAIG, CITY OF	1,667,345	33.56%	559,561	39.76%	662,936	103,375	-
282	DELTA JUNCTION, CITY OF	293,706	17.27%	50,723	39.76%	116,778	66,055	-
178	DILLINGHAM, CITY OF	2,227,329	28.49%	634,566	39.76%	885,586	251,020	-
271	EGEGIK, CITY OF	45,968	31.40%	14,434	39.76%	18,277	3,843	-
116	FAIRBANKS NORTH STAR BOROUGH	19,314,602	29.98%	5,790,518	39.76%	7,679,486	1,888,968	-
183	FORT YUKON, CITY OF	401,625	14.48%	58,155	39.76%	159,886	101,531	-
192	GALENA, CITY OF	1,822,779	16.88%	307,685	39.76%	724,737	417,052	-
215	HOMER, CITY OF	5,104,318	35.96%	1,835,513	39.76%	2,029,477	193,964	-
199	HOONAH, CITY OF	689,170	27.46%	189,246	39.76%	274,014	84,768	-
285	HOOPER BAY, CITY OF	12,600	14.48%	1,825	39.76%	5,010	3,185	-
275	ILISAGVIK COLLEGE	3,887,085	16.19%	629,319	39.76%	1,545,505	916,186	-
180	KENAI PENINSULA BOROUGH	14,366,322	37.39%	5,371,568	39.76%	5,712,050	340,482	-
122	KETCHIKAN GATEWAY BOROUGH	4,697,575	32.18%	1,511,680	39.76%	1,867,756	356,076	-
151	KING COVE, CITY OF	932,592	26.53%	247,417	39.76%	370,799	123,382	-
227	KLAWOCK, CITY OF	671,063	15.13%	101,532	39.76%	266,815	165,283	-
140	KOTZEBUE, CITY OF	3,632,278	17.13%	622,209	39.76%	1,444,194	821,985	-
287	KOYUK, CITY OF	25,112	14.48%	3,636	39.76%	9,985	6,348	-
109	MATANUSKA-SUSITNA BOROUGH	12,730,979	33.89%	4,314,529	39.76%	5,061,837	747,308	-
254	MEKORYUK, CITY OF	3,189	20.53%	655	39.76%	1,268	613	-
294	MOUNTAIN VILLAGE, CITY OF	34,341	14.48%	4,973	39.76%	13,654	8,681	-
175	NOME JOINT UTILITY SYSTEM	883,109	22.82%	201,526	39.76%	351,124	149,599	-
139	NOME, CITY OF	2,532,588	36.02%	912,238	39.76%	1,006,957	94,719	-
241	NOORVIK, CITY OF	90,423	15.92%	14,395	39.76%	35,952	21,557	-

**EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION -
CHANGE TO COST SHARE - BEFORE 65/35 AND POBs**

Winners and Losers - FY08 Base

ER		Gross Salaries		FY08 Board Requested Rate	FY 08 Est. Contribution - Orig	Average Rate - 05 val w/ level \$ amort	FY 08 Est. Contribution - Straight Cost Share	Loser FY08 cost share > FY08 original	Winner FY08 cost share < FY08 original
		Est. FY08 (FY07 * 3%)							
191	NORTH POLE, CITY OF	1,667,144	34.59%	576,665	39.76%	662,857	86,191	-	
145	NORTH SLOPE BOROUGH	38,915,994	22.96%	8,935,112	39.76%	15,472,999	6,537,887	-	
220	NORTHWEST ARCTIC BOROUGH	1,043,827	18.24%	190,394	39.76%	415,025	224,631	-	
200	PELICAN, CITY OF	155,103	34.82%	54,007	39.76%	61,669	7,662	-	
187	PETERSBURG MEDICAL CENTER	3,855,146	21.73%	837,723	39.76%	1,532,806	695,083	-	
266	QUINHAGAK, CITY OF	28,529	14.48%	4,131	39.76%	11,343	7,212	-	
172	SAINT PAUL, CITY OF	1,263,904	28.44%	359,454	39.76%	502,528	143,074	-	
176	SAND POINT, CITY OF	925,242	29.98%	277,388	39.76%	367,876	90,489	-	
278	SAXMAN SEAPORT	70,936	28.13%	19,954	39.76%	28,204	8,250	-	
286	SELDOVIA, CITY OF	64,281	21.58%	13,872	39.76%	25,558	11,686	-	
182	SEWARD, CITY OF	4,055,986	31.14%	1,263,034	39.76%	1,612,660	349,626	-	
165	SITKA COMMUNITY HOSPITAL	4,559,308	32.58%	1,485,422	39.76%	1,812,781	327,358	-	
132	SKAGWAY, CITY OF	1,851,825	25.36%	469,623	39.76%	736,286	266,663	-	
123	SOLDOTNA, CITY OF	2,847,540	33.94%	966,455	39.76%	1,132,182	165,727	-	
169	TANANA, CITY OF	96,281	14.48%	13,941	39.76%	38,281	24,340	-	
206	THORNE BAY, CITY OF	276,762	23.11%	68,960	39.76%	110,040	46,081	-	
280	TOKSOOK BAY, CITY OF	28,493	23.16%	8,599	39.76%	11,329	4,730	-	
249	UNALAKLEET, CITY OF	206,072	29.89%	61,595	39.76%	81,934	20,339	-	
179	UNALASKA, CITY OF	9,647,494	23.34%	2,251,725	39.76%	3,835,844	1,584,119	-	
290	UPPER KALSAG, CITY OF	19,615	14.48%	2,840	39.76%	7,799	4,959	-	
131	WASILLA, CITY OF	4,913,053	24.38%	1,197,802	39.76%	1,953,430	755,627	-	
202	WHITTIER, CITY OF	1,031,368	21.40%	220,713	39.76%	410,072	189,359	-	
248	YAKUTAT, CITY AND BOROUGH	744,132	25.22%	187,670	39.76%	295,867	108,197	-	
148	CORDOVA, CITY OF	2,307,407	52.49%	1,211,158	39.76%	917,425	-	-	(293,733)
258	DENALI BOROUGH	155,766	51.83%	80,733	39.76%	61,932	-	-	(18,801)
129	FAIRBANKS, CITY OF	7,175,800	184.95%	13,271,641	39.76%	2,853,098	-	-	(10,418,543)
189	HAINES BOROUGH	1,661,014	43.85%	728,355	39.76%	660,419	-	-	(67,935)
235	HUSLIA, CITY OF	120,616	40.43%	48,785	39.76%	47,957	-	-	(808)
126	JUNEAU, CITY AND BOROUGH	28,997,989	42.56%	12,341,544	39.76%	11,529,600	-	-	(811,944)
260	KACHEMAK, CITY OF	24,942	90.23%	22,505	39.76%	9,917	-	-	(12,588)
115	KENAI, CITY OF	5,678,794	45.71%	2,595,777	39.76%	2,257,888	-	-	(337,888)
181	KETCHIKAN, CITY OF	8,185,616	52.61%	4,306,452	39.76%	3,254,601	-	-	(1,051,852)
174	KODIAK ISLAND BOROUGH	2,359,685	49.23%	1,151,673	39.76%	938,211	-	-	(223,452)
128	KODIAK, CITY OF	6,015,174	48.05%	2,890,291	39.76%	2,391,633	-	-	(498,658)
247	LAKE AND PENINSULA BOROUGH	411,346	41.95%	172,559	39.76%	163,551	-	-	(9,008)
193	NENANA, CITY OF	209,537	41.79%	87,566	39.76%	83,312	-	-	(4,254)
134	PALMER, CITY OF	3,312,705	43.05%	1,426,120	39.76%	1,317,132	-	-	(108,988)
143	PETERSBURG, CITY OF	4,132,593	41.15%	1,700,562	39.76%	1,643,119	-	-	(57,443)
198	SAXMAN, CITY OF	126,122	105.76%	133,887	39.76%	50,146	-	-	(83,241)
120	SITKA, CITY AND BOROUGH	9,012,579	43.31%	3,903,348	39.76%	3,583,402	-	-	(319,947)

**EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION -
CHANGE TO COST SHARE - BEFORE 65/35 AND POBs**

Winners and Losers - FY08 Base

ER		Gross Salaries Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate	FY08 Est. Contribution - Orig	Average Rate - 05 val w/ level \$ amort	FY 08 Est. Contribution - Straight Cost Share	Loser FY08 cost share > FY08 original	Winner FY08 cost share < FY08 original
107	VALDEZ, CITY OF	5,267,186	46.32%	2,439,761	39.76%	2,094,233	-	(345,527)
135	WRANGELL, CITY OF	2,823,476	47.74%	1,347,928	39.76%	1,122,614	-	(225,313)
	PERS Poli Subs	427,761,855		159,755,152		170,078,114	25,212,896	(14,889,934)
152	ALASKA HOUSING FINANCE CORPORATION	18,397,143	26.68%	4,908,358	39.76%	7,314,704	2,406,346	-
267	ALEUTIAN HOUSING AUTHORITY	969,986	18.92%	186,521	39.76%	385,666	202,145	-
245	ALEUTIANS WEST CRSA	52,719	38.35%	20,218	39.76%	20,961	743	-
281	BARANOF ISLAND HA	476,399	15.12%	72,031	39.76%	189,416	117,385	-
270	BERING STRAITS RHA	1,078,781	17.62%	190,081	39.76%	428,923	238,842	-
223	BRISTOL BAY RHA	1,375,226	17.66%	242,865	39.76%	546,790	303,925	-
262	COOK INLET HOUSING AUTHORITY	4,298,799	17.00%	730,796	39.76%	1,709,203	978,407	-
224	COPPER RIVER BASIN RHA	614,337	17.45%	107,202	39.76%	244,260	137,059	-
263	INTERIOR RHA	1,203,929	16.73%	201,417	39.76%	478,682	277,265	-
284	INTER-ISLAND FERRY AUTHORITY	1,019,517	16.00%	163,123	39.76%	405,360	242,237	-
170	NORTH PACIFIC FISHERY MGMT COUNCIL	1,455,558	30.04%	437,250	39.76%	578,730	141,480	-
276	NORTH PACIFIC RIM HA	1,153,137	17.37%	200,300	39.76%	458,487	258,187	-
288	NORTHWEST INUPIAT HOUSING AUTHORITY	1,126,996	17.65%	198,915	39.76%	448,093	249,179	-
167	SOUTHEAST REGIONAL RESOURCE CENTER	1,377,180	34.41%	473,888	39.76%	547,567	73,679	-
218	SPECIAL EDUCATION SERVICE AGENCY	421,365	25.10%	105,763	39.76%	167,535	61,772	-
293	TAGIUGMIULLU NUNAMIULLU HOUSING AUT	1,450,852	14.90%	216,178	39.76%	576,860	360,683	-
279	TLINGIT-HAIDA RHA	2,331,900	20.69%	482,472	39.76%	927,167	444,695	-
106	ALASKA MUNICIPAL LEAGUE	310,281	52.74%	163,642	39.76%	123,368	-	(40,275)
	PERS Other	39,114,115		9,098,018		15,551,772	6,494,029	(40,275)
255	ALASKA GATEWAY SD	1,040,625	24.18%	251,623	39.76%	413,752	162,129	-
162	ALEUTIAN REGION SD	167,231	14.48%	24,215	39.76%	66,491	42,276	-
244	ALEUTIANS EAST BOROUGH SD	662,056	29.88%	197,822	39.76%	263,234	65,411	-
103	ANNETTE ISLAND SD	570,618	14.48%	82,625	39.76%	226,878	144,252	-
104	BERING STRAIT SD	7,076,188	24.49%	1,732,958	39.76%	2,813,492	1,080,534	-
112	COPPER RIVER SD	1,262,805	38.55%	486,811	39.76%	502,091	15,280	-
204	CRAIG CITY SD	855,564	35.26%	301,672	39.76%	340,172	38,500	-
246	DELTA/GREELY SD	1,301,771	35.15%	457,572	39.76%	517,584	60,012	-
205	DILLINGHAM CITY SD	1,393,179	27.30%	380,338	39.76%	553,928	173,590	-
117	FAIRBANKS NORTH STAR BOROUGH SD	28,134,102	36.49%	10,266,134	39.76%	11,186,119	919,985	-
141	GALENA CITY SD	3,209,254	23.72%	761,235	39.76%	1,275,999	514,764	-
240	HAINES BOROUGH SD	558,563	35.16%	196,391	39.76%	222,085	25,694	-
168	HYDABURG CITY SD	129,787	25.87%	33,576	39.76%	51,603	18,027	-
124	IDITAROD AREA SD	963,638	35.80%	344,083	39.76%	383,143	38,160	-
108	JUNEAU BOROUGH SD	9,525,443	39.28%	3,741,594	39.76%	3,787,316	45,722	-
265	KAKE CITY SD	366,919	31.20%	114,479	39.76%	145,887	31,408	-

**EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION -
CHANGE TO COST SHARE - BEFORE 65/35 AND POBs**

Winners and Losers - FY08 Base

ER		Gross Salaries		FY 08 Est. Contribution - Orig	Average Rate - 05 val w/ level \$ amort	FY 08 Est. Contribution - Straight Cost Share	Loser FY08 cost share > FY08 original	Winner FY08 cost share < FY08 original
		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate					
211	KASHUNAMIUT SD	1,118,236	26.87%	300,470	39.76%	444,611	144,141	-
177	KETCHIKAN GATEWAY BOROUGH SD	3,621,711	34.44%	1,247,317	39.76%	1,439,992	192,675	-
251	KLAWOCK CITY SD	429,395	35.15%	150,933	39.76%	170,728	19,795	-
125	KUSPUK SD	1,617,224	32.06%	518,482	39.76%	643,008	124,526	-
164	LAKE AND PENINSULA BOROUGH SD	1,673,423	37.60%	629,207	39.76%	665,373	36,146	-
157	LOWER KUSKOKWIM SD	15,647,268	24.45%	3,825,757	39.76%	6,221,354	2,395,597	-
153	LOWER YUKON SD	4,818,306	35.46%	1,708,571	39.76%	1,915,758	207,187	-
110	MATANUSKA-SUSITNA BOROUGH SD	22,759,596	33.39%	7,713,227	39.76%	9,049,216	1,335,988	-
196	NENANA CITY SD	1,388,620	21.62%	300,220	39.76%	552,115	251,896	-
149	NOME CITY SD	1,734,534	34.58%	599,802	39.76%	689,651	89,849	-
161	NORTH SLOPE BOROUGH SD	8,890,221	29.57%	2,628,838	39.76%	3,534,752	905,914	-
154	NORTHWEST ARCTIC BOROUGH SD	7,887,420	20.70%	1,632,696	39.76%	3,136,038	1,503,342	-
257	PELICAN CITY SD	120,470	14.48%	17,444	39.76%	47,899	30,455	-
228	PETERSBURG CITY SD	804,936	35.92%	289,133	39.76%	320,043	30,910	-
156	PRIBILOF SD	574,219	29.28%	168,131	39.76%	228,309	60,178	-
221	SAINT MARY'S SD	431,096	16.66%	71,821	39.76%	171,404	99,583	-
225	SKAGWAY CITY SD	286,767	16.44%	47,145	39.76%	114,019	66,874	-
102	SOUTHWEST REGION SD	2,197,540	30.08%	661,020	39.76%	873,742	212,722	-
166	TANANA SD	153,340	18.98%	29,104	39.76%	60,968	31,864	-
209	UNALASKA CITY SD	850,870	26.87%	228,629	39.76%	338,306	109,677	-
264	YAKUTAT SD	289,667	18.96%	54,921	39.76%	115,172	60,251	-
160	YUKON / KOYUKUK SD	1,493,899	20.02%	299,079	39.76%	593,974	294,896	-
159	YUKON FLATS SD	947,119	17.17%	162,620	39.76%	376,574	213,954	-
195	YUPIIT SD	1,743,107	18.26%	318,291	39.76%	693,059	374,768	-
111	ANCHORAGE SD	81,197,671	40.89%	33,201,728	39.76%	32,284,194	-	(917,534)
184	BRISTOL BAY BOROUGH SD	480,101	42.77%	205,339	39.76%	190,888	-	(14,451)
105	CHATHAM SD	371,217	69.18%	256,808	39.76%	147,596	-	(109,212)
121	CHUGACH SD	292,626	42.23%	123,576	39.76%	116,348	-	(7,228)
185	CORDOVA CITY SD	653,926	56.88%	371,953	39.76%	260,001	-	(111,952)
118	DENALI BOROUGH SD	1,083,629	42.65%	462,168	39.76%	430,851	-	(31,317)
138	HOONAH CITY SD	695,935	45.14%	314,145	39.76%	276,704	-	(37,441)
190	KENAI PENINSULA BOROUGH SD	13,089,068	45.44%	5,947,672	39.76%	5,204,213	-	(743,459)
158	KODIAK ISLAND BOROUGH SD	4,874,624	41.11%	2,003,958	39.76%	1,938,151	-	(65,807)
133	SITKA BOROUGH SD	2,070,752	50.66%	1,049,043	39.76%	823,331	-	(225,712)
155	SOUTHEAST ISLAND SD	678,719	68.73%	466,483	39.76%	269,859	-	(196,625)
137	VALDEZ CITY SD	1,937,697	46.80%	906,842	39.76%	770,428	-	(136,414)
146	WRANGELL PUBLIC SD	761,395	41.94%	319,329	39.76%	302,731	-	(16,598)
	PERS School Districts	246,884,090		88,605,932		98,161,114	12,168,933	(2,613,751)

**EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION -
CHANGE TO COST SHARE - BEFORE 65/35 AND POBS**

Winners and Losers - FY08 Base

ER		Gross Salaries	FY08 Board Requested Rate	FY 08 Est. Contribution - Orig	Average Rate - 05 val w/ level \$ amort	FY 08 Est.	Loser FY08 cost share > FY08 original	Winner FY08 cost share < FY08 original
		Est. FY08 (FY07 * 3%)				Contribution - Straight Cost Share		
101	TOTAL PERS	1,698,432,768		676,829,555		675,296,869	52,067,268	(53,599,954)
102	POLITICAL SUBDIVISIONS	427,761,855		159,755,152		170,078,114	25,212,896	(14,889,934)
103	SCHOOL DISTRICTS	246,884,090		88,605,932		98,161,114	12,168,933	(2,613,751)
104	STATE OF ALASKA	848,376,355		373,370,434		337,318,439	-	(36,055,995)
105	UNIVERSITY	136,296,354		46,000,019		54,191,880	8,191,411	-
106	OTHER PUBLIC ORGANIZATIONS	39,114,115		9,098,018		15,551,772	6,494,029	(40,275)
107		1,698,432,768		676,829,555		675,296,869	52,067,268	(53,599,954)
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EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Winners FY08 Base

		2	5	6 = 2 x 5	7	8	9 = 8-6
		Gross Salaries					
ER		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate	FY 08 Est. Contribution	Average Rate (05 val)	Cost Share Contributions in FY08	Winners - FY08 cost share < orig FY08
106	ALASKA MUNICIPAL LEAGUE	310,281	52.74%	163,642	31.86%	98,856	(64,787)
245	ALEUTIANS WEST CRSA	52,719	38.35%	20,218	31.86%	16,796	(3,421)
111	ANCHORAGE SD	81,197,671	40.89%	33,201,728	31.86%	25,869,578	(7,332,150)
173	ANCHORAGE, MUNICIPALITY OF	151,287,070	39.33%	59,501,205	31.86%	48,200,060	(11,301,144)
243	ATKA, CITY OF	99,456	34.02%	33,835	31.86%	31,687	(2,148)
184	BRISTOL BAY BOROUGH SD	480,101	42.77%	205,339	31.86%	152,960	(52,379)
105	CHATHAM SD	371,217	69.18%	256,808	31.86%	118,270	(138,538)
121	CHUGACH SD	292,626	42.23%	123,576	31.86%	93,231	(30,345)
112	COPPER RIVER SD	1,262,805	38.55%	486,811	31.86%	402,330	(84,482)
185	CORDOVA CITY SD	653,926	56.88%	371,953	31.86%	208,341	(163,612)
148	CORDOVA, CITY OF	2,307,407	52.49%	1,211,158	31.86%	735,140	(476,018)
204	CRAIG CITY SD	855,564	35.26%	301,672	31.86%	272,583	(29,089)
186	CRAIG, CITY OF	1,667,345	33.56%	559,561	31.86%	531,216	(28,345)
246	DELTA/GREELY SD	1,301,771	35.15%	457,572	31.86%	414,744	(42,828)
258	DENALI BOROUGH	155,766	51.83%	80,733	31.86%	49,627	(31,106)
118	DENALI BOROUGH SD	1,083,629	42.65%	462,168	31.86%	345,244	(116,924)
117	FAIRBANKS NORTH STAR BOROUGH SD	28,134,102	36.49%	10,266,134	31.86%	8,963,525	(1,302,609)
129	FAIRBANKS, CITY OF	7,175,800	184.95%	13,271,641	31.86%	2,286,210	(10,985,432)
189	HAINES BOROUGH	1,661,014	43.85%	728,355	31.86%	529,199	(199,156)
240	HAINES BOROUGH SD	558,563	35.16%	196,391	31.86%	177,958	(18,433)
215	HOMER, CITY OF	5,104,318	35.96%	1,835,513	31.86%	1,626,236	(209,277)
138	HOONAH CITY SD	695,935	45.14%	314,145	31.86%	221,725	(92,420)
235	HUSLIA, CITY OF	120,616	40.43%	48,765	31.86%	38,428	(10,337)
124	IDITAROD AREA SD	963,638	35.80%	344,983	31.86%	307,015	(37,967)
108	JUNEAU BOROUGH SD	9,525,443	39.28%	3,741,594	31.86%	3,034,806	(706,788)
126	JUNEAU, CITY AND BOROUGH	28,997,989	42.56%	12,341,544	31.86%	9,238,759	(3,102,785)
260	KACHEMAK, CITY OF	24,942	90.23%	22,505	31.86%	7,946	(14,559)
180	KENAI PENINSULA BOROUGH	14,366,322	37.39%	5,371,568	31.86%	4,577,110	(794,458)
190	KENAI PENINSULA BOROUGH SD	13,089,068	45.44%	5,947,672	31.86%	4,170,177	(1,777,495)
115	KENAI, CITY OF	5,678,794	45.71%	2,595,777	31.86%	1,809,264	(786,513)
122	KETCHIKAN GATEWAY BOROUGH	4,697,575	32.18%	1,511,680	31.86%	1,496,647	(15,032)
177	KETCHIKAN GATEWAY BOROUGH SD	3,621,711	34.44%	1,247,317	31.86%	1,153,877	(93,440)
181	KETCHIKAN, CITY OF	8,185,616	52.61%	4,306,452	31.86%	2,607,937	(1,698,515)

