ALASKA RETIREMENT MANAGEMENT BOARD

Actuarial Committee Meeting

September 14, 2026

Alaska Retirement Management Board

Actuarial Committee Meeting

Monday, September 14, 2026

Location:	Microsoft Teams Videoconference Info:	Call In (Audio Only) Info:
Atwood Conference Center Rooms 102 & 104 550 W. 7th Ave., Anchorage, AK	Click here to join the meeting **Meeting ID:** 283 367 923 278 99 **Passcode:** ft6rU94s	**Call in #:** 1-907-202-7104 **Code:** 783 842 37#

1:00 p.m. **Call to Order**

Roll Call
Public Meeting Notice
Approval of Agenda
Approval of Minutes – June 9, 2026

Public / Member Participation, Communications and Appearances
*(Callers: Select *5 to raise your hand & *6 to unmute. Limit three minutes.)*

FY 2028 Contribution Rate Setting
1. Discussion of FY2028 PERS / TRS / JRS Additional State Contributions
Christopher Novell, Chief Financial Officer, Division of Retirement & Benefits
David Kershner, Principal, Consulting Actuary, Gallagher

2. FY 2028 Contribution Review – Employer Contribution Rates / Amount
A. PERS, TRS, and NGNMRS
- **Action:** Resolution 2026-06 FY28 PERS Contribution Rate
- **Action:** Resolution 2026-07 FY28 PERS RMMI Contribution Rate
- **Action:** Resolution 2026-08 FY28 PERS ODD Contribution Rate
- **Action:** Resolution 2026-09 FY28 TRS Contribution Rate
- **Action:** Resolution 2026-10 FY28 TRS RMMI Contribution Rate
- **Action:** Resolution 2026-11 FY28 TRS ODD Contribution Rate
- **Action:** Resolution 2026-12 FY28 NGNMRS Contribution Amount

B. JRS Contribution Rate

Discussion of FY 2026 Valuation Timeline
Christopher Novell, Chief Financial Officer, Division of Retirement & Benefits
David Kershner, Principal, Consulting Actuary, Gallagher
Bob Besenhofer, Director, Health Actuary, Gallagher
Kevin Spanier, Principal, Public Sector Retirement Operations Leader, Gallagher
Paul Wood, Actuary, Senior Consultant & Team Leader, GRS
Cassie Rapoport, Consultant, GRS

Future Meetings
1. **Calendar Review**
2. **Agenda Items**
3. **Requests / Follow-Ups**

Public / Members Comment
*(Callers: Select *5 to raise your hand & *6 to unmute. Limit three minutes.)*

2:30 p.m. **Adjournment**

ALASKA RETIREMENT MANAGEMENT BOARD
ACTUARIAL COMMITTEE MEETING
June 9, 2026

Originating at:
Atwood Conference Center Rooms 102/104
Anchorage, AK

Committee Members
Lorne Bretz, Chair
Janelle Earls, Commissioner of Revenue
Donald Krohn
Dennis Moen
Paula Vrana, Commissioner of Administration
Norman West
Bob Williams

Investment Advisory Council Members
Ruth Traylor
Josh Rabuck
Dr. William Jennings

Department of Law
Ben Hofmeister, Assistant Attorney General, ARMB Legal Counsel

Department of Revenue – Treasury Division Staff
Zach Hanna, CIO
Pam Leary, Director
Shane Carson
Casey Colton
James Dawson
Grant Ficek
Benjamin Garrett
Scott Jones
Chris Madsen
Tyler McCormack
Craig Millard
Hunter Romberg
Katherine Smith
Alysia Jones, ARMB Liaison

Department of Administration – Division of Retirement and Benefits
Kathy Lea, Director
Christopher Novell, Chief Financial Officer
Mindy Voigt, Chief Pension Officer

DRAFT

Guests / Presenters

David Kershner, Gallagher
Bob Besenhofer, Gallagher
Kevin Spanier, Gallagher
Paul Wood, GRS
Cassie Rapoport, GRS
Steve Center, Callan
Evan Williams, Callan

Public

Randall Burns, RPEA President
"DG"
Barbara Reid, RPEA
Douglas Wilson
Wendy Woolf, RPEA

PROCEEDINGS

CALL TO ORDER
CHAIR LORNE BRETZ called the meeting to order at 1:00 p.m.

ROLL CALL
TRUSTEE DONALD KROHN, TRUSTEE DENNIS MOEN, TRUSTEE NORMAN WEST and CHAIR LORNE BRETZ were present, establishing a quorum. TRUSTEE WILLIAMS joined the meeting at 1:07 p.m.

PUBLIC MEETING NOTICE
ALYSIA JONES confirmed that public meeting requirements had been met.

APPROVAL of AGENDA
CHAIR BRETZ called for a review of the meeting agenda. Seeing and hearing no changes, the agenda was approved, without objection.

APPROVAL OF MINUTES
CHAIR BRETZ asked for any changes to the March 17, 2026, meeting minutes.

TRUSTEE MOEN moved to approve the meeting minutes as presented. TRUSTEE KROHN seconded.

A roll call vote was taken, and the meeting minutes were approved.

PUBLIC MEMBER PARTICIPATION – None.

ACTUARIAL REVIEW & CERTIFICATION AND ACCEPTANCE OF FY2025 VALUATIONS AND REPORTS

DAVID KERSHNER, Principal, Consulting Actuary, with Gallagher explained that GRS had reviewed the FY2025 valuation results, confirmed prior carryover items, and identified two minor issues affecting only a few members, with any resulting changes deferred to the 2026 valuations; he emphasized that the final valuation reports are effectively unchanged from the March draft, aside from minor labeling improvements.

CHAIR BRETZ raised concern about using only a two-year average for administrative staffing expenses, suggesting a longer timeframe or a "normal staffing level" basis. KERSHNER clarified that these expenses are loaded into the normal cost (about $8.6M, slightly under 8%) and affect contributions rather than liabilities.

GRS Senior Consultant and Team Leader PAUL WOOD and GRS Consultant, CASSIE RAPOPORT reported that their review of Gallagher's valuations and roll-forward work, including National Guard and judges, matched Gallagher's results essentially to the dollar and that prior disclosure recommendations had been incorporated, leading them to endorse the reports and confirm their reasonableness.

Action Items

TRUSTEE WILLIAMS moved that the Actuarial Committee recommend that the Alaska Retirement Management Board accept the review and certification of the FY 2025 actuarial reports by GRS. TRUSTEE KROHN seconded the motion.

A roll call vote was taken, and the motion passed unanimously.

TRUSTEE WILLIAMS moved that the Actuarial Committee recommend that the Alaska Retirement Management Board accept the actuarial valuation reports prepared by Gallagher for the Public Employees', Teachers', Public Employees' Defined Contribution (for Occupational Death and Disability and Retiree Medical Benefits), and Teachers' Defined Contribution (for Occupational Death and Disability and Retiree Medical Benefits) retirement systems as of June 30, 2025. TRUSTEE WEST seconded the motion.

A roll call vote was taken, and the motion passed unanimously.

EXPERIENCE ANALYSIS

D. KERSHNER explained that Alaska statutes require an experience study every four years to compare actual experience with current assumptions and recommend forward-looking changes. He noted most proposed assumptions remain as presented in March, with only a few demographic refinements.

KEVIN SPANIER, Principal, Public Sector Retirement Operations Leader, with Gallagher, outlined Gallagher's position on the proposed DCR rehire/new entrant load. He explained that while GRS recommends loads for anticipated rehires and new entrants, Gallagher does not support a new entrant load because most public plans do not explicitly pre-fund future hires and any small losses are typically offset by contribution gains. For rehires, K. SPANIER presented two alternatives: (1) adding a load to the DCR normal cost, which would slightly increase DCR contributions and in turn,

additional state contributions to the DB plans, or (2) adding a load to the liability, which would reduce reported overfunding without affecting contributions. He noted Gallagher has generally resisted adding a rehire load given the DCR trusts overfunded status but stated that either option is reasonable if the Board chooses to adopt one, emphasizing that the assumptions are ultimately the Board's decision.

ACTUARIAL REVIEW OF EXPERIENCE ANALYSIS

P. WOOD and C. RAPOPORT reported that, overall, they concurred with Gallagher's methods and most proposed assumption changes, noting that Gallagher's demographic assumptions are data-driven and reasonable. C. RAPOPORT highlighted agreement on updating mortality to PUB-2016 with current improvement scales, revising termination and retirement rates based on experience, maintaining disability rates, and making modest adjustments to assumptions such as unused sick days, Alaska COLA residency, and salary increase patterns.

On DCR rehire assumptions, P. WOOD said GRS finds Gallagher's two alternatives reasonable but prefers loading the normal cost, so rehire costs are explicitly funded as they arise. He expressed stronger concern about omitting a rehire load - particularly for retiree medical - than about a new entrant load, stressing that the losses are material enough to require explicit measurement.

The group also discussed the investment return assumption. GRS presented consultant survey data showing a 20-year median expected return of about 6.94% and a roughly 46% probability of achieving the current 7.25% assumption. P. WOOD concluded that a reasonable range is about 6.94%–7.66%, with both 7.00% and 7.25% defensible. GRS would not support an increase above 7.25%. Chief Investment Officer ZACH HANNA added that Callan's long-term expectations for Alaska's asset mix are above 7.25%, highlighted differences in time horizons between Callan and the survey data and estimated that lowering the rate from 7.25% to 7.00% would increase liabilities by roughly $600 million (about $40 million per year over 15 years). He framed this as the opportunity cost and budget impact policymakers would need to weigh and noted that there would be further discussion on the topic at tomorrow's board meeting.

FUTURE MEETINGS – There were no requests for future agenda items or follow ups.

PUBLIC / MEMBER COMMENTS

D. KERSHNER responded to prior comments on the rehire load. He clarified that Gallagher *does* measure the impact of rehires on actual experience after they occur, whereas GRS recommends a forward-looking estimate. He emphasized that their approach reflects a timing difference in measurement rather than a failure to measure the liability.

ADJOURNMENT

There being no further items to discuss, TRUSTEE KROHN moved to adjourn the meeting; TRUSTEE MOEN seconded. The meeting adjourned at 2:34 p.m., without objection.

State of Alaska Retirement Systems

Presentation to ARMB Actuarial Committee

FY28 Contribution Rate Scenarios and Projections for PERS and TRS

September 14, 2026

©2026 ARTHUR J. GALLAGHER & CO.

Gallagher

Insurance | Risk Management | Consulting

Contents

	Slides
Overview	4 – 8
FY28 Contribution Rate Components (Baseline)	10 – 14
FY28 Contribution Rate Scenarios and Results Summary	16 – 20
Calculation of FY28 State Contributions	22 – 26
State Contribution and Funded Ratio Projections	28 – 37
Appendix: Projected Contribution Rates	39 – 42
Actuarial Certification	44

©2026 ARTHUR J. GALLAGHER & CO.

Overview

Gallagher

Background

- The FY28 contributions are based on the June 30, 2025 valuations:
  - Liabilities are rolled forward two years from June 30, 2025 to June 30, 2027.
  - Preliminary assets as of June 30, 2026 are rolled forward one year to June 30, 2027 and smoothed.
- The Actuarially Determined Contribution consists of two components:
  - Normal Cost (cost of active members' expected benefit accruals in the upcoming year), and
  - Unfunded liability amortization (not less than zero)
- These components are projected to June 30, 2027 (the beginning of FY28) and divided by projected FY28 total payroll. The result is the Actuarially Determined Contribution rate.

©2026 ARTHUR J. GALLAGHER & CO.

Background (cont'd)

- Alaska Statutes define the employer contribution rates:
  - AS 39.35.255(a) – Each non-State PERS employer contributes 22% of total base salaries.
  - AS 39.35.255(h) – The State-as-an-Employer contributes the PERS Actuarially Determined Contribution rate applied to total base salaries of its employees.
  - AS 14.25.070(a) – Each TRS employer contributes 12.56% of total base salaries.

- The Actuarially Determined Contribution rate not contributed by the employers is contributed by the State via the Additional State Contributions.

- If Additional State Contributions deposited to the trusts in any given year are different (greater/less) than the amounts adopted by the ARMB, future contribution rates will automatically adjust to reflect the differences.

©2026 ARTHUR J. GALLAGHER & CO.

