

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Annual Interest Rate
For the Public Employees' Retirement System and the
Teachers' Retirement System

Resolution 2006-20

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


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

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

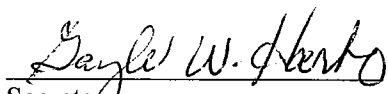
WHEREAS, AS 37.10.220(a)(6) requires the Board to determine the rate of interest to be credited annually to each member's individual contribution account on the basis of the probable effective rate of interest on a long-term basis; and

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that based on the current interest rate environment, actuarial long term inflation assumptions and the probable effective rate of interest on a long-term basis, and the practices of other public pension funds, the rate of interest for the Public Employees' Retirement System and Teachers' Retirement System individual member accounts is set at 4.5%.

DATED at Anchorage, Alaska this 15th day of June, 2006.


Chair

ATTEST:


Secretary