1 of 2

Winners

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Winners FY08 Base

		2	5	6 = 2 x 5	7	8	9 = 8-6
		Gross Salaries					
ER		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate	FY 08 Est. Contribution	Average Rate (05 val)	Cost Share Contributions In FY08	Winners - FY08 cost share < orig FY08
251	KLAWOCK CITY SD	429,395	35.15%	150,933	31.86%	136,805	(14,127)
174	KODIAK ISLAND BOROUGH	2,359,685	49.23%	1,161,673	31.86%	751,796	(409,877)
158	KODIAK ISLAND BOROUGH SD	4,874,624	41.11%	2,003,958	31.86%	1,553,055	(450,903)
128	KODIAK, CITY OF	6,015,174	48.05%	2,890,291	31.86%	1,916,435	(973,857)
125	KUSPUK SD	1,617,224	32.06%	518,482	31.86%	515,248	(3,234)
247	LAKE AND PENINSULA BOROUGH	411,346	41.95%	172,559	31.86%	131,055	(41,505)
164	LAKE AND PENINSULA BOROUGH SD	1,673,423	37.60%	629,207	31.86%	533,153	(96,054)
153	LOWER YUKON SD	4,818,306	35.46%	1,708,571	31.86%	1,535,112	(173,459)
109	MATANUSKA-SUSITNA BOROUGH	12,730,979	33.89%	4,314,529	31.86%	4,056,090	(258,439)
110	MATANUSKA-SUSITNA BOROUGH SD	22,759,596	33.89%	7,713,227	31.86%	7,251,207	(462,020)
193	NENANA, CITY OF	209,537	41.79%	87,566	31.86%	66,759	(20,807)
149	NOME CITY SD	1,734,534	34.58%	599,802	31.86%	552,623	(47,179)
139	NOME, CITY OF	2,532,588	36.02%	912,238	31.86%	806,883	(105,356)
191	NORTH POLE, CITY OF	1,667,144	34.59%	576,665	31.86%	531,152	(45,513)
134	PALMER, CITY OF	3,312,705	43.05%	1,426,120	31.86%	1,055,428	(370,692)
200	PELICAN, CITY OF	155,103	34.82%	54,007	31.86%	49,416	(4,591)
228	PETERSBURG CITY SD	804,936	35.92%	289,133	31.86%	256,453	(32,680)
143	PETERSBURG, CITY OF	4,132,593	41.15%	1,700,562	31.86%	1,316,644	(383,918)
198	SAXMAN, CITY OF	126,122	105.76%	133,387	31.86%	40,183	(93,204)
133	SITKA BOROUGH SD	2,070,752	50.66%	1,049,043	31.86%	659,742	(389,301)
165	SITKA COMMUNITY HOSPITAL	4,559,308	32.58%	1,485,422	31.86%	1,452,595	(32,827)
120	SITKA, CITY AND BOROUGH	9,012,579	43.31%	3,903,348	31.86%	2,871,408	(1,031,940)
123	SOLDOTNA, CITY OF	2,847,540	33.94%	966,455	31.86%	907,226	(59,229)
155	SOUTHEAST ISLAND SD	678,719	68.73%	466,483	31.86%	216,240	(250,244)
167	SOUTHEAST REGIONAL RESOURCE CENTE	1,377,180	34.41%	473,388	31.86%	438,770	(35,118)
113	UNIVERSITY OF ALASKA PERS	136,296,354	33.75%	46,000,019	31.86%	43,424,018	(2,576,001)
137	VALDEZ CITY SD	1,937,697	46.80%	906,842	31.86%	617,350	(289,492)
107	VALDEZ, CITY OF	5,267,186	46.32%	2,439,761	31.86%	1,678,126	(761,635)
146	WRANGELL PUBLIC SD	761,395	41.94%	319,329	31.86%	242,581	(76,749)
135	WRANGELL, CITY OF	2,823,476	47.74%	1,347,928	31.86%	899,560	(448,368)
							(51,680,852)

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Losers FY08 Base

		2	5	6 = 2 x 5	7	8	9 = 8-6
		Gross Salaries					
ER		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate	FY 08 Est. Contribution	Average Rate (05 val)	Cost Share Contributions In FY08	Losers - FY08 cost share > orig FY08
208	AKUTAN, CITY OF	307,967	14.48%	44,594	31.86%	98,118	53,525
255	ALASKA GATEWAY SD	1,040,625	24.18%	251,623	31.86%	331,543	79,920
152	ALASKA HOUSING FINANCE CORPORATION	18,397,143	26.68%	4,908,358	31.86%	5,861,330	952,972
267	ALEUTIAN HOUSING AUTHORITY	969,986	18.92%	183,521	31.86%	309,038	125,516
162	ALEUTIAN REGION SD	167,231	14.48%	24,215	31.86%	53,280	29,065
230	ALEUTIANS EAST BOROUGH	704,070	20.31%	142,997	31.86%	224,317	81,320
244	ALEUTIANS EAST BOROUGH SD	662,056	29.88%	197,822	31.86%	210,931	13,109
259	ALLAKAKET, CITY OF	19,758	14.48%	2,861	31.86%	6,295	3,434
203	ANCHORAGE PARKING AUTHORITY	1,298,338	29.27%	380,024	31.86%	413,651	33,627
283	ANDERSON, CITY OF	43,355	14.48%	6,278	31.86%	13,813	7,535
103	ANNETTE ISLAND SD	570,618	14.48%	82,625	31.86%	181,799	99,173
281	BARANOF ISLAND HA	476,399	15.12%	72,031	31.86%	151,781	79,749
171	BARROW, CITY OF	1,248,265	17.70%	220,943	31.86%	397,697	176,754
219	BARTLETT REGIONAL HOSPITAL	20,709,107	21.87%	4,529,082	31.86%	6,597,922	2,068,840
104	BERING STRAIT SD	7,076,188	24.49%	1,732,958	31.86%	2,254,473	521,515
270	BERING STRAITS RHA	1,078,781	17.62%	190,081	31.86%	343,700	153,618
136	BETHEL, CITY OF	5,809,252	17.40%	1,010,810	31.86%	1,850,828	840,018
144	BRISTOL BAY BOROUGH	1,749,955	29.90%	523,237	31.86%	557,536	34,299
223	BRISTOL BAY RHA	1,375,226	17.66%	242,865	31.86%	438,147	195,282
262	COOK INLET HOUSING AUTHORITY	4,298,799	17.00%	730,796	31.86%	1,369,597	638,802
224	COPPER RIVER BASIN RHA	614,337	17.45%	107,202	31.86%	195,728	88,526
163	CORDOVA COMMUNITY MEDICAL CENTER	2,172,784	29.97%	651,183	31.86%	692,249	41,066
282	DELTA JUNCTION, CITY OF	293,706	17.27%	50,723	31.86%	93,575	42,852
205	DILLINGHAM CITY SD	1,393,179	27.30%	380,338	31.86%	443,867	63,529
178	DILLINGHAM, CITY OF	2,227,329	28.49%	634,566	31.86%	709,627	75,061
271	EGEGIK, CITY OF	45,968	31.40%	14,434	31.86%	14,645	211
116	FAIRBANKS NORTH STAR BOROUGH	19,314,602	29.98%	5,790,518	31.86%	6,153,632	363,115
183	FORT YUKON, CITY OF	401,625	14.48%	58,155	31.86%	127,958	69,802
141	GALENA CITY SD	3,209,254	23.72%	761,295	31.86%	1,022,468	261,233
192	GALENA, CITY OF	1,822,779	16.88%	307,685	31.86%	580,737	273,052
199	HOONAH, CITY OF	689,170	27.46%	189,246	31.86%	219,570	30,323
285	HOOPER BAY, CITY OF	12,600	14.48%	1,825	31.86%	4,014	2,190
168	HYDABURG CITY SD	129,787	25.87%	33,576	31.86%	41,350	7,774
275	ILISAGVIK COLLEGE	3,887,085	16.19%	629,319	31.86%	1,238,425	609,106

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Losers

Prepared by Division of Retirement and Benefits

1 of 3
Losers

Exhibit 2b Page 8

3/16/2007

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Losers FY08 Base

		2	5	6 = 2 x 5	7	8	9 = 8-6
		Gross Salaries					
ER		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate	FY 08 Est. Contribution	Average Rate (05 val)	Cost Share Contributions in FY08	Losers - FY08 cost share > orig FY08
263	INTERIOR RHA	1,203,929	16.73%	201,417	31.86%	383,572	182,154
284	INTER-ISLAND FERRY AUTHORITY	1,019,517	16.00%	163,123	31.86%	324,818	161,695
265	KAKE CITY SD	366,919	31.20%	114,479	31.86%	116,901	2,422
211	KASHUNAMIUT SD	1,118,236	26.87%	300,470	31.86%	356,270	55,800
151	KING COVE, CITY OF	932,592	26.53%	247,417	31.86%	297,124	49,707
227	KLAWOCK, CITY OF	671,063	15.13%	101,532	31.86%	213,801	112,269
140	KOTZEBUE, CITY OF	3,632,278	17.13%	622,209	31.86%	1,157,244	535,035
287	KOYUK, CITY OF	25,112	14.48%	3,636	31.86%	8,001	4,365
157	LOWER KUSKOKWIM SD	15,647,268	24.45%	3,825,757	31.86%	4,985,220	1,159,463
254	MEKORYUK, CITY OF	3,189	20.53%	655	31.86%	1,016	361
294	MOUNTAIN VILLAGE, CITY OF	34,341	14.48%	4,973	31.86%	10,941	5,968
196	NENANA CITY SD	1,388,620	21.62%	300,220	31.86%	442,414	142,195
175	NOME JOINT UTILITY SYSTEM	883,109	22.82%	201,526	31.86%	281,359	79,833
241	NOORVIK, CITY OF	90,423	15.92%	14,395	31.86%	28,809	14,413
170	NORTH PACIFIC FISHERY MGMT COUNCIL	1,455,558	30.04%	437,250	31.86%	463,741	26,491
276	NORTH PACIFIC RIM HA	1,153,137	17.37%	200,300	31.86%	367,389	167,089
145	NORTH SLOPE BOROUGH	38,915,994	22.96%	8,935,112	31.86%	12,398,636	3,463,523
161	NORTH SLOPE BOROUGH SD	8,890,221	29.57%	2,628,838	31.86%	2,832,424	203,586
220	NORTHWEST ARCTIC BOROUGH	1,043,827	18.24%	190,394	31.86%	332,563	142,169
154	NORTHWEST ARCTIC BOROUGH SD	7,887,420	20.70%	1,632,696	31.86%	2,512,932	880,236
288	NORTHWEST INUPIAT HOUSING AUTHORIT	1,126,996	17.65%	198,915	31.86%	359,061	160,146
257	PELICAN CITY SD	120,470	14.48%	17,444	31.86%	38,382	20,938
187	PETERSBURG MEDICAL CENTER	3,855,146	21.73%	837,723	31.86%	1,228,249	390,526
156	PRIBILOF SD	574,219	29.28%	168,131	31.86%	182,946	14,815
266	QUINHAGAK, CITY OF	28,529	14.48%	4,131	31.86%	9,089	4,958
221	SAINT MARY'S SD	431,096	16.66%	71,821	31.86%	137,347	65,527
172	SAINT PAUL, CITY OF	1,263,904	28.44%	359,454	31.86%	402,680	43,226
176	SAND POINT, CITY OF	925,242	29.98%	277,388	31.86%	294,782	17,395
278	SAXMAN SEAPORT	70,936	28.13%	19,954	31.86%	22,600	2,646
286	SELDOVIA, CITY OF	64,281	21.58%	13,872	31.86%	20,480	6,608
182	SEWARD, CITY OF	4,055,986	31.14%	1,263,034	31.86%	1,292,237	29,203
225	SKAGWAY CITY SD	286,767	16.44%	47,145	31.86%	91,364	44,219
132	SKAGWAY, CITY OF	1,851,825	25.36%	469,623	31.86%	589,991	120,369
102	SOUTHWEST REGION SD	2,197,540	30.08%	661,020	31.86%	700,136	39,116
218	SPECIAL EDUCATION SERVICE AGENCY	421,365	25.10%	105,763	31.86%	134,247	28,484