Basis for Calculations

- Experience after June 30, 2025 was assumed to match the June 30, 2025 valuation assumptions, except we reflected the preliminary June 30, 2026 assets. The FY26 market returns were approximately 13.3%, which resulted in the following FY26 market gains:
  - PERS Pension $726M
  - PERS Healthcare $583M
  - TRS Pension $381M
  - TRS Healthcare $230M
- The new assumptions adopted by the ARMB at the June meeting are effective beginning with the June 30, 2026 valuations. Accordingly, these new assumptions are *not* reflected in the FY28 contribution rates.

©2026 ARTHUR J. GALLAGHER & CO.

HB 14

- At the request of the ARMB, the PERS results reflect the enhanced DB and DCR occupational disability benefits under HB 14, which was enacted effective July 1, 2026. All changes apply to current and future occupational disabilities.

PERS DB

- Occupational disability benefit was increased from 40% to 75% of pay at time of disability.

PERS DCR

- Occupational disability benefit was increased from 40% to 75% of pay at time of disability.
- Eligibility for retiree medical benefits was extended to those who are eligible for occupational disability benefits, with the premium otherwise payable waived if under age 65.

©2026 ARTHUR J. GALLAGHER & CO.

HB 14 (cont'd)

- The impacts of HB 14 that we reflected in the FY28 contribution rates and projections were estimated based on the June 30, 2025 valuation data.

PERS DB

- FY28 pension NC rate: 3 bp increase from 1.70% to 1.73% of total pay
- FY28 pension PSC rate: 9 bp increase from 18.32% to 18.41% of total pay
- FY28 pension total rate: 12 bp increase from 20.02% to 20.14% of total pay

PERS DCR

- FY28 OD&D rate: 14 bp increase from 0.31% to 0.45% of DCR pay
- FY28 RM rate: 19 bp increase from 0.83% to 1.02% of DCR pay
- FY28 DCR total rate: 33 bp increase from 9.14% to 9.47% of DCR pay
- FY28 DCR total rate: 26 bp increase from 7.30% to 7.56% of total pay

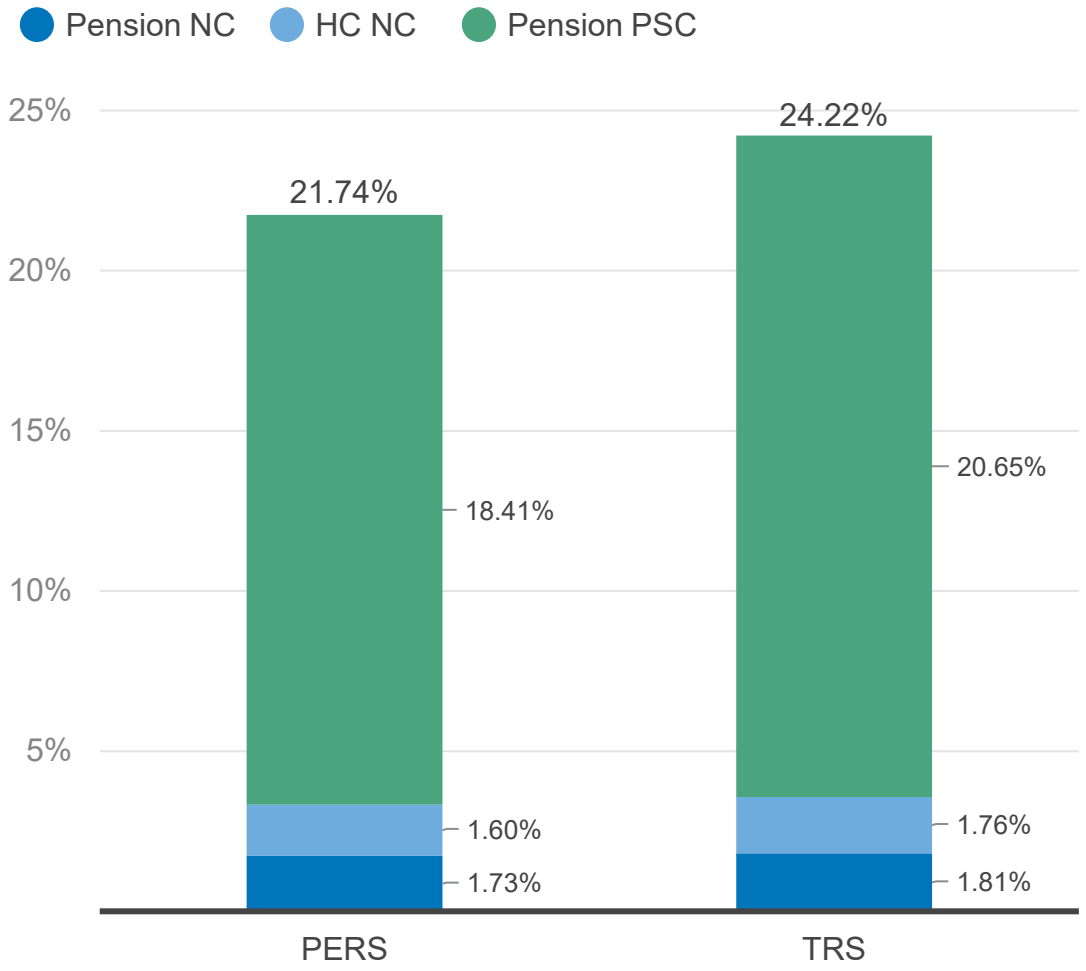
©2026 ARTHUR J. GALLAGHER & CO.

FY28 Contribution Rate Components (Baseline)

Gallagher

DB Plans – FY28 Contribution Rate Components

as a percentage of total pay



- Pension NC = Pension Normal Cost (net of member contrib.)
- HC NC = Healthcare Normal Cost
- Pension PSC = Pension Prior Service Cost

©2026 ARTHUR J. GALLAGHER & CO.

DB Plans – FY28 Contribution Rate Components (cont'd)

$ in thousands

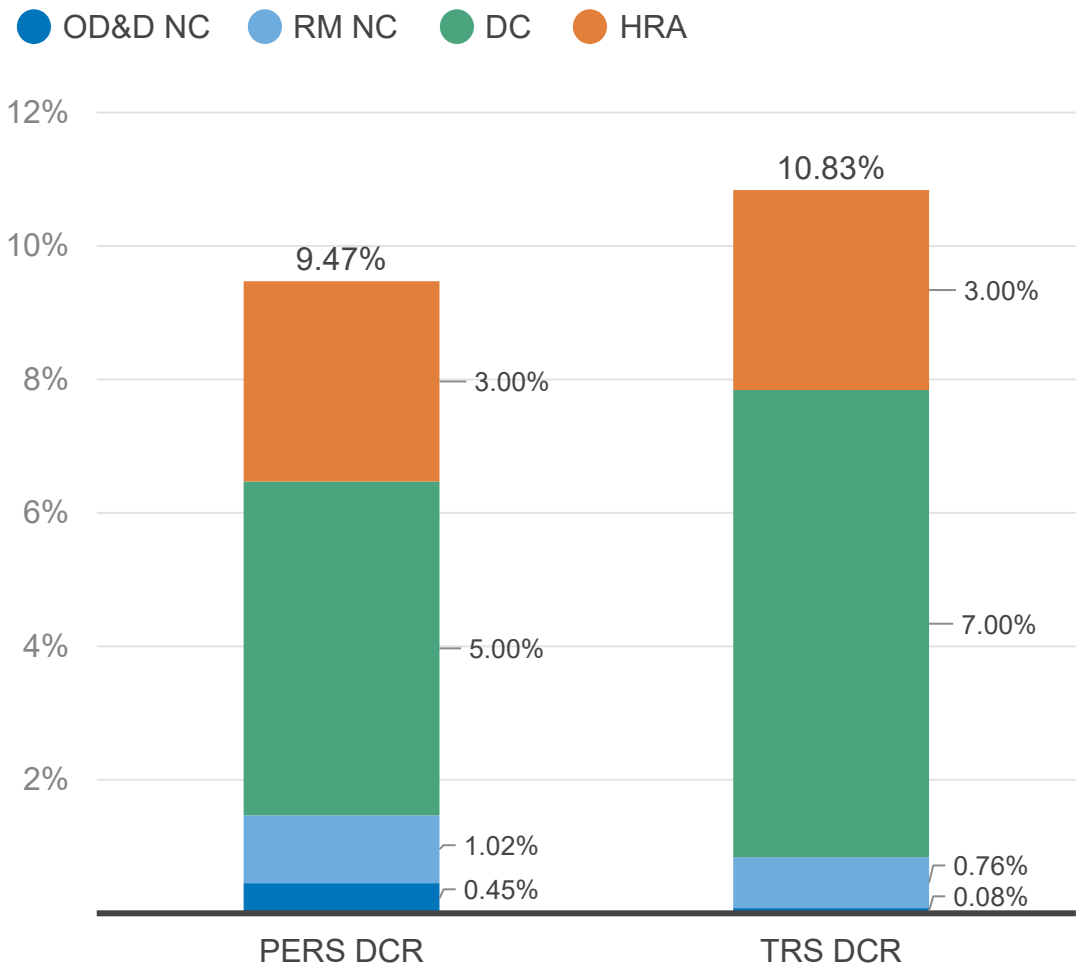
	PERS		TRS	
	Pension	Healthcare	Pension	Healthcare
1. Projected Payroll				
1a. • DB	$ 597,330	$ 597,330	$ 188,114	$ 188,114
1b. • DCR	2,368,135	2,368,135	612,947	612,947
1c. • Total	$ 2,965,465	$ 2,965,465	$ 801,061	$ 801,061
2. Normal Cost, with half year interest	$ 92,487	$ 47,561	$ 30,734	$ 14,082
2a. • Normal Cost Rate [2 / 1c]	3.12%	1.60%	3.84%	1.76%
2b. • Member Contribution Rate	(1.39%)	0.00%	(2.03%)	0.00%
2c. • Employer Normal Cost Rate [2a + 2b]	1.73%	1.60%	1.81%	1.76%
3. Unfunded Liability Amortization, with half year interest	$ 545,892	$ (366,650)	$ 165,388	$ (183,962)
3a. • Past Service Rate [3 / 1c]	18.41%	(12.36%)	20.65%	(22.96%)
4. Total Contribution Rate [2c + 3a, not < 2c]	**20.14%**	**1.60%**	**22.46%**	**1.76%**

Rates include a half-year interest adjustment to account for the monthly timing of employer contributions.

©2026 ARTHUR J. GALLAGHER & CO.

DCR Plans – FY28 Contribution Rate Components

as a percentage of DCR pay



- OD&D NC = Occupational Death & Disability Normal Cost
- RM NC = Retiree Medical Normal Cost
- DC = Defined Contribution
- HRA = Health Reimbursement Arrangement

Amounts may not add due to rounding.

©2026 ARTHUR J. GALLAGHER & CO.

PERS DCR – FY28 Contribution Rate Components

$ in thousands

	Occupational Death & Disability	Retiree Medical	Defined Contribution	Health Reimbursement Arrangement	Total
1. Normal Cost	$ 9,930	$ 22,619	$ 111,095	$ 66,657	$ 210,301
2. Unfunded Liability Amortization, not < 0	0	0	n/a	n/a	0
3. DCR Contribution Amount [1 + 2]	$ 9,930	$ 22,619	$ 111,095	$ 66,657	$ 210,301
4. FY26 DCR Payroll	$ 2,221,903	$ 2,221,903	$ 2,221,903	$ 2,221,903	$ 2,221,903
5. DCR Contribution Rate as % of DCR Pay [3 / 4]	0.45%	1.02%	5.00%	3.00%	9.47%
6. Projected FY28 DCR Payroll					$ 2,368,135
7. FY28 DCR Contribution Amount [5 x 6]					$ 224,262
8. Projected FY28 DB/DCR Payroll					$ 2,965,465
9. FY28 DCR Contribution Rate as % of DB/DCR Payroll [7 / 8]					**7.56%**

Amounts may not add due to rounding.

©2026 ARTHUR J. GALLAGHER & CO.

