

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2016 Employer Contribution Rate
For the Teachers' Retirement System

Resolution 2014-20

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 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; 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 Allocation of Projected FY 16 Employer and State Assistance Contributions Based on June 30, 2013 Roll Forward Valuation report dated 09/08/2014 determines that the actuarially determined contribution rate for pension benefits is 15.85 percent composed of the normal cost rate of 2.04 percent and past service rate of 13.81 percent;

WHEREAS, the Allocation of Projected FY 16 Employer and State Assistance Contributions Based on June 30, 2013 Roll Forward Valuation report dated 09/08/2014 determines that the actuarially determined contribution rate for postemployment healthcare benefits is 8.63 percent composed of the normal cost rate of 2.60 percent and past service rate of 6.03 percent;

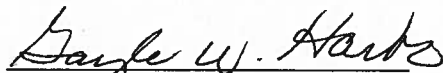
WHEREAS, the Allocation of Projected FY 16 Employer and State Assistance Contributions Based on June 30, 2013 Roll Forward Valuation report dated 09/08/2014 presents the employer rate incorporating the normal cost of the Defined Contribution Retirement Plan of 4.79 percent;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, consistent with legislation enacted in 2014, that the Fiscal Year 2016 actuarially determined contribution rate attributable for employers participating in the Teachers' Retirement System is set at 29.27 percent, composed of the contribution rate for defined benefit pension of 15.85 percent, the contribution rate for postemployment healthcare of 8.63 percent, and the contribution rate for defined contribution pension of 4.79 percent.

DATED at Fairbanks, Alaska this 19th day of September, 2014.


Chair

ATTEST:


Secretary