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Losers FY08 Base

ER		2	5	6 = 2 x 5	7	8	9 = 8-6
		Gross Salaries					
		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate	FY 08 Est. Contribution	Average Rate (05 val)	Cost Share Contributions in FY08	Losers - FY08 cost share > orig FY08
101	STATE OF ALASKA PERS	848,376,355	44.01%	373,370,234	47.92%	406,541,949	33,171,515
293	TAGIUGMIULLU NUNAMIULLU HOUSING AUT	1,450,856	14.90%	216,178	31.86%	462,243	246,065
166	TANANA SD	153,340	18.98%	29,104	31.86%	48,854	19,750
169	TANANA, CITY OF	96,281	14.48%	13,941	31.86%	30,675	16,734
206	THORNE BAY, CITY OF	276,762	23.11%	63,960	31.86%	88,176	24,217
279	TLINGIT-HAIDA RHA	2,331,908	20.69%	482,472	31.86%	742,946	260,474
280	TOKSOOK BAY, CITY OF	28,493	23.16%	6,599	31.86%	9,078	2,479
249	UNALAKLEET, CITY OF	206,072	29.89%	61,595	31.86%	65,654	4,060
209	UNALASKA CITY SD	850,870	26.87%	228,629	31.86%	271,087	42,458
179	UNALASKA, CITY OF	9,647,494	23.34%	2,251,725	31.86%	3,073,692	821,966
290	UPPER KALSKAG, CITY OF	19,615	14.48%	2,840	31.86%	6,249	3,409
131	WASILLA, CITY OF	4,913,053	24.38%	1,197,802	31.86%	1,565,299	367,496
202	WHITTIER, CITY OF	1,031,368	21.40%	220,713	31.86%	328,594	107,881
264	YAKUTAT SD	289,667	18.96%	54,921	31.86%	92,288	37,367
248	YAKUTAT, CITY AND BOROUGH	744,132	25.22%	187,670	31.86%	237,080	49,410
160	YUKON / KOYUKUK SD	1,493,899	20.02%	299,079	31.86%	475,956	176,878
159	YUKON FLATS SD	947,119	17.17%	162,820	31.86%	301,752	139,132
195	YUPIIT SD	1,743,107	18.26%	318,291	31.86%	555,354	237,063
							52,221,220

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Winners/Losers FY07 as base

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ER		1	2	3	4 = 1 x 3	5	10	11	12 = 11-4	13 = 11-4
		Gross Salaries								
		Est. FY07 (FY06 * 3%)	Est. FY08 (FY07 * 3%)	FY07 Adj Contributio n Rate	FY 07 Est. Contribution	FY08 Board Requested Rate	Average Rate (05 val)	Cost Share Contributions in FY08	Losers cost share > FY07	Winners FY08 cost share < FY07
258	DENALI BOROUGH	151,229	155,766	39.00%	58,970	51.83%	31.86%	49,627	-	(9,352)
129	FAIRBANKS, CITY OF	6,966,796	7,175,800	35.67%	2,485,056	184.95%	31.86%	2,286,210	-	(198,846)
138	HOONAH CITY SD	675,665	695,935	40.36%	272,698	45.14%	31.86%	221,725	-	(50,974)
198	SAXMAN, CITY OF	122,449	126,122	37.84%	46,335	105.76%	31.86%	40,183	-	(6,152)
208	AKUTAN, CITY OF	298,997	307,967	13.32%	39,826	14.48%	31.86%	98,118	58,292	-
230	ALEUTIANS EAST BOROUGH	683,563	704,070	15.23%	104,107	20.31%	31.86%	224,317	120,210	-
259	ALLAKAKET, CITY OF	19,182	19,758	15.00%	2,877	14.48%	31.86%	6,295	3,417	-
203	ANCHORAGE PARKING AUTHORITY	1,260,522	1,298,338	19.18%	241,768	29.27%	31.86%	413,051	171,882	-
173	ANCHORAGE, MUNICIPALITY OF	146,880,650	151,287,070	18.65%	27,303,241	39.33%	31.86%	48,200,060	20,808,819	-
283	ANDERSON, CITY OF	42,092	43,355	13.32%	5,607	14.48%	31.86%	13,813	8,206	-
243	ATKA, CITY OF	96,559	99,456	21.92%	21,166	34.02%	31.86%	31,687	10,521	-
171	BARROW, CITY OF	1,211,908	1,248,265	17.26%	209,175	17.70%	31.86%	397,697	188,522	-
219	BARTLETT REGIONAL HOSPITAL	20,105,929	20,709,107	17.20%	3,458,220	21.87%	31.86%	6,597,922	3,139,702	-
136	BETHEL, CITY OF	5,640,051	5,809,252	15.08%	850,520	17.40%	31.86%	1,850,828	1,000,308	-
144	BRISTOL BAY BOROUGH	1,698,985	1,749,955	17.99%	305,647	29.90%	31.86%	557,536	251,888	-
163	CORDOVA COMMUNITY MEDICAL CENTER	2,109,499	2,172,784	20.14%	424,053	29.97%	31.86%	692,249	267,396	-
148	CORDOVA, CITY OF	2,240,201	2,307,407	19.77%	442,888	52.40%	31.86%	735,140	292,252	-
186	CRAIG, CITY OF	1,618,781	1,667,345	25.33%	410,037	33.56%	31.86%	531,216	121,179	-
282	DELTA JUNCTION, CITY OF	285,152	293,706	14.47%	41,261	17.27%	31.86%	93,575	52,313	-
178	DILLINGHAM, CITY OF	2,162,456	2,227,329	21.18%	458,008	28.49%	31.86%	709,627	251,619	-
271	EGEGIK, CITY OF	44,629	45,968	18.80%	8,390	31.40%	31.86%	14,645	6,255	-
116	FAIRBANKS NORTH STAR BOROUGH	18,752,041	19,314,602	20.93%	3,924,802	29.98%	31.86%	6,153,632	2,228,830	-
183	FORT YUKON, CITY OF	389,928	401,625	13.32%	51,938	14.48%	31.86%	127,958	76,019	-
192	GALENA, CITY OF	1,769,688	1,822,779	13.40%	237,138	16.88%	31.86%	580,737	343,599	-
189	HAINES BOROUGH	1,612,635	1,661,014	27.17%	430,153	43.85%	31.86%	529,199	91,046	-
215	HOMER, CITY OF	4,955,649	5,104,318	17.92%	888,059	35.96%	31.86%	1,626,236	738,184	-
199	HOONAH, CITY OF	669,097	689,170	20.75%	138,833	27.46%	31.86%	219,570	80,732	-
285	HOOPER BAY, CITY OF	12,233	12,600	13.32%	1,529	14.48%	31.86%	4,014	2,385	-
235	HUSLIA, CITY OF	117,103	120,616	23.27%	27,250	40.43%	31.86%	38,428	11,178	-
275	ILISAGVIK COLLEGE	3,773,869	3,887,085	13.90%	524,568	16.19%	31.86%	1,238,425	713,857	-
126	JUNEAU, CITY AND BOROUGH	28,153,387	28,997,939	21.22%	5,974,149	42.56%	31.86%	9,238,759	3,264,610	-
260	KACHEMAK, CITY OF	24,215	24,942	30.37%	7,354	90.23%	31.86%	7,946	592	-
180	KENAI PENINSULA BOROUGH	13,947,886	14,366,322	22.81%	3,181,513	37.39%	31.86%	4,577,110	1,395,598	-
115	KENAI, CITY OF	5,513,392	5,678,794	18.67%	1,029,350	45.71%	31.86%	1,809,264	779,913	-
122	KETCHIKAN GATEWAY BOROUGH	4,560,752	4,697,575	20.49%	934,498	32.18%	31.86%	1,496,647	562,149	-
181	KETCHIKAN, CITY OF	7,947,200	8,185,616	29.92%	2,377,802	52.61%	31.86%	2,607,937	230,135	-
151	KING COVE, CITY OF	905,429	932,592	19.63%	177,736	26.53%	31.86%	297,124	119,388	-
227	KLAWOCK, CITY OF	651,517	671,063	14.35%	93,493	15.13%	31.86%	213,801	120,308	-
174	KODIAK ISLAND BOROUGH	2,290,957	2,359,685	15.00%	343,643	49.23%	31.86%	751,796	408,152	-
128	KODIAK, CITY OF	5,839,975	6,015,174	21.21%	1,238,659	48.05%	31.86%	1,916,435	677,776	-