TRS DCR – FY28 Contribution Rate Components

$ in thousands

	Occupational Death & Disability	Retiree Medical	Defined Contribution	Health Reimbursement Arrangement	Total
1. Normal Cost	$ 420	$ 4,189	$ 38,833	$ 16,643	$ 60,085
2. Unfunded Liability Amortization, not < 0	0	0	n/a	n/a	0
3. DCR Contribution Amount [1 + 2]	$ 420	$ 4,189	$ 38,833	$ 16,643	$ 60,085
4. FY26 DCR Payroll	$ 554,764	$ 554,764	$ 554,764	$ 554,764	$ 554,764
5. DCR Contribution Rate as % of DCR Pay [3 / 4]	0.08%	0.76%	7.00%	3.00%	10.83%
6. Projected FY28 DCR Payroll					$ 612,947
7. FY28 DCR Contribution Amount [5 x 6]					$ 66,382
8. Projected FY28 DB/DCR Payroll					$ 801,061
9. FY28 DCR Contribution Rate as % of DB/DCR Payroll [7 / 8]					**8.29%**

Amounts may not add due to rounding.

©2026 ARTHUR J. GALLAGHER & CO.

FY28 Contribution Rate Scenarios and Results Summary

Gallagher

FY28 Contribution Rate Scenarios

Scenario	Amortization Method	Amortization Period	Healthcare Normal Cost Deposited to Healthcare Trust?
1a. Baseline	Layered	15 years*	Yes
1b. Zero Healthcare Normal Cost (NC)	Layered	15 years*	No

* 15 years for all layers, except for the amortization layer related to the 2014 unfunded liability which is amortized over 25 years.

©2026 ARTHUR J. GALLAGHER & CO.

Impacts of Scenario 1b vs Scenario 1a

- PERS Non-State employers and TRS employers
  - The portion of the DB pension prior service cost paid by the employers increases to maintain the 22% (PERS) and 12.56% (TRS) contribution rates.
  - The portion of the DB pension prior service cost paid by the State decreases, resulting in a decrease in the Additional State Contributions.
- PERS State-as-an-Employer
  - The total Actuarially Determined Contribution rate for PERS decreases, resulting in a decrease in the State-as-an-Employer contributions.
- Projected healthcare funded ratios are lower, but the healthcare trusts are projected to remain well above 100%.

©2026 ARTHUR J. GALLAGHER & CO.

Contribution Volatility

- Potential volatility of projected Additional State Contributions is more pronounced with the new 15-year layered amortization method vs the old 25-year layered amortization method.

- We see greater volatility for PERS, which is primarily due to:
  - The 2018 assumption layer expires in FY33, so amortization amounts decrease by $94M in FY34.
  - The FY19 loss layer expires in FY34, so amortization amounts decrease by $47M in FY35.
  - The FY21 gain layer expires in FY36, so amortization amounts increase by $82M in FY37.

- Amortization smoothing methods can be applied to help mitigate this type of volatility. We suggest exploring this further at the March 2027 meeting when we will have updated projections based on the 2026 valuations.

©2026 ARTHUR J. GALLAGHER & CO.

Summary of Key Results

$ in millions

		Scenario 1a	Scenario 1b
1.	**FY28 State Contributions**		
1a.	• Additional State Contributions		
1b.	• PERS	$ 103	$ 80
1c.	• TRS	154	141
1d.	• Total	$ 257	$ 221
1e.	• PERS State-as-an-Employer Contributions	$ 328	$ 304
2.	**Projected State Contributions FY28-FY55**		
2a.	• Additional State Contributions		
2b.	• PERS	$ 557	$ 439
2c.	• TRS	1,209	1,132
2d.	• Total	$ 1,766	$ 1,571
2e.	• PERS State-as-an-Employer Contributions	$ 2,939	$ 2,785
3.	**Projected Unfunded Liability as of June 30, 2039**		
3a.	• PERS Pension	$ 0	$ 0
3b.	• TRS Pension	$ 0	$ 0

- Scenario 1a = Baseline
- Scenario 1b = Zero Healthcare NC

©2026 ARTHUR J. GALLAGHER & CO.

Summary of Key Results (cont'd)

	Scenario 1a	Scenario 1b
4. Projected Funded Ratio as of June 30, 2039		
4a. • PERS Pension	100%	100%
4b. • TRS Pension	100%	100%
4c. • PERS Healthcare	213%	206%
4d. • TRS Healthcare	241%	235%
5. Year Projected to Reach 100% Funded		
5a. • PERS Pension	2038	2038
5b. • TRS Pension	2037	2037

- Scenario 1a = Baseline
- Scenario 1b = Zero Healthcare NC

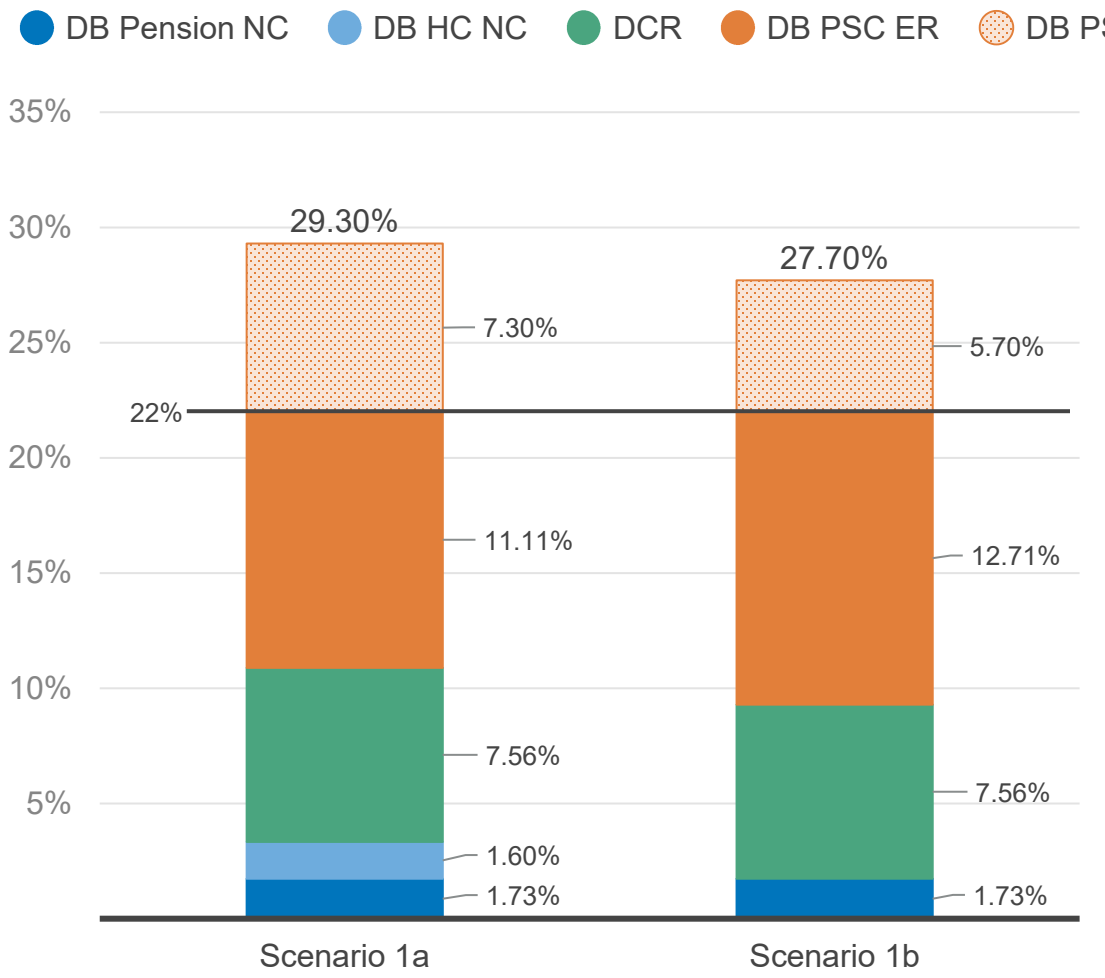
©2026 ARTHUR J. GALLAGHER & CO.

Calculation of FY28 State Contributions

Gallagher

PERS – FY28 Contribution Rates

as a percentage of total pay



- Pension NC = Pension Normal Cost (net of member contrib.)
- HC NC = Healthcare Normal Cost
- DCR = Defined Contribution Retirement Plan
- PSC ER = Prior Service Cost for Employer
- PSC ASC = Prior Service Cost for Additional State Contrib. (before back out ½ year interest adjustment)

- Scenario 1a = Baseline
- Scenario 1b = Zero Healthcare NC

©2026 ARTHUR J. GALLAGHER & CO.

PERS – FY28 Additional State Contribution

$ in thousands

	Scenario 1a	Scenario 1b
1. Total DB/DCR Payroll – Non-State Employers	$ 1,457,526	$ 1,457,526
2. DB Pension Employer Contribution Rate		
2a. • Normal Cost	1.73%	1.73%
2b. • Unfunded Liability Amortization	11.11%	12.71%
2c. • Total	12.84%	14.44%
3. DB Healthcare Employer Contribution Rate		
3a. • Normal Cost	1.60%	0.00%
3b. • Unfunded Liability Amortization	0.00%	0.00%
3c. • Total	1.60%	0.00%
4. DCR Employer Contribution Rate	7.56%	7.56%
5. Total Employer Contribution Rate [2c + 3c +4]	22.00%	22.00%
6. Additional State Contribution Rate		
6a. • Before back out 1/2 year interest adjustment	7.30%	5.70%
6b. • After back out 1/2 year interest adjustment	7.05%	5.50%
7. Additional State Contribution [6b x 1]	**$ 102,755**	**$ 80,164**

- Scenario 1a = Baseline
- Scenario 1b = Zero Healthcare NC

©2026 ARTHUR J. GALLAGHER & CO.

PERS – FY28 State-as-an-Employer Contribution

$ in thousands

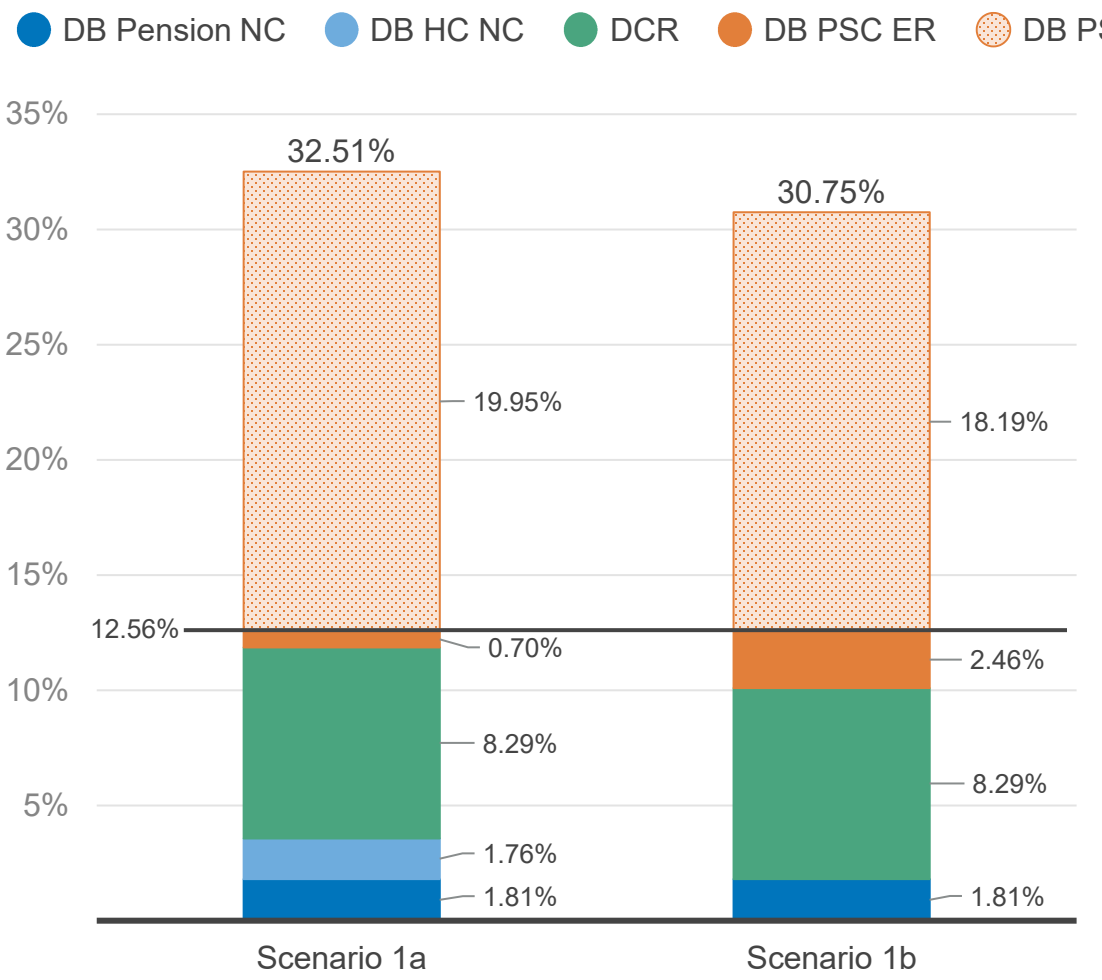
		Scenario 1a	Scenario 1b
1.	Total DB/DCR Payroll – State-as-an-Employer	$ 1,507,939	$ 1,507,939
2.	DB Pension Employer Contribution Rate		
2a.	• Normal Cost	1.73%	1.73%
2b.	• Unfunded Liability Amortization	18.41%	18.41%
2c.	• Total	20.14%	20.14%
3.	DB Healthcare Employer Contribution Rate		
3a.	• Normal Cost	1.60%	0.00%
3b.	• Unfunded Liability Amortization	0.00%	0.00%
3c.	• Total	1.60%	0.00%
4.	DCR Employer Contribution Rate	7.56%	7.56%
5.	Total Employer Contribution Rate [2c + 3c +4]	29.30%	27.70%
6.	**State-as-an-Employer DB Contribution [(2c + 3c) x 1]**	**$ 327,826**	**$ 303,699**

- Scenario 1a = Baseline
- Scenario 1b = Zero Healthcare NC

©2026 ARTHUR J. GALLAGHER & CO.

