State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2018 Employer Contribution Rate
For the Teachers' Retirement System

Resolution 2016-14

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

WHEREAS, under AS 37.10.210-220, the Board is to establish and determine the investment objectives and policy for each of the funds entrusted to it; and

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

WHEREAS, AS 37.10.220(a)(8) requires the Board to coordinate with the retirement system administrator to conduct an annual actuarial valuation of each retirement system to determine system assets, accrued liabilities and funding ratios, and to certify to the appropriate budgetary authority of each employer in the system an appropriate contribution rate for normal costs and an appropriate contribution rate for liquidating any past service liability determined by a level percent of pay method based on amortization of the past service liability for a closed term of 25 years; and

WHEREAS, AS 14.25.070 establishes a statutory employer contribution rate of 12.56 percent and AS 14.25.085 requires additional state contribution to make up the difference between 12.56 percent and the actuarially determined contribution rate;

WHEREAS, the "Alaska PERS, TRS, and JRS - Allocation of the Additional State Contributions for FY 18" letter dated September 16, 2016 determines that the actuarially determined contribution rate for pension benefits is 19.16 percent composed of the normal cost rate of 2.22 percent and past service rate of 16.94 percent;

WHEREAS, the "Alaska PERS, TRS, and JRS - Allocation of the Additional State Contributions for FY 18" letter dated September 16, 2016 determines that the actuarially determined contribution rate for postemployment healthcare benefits is 2.59 percent composed of the normal cost rate of 1.77 percent and past service rate of 0.82 percent;

WHEREAS, the "Alaska PERS, TRS, and JRS - Allocation of the Additional State Contributions for FY 18" letter dated September 16, 2016 presents the employer rate incorporating the normal cost of the Defined Contribution Retirement Plan of 5.03 percent;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that the Fiscal Year 2018 actuarially determined contribution rate attributable to employers participating in the Teachers' Retirement System is set at 26.78 percent, composed of the contribution rate for defined benefit pension of 19.16 percent, the contribution rate for postemployment healthcare of 2.59 percent, and the contribution rate for defined contribution pension of 5.03 percent.

DATED at Anchorage, Alaska this 29th day of September, 2016.

Chair

ATTEST:

Gayle Harbo

Secretary