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ER		1	2	3	4 = 1 x 3	5	10	11	12 = 11-4	13 = 11-4
		Gross Salaries								
		Est. FY07 (FY06 * 3%)	Est. FY08 (FY07 * 3%)	FY07 Adj Contribution Rate	FY 07 Est. Contribution	FY08 Board Requested Rate	Average Rate (05 val)	Cost Share Contributions in FY08	Losers cost share > FY07	Winners FY08 cost share < FY07
140	KOTZEBUE, CITY OF	3,526,483	3,632,278	13.32%	469,728	17.13%	31.86%	1,157,244	687,516	-
287	KOYUK, CITY OF	24,381	25,112	15.39%	3,752	14.48%	31.86%	8,001	4,249	-
247	LAKE AND PENINSULA BOROUGH	399,365	411,346	27.90%	111,423	41.95%	31.86%	131,055	19,632	-
109	MATANUSKA-SUSITNA BOROUGH	12,360,174	12,730,979	20.99%	2,594,401	33.89%	31.86%	4,056,090	1,461,089	-
254	MEKORYUK, CITY OF	3,096	3,189	13.32%	412	20.53%	31.86%	1,016	604	-
294	MOUNTAIN VILLAGE, CITY OF	33,340	34,341	13.32%	4,441	14.48%	31.86%	10,941	6,500	-
193	NENANA, CITY OF	203,434	209,537	24.40%	49,638	41.79%	31.86%	66,759	17,121	-
175	NOME JOINT UTILITY SYSTEM	857,388	883,109	14.11%	120,977	22.82%	31.86%	281,359	160,381	-
139	NOME, CITY OF	2,458,823	2,532,588	15.50%	301,118	36.02%	31.86%	806,883	425,765	-
241	NOORVIK, CITY OF	87,789	90,423	13.45%	11,808	15.92%	31.86%	28,809	17,001	-
191	NORTH POLE, CITY OF	1,618,587	1,667,144	20.00%	323,717	34.59%	31.86%	531,152	207,435	-
145	NORTH SLOPE BOROUGH	37,782,518	38,915,994	17.62%	6,657,280	22.96%	31.86%	12,398,636	5,741,356	-
220	NORTHWEST ARCTIC BOROUGH	1,013,424	1,043,827	14.19%	143,805	18.24%	31.86%	332,563	188,758	-
134	PALMER, CITY OF	3,216,218	3,312,705	23.54%	757,090	43.05%	31.86%	1,055,428	298,330	-
200	PELICAN, CITY OF	150,586	155,103	18.86%	28,400	34.82%	31.86%	49,416	21,015	-
187	PETERSBURG MEDICAL CENTER	3,742,860	3,855,146	15.89%	594,740	21.73%	31.86%	1,228,249	633,509	-
143	PETERSBURG, CITY OF	4,012,226	4,132,593	28.53%	1,144,688	41.15%	31.86%	1,316,644	171,956	-
266	QUINHAGAK, CITY OF	27,699	28,529	13.32%	3,689	14.48%	31.86%	9,089	5,400	-
172	SAINT PAUL, CITY OF	1,227,091	1,263,904	17.35%	212,900	28.44%	31.86%	402,680	189,779	-
176	SAND POINT, CITY OF	898,294	925,242	17.11%	153,696	29.98%	31.86%	294,782	141,084	-
278	SAXMAN SEAPORT	68,870	70,936	19.39%	13,354	28.13%	31.86%	22,600	9,246	-
286	SELDOVIA, CITY OF	62,409	64,281	16.64%	10,385	21.58%	31.86%	20,480	10,095	-
182	SEWARD, CITY OF	3,937,850	4,055,986	18.74%	797,958	31.14%	31.86%	1,292,237	554,284	-
165	SITKA COMMUNITY HOSPITAL	4,426,512	4,559,308	21.96%	972,062	32.58%	31.86%	1,452,595	480,533	-
120	SITKA, CITY AND BOROUGH	8,750,077	9,012,579	24.02%	2,101,768	43.31%	31.86%	2,871,408	769,639	-
132	SKAGWAY, CITY OF	1,797,888	1,851,825	19.94%	358,499	25.36%	31.86%	589,991	231,492	-
123	SOLDOTNA, CITY OF	2,764,602	2,847,540	19.46%	537,992	33.94%	31.86%	907,226	369,235	-
169	TANANA, CITY OF	93,476	96,281	13.32%	12,451	14.48%	31.86%	30,675	18,224	-
206	THORNE BAY, CITY OF	268,701	276,762	17.61%	47,318	23.11%	31.86%	88,176	40,858	-
280	TOKSOOK BAY, CITY OF	27,663	28,493	17.28%	4,780	23.16%	31.86%	9,078	4,298	-
249	UNALAKLEET, CITY OF	200,070	206,072	19.87%	39,754	29.89%	31.86%	65,654	25,901	-
179	UNALASKA, CITY OF	9,366,499	9,647,494	18.50%	1,732,802	23.34%	31.86%	3,073,692	1,340,889	-
290	UPPER KALSKAG, CITY OF	19,044	19,615	16.23%	3,091	14.48%	31.86%	6,249	3,159	-
107	VALDEZ, CITY OF	5,113,773	5,267,186	18.91%	987,014	46.32%	31.86%	1,678,126	711,111	-
131	WASILLA, CITY OF	4,769,954	4,913,053	18.91%	901,998	24.38%	31.86%	1,565,299	663,300	-
202	WHITTIER, CITY OF	1,001,328	1,031,368	15.00%	150,199	21.40%	31.86%	328,594	178,395	-
135	WRANGELL, CITY OF	2,741,239	2,823,476	21.72%	595,397	47.74%	31.86%	899,560	304,162	-
248	YAKUTAT, CITY AND BOROUGH	722,458	744,132	17.97%	129,826	25.22%	31.86%	237,080	107,255	-
255	ALASKA GATEWAY SD	1,010,315	1,040,625	18.67%	188,626	24.18%	31.86%	331,543	142,917	-
162	ALEUTIAN REGION SD	162,360	167,231	13.32%	21,626	14.48%	31.86%	53,280	31,653	-
244	ALEUTIANS EAST BOROUGH SD	642,773	662,056	23.72%	152,466	29.88%	31.86%	210,931	58,465	-

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		Gross Salaries								
ER		Est. FY07 (FY06 * 3%)	Est. FY08 (FY07 * 3%)	FY07 Adj Contribution Rate	FY 07 Est. Contribution	FY08 Board Requested Rate	Average Rate (05 val)	Cost Share Contributions in FY08	Losers cost share > FY07	Winners FY08 cost share < FY07
111	ANCHORAGE SD	78,832,691	81,197,671	24.25%	19,116,928	40.89%	31.86%	25,869,578	6,752,051	-
103	ANNETTE ISLAND SD	553,998	570,618	13.32%	73,793	14.48%	31.86%	181,799	108,006	-
104	BERING STRAIT SD	6,870,085	7,076,188	18.39%	1,263,409	24.49%	31.86%	2,254,473	991,065	-
184	BRISTOL BAY BOROUGH SD	466,118	480,101	22.10%	103,012	42.77%	31.86%	152,960	49,948	-
105	CHATHAM SD	360,405	371,217	20.93%	75,433	69.18%	31.86%	118,270	42,837	-
121	CHUGACH SD	284,103	292,626	20.21%	57,417	42.23%	31.86%	93,231	35,813	-
112	COPPER RIVER SD	1,226,024	1,262,805	23.26%	285,173	38.55%	31.86%	402,330	117,156	-
185	CORDOVA CITY SD	634,879	653,926	20.46%	129,896	56.88%	31.86%	208,341	78,444	-
204	CRAIG CITY SD	830,645	855,564	23.74%	197,195	35.26%	31.86%	272,583	75,388	-
246	DELTA/GREELY SD	1,263,855	1,301,771	20.79%	262,756	35.15%	31.86%	414,744	151,989	-
118	DENALI BOROUGH SD	1,052,067	1,083,629	23.63%	248,603	42.65%	31.86%	345,244	96,641	-
205	DILLINGHAM CITY SD	1,352,601	1,393,179	18.53%	250,637	27.30%	31.86%	443,867	193,230	-
117	FAIRBANKS NORTH STAR BOROUGH SD	27,314,662	28,134,102	20.91%	5,711,496	36.49%	31.86%	8,963,525	3,252,029	-
141	GALENA CITY SD	3,115,781	3,209,254	18.38%	572,681	23.72%	31.86%	1,022,468	449,788	-
240	HAINES BOROUGH SD	542,294	558,563	21.43%	116,214	35.16%	31.86%	177,958	61,745	-
168	HYDABURG CITY SD	126,007	129,787	15.00%	18,901	25.87%	31.86%	41,350	22,449	-
124	IDITAROD AREA SD	935,571	963,638	22.00%	205,826	35.80%	31.86%	307,015	101,190	-
108	JUNEAU BOROUGH SD	9,248,003	9,525,443	22.93%	2,120,567	39.28%	31.86%	3,034,806	914,239	-
205	KAKE CITY SD	356,232	366,919	21.89%	77,979	31.20%	31.86%	116,901	38,921	-
211	KASHUNAMIUT SD	1,085,666	1,118,236	18.71%	203,128	26.87%	31.86%	356,270	153,142	-
190	KENAI PENINSULA BOROUGH SD	12,707,833	13,089,068	21.81%	2,771,578	45.44%	31.86%	4,170,177	1,398,599	-
177	KETCHIKAN GATEWAY BOROUGH SD	3,516,224	3,621,711	20.86%	733,484	34.44%	31.86%	1,153,877	420,393	-
251	KLAUOCK CITY SD	416,889	429,395	24.83%	103,513	35.15%	31.86%	136,805	33,292	-
158	KODIAK ISLAND BOROUGH SD	4,732,645	4,874,624	19.85%	939,430	41.11%	31.86%	1,553,055	613,625	-
125	KUSPUK SD	1,570,121	1,617,224	19.22%	301,777	32.06%	31.86%	515,248	213,470	-
164	LAKE AND PENINSULA BOROUGH SD	1,624,682	1,673,423	21.58%	350,806	37.60%	31.86%	533,153	182,546	-
157	LOWER KUSKOKWIM SD	15,191,522	15,647,268	18.22%	2,767,895	24.45%	31.86%	4,985,220	2,217,324	-
153	LOWER YUKON SD	4,677,967	4,818,306	17.47%	817,241	35.46%	31.86%	1,535,112	717,871	-
110	MATANUSKA-SUSITNA BOROUGH SD	22,096,696	22,759,596	20.99%	4,638,096	33.89%	31.86%	7,251,207	2,613,111	-
196	NENANA CITY SD	1,348,175	1,388,620	17.79%	239,840	21.62%	31.86%	442,414	202,574	-
149	NOME CITY SD	1,684,014	1,734,534	25.54%	430,097	34.58%	31.86%	552,623	122,525	-
161	NORTH SLOPE BOROUGH SD	8,631,283	8,890,221	21.03%	1,815,159	29.57%	31.86%	2,832,424	1,017,266	-
154	NORTHWEST ARCTIC BOROUGH SD	7,657,689	7,887,420	15.00%	1,148,653	20.70%	31.86%	2,512,932	1,364,279	-
257	PELICAN CITY SD	116,961	120,470	13.32%	15,579	14.48%	31.86%	38,382	22,803	-
228	PETERSBURG CITY SD	781,491	804,936	18.28%	142,857	35.92%	31.86%	256,453	113,596	-
156	PRIBILOF SD	557,494	574,219	25.06%	139,708	29.28%	31.86%	182,946	43,238	-
221	SAINT MARY'S SD	418,540	431,096	13.32%	55,749	16.66%	31.86%	137,347	81,598	-
133	SITKA BOROUGH SD	2,010,439	2,070,752	24.04%	483,310	50.66%	31.86%	659,742	176,432	-
225	SKAGWAY CITY SD	278,415	286,767	22.63%	63,066	16.44%	31.86%	91,364	28,359	-
155	SOUTHEAST ISLAND SD	658,950	678,719	25.55%	168,362	68.73%	31.86%	216,240	47,878	-
167	SOUTHEAST REGIONAL RESOURCE CENTE	1,337,068	1,377,180	20.28%	271,157	34.41%	31.86%	438,770	167,612	-
102	SOUTHWEST REGION SD	2,133,534	2,197,540	20.30%	433,107	30.08%	31.86%	700,136	267,029	-
218	SPECIAL EDUCATION SERVICE AGENCY	409,092	421,365	14.42%	58,991	25.10%	31.86%	134,247	75,256	-

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Winners/Losers FY07 as base

Listing includes political subdivisions and school districts that have received rate relief in the past.

		1	2	3	4 = 1 x 3	5	10	11	12 = 11-4	13 = 11-4
		Gross Salaries								
ER		Est. FY07 (FY06 * 3%)	Est. FY08 (FY07 * 3%)	FY07 Adj Contribution Rate	FY 07 Est. Contribution	FY08 Board Requested Rate	Average Rate (05 val)	Cost Share Contributions In FY08	Losers cost share > FY07	Winners FY08 cost share < FY07
166	TANANA SD	148,874	153,340	16.59%	24,698	18.98%	31.86%	48,854	24,156	-
209	UNALASKA CITY SD	826,088	850,870	21.47%	177,361	26.87%	31.86%	271,087	93,726	-
137	VALDEZ CITY SD	1,881,259	1,937,697	15.35%	288,773	46.80%	31.86%	617,350	328,577	-
146	WRANGELL PUBLIC SD	739,219	761,395	19.96%	147,548	41.94%	31.86%	242,581	95,032	-
264	YAKUTAT SD	281,230	289,667	15.49%	43,563	18.96%	31.86%	92,288	48,725	-
160	YUKON / KOYUKUK SD	1,450,387	1,493,899	13.70%	198,703	20.02%	31.86%	475,956	277,253	-
159	YUKON FLATS SD	919,533	947,119	13.32%	123,482	17.17%	31.86%	301,752	179,270	-
195	YUPIIT SD	1,692,337	1,743,107	14.52%	245,727	18.26%	31.86%	555,354	309,627	-
					133,547,397			215,515,214	82,233,141	(265,324)

Department of Administration FY07 - FY08



	<u>PERS</u>	<u>TRS</u>
Contributions estimated in FY 07 (all sources)	<u>\$354.8 M</u>	<u>\$164.3 M</u>
FY08 Legislation and operating budget		
SB 52/HB 97 Education Bill		
Rate relief for school districts PERS/TRS contributions	\$37.0 M* GF	\$170.5 M* GF
SB 50/HB 95 Budget Bill		
PERS Municipal and Political Sub Division rate relief	\$77.5 M* GF	
Governor's Budget Amendments		
PERS Payroll Base Correction (line 25)	0.6 M* GF	
PERS Non-School Dist. ER rate increase relief (line 26)	0.2 M* GF	
PERS School Dist. Payroll Base Correction (line 27)	0.1 M* GF	
TRS Non-School Dist ER rate increase relief (line 29)		0.5 M* GF
TRS School Dist. Payroll Base Correction (line 28)		1.7 M* GF
Transfer TRS increase funding from agencies to TRS DB plan:		
Education and Early Development (line 22 and 30)		1.0 M* GF
Labor and Workforce Development (line 23)		0.4 M* GF
University of Alaska (line 24)		13.3 M* GF
SOA and University PERS increase (In operating budget for executive and legislative branches)	\$163.8 M* GF	
Total Increase in FY08 Governor's Budget	<u>\$ 279.1 M* GF</u>	<u>\$187.4 M* GF</u>
Non-GF increases – Governor's budget	62.0 M	
Non-GF increases for other employers	2.1 M	
PERS/TRS Estimated Costs (all sources)	<u>\$ 698.1 M</u>	<u>\$351.7 M</u>
CSHB 97 amend TRS rate to normal cost Not reflected in operating budget		\$78.0 M GF

* Note: Included in DOA's FY08 Operating Budget.