TRS – FY28 Contribution Rates

as a percentage of total pay



- Pension NC = Pension Normal Cost (net of member contrib.)
- HC NC = Healthcare Normal Cost
- DCR = Defined Contribution Retirement Plan
- PSC ER = Prior Service Cost for Employer
- PSC ASC = Prior Service Cost for Additional State Contrib. (before back out ½ year interest adjustment)

- Scenario 1a = Baseline
- Scenario 1b = Zero Healthcare NC

©2026 ARTHUR J. GALLAGHER & CO.

TRS – FY28 Additional State Contribution

$ in thousands

		Scenario 1a	Scenario 1b
1.	Total DB/DCR Payroll	$ 801,061	$ 801,061
2.	DB Pension Employer Contribution Rate		
2a.	• Normal Cost	1.81%	1.81%
2b.	• Unfunded Liability Amortization	0.70%	2.46%
2c.	• Total	2.51%	4.27%
3.	DB Healthcare Employer Contribution Rate		
3a.	• Normal Cost	1.76%	0.00%
3b.	• Unfunded Liability Amortization	0.00%	0.00%
3c.	• Total	1.76%	0.00%
4.	DCR Employer Contribution Rate	8.29%	8.29%
5.	Total Employer Contribution Rate [2c + 3c +4]	12.56%	12.56%
6.	Additional State Contribution Rate		
6a.	• Before back out 1/2 year interest adjustment	19.95%	18.19%
6b.	• After back out 1/2 year interest adjustment	19.26%	17.56%
7.	**Additional State Contribution [6b x 1]**	**$ 154,285**	**$ 140,666**

- Scenario 1a = Baseline
- Scenario 1b = Zero Healthcare NC

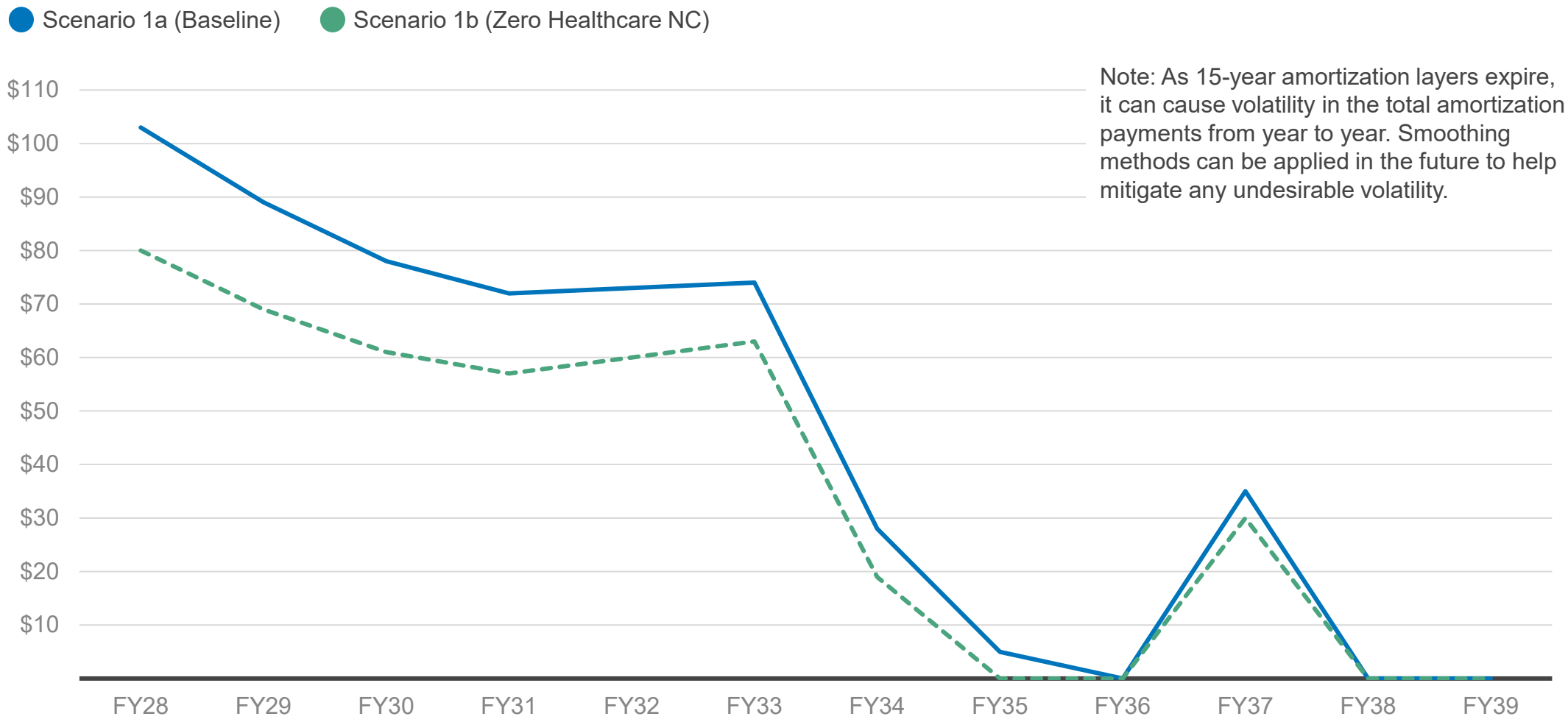
©2026 ARTHUR J. GALLAGHER & CO.

State Contribution and Funded Ratio Projections

Gallagher

PERS – Projected Additional State Contributions

$ in millions



Note: As 15-year amortization layers expire, it can cause volatility in the total amortization payments from year to year. Smoothing methods can be applied in the future to help mitigate any undesirable volatility.

©2026 ARTHUR J. GALLAGHER & CO.

PERS – Projected Additional State Contributions (cont'd)

$ in millions

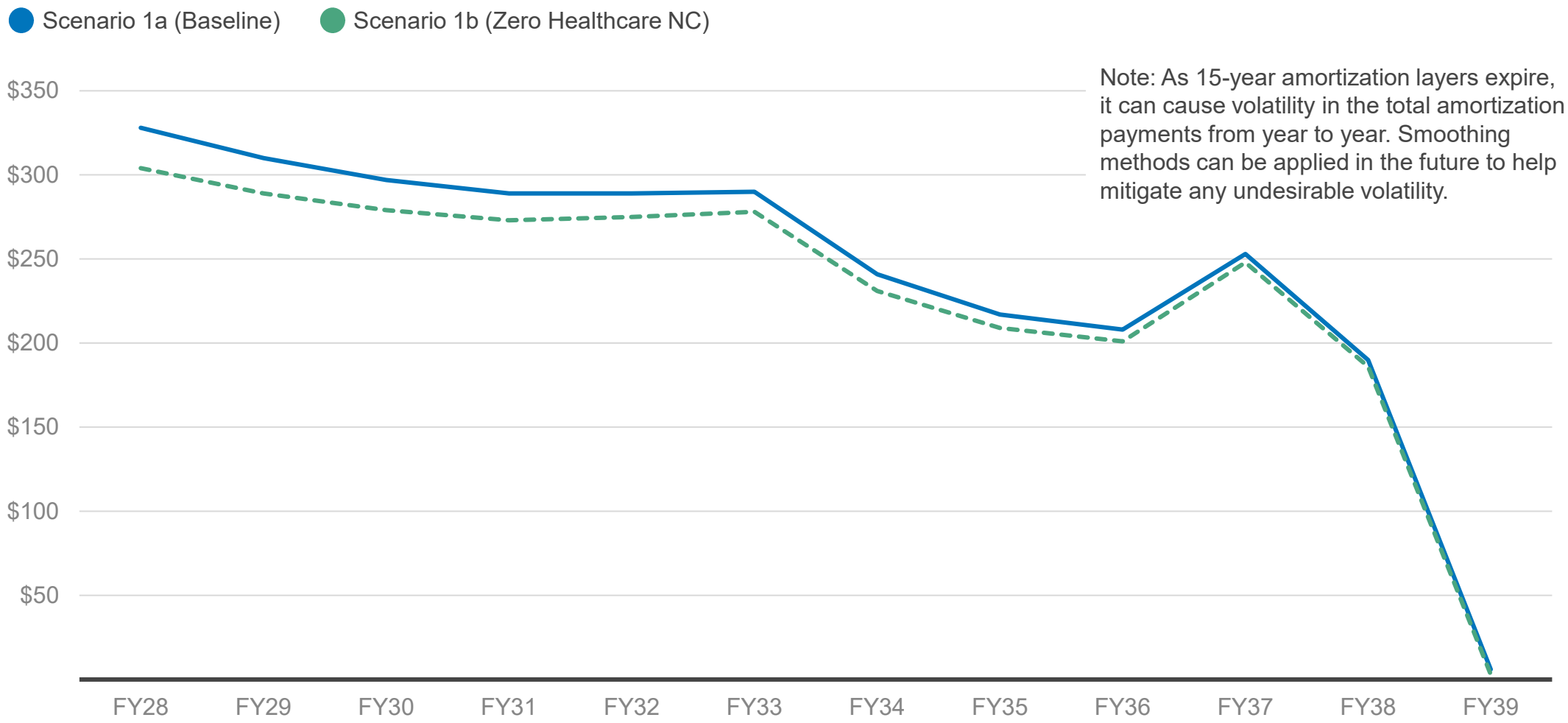
Fiscal Year	Scenario 1a	Scenario 1b	Delta
2028	$ 103	$ 80	$ (23)
2029	89	69	(20)
2030	78	61	(17)
2031	72	57	(15)
2032	73	60	(13)
2033	74	63	(11)
2034	28	19	(9)
2035	5	0	(5)
2036	0	0	0
2037	35	30	(5)
2038	0	0	0
2039	0	0	0
Subtotal	**$ 557**	**$ 439**	**$ (118)**
2040-2055	$ 0	$ 0	$ 0
Total	**$ 557**	**$ 439**	**$ (118)**

- Scenario 1a = Baseline
- Scenario 1b = Zero Healthcare NC

©2026 ARTHUR J. GALLAGHER & CO.

PERS – Projected State-as-an-Employer Contributions

$ in millions



Note: As 15-year amortization layers expire, it can cause volatility in the total amortization payments from year to year. Smoothing methods can be applied in the future to help mitigate any undesirable volatility.

©2026 ARTHUR J. GALLAGHER & CO.

PERS – Projected State-as-an-Employer Contributions (cont'd)

$ in millions

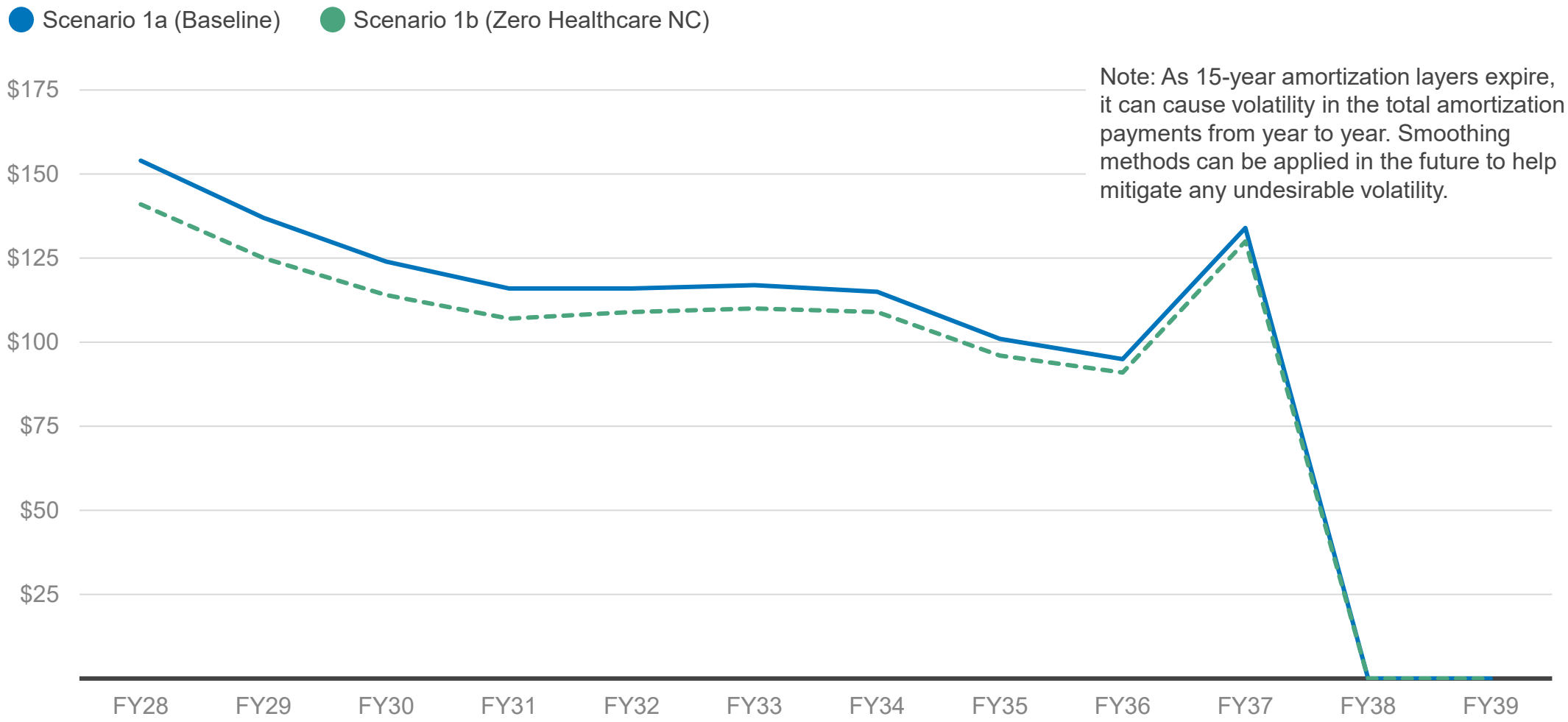
Fiscal Year	Scenario 1a	Scenario 1b	Delta
2028	$ 328	$ 304	$ (24)
2029	310	289	(21)
2030	297	279	(18)
2031	289	273	(16)
2032	289	275	(14)
2033	290	278	(12)
2034	241	231	(10)
2035	217	209	(8)
2036	208	201	(7)
2037	253	248	(5)
2038	190	186	(4)
2039	6	3	(3)
Subtotal	**$ 2,918**	**$ 2,776**	**$ (142)**
2040-2055	$ 21	$ 9	$ (12)
Total	**$ 2,939**	**$ 2,785**	**$ (154)**

- Scenario 1a = Baseline
- Scenario 1b = Zero Healthcare NC

©2026 ARTHUR J. GALLAGHER & CO.

TRS – Projected Additional State Contributions

$ in millions



Note: As 15-year amortization layers expire, it can cause volatility in the total amortization payments from year to year. Smoothing methods can be applied in the future to help mitigate any undesirable volatility.

©2026 ARTHUR J. GALLAGHER & CO.

TRS – Projected Additional State Contributions (cont'd)

$ in millions

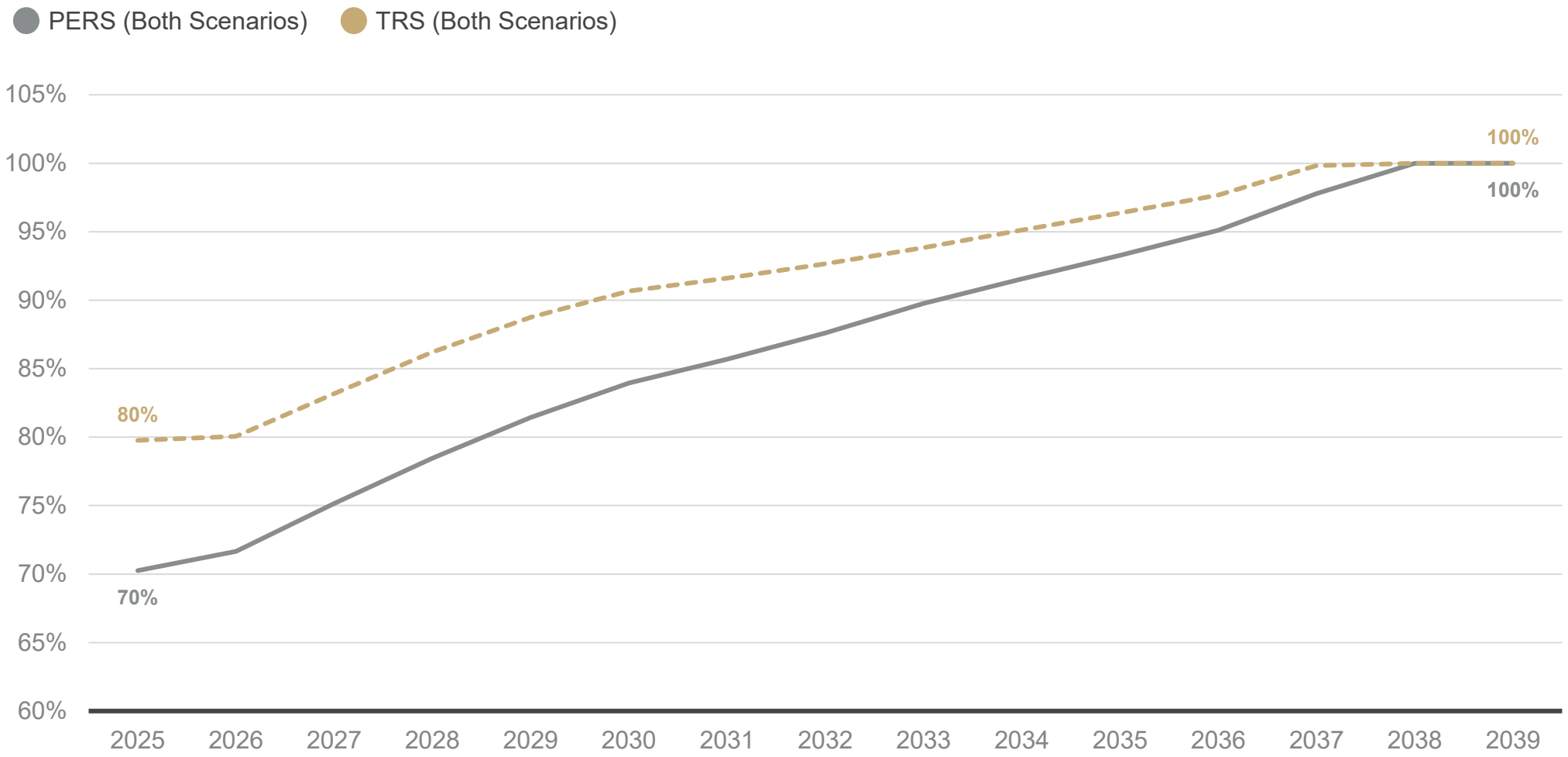
Fiscal Year	Scenario 1a	Scenario 1b	Delta
2028	$ 154	$ 141	$ (13)
2029	137	125	(12)
2030	124	114	(10)
2031	116	107	(9)
2032	116	109	(7)
2033	117	110	(7)
2034	115	109	(6)
2035	101	96	(5)
2036	95	91	(4)
2037	134	130	(4)
2038	0	0	0
2039	0	0	0
Subtotal	**$ 1,209**	**$ 1,132**	**$ (77)**
2040-2055	$ 0	$ 0	$ 0
Total	**$ 1,209**	**$ 1,132**	**$ (77)**

- Scenario 1a = Baseline
- Scenario 1b = Zero Healthcare NC

©2026 ARTHUR J. GALLAGHER & CO.

PERS & TRS Pension – Projected Funded Ratios

as of June 30

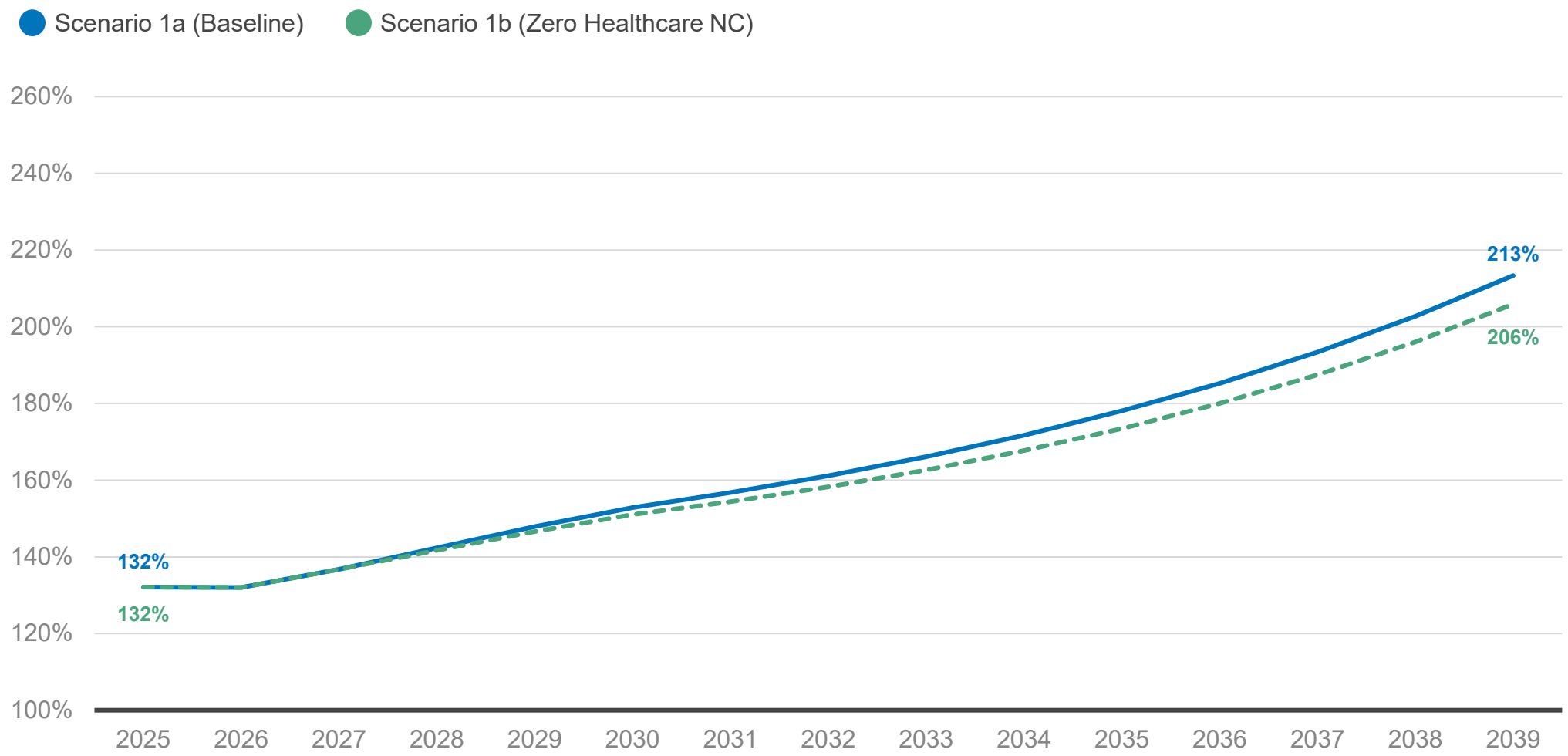


Note: Vertical axis does not start at 0% so graph lines are more distinguishable.