PERS Cost Share
2005 Valuation Rate - Level Dollar Amortization
SOA takes 65% of 6/30/2005 Unfunded and issues \$1.7 billion in POBs

R & B Estimated Contributions				R & B Impact of changes		
	FY07 contribution amounts per ARMB set rates	FY08 contribution amounts per ARMB set rates	Increase	Cost Share - 05 Valuation rate - SOA takes 65% - \$1.7B POB	Cost Share contributions less original FY08 contributions	Relief to Employers whose cost share rate (31.86%) > orig FY07 rate
Political Subdivisions	81,673,165	159,745,815	78,072,650	136,284,927	(23,470,225)	54,816,392
Political Subdivisions	9,720	9,337				
School Districts	51,471,358	88,558,787	37,087,429	78,657,271	(9,948,661)	27,173,881
School Districts	63,005	47,145				
SE Regional Resource Ctr	271,157	473,888	202,731	438,770	(35,118)	167,612
Spec Educ Service Agency	58,991	105,763	46,772	134,247	28,484	75,256
				Impact on SOA From OMB (excluding University)		
				Funding Source	Post vacancy	
				GF	25,095,400	
				Fed	1,901,100	
				Other	8,924,900	
				Total	35,921,400	
Legislation	Original	Amend	Amended			
SB50 - Poli subs - Budget Bill	77,474,718	597,931	78,072,649			
SB52 - Education Bill	36,981,562	355,372	37,336,934			
Total	114,456,280	953,303	115,409,583			
				GF increase over orig 08 budget (per OMB)	25,095,400	Rate from 44.01% to 47.92%
				GF savings for University in 08 (per OMB)	(2,542,600)	Rate from 33.75% to 31.86%
				Total GF cost - revised	104,785,941	
				GF in SB52 and SB50 amended	115,409,583	
				GF added cost (savings) from proposal	(10,623,642)	

Assumptions:
PERS goes to a cost share
State picks up 65% of 6/30/2005 unfunded liability
\$1.7 billion in POBs are issued by 6/30/2007

ESTIMATED THE CONTRIBUTIONS WITH LEVEL DOLLAR AMORTIZATION 2005 Valuation Rate - Level Dollar Amortization

ESTIMATED TRS CONTRIBUTIONS WITH LEVEL DOLLAR AMORTIZATION, \$0.5 billion in cash, \$2 billion in POBs

	Original spreadsheet excluded retiree rehire	3	4 = 1 x 3	5	6 = 2 x 5	9 = 7 + 8			
ER		FY07 Contribution Rate	FY 07 Est. Contribution	FY08 Board Adopted Rate	FY 08 Est. Contribution	Total FY08 Increase over FY07	FY08 Rate after \$0.5B deposit and \$2B POB	FY08 Contributions after \$0.5B deposit and \$2B POB	FY08 Contributions after \$0.5B deposit and \$2B POB in excess of original FY08 Contrib.
766	ALASKA GATEWAY SD	26.00%	562,197	54.03%	1,203,337	641,140	47.26%	1,052,558	(150,779)
758	ALEUTIAN REGION SD	26.00%	127,884	54.03%	273,725	145,841	47.26%	239,427	(34,298)
780	ALEUTIANS EAST BOROUGH SD	26.00%	572,108	54.03%	1,224,550	652,443	47.26%	1,071,113	(153,437)
701	ANCHORAGE SD	26.00%	52,710,264	54.03%	112,822,064	60,111,799	47.26%	98,685,373	(14,136,690)
770	ANNETTE ISLAND SD	26.00%	515,025	54.03%	1,102,370	587,345	47.26%	964,242	(138,128)
752	BERING STRAIT SD	26.00%	3,240,987	54.03%	6,947,773	3,706,786	47.26%	6,077,212	(870,561)
742	BRISTOL BAY BOROUGH SD	26.00%	243,067	54.03%	520,264	277,198	47.26%	455,075	(65,190)
768	CHATHAM SD	26.00%	255,067	54.03%	546,951	290,883	47.26%	477,543	(68,408)
771	CHUGACH SD	26.00%	337,862	54.03%	723,166	385,304	47.26%	632,553	(90,613)
767	COPPER RIVER SD	26.00%	722,023	54.03%	1,545,432	823,409	47.26%	1,351,788	(193,644)
704	CORDOVA CITY SD	26.00%	525,920	54.03%	1,125,689	599,769	47.26%	984,639	(141,050)
705	CRAIG CITY SD	26.00%	638,323	54.03%	1,366,278	727,955	47.26%	1,195,082	(171,196)
765	DELTA/GREELY SD	26.00%	1,088,920	54.03%	2,330,745	1,241,825	47.26%	2,038,700	(292,044)
764	DENALI BOROUGH SD	26.00%	573,462	54.03%	1,227,449	653,987	47.26%	1,073,649	(153,800)
744	DILLINGHAM CITY SD	26.00%	794,234	54.03%	1,699,994	905,760	47.26%	1,486,984	(213,011)
706	FAIRBANKS NORTH STAR BOROUGH SD	26.00%	18,216,381	54.03%	34,709,853	18,493,472	47.26%	30,360,682	(4,349,171)
735	GALENA CITY SD	26.00%	1,178,166	54.03%	2,521,769	1,343,603	47.26%	2,205,790	(315,980)
707	HAINES BOROUGH SD	26.00%	389,513	54.03%	833,721	444,208	47.26%	729,255	(104,466)
708	HOONAH CITY SD	26.00%	272,002	54.03%	582,198	310,196	47.26%	509,248	(72,950)
709	HYDABURG CITY SD	26.00%	180,855	54.03%	387,105	206,250	47.26%	338,600	(48,504)
761	IDITAROD AREA SD	26.00%	459,768	54.03%	984,095	524,328	47.26%	860,787	(123,308)
710	JUNEAU BOROUGH SD	26.00%	5,877,721	54.03%	12,580,787	6,703,066	47.26%	11,004,405	(1,576,382)
712	KAKE CITY SD	26.00%	186,548	54.03%	399,290	212,742	47.26%	349,259	(50,031)
777	KASHUNAMIUT SD	26.00%	484,708	54.03%	994,870	509,862	47.26%	870,037	(124,633)
746	KENAI PENINSULA BOROUGH SD	26.00%	10,466,902	54.03%	22,403,559	11,936,657	47.26%	19,596,376	(2,807,183)
714	KETCHIKAN GATEWAY BOROUGH SD	26.00%	2,735,257	54.03%	5,876,001	3,140,744	47.26%	5,139,733	(736,267)
717	KLAWOCK CITY SD	26.00%	268,992	54.03%	575,756	306,764	47.26%	503,613	(72,143)
718	KODIAK ISLAND BOROUGH SD	26.00%	3,712,193	54.03%	7,946,649	4,234,456	47.26%	6,950,053	(995,596)
755	KUSPUK SD	26.00%	700,460	54.03%	1,499,078	798,618	47.26%	1,311,418	(187,861)
757	LAKE AND PENINSULA BOROUGH SD	26.00%	874,562	54.03%	1,871,973	997,390	47.26%	1,637,413	(234,560)
754	LOWER KUSKOKWIM SD	26.00%	6,017,315	54.03%	12,879,576	6,862,261	47.26%	11,265,755	(1,613,821)
753	LOWER YUKON SD	26.00%	2,450,581	54.03%	5,245,271	2,794,690	47.26%	4,588,035	(657,236)
722	MATANUSKA-SUSITNA BOROUGH SD	26.00%	16,842,033	54.03%	36,049,012	19,206,979	47.26%	31,532,044	(4,516,969)
719	NENANA CITY SD	26.00%	487,668	54.03%	1,043,813	556,145	47.26%	913,022	(130,791)
720	NOME CITY SD	26.00%	915,887	54.03%	1,960,383	1,044,496	47.26%	1,714,745	(245,637)
736	NORTH SLOPE BOROUGH SD	26.00%	3,808,770	54.03%	8,152,364	4,343,594	47.26%	7,130,866	(1,021,497)
751	NORTHWEST ARCTIC BOROUGH SD	26.00%	3,476,547	54.03%	7,441,482	3,964,935	47.26%	6,509,059	(932,423)
723	PELICAN CITY SD	26.00%	33,925	54.03%	72,615	38,689	47.26%	63,516	(9,099)
724	PETERSBURG CITY SD	26.00%	699,001	54.03%	1,496,155	797,154	47.26%	1,308,686	(187,469)
759	PRIIBLOF SD	26.00%	190,178	54.03%	407,061	216,883	47.26%	356,056	(51,005)
748	SAINT MARY'S SD	26.00%	210,952	54.03%	451,526	240,574	47.26%	394,949	(56,576)
727	SITKA BOROUGH SD	26.00%	1,994,032	54.03%	4,260,064	2,266,032	47.26%	3,733,272	(534,792)
728	SKAGWAY CITY SD	26.00%	196,917	54.03%	421,486	224,568	47.26%	368,673	(52,813)

ESTIMATED TRS CONTRIBUTIONS WITH LEVEL DOLLAR AMORTIZATION, \$0.5 billion in cash, \$2 billion in POBs