©2026 ARTHUR J. GALLAGHER & CO.

PERS Healthcare – Projected Funded Ratios

as of June 30

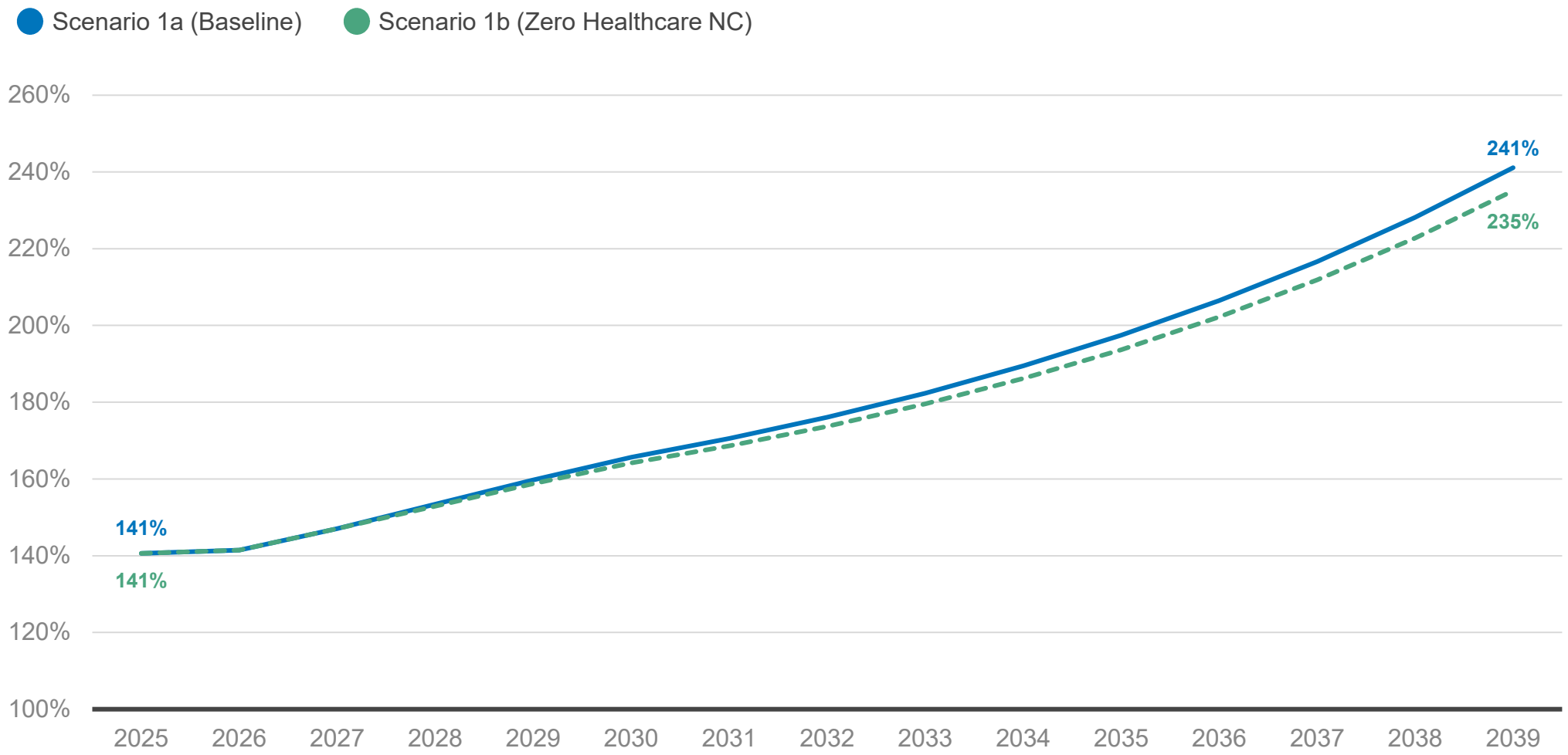


Note: Vertical axis does not start at 0% so graph lines are more distinguishable.

©2026 ARTHUR J. GALLAGHER & CO.

TRS Healthcare – Projected Funded Ratios

as of June 30



Note: Vertical axis does not start at 0% so graph lines are more distinguishable.

©2026 ARTHUR J. GALLAGHER & CO.

Projected Funded Ratios

June 30	PERS Pension Both Scenarios	TRS Pension Both Scenarios	PERS Healthcare		TRS Healthcare	
			Scenario 1a	Scenario 1b	Scenario 1a	Scenario 1b
2025	70%	80%	132%	132%	141%	141%
2026	72%	80%	132%	132%	141%	141%
2027	75%	83%	137%	137%	147%	147%
2028	78%	86%	142%	142%	153%	153%
2029	81%	89%	148%	147%	160%	159%
2030	84%	91%	153%	151%	166%	164%
2031	86%	92%	157%	154%	171%	169%
2032	88%	93%	161%	158%	176%	174%
2033	90%	94%	166%	163%	182%	180%
2034	92%	95%	172%	168%	189%	186%
2035	93%	96%	178%	173%	197%	194%
2036	95%	98%	185%	180%	206%	202%
2037	98%	100%	193%	187%	217%	212%
2038	100%	100%	203%	196%	228%	223%
2039	100%	100%	213%	206%	241%	235%

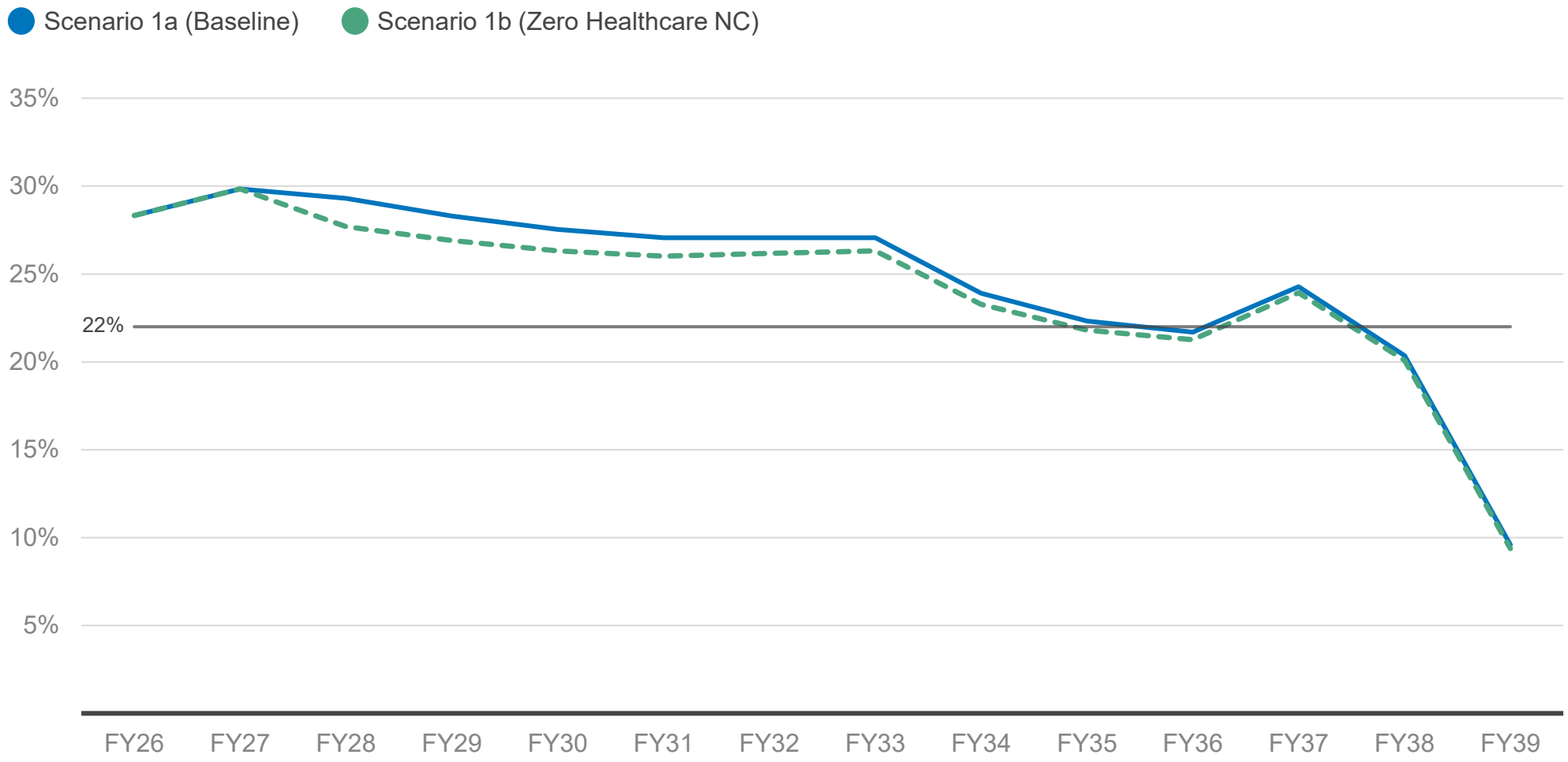
- Scenario 1a = Baseline
- Scenario 1b = Zero Healthcare NC

©2026 ARTHUR J. GALLAGHER & CO.

Appendix: Projected Contribution Rates

PERS/PERS DCR – Projected Total Contribution Rates

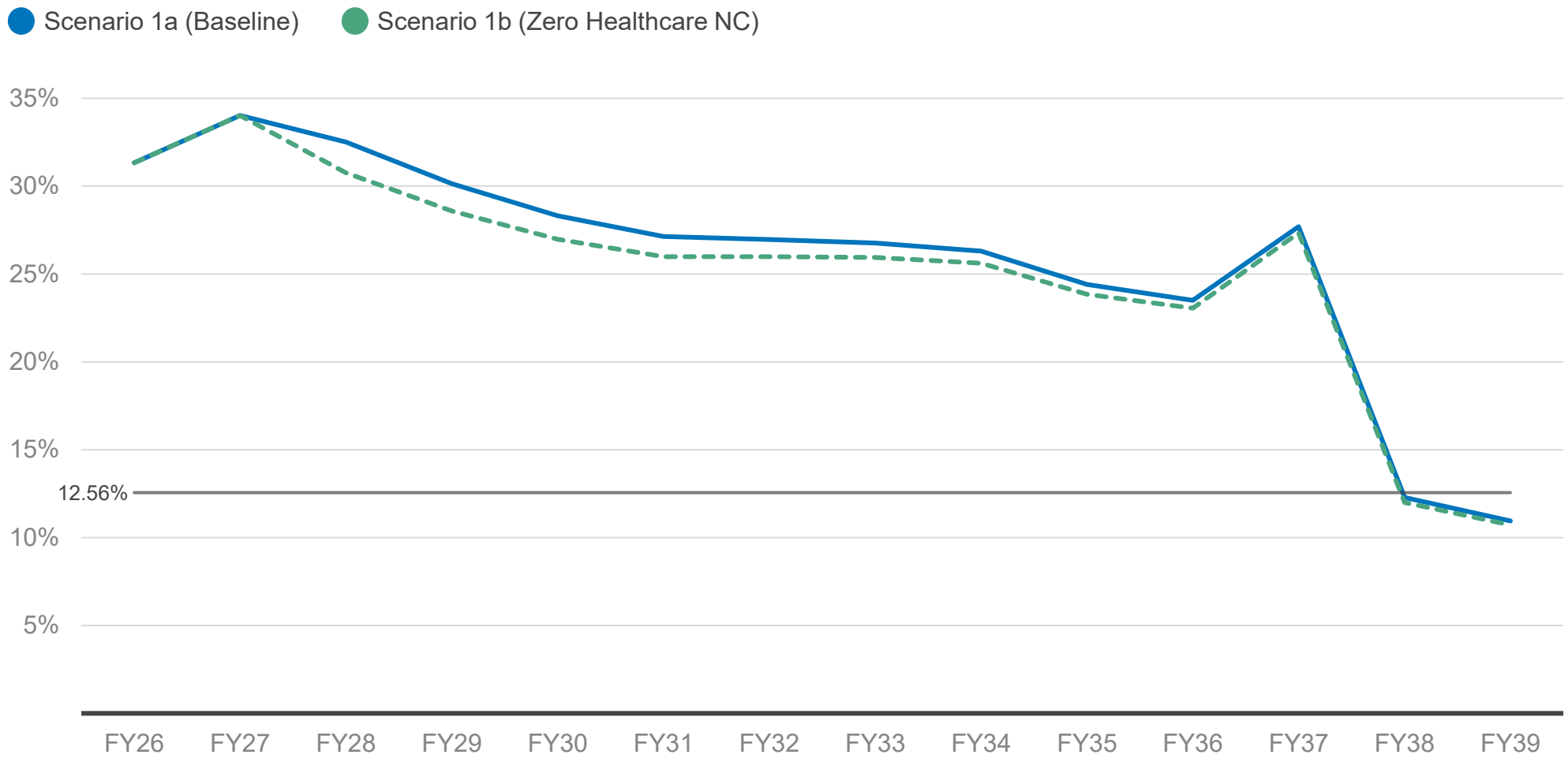
as a percentage of total pay



©2026 ARTHUR J. GALLAGHER & CO.

TRS/TRS DCR – Projected Total Contribution Rates

as a percentage of total pay



©2026 ARTHUR J. GALLAGHER & CO.

Projected Contribution Rates – Scenario 1a

as a percentage of total pay

Fiscal Year	PERS	PERS DCR	Total
2026	21.43%	6.90%	28.33%
2027	22.75%	7.09%	29.84%
2028	21.74%	7.56%	29.30%
2029	20.51%	7.79%	28.30%
2030	19.53%	8.00%	27.53%
2031	18.87%	8.19%	27.06%
2032	18.69%	8.37%	27.06%
2033	18.52%	8.54%	27.06%
2034	15.21%	8.69%	23.90%
2035	13.50%	8.82%	22.32%
2036	12.75%	8.94%	21.69%
2037	15.22%	9.05%	24.27%
2038	11.20%	9.15%	20.35%
2039	0.37%	9.22%	9.59%

Fiscal Year	TRS	TRS DCR	Total
2026	23.68%	7.65%	31.33%
2027	26.00%	8.02%	34.02%
2028	24.22%	8.29%	32.51%
2029	21.51%	8.62%	30.13%
2030	19.38%	8.93%	28.31%
2031	17.92%	9.21%	27.13%
2032	17.50%	9.46%	26.96%
2033	17.07%	9.69%	26.76%
2034	16.41%	9.89%	26.30%
2035	14.35%	10.06%	24.41%
2036	13.29%	10.21%	23.50%
2037	17.37%	10.33%	27.70%
2038	1.84%	10.44%	12.28%
2039	0.42%	10.53%	10.95%

Scenario 1a = Baseline

©2026 ARTHUR J. GALLAGHER & CO.

Projected Contribution Rates – Scenario 1b

as a percentage of total pay

Fiscal Year	PERS	PERS DCR	Total
2026	21.43%	6.90%	28.33%
2027	22.75%	7.09%	29.84%
2028	20.14%	7.56%	27.70%
2029	19.11%	7.79%	26.90%
2030	18.32%	8.00%	26.32%
2031	17.83%	8.19%	26.02%
2032	17.80%	8.37%	26.17%
2033	17.78%	8.54%	26.32%
2034	14.58%	8.69%	23.27%
2035	12.98%	8.82%	21.80%
2036	12.32%	8.94%	21.26%
2037	14.88%	9.05%	23.93%
2038	10.93%	9.15%	20.08%
2039	0.16%	9.22%	9.38%

Fiscal Year	TRS	TRS DCR	Total
2026	23.68%	7.65%	31.33%
2027	26.00%	8.02%	34.02%
2028	22.46%	8.29%	30.75%
2029	19.97%	8.62%	28.59%
2030	18.04%	8.93%	26.97%
2031	16.78%	9.21%	25.99%
2032	16.52%	9.46%	25.98%
2033	16.25%	9.69%	25.94%
2034	15.72%	9.89%	25.61%
2035	13.79%	10.06%	23.85%
2036	12.84%	10.21%	23.05%
2037	17.01%	10.33%	27.34%
2038	1.55%	10.44%	11.99%
2039	0.19%	10.53%	10.72%

Scenario 1b = Zero Healthcare NC

©2026 ARTHUR J. GALLAGHER & CO.

Actuarial Certification

Actuarial Certification

The purpose of this presentation is to provide the ARMB Actuarial Committee with FY28 contribution rate scenarios for PERS and TRS for discussion at the September 14, 2026 meeting.

All calculations are based on (i) the data, assumptions, methods, and plan provisions described in the June 30, 2025 actuarial valuation reports except as noted herein, (ii) preliminary June 30, 2026 assets for PERS and TRS, and (iii) enhanced DB and DCR occupational disability benefits for PERS under HB 14, which was enacted effective July 1, 2026.

Please refer to the June 30, 2025 actuarial valuation reports for disclosures required by Actuarial Standards of Practice, which also apply to this presentation.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the actuarial assumptions, changes in assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law.

The results were prepared under our direction. We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. These results have been prepared in accordance with all applicable Actuarial Standards of Practice.

David Kershner
FSA, EA, MAAA, FCA
Senior Vice President
Retirement

Kevin Spanier
ASA, EA, MAAA, FCA
Senior Vice President
Retirement

Brett Hunter
FSA, EA, MAAA, FCA
Senior Consultant
Retirement

Robert Besenhofer
ASA, MAAA, FCA
Director
Health

©2026 ARTHUR J. GALLAGHER & CO.

DISCLOSURE

© Copyright 2026 Arthur J. Gallagher & Co. and subsidiaries. All rights reserved: No part of this document may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, whether electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of Arthur J. Gallagher & Co.

GBS GLOBAL

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc. is a licensed insurance agency that does business in California as “Gallagher Benefit Services of California Insurance Services” and in Massachusetts as “Gallagher Benefit Insurance Services.”

Neither Arthur J. Gallagher & Co., nor its affiliates provide accounting, legal or tax advice.

GBS UNITED KINGDOM

Gallagher Benefit Services is a trading name in the UK for Gallagher Risk & Reward Limited (Company Number: 3265272), Gallagher Communication Ltd (Company Number: 3688114), Gallagher Actuarial Consultants Limited (Company Number: 1615055), Gallagher (Administration & Investment) Limited (Company Number: 1034719), and Gallagher Consultants (Healthcare) Limited (Company Number: 172919), which all have their registered offices at The Walbrook Building, 25 Walbrook, London EC4N 8AW. All the companies listed are private limited liability companies registered in England and Wales. Gallagher Risk & Reward Limited, Gallagher (Administration & Investment) Limited and Gallagher Consultants (Healthcare) Limited are authorised and regulated by the Financial Conduct Authority.

GBS AUSTRALIA

Gallagher Benefit Services Pty Ltd ABN 49 611 343 803. Australian Financial Services Licensee (488001)



Gallagher

Insurance | Risk Management | Consulting

Gallagher

Insurance | Risk Management | Consulting

August 21, 2026

Ms. Kathy Lea
Director
Division of Retirement and Benefits
State of Alaska
P.O. Box 110203
Juneau, AK 99811-0203

Re: FY28 Contribution Allocations for PERS, TRS, and JRS

Dear Kathy,

As requested, we have calculated the allocation between the pension and healthcare trusts of the FY28 Additional State Contributions for the State of Alaska Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and Judicial Retirement System (JRS).

All results are based on the June 30, 2025 valuation reports, except (i) the results for PERS and TRS reflect FY26 asset performance as shown in the preliminary June 30, 2026 asset statements that were provided to us on August 13, 2026, and (ii) the PERS results reflect the enhanced DB and DCR occupational disability benefits under HB 14, which was enacted effective July 1, 2026[1].

Summary of Results

For PERS and TRS, the FY28 Additional State Contributions are allocated 100% to the pension trusts since the healthcare trusts are projected to be more than 100% funded at June 30, 2027. Similarly, we assumed the ARMB-adopted FY27 Additional State Contributions were made 100% to the pension trusts because the healthcare trusts were projected to be more than 100% funded at June 30, 2026.

Attached to this letter are two exhibits for PERS and TRS, which correspond to the two scenarios requested by the Alaska Retirement Management Board (ARMB) for discussion at the September meeting.

	Exhibit 1a	Exhibit 1b
FY28 Healthcare Normal Cost Contributed to Healthcare Trust	100%	0%
Unfunded Liability Amortization	15-year layered*	15-year layered*

* Excluding the initial layer related to the unfunded liability from 2014 which is amortized over 25 years.

For Exhibit 1b, the portion of the FY28 healthcare Normal Cost not contributed to the healthcare trust was added to the pension Past Service Cost in order to keep the total employer contribution rate at 22% (PERS non-State employers) and 12.56% (TRS).

[1] The impacts of HB 14 were estimated based on the June 30, 2025 valuation data.

For both exhibits:

- Liabilities as of June 30, 2025 were rolled forward two years based on the June 30, 2025 valuation projections. For FY26, actual (pension) and expected (healthcare) benefit payments were used in the liability roll-forward. For FY27, expected benefit payments (pension and healthcare) were used in the liability roll-forward.
- Assets as of June 30, 2025 were rolled forward one year using actual FY26 investment return, contributions, subsidies, benefit payments, and administrative expenses based on the preliminary June 30, 2026 asset statements. Assets as of June 30, 2026 were rolled forward one year based on the expected FY27 investment return and cash flows from the June 30, 2025 valuation projections, and smoothed per the 5-year asset smoothing method.
- Investment gains and losses are recognized over 5 years.
- All contribution rates are based on total payroll of Defined Benefit (DB) and Defined Contribution Retirement (DCR) combined.
- For PERS, contributions were allocated between non-State employers and the State-as-an-Employer per the provisions of SB 55 that was effective July 1, 2021. The payroll of the State's PERS employees was assumed to be 50.85% of total PERS payroll based on the June 30, 2025 valuation data.
- At the request of the ARMB, the PERS results reflect the enhanced DB and DCR occupational disability benefits under HB 14, which was enacted effective July 1, 2026. For both DB and DCR, the occupational disability benefit was increased from 40% to 75% of pay at the time of disability. For DCR only, eligibility for retiree medical benefits was extended to those who are eligible for occupational disability benefits, with the premium otherwise payable waived if under age 65. All changes apply to current and future occupational disabilities.

For JRS, the FY28 past service cost rates for pension and healthcare are 0%. The FY28 past service cost rates are based on the June 30, 2025 roll-forward valuation. As of June 30, 2025, each trust was over 100% funded on an actuarial value of assets basis. Accordingly, per the ARMB's recommended funding policy in Resolution 2025-23, all outstanding amortization bases were eliminated effective June 30, 2025 and the past service cost rate for each trust was set to 0%.

	Projected Pay	FY28 Past Service Cost Rate	FY28 Past Service Contribution
Pension	$ 15,562,883	0.00%	$ 0
Healthcare	$ 15,562,883	0.00%	0
Total		0.00%	$ 0

Data, Provisions, Assumptions, and Methods

The data, plan provisions, actuarial assumptions, and methods are described in the June 30, 2025 actuarial valuation reports. For PERS and TRS, the preliminary June 30, 2026 asset statements, as well as the enhanced DB and DCR occupational disability benefits under HB 14 for PERS, were reflected as noted above.

Please refer to the June 30, 2025 actuarial valuation reports for disclosures required by Actuarial Standards of Practice, which also apply to this letter.

Please call David at (602) 803-6174 or Kevin at (770) 916-4184 if you have any questions.