ER		FY07 Contribution Rate	FY 07 Est. Contribution	FY08 Board Adopted Rate	FY 08 Est. Contribution	Total FY08 Increase over FY07	FY08 Rate after \$0.5B deposit and \$2B POB	FY08 Contributions after \$0.5B deposit and \$2B POB	FY08 Contributions after \$0.5B deposit and \$2B POB in excess of original FY08 Contrib.
769	SOUTHEAST ISLAND SD	26.00%	435,931	54.03%	933,075	497,144	47.26%	816,160	(116,915)
756	SOUTHWEST REGION SD	26.00%	1,267,442	54.03%	2,712,857	1,445,415	47.26%	2,372,934	(339,923)
775	TANANA SD	26.00%	66,299	54.03%	141,908	75,609	47.26%	124,127	(17,781)
729	UNALASKA CITY SD	26.00%	623,572	54.03%	1,334,706	711,134	47.26%	1,167,467	(167,240)
730	VALDEZ CITY SD	26.00%	1,097,657	54.03%	2,349,446	1,251,789	47.26%	2,055,059	(294,387)
731	WRANGELL PUBLIC SD	26.00%	439,574	54.03%	940,872	501,298	47.26%	822,980	(117,892)
732	YAKUTAT SD	26.00%	182,390	54.03%	390,391	208,001	47.26%	341,475	(48,916)
762	YUKON / KOYUKUK SD	26.00%	1,278,234	54.03%	2,735,957	1,457,723	47.26%	2,393,139	(342,817)
763	YUKON FLATS SD	26.00%	552,090	54.03%	1,181,704	629,614	47.26%	1,033,635	(148,068)
778	YUPIIT SD	26.00%	776,133	54.03%	1,661,251	885,117	47.26%	1,453,095	(208,156)
	TRS School Districts		150,949,610		323,095,466	172,145,848		282,611,359	(40,484,107)
737	ALASKA DEPARTMENT OF EDUCATION	26.00%	1,244,203	54.03%	2,663,246	1,419,042	47.26%	2,329,539	(333,707)
743	SOUTHEAST REGIONAL RESOURCE CENTER	26.00%	209,458	54.03%	448,329	238,870	47.26%	392,153	(56,176)
779	SPECIAL EDUCATION SERVICE AGENCY	26.00%	259,264	54.03%	554,933	295,669	47.26%	485,399	(69,534)
733	UNIVERSITY OF ALASKA	26.00%	11,633,738	54.03%	24,901,077	13,267,339	47.26%	21,780,953	(3,120,124)
	TRS Other		13,346,724		28,567,584	15,220,860		24,988,044	(3,579,540)
	TOTAL TRS		164,296,342		351,663,050	187,365,708		307,599,403	(44,063,647)



March 14, 2007

VIA EMAIL

Ms. Charlene Morrison
Chief Financial Officer
State of Alaska
Department of Administration
Division of Retirement and Benefits
333 Willoughby Avenue
6th Floor State Office Building
Juneau, AK 99811-0208

Re: PERS Projected Employer Contribution Rates with a Pension Obligation Bond

Dear Charlene:

As requested, we have calculated the projected employer contribution rate after a Pension Obligation Bond is used to pay off a portion of the unfunded actuarial accrued liability. The unfunded actuarial accrued liability used in these calculations is based on the June 30, 2005 valuation results for the State of Alaska Public Employees' Retirement System (PERS).

A \$1.7 billion Pension Obligation Bond (POB) is assumed to be issued. The bond is assumed to be deposited June 30, 2007 and the interest rate on the POB is assumed to be 5.6%. The Pension Obligation Bond payment is assumed to be paid at the end of the year as a level dollar amount over 25 years and will need to be paid regardless of the employer contribution amount or rate.

We have treated these deposits as an offset to the actuarial liability discounted back two years to the valuation date (June 30, 2005) for the FY08 rate and one year to the valuation date (June 30, 2006) for the FY09 rate. The results are based on the data, assumptions, methods and plan provisions as described in the June 30, 2005 valuation report, a level dollar amortization, and DB only payroll.

These results show less of a savings on the employer contribution rate than the letter dated February 28, 2007 since these results are based on June 30, 2005 results instead of June 30, 2006 results. These results incorporate the delay between the valuation date and the date the contributions and POB are made. The February 28, 2007 letter only had a one-year delay.

If you have any questions regarding these calculations, please call.

Sincerely,

David H. Sliskinsky, A.S.A.
Principal and Consulting Actuary

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Enclosure

c: Ms. Melanie Millhorn, State of Alaska
Ms. Michelle DeLange, Buck Consultants

Tabor Center, 1200 17th Street, Suite 1200 • Denver, CO 80202
720.359.7700 • 720.359.7701 (fax)

Projected Impact of Pension Obligation Bond
Projections of Employer Contribution Rates and Amounts
Based on June 30, 2005 Actuarial Valuation

Public Employees' Retirement System
(\$ in thousands)

Fiscal Year	Projected Contribution Rate		Projected Contribution Amount	
	Current	with POB	Current	with POB
2006	16.77%	16.77%	\$266,122	\$266,122
2007	21.77%	21.77%	356,010	356,010
2008	39.76%	39.74%	615,097	614,788
2009	41.68%	40.91%	616,035	604,654
2010	46.35%	44.67%	654,751	631,019
2011	48.47%	45.72%	654,781	617,631
2012	51.13%	47.93%	657,480	616,331
2013	53.52%	49.91%	655,046	610,862
2014	56.21%	52.20%	657,057	610,183
2015	59.40%	54.97%	656,760	607,779
2016	61.99%	57.12%	647,179	596,336
2017	65.52%	60.12%	637,911	585,336
2018	69.07%	63.09%	614,819	561,589
2019	73.18%	66.45%	609,087	553,073
2020	80.28%	72.55%	621,086	561,283
2021	86.02%	77.29%	612,816	550,622
2022	92.71%	82.79%	584,316	521,794
2023	99.82%	88.50%	556,002	492,949
2024	112.37%	98.92%	579,061	509,751
2025	128.86%	112.74%	603,189	527,731
2026	141.00%	122.44%	591,726	513,837
2027	156.53%	134.95%	554,086	477,697
2028	174.58%	149.30%	532,062	455,017
2029	209.01%	177.44%	565,899	480,422
2030	161.35%	122.39%	390,286	296,047
2031	172.32%	125.51%	362,420	263,970
Total			\$14,851,084	\$13,482,833

Difference: \$1,368,251

Data, Assumptions, Methods and Plan Provisions:

- * Assets are assumed to earn 8.25%.
- * The POB contribution of \$1.7 billion is assumed to be made on June 30, 2007.
- * The interest rate on the POB is 5.6%.
- * Contributions include POB payments and rates based on DB payroll only.
- * No payroll growth is used for FY08 rates and later.
- * No new members after July 1, 2006.
- * All other data, assumptions, methods and plan provisions are the same as those described in the June 30, 2005 valuation report.

buckconsultants
an ACS company



March 14, 2007

VIA EMAIL

Ms. Charlene Morrison
Chief Financial Officer
State of Alaska
Department of Administration
Division of Retirement and Benefits
333 Willoughby Avenue
6th Floor State Office Building
Juneau, AK 99811-0208

Re: TRS Projected Employer Contribution Rates with a Cash Contribution and Pension Obligation Bond

Dear Charlene:

As requested, we have calculated the projected employer contribution rate after a cash contribution and a Pension Obligation Bond are used to pay off a portion of the unfunded actuarial accrued liability. The unfunded actuarial accrued liability used in these calculations is based on the June 30, 2005 valuation results for the State of Alaska Teachers' Retirement System (TRS).

A \$2 billion Pension Obligation Bond is assumed to be issued along with making a \$500 million cash contribution. The contribution and bond are assumed to be deposited June 30, 2007 and the interest rate on the POB is assumed to be 5.6%. The Pension Obligation Bond payment is assumed to be paid at the end of the year as a level dollar amount over 25 years and will need to be paid regardless of the employer contribution amount or rate.

We have treated these deposits as an offset to the unfunded actuarial liability discounted back two years to the valuation date (June 30, 2005) for the FY08 rate and one year to the valuation date (June 30, 2006) for the FY09 rate. The results are based on the data, assumptions, methods and plan provisions as described in the June 30, 2005 valuation report, a level dollar amortization, and DB only payroll.

These results show less of a savings on the employer contribution rate than the letter dated February 28, 2007 since these results are based on June 30, 2005 results instead of June 30, 2006 results. These results incorporate the two-year delay between the valuation date and the date the contribution and POB are made. The February 28, 2007 letter only had a one-year delay.

If you have any questions regarding these calculations, please call.

Sincerely,

David H. Slushinsky

David H. Slushinsky, A.S.A.
Principal and Consulting Actuary

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c: Ms. Melanie Millhorn, State of Alaska
Ms. Michelle DeLange, Buck Consultants

Projected Impact of Pension Obligation Bond and Cash Contribution
Projections of Employer Contribution Rates and Amounts
Based on June 30, 2005 Actuarial Valuation

Teachers' Retirement System
(\$ in thousands)

Fiscal Year	Projected Contribution Rate		Projected Contribution Amount	
	Current	with POB and cash	Current	with POB and cash
2006	21.00%	21.00%	\$117,818	\$117,818
2007	26.00%	26.00%	148,886	148,886
2008	54.03%	47.26%	289,826	253,511
2009	53.14%	43.33%	275,138	224,345
2010	60.01%	45.85%	296,199	226,307
2011	62.17%	43.97%	290,951	205,776
2012	66.20%	45.84%	293,955	203,548
2013	70.80%	48.28%	300,369	204,828
2014	75.95%	51.29%	304,028	205,314
2015	80.68%	53.90%	297,698	198,883
2016	86.05%	56.69%	289,435	190,681
2017	93.76%	60.80%	299,844	194,438
2018	105.28%	67.65%	310,515	199,528
2019	112.26%	70.87%	303,087	191,340
2020	123.56%	76.86%	286,941	178,490
2021	135.15%	82.19%	288,449	175,417
2022	160.68%	96.48%	304,787	183,009
2023	177.76%	104.25%	306,657	179,844
2024	205.31%	118.35%	323,530	186,497
2025	231.28%	131.21%	317,122	179,910
2026	258.19%	143.51%	279,220	155,199
2027	299.28%	161.94%	280,003	151,509
2028	389.64%	207.38%	329,784	175,522
2029	467.07%	243.18%	297,883	155,093
2030	328.54%	65.47%	166,281	33,136
2031	379.36%	13.51%	158,755	5,654
Total			\$7,157,160	\$4,524,485

Difference \$2,632,675

Data, Assumptions, Methods and Plan Provisions:

- * Assets are assumed to earn 8.25%.
- * The POB contribution of \$2 billion and cash contribution of \$500 million are assumed to be made on June 30, 2007.
- * The interest rate on the POB is 5.6%.
- * Contributions include POB payments and rates based on DB payroll only.
- * No payroll growth is used for FY08 rates and later.
- * No new members after July 1, 2006.
- * All other data, assumptions, methods and plan provisions are the same as those described in the June 30, 2005 valuation report.

State of Alaska
Public Employees' Retirement System
Employers who used SB46 Rate Relief to pay down unfunded liability
Fiscal Year 2006

	Employer Name	Original Amount	Balance used to pay down unfunded liability
230	Aleutians East Borough	50,537	50,537
13	Anchorage, Municipality of	6,615,843	746,094
144	Bristol Bay Borough	70,944	70,944
140	Cordova, City of	98,482	98,482
282	Delta Junction, City of	3,419	3,419
22	Devon Borough	29,484	29,484
129	Fairbanks, City of	305,784	305,784
133	Galena, City of	68,486	68,486
260	Kachemak, City of	3,068	3,068
132	Ketchikan Gateway Borough	206,307	206,307
181	Ketchikan, City of	415,937	415,937
126	Kodiak, City of	293,700	293,700
174	Kodiak Island Borough	113,667	113,667
137	Lake and Peninsula Borough	32,811	32,811
191	North Pole, City of	107,535	107,535
134	Palmer, City of	132,967	132,967
143	Petersburg, City of	198,490	198,490
266	Quinnagak, City of	1,552	1,552
182	Seward, City of	192,943	192,943
135	Soldotna, City of	139,473	139,473
169	Tanana, City of	11,285	11,285
243	Unalakleet, City of	13,698	13,698
107	Valdez, City of	255,619	255,619
248	Yakutat City and Borough of	22,773	22,773
			<u>3,517,055</u>

In FY05, the City of Soldotna paid an additional contribution of \$1 million to PERS to pay down their unfunded liability. Payment was made on March 10, 2005.

State of Alaska Public Employees Retirement System Employers who used SB231 rate relief to pay down unfunded liability Fiscal Year 2007			
ER No.	Employer Name	Original Amount	Balance used to pay down unfunded liability
230	Aleutians East Borough	33,915	33,915
136	Bethel, City of	282,716	282,716
148	Cordova, City of	112,553	112,553
271	Edna, City of	2,830	2,830
129	Fairbanks, City of	333,653	333,653
235	Huslia, City of	5,216	5,216
180	Kenai Peninsula Borough	702,515	702,515
181	Ketchikan, City of	400,460	400,460
174	Kodiak Island Borough	118,047	118,047
128	Kodiak, City of	314,368	314,368
134	Palmer, City of	154,333	154,333
143	Palmdene, City of	206,671	206,671
198	Saxman, City of	5,637	5,637
187	Seward, City of	186,026	186,026
123	Soldotna, City of	136,756	136,756
			2,988,695

The following employers have not used their relief balances or requested it be used to pay down their unfunded liability. Any balance remaining at 6/30/07 will be used to pay down their unfunded liability. The Division last reminded employers of these balances and their options on 2/20/07.

268	Atkasut, City of	16,941	-
259	Allakaket, City of	3,056	-
243	Atka, City of	34,628	-
171	Barrow, City of	47,355	-
258	Dena, Borough	7,889	-
183	Fort Yukon, City of	24,209	-
192	Galeana, City of	95,984	-
215	Homer, City of	248,456	-
199	Hooper Bay, City of	185,299	-
285	Hooper Bay, City of	1,576	-
280	Kachemak, City of	21,183	-
237	Kaltag, City of	870	-
122	Ketchikan Gateway Borough	214,696	-
151	King Cove, City of	50,001	-
227	Klawock, City of	31,917	-
287	Koyuk, City of	1,664	-
247	Lake and Peninsula Borough	19,656	-
236	Mountain Village, City of	1,786	-
193	Nenana, City of	12,244	-
241	Noorvik, City of	12,352	-
226	Northwest Arctic Borough	42,779	-
200	Pelican, City of	7,657	-
256	Quinhagak, City of	1,926	-
172	Saint Paul, City of	74,829	-
176	Sand Point, City of	38,686	-
286	Seldovia, City of	2,405	-
132	Skagway, City of	89,801	-
169	Tanana, City of	7,302	-
206	Thorne Bay, City of	110,435	-
249	Unalakleet, City of	11,157	-
179	Unalaska, City of	520,772	-
		1,640,725	

All other employers who received rate relief are using that relief to offset required contributions.

Public Employees' Retirement System (PERS)

Defined Benefit (DB) Plan

Accounting Issues

House Ways & Means

March 28, 2007

Division of Retirement and Benefits
PO Box 110203
Juneau, AK 99811-0203
(907) 465-4460
(800) 821-2251



Why are we here today?

- Concerns about employer level accounting for the PERS DB plan.
- Contribution rates for PERS DB plan not supported by employer level accounting records.
- Set the stage to discuss the proposed solution.



Division of Retirement and Benefits



Proposed Solution

- Cost share legislation
 - Administer the PERS DB plan like the TRS DB plan
 - State to assume 65% of unfunded liability at 6/30/2006 (estimated \$3.6B of \$5.5B total)
 - All employers share the cost (benefits, administration, and investment)
 - Simplify administration



Proposed Solution (cont.)

- Address the unfunded liability
 - If market conditions warrant, use pension obligation bonds as part of solution to reduce the unfunded liability.



PERS = One System (but Two Plans)

- Defined Benefit Plan (Tiers I, II, and III)
- Defined Contribution Retirement Plan (Tier IV)



PERS DB Accounting Issues

No impact on:

- Teachers' Retirement System (TRS)
- Benefits paid to members
- PERS DB Plan level accounting
(PERS as a whole)
- New PERS Defined Contribution
Retirement Plan (Tier IV)



Agent Multiple Employer Plan

Defined and described as follows:

- A plan that provides benefits to employees of more than one employer
 - Pooled administrative and investment functions
 - Share costs/income of pooled functions
 - Separate accounts for each employer
 - Each employer's contributions are to provide benefits only for that employer's employees

Alaska Statutes

AS 39.35.100 (b)(3)

- A separate account for each employer shall be maintained.
- The account shall be credited with contributions of the employer.
- This account shall be charged with the employer's actuarial charge for pension, death benefits, and other benefits paid under this plan to or on behalf of the employee of the employer.

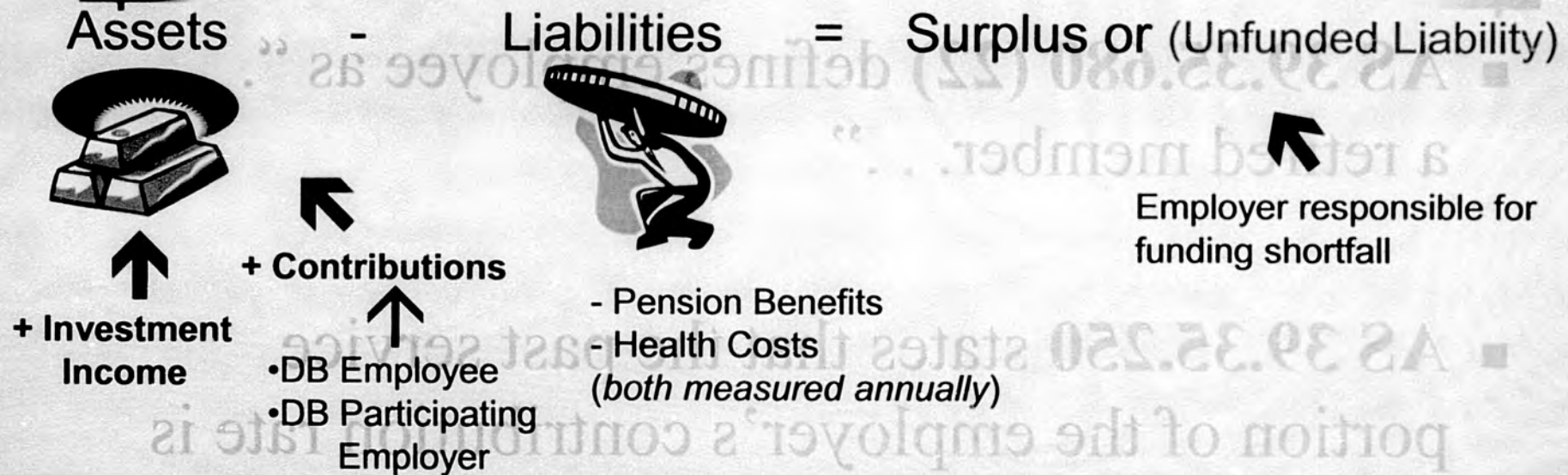


Alaska Statutes (cont'd)

- AS 39.35.680 (22) defines employee as “. . . a retired member. . .”
- AS 39.35.250 states that the past service portion of the employer's contribution rate is that “required to amortize the unfunded obligations of the employer. . .”



PERS DB Plan



- Calculation is performed at the employer level as well as at the plan level
- Concerns regarding employer level accounting and allocation methodologies in use



Assets

Employer contributions are accounted for in two separate buckets:

- Active employer asset accounts
 - One account for each individual employer
- Retiree reserve asset account
 - One consolidated account for all participating employers



Retiree Reserve Account

Funding Sources

- Share of the plan's net investment income
- Transfers from the active employer's asset accounts



Transfers

- In order to calculate an employer's past service contribution rate, we assign retiree reserve assets to employers
- Allocation process is used to assign retiree reserve assets to individual employers



Allocation Process

- Allocate retiree reserve account balance to employers resulting in employer's retiree reserve account balance
 - based on the employer's pro rata share of retiree liabilities at year end
 - The amount allocated to an employer does not represent contributions made by the employer
 - simply represents assets assigned
 - Concerns have been raised about this practice - no accounting by individual employer.



Allocation Example

Participating employer has the following assets and liabilities in the Plan at 6/30/04:

	<u>Assets</u>	<u>Liabilities</u>
Active	\$237,819	350,172
Allocated share of retiree reserve account	-	-
Total	\$237,819	350,172

- Unfunded liability is \$112,353
- Employer has no retirees at 6/30/2004,
so has not contributed to the retiree
reserve account



Next Year – FY05

Employer now has retirees in the plan for the first time, so will get an allocation of the retiree reserve account balance based on their retiree liabilities compared to total retiree liabilities even though they have not contributed to the retiree reserve account in the past.



Allocation

Employer retiree liabilities \$ 453,428

Total retiree liabilities 7,131,974,579

% allocated to employer .006%

Retiree reserve account balance 6,194,055,956

Account balance allocated to employer \$ 393,883

Even though employer has not contributed to this account

Note: This is the impact if the employer's retiree liabilities are growing; however, the reverse is the impact if the employer's retiree liability is declining.



Transfer

AS 39.35.100 states, “Upon retirement, the amount actuarially determined. . .to fully fund benefits. . .shall be transferred. . .from the employer contribution account into the retirement reserve account.”

- Transfer, from the employer’s active asset account, the balance needed to fully fund the employer’s retiree reserve asset account
 - Compare the assigned assets to the allocated liabilities and transfer the difference



Transfer

Per statute, the retiree reserve account is to be fully funded.

Employer retiree liabilities	\$ 453,428
------------------------------	------------

Account balance allocated to employer	<u>393,883</u>
---------------------------------------	----------------

Amount transferred from employer active account	\$ 59,545
---	-----------



Effect of Allocation and Transfer

Participating employer has the following assets in the Plan at 6/30/05 after transfer to fully fund the retiree reserve account.

	<u>Assets</u>	<u>Liabilities</u>
Active (237,819+32,261-59,545)	\$ 210,535	18,107
Allocated share of retiree reserve account (393,883+59,545)	<u>453,428</u>	<u>453,428</u>
Total	\$ 663,963	471,535

■ Over funded by \$192,428.



Liabilities

- Annually calculated by employee
 - Allocated to individual employer
 - Based on pro rata service earned with employer
 - Does not take into account salary earned with employer
 - Concerns have been raised about this allocation process as well



Liability Allocation Example

One employee is a covered elected official for the City of X for 5 years earning 5 years of service credit. Is paid \$1,000 for attending meeting during these 5 years.

Same employee worked for City of Z for 5 years prior to serving as elected official. Was paid \$200,000 for the 5 year period.



Example (cont.)

Actuary calculates a \$750,000 liability for the member. This liability is allocated to employers as follows:

	<u>Salary Paid</u>	<u>Service Earned</u>	<u>% by employee</u>	<u>Liability Allocated</u>
City X	\$ 1,000	5 yrs	50%	\$375,000
City Z	\$ 200,000	<u>5 yrs</u>	<u>50%</u>	<u>375,000</u>
Total		10 yrs	100%	\$750,000

Note: Extreme example to clearly reflect the impact of current practice. Approximately 735 or 1.2% of all PERS members have service in both categories shown above.



Impact on Contribution Rates

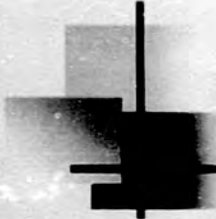
Assets - Liabilities = Surplus or
(Unfunded Liability)



Concerns raised about both the assets and liabilities assigned to employers, individually, and collectively, impact the employer's unfunded liability.

Unfunded liability - basis of the past service cost portion of the employer's contribution rate.





Proposed Solution

- Cost Share Legislation – long range
 - Redesign the PERS DB plan – align with TRS
 - All employers share the cost/income of the Plan (benefits, administration, and investment)
 - One uniform, less volatile, contribution rate
- ARMB supports concept – Resolution 2007-04
- AML supports concept
- Administration of plan simplified
- Introduced by the Governor



Public Employees' Retirement System (PERS)

Defined Benefit (DB) Plan



Accounting Structures

House Ways & Means

April 2, 2007

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PERS DB

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