Sincerely,



David J. Kershner, FSA, EA, MAAA, FCA
Senior Vice President



Kevin Spanier, ASA, EA, MAAA, FCA
Senior Vice President

Attachments

cc: Mr. Christopher Novell, State of Alaska

Exhibit 1a

State of Alaska
Allocation of Projected FY28 Employer and Additional State Contributions
Based on June 30, 2025 Valuations with Liabilities Rolled Forward Two Years and Assets Rolled Forward One Year and Smoothed

100% of FY28 Healthcare Normal Cost Contributed to Healthcare Trust and Unfunded Liability Amortized with Layered Bases

	PERS						TRS	
	Non-State Employers		State as an Employer		All Employers			
Projected FY28 DB Payroll		$ 293,588,000		$ 303,742,000	$ 597,330,000			$ 188,114,000
Projected FY28 DCR Payroll		1,163,938,000		1,204,197,000	2,368,135,000			612,947,000
Projected FY28 Total Payroll		$ 1,457,526,000		$ 1,507,939,000	$ 2,965,465,000			$ 801,061,000
Employer Contributions	**Percent of Total Payroll**	**Estimated Dollar Amount**	**Percent of Total Payroll**	**Estimated Dollar Amount**	**Estimated Dollar Amount**		**Percent of Total Payroll**	**Estimated Dollar Amount**
DB Pension Plan								
1. Normal Cost	1.73%		1.73%				1.81%	
2. Past Service Cost	11.11%		18.41%				0.70%	
3. Total: (1) + (2)	12.84%	$ 187,146,000	20.14%	$ 303,699,000	$ 490,845,000		2.51%	$ 20,107,000
DB Healthcare Plan								
4. Normal Cost	1.60%		1.60%				1.76%	
5. Past Service Cost	0.00%		0.00%				0.00%	
6. Total: (4) + (5)	1.60%	23,320,000	1.60%	24,127,000	47,447,000		1.76%	14,099,000
7. DCR Plan	7.56%	110,189,000	7.56%	114,000,000	224,189,000		8.29%	66,408,000
8. Total: (3) + (6) + (7)	22.00%	$ 320,655,000	29.30%	$ 441,826,000	$ 762,481,000		12.56%	$ 100,614,000
Additional State Contributions to DB								
9. DB Pension Plan	7.30%	$ 106,399,000	0.00%	$ 0	$ 106,399,000		19.95%	$ 159,812,000
10. DB Healthcare Plan	0.00%	0	0.00%	0	0		0.00%	0
11. Subtotal: (9) + (10)	7.30%	$ 106,399,000	0.00%	$ 0	$ 106,399,000		19.95%	$ 159,812,000
12. Interest Adjustment	-0.25%	(3,644,000)	0.00%	0	(3,644,000)		-0.69%	(5,527,000)
13. Total: (11) + (12)	7.05%	$ 102,755,000	0.00%	$ 0	$ 102,755,000		19.26%	$ 154,285,000
Total DB								
14. DB Pension Plan: (3) + (9)	20.14%	$ 293,545,000	20.14%	$ 303,699,000	$ 597,244,000		22.46%	$ 179,919,000
15. DB Healthcare Plan: (6) + (10)	1.60%	23,320,000	1.60%	24,127,000	47,447,000		1.76%	14,099,000
16. Total: (14) + (15)	21.74%	$ 316,865,000	21.74%	$ 327,826,000	$ 644,691,000		24.22%	$ 194,018,000
Total DB and DCR: (7) + (16)	29.30%	$ 427,054,000	29.30%	$ 441,826,000	$ 868,880,000		32.51%	$ 260,426,000

Notes:

1. Projected FY28 payroll is based on the June 30, 2025 valuation projections assuming 0% population growth.
2. Additional State Contributions for FY27 reflect the ARMB adopted amounts, which are assumed to be made 100% to the pension trusts.
3. All contribution rates are expressed as a percentage of total payroll of DB and DCR combined.
4. FY26 investment return, contributions, subsidies, benefit payments, and administrative expenses are based on preliminary June 30, 2026 asset statements provided by the State. FY27 investment return, contributions, subsidies, benefit payments, and administrative expenses are based on the June 30, 2025 valuation projections assuming 0% population growth. Investment gains and losses are recognized over 5 years.
5. For PERS under SB 55 that was effective July 1, 2021, payroll for the State's PERS employees was assumed to be 50.85% of total PERS payroll based on the June 30, 2025 valuation data.
6. PERS results reflect the enhanced DB and DCR occupational disability benefits under HB 14, which was enacted effective July 1, 2026.
7. Total contribution rates for pension and healthcare are not less than the Normal Cost rates.
8. All layers are amortized over 15 years, except for the initial layer related to the 2014 unfunded liability which is amortized over 25 years.
9. Data, plan provisions, assumptions, and methods are as described in the June 30, 2025 actuarial valuation reports, except as noted above.

Exhibit 1b

State of Alaska
Allocation of Projected FY28 Employer and Additional State Contributions
Based on June 30, 2025 Valuations with Liabilities Rolled Forward Two Years and Assets Rolled Forward One Year and Smoothed

0% of FY28 Healthcare Normal Cost Contributed to Healthcare Trust and Unfunded Liability Amortized with Layered Bases

	PERS						TRS	
	Non-State Employers		State as an Employer		All Employers			
Projected FY28 DB Payroll		$ 293,588,000		$ 303,742,000	$ 597,330,000			$ 188,114,000
Projected FY28 DCR Payroll		1,163,938,000		1,204,197,000	2,368,135,000			612,947,000
Projected FY28 Total Payroll		$ 1,457,526,000		$ 1,507,939,000	$ 2,965,465,000			$ 801,061,000
Employer Contributions	**Percent of Total Payroll**	**Estimated Dollar Amount**	**Percent of Total Payroll**	**Estimated Dollar Amount**	**Estimated Dollar Amount**		**Percent of Total Payroll**	**Estimated Dollar Amount**
DB Pension Plan								
1. Normal Cost	1.73%		1.73%				1.81%	
2. Past Service Cost	12.71%		18.41%				2.46%	
3. Total: (1) + (2)	14.44%	$ 210,466,000	20.14%	$ 303,699,000	$ 514,165,000		4.27%	$ 34,206,000
DB Healthcare Plan								
4. Normal Cost	0.00%		0.00%				0.00%	
5. Past Service Cost	0.00%		0.00%				0.00%	
6. Total: (4) + (5)	0.00%	0	0.00%	0	0		0.00%	0
7. DCR Plan	7.56%	110,189,000	7.56%	114,000,000	224,189,000		8.29%	66,408,000
8. Total: (3) + (6) + (7)	22.00%	$ 320,655,000	27.70%	$ 417,699,000	$ 738,354,000		12.56%	$ 100,614,000
Additional State Contributions to DB								
9. DB Pension Plan	5.70%	$ 83,079,000	0.00%	$ 0	$ 83,079,000		18.19%	$ 145,713,000
10. DB Healthcare Plan	0.00%	0	0.00%	0	0		0.00%	0
11. Subtotal: (9) + (10)	5.70%	$ 83,079,000	0.00%	$ 0	$ 83,079,000		18.19%	$ 145,713,000
12. Interest Adjustment	-0.20%	(2,915,000)	0.00%	0	(2,915,000)		-0.63%	(5,047,000)
13. Total: (11) + (12)	5.50%	$ 80,164,000	0.00%	$ 0	$ 80,164,000		17.56%	$ 140,666,000
Total DB								
14. DB Pension Plan: (3) + (9)	20.14%	$ 293,545,000	20.14%	$ 303,699,000	$ 597,244,000		22.46%	$ 179,919,000
15. DB Healthcare Plan: (6) + (10)	0.00%	0	0.00%	0	0		0.00%	0
16. Total: (14) + (15)	20.14%	$ 293,545,000	20.14%	$ 303,699,000	$ 597,244,000		22.46%	$ 179,919,000
Total DB and DCR: (7) + (16)	27.70%	$ 403,734,000	27.70%	$ 417,699,000	$ 821,433,000		30.75%	$ 246,327,000

Notes:

1. Projected FY28 payroll is based on the June 30, 2025 valuation projections assuming 0% population growth.
2. Additional State Contributions for FY27 reflect the ARMB adopted amounts, which are assumed to be made 100% to the pension trusts.
3. All contribution rates are expressed as a percentage of total payroll of DB and DCR combined.
4. FY26 investment return, contributions, subsidies, benefit payments, and administrative expenses are based on preliminary June 30, 2026 asset statements provided by the State. FY27 investment return, contributions, subsidies, benefit payments, and administrative expenses are based on the June 30, 2025 valuation projections assuming 0% population growth. Investment gains and losses are recognized over 5 years.
5. For PERS under SB 55 that was effective July 1, 2021, payroll for the State's PERS employees was assumed to be 50.85% of total PERS payroll based on the June 30, 2025 valuation data.
6. PERS results reflect the enhanced DB and DCR occupational disability benefits under HB 14, which was enacted effective July 1, 2026.
7. Healthcare negative past service cost rates are allowed to reduce the total Healthcare rates to zero. The Pension past service cost rates are adjusted to keep the total employer contribution rates at 22% (PERS non-State employers) and 12.56% (TRS).
8. All layers are amortized over 15 years, except for the initial layer related to the 2014 unfunded liability which is amortized over 25 years.
9. Data, plan provisions, assumptions, and methods are as described in the June 30, 2025 actuarial valuation reports, except as noted above.

8/21/2026

ALASKA RETIREMENT MANAGEMENT BOARD

Actuarial Committee

SUBJECT: History of PERS / TRS Employer Contribution Rates

ACTION: _____

DATE: September 14, 2026

INFORMATION: X

Below is a history of employer contribution rates adopted by the Alaska Retirement Management Board for Fiscal Years 2018 through 2027, as well as the proposed FY 2028 contribution rates:

	ARM BOARD ADOPTED RATES										Proposed	
		FY18	FY19 (a)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28 (1a)	FY28 (1b)
Public Employees' Retirement System (PERS)													
	Total Employer Contribution Rate	25.01%	27.58%	28.62%	30.85%	30.11%	24.79%	25.10%	26.76%	28.33%	29.84%	29.30%	27.70%
	- DB Employer Contribution Rate	20.38%	22.64%	23.18%	24.93%	24.01%	18.38%	18.47%	20.03%	21.43%	22.75%	21.74%	20.14%
	- DCR Employer Contribution Rate	4.63%	4.94%	5.44%	5.92%	6.10%	6.41%	6.63%	6.73%	6.90%	7.09%	7.56%	7.56%
	DCR - Retiree Medical Plan	1.03%	0.94%	1.32%	1.27%	1.07%	1.10%	1.01%	0.83%	0.86%	0.82%	1.02%	1.02%
	DCR - OD&D - All Others	0.16%	0.26%	0.26%	0.31%	0.31%	0.30%	0.30%	0.24%	0.24%	0.24%	0.37%	0.37%
	DCR - OD&D - P/F	0.43%	0.76%	0.72%	0.70%	0.68%	0.68%	0.68%	0.69%	0.69%	0.69%	0.89%	0.89%
Teachers' Retirement System (TRS)													
	Total Employer Contribution Rate	26.78%	28.90%	30.47%	30.47%	31.85%	24.62%	25.52%	28.59%	31.33%	34.02%	32.51%	30.75%
	- DB Employer Contribution Rate	21.75%	23.56%	24.62%	24.34%	25.49%	17.90%	18.49%	21.30%	23.68%	26.00%	24.22%	22.46%
	- DCR Employer Contribution Rate	5.03%	5.34%	5.85%	6.13%	6.36%	6.72%	7.03%	7.29%	7.65%	8.02%	8.29%	8.29%
	DCR - Retiree Medical Plan	0.91%	0.79%	1.09%	0.93%	0.83%	0.87%	0.82%	0.68%	0.74%	0.75%	0.76%	0.76%
	DCR - OD&D	0.00%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%

(a) Beginning in Fiscal Year 2019, employer contribution rates for plans which have no past service liability as determined by the actuarial valuation process will not reflect a contribution rate for liquidating past service liability under AS 37.10.220(a)(8)(B).

The following are the scenarios with the proposed FY28 rates are based on Arthur J. Gallagher and Company (Gallagher) letter dated August 21, 2026:

- **(1a)** All layers are amortized over 15 years, except for the initial layer related to the 2014 unfunded liability which is amortized over 25 years. With healthcare Normal Cost.

- **(1b)** All layers are amortized over 15 years, except for the initial layer related to the 2014 unfunded liability which is amortized over 25 years. Without healthcare Normal Cost.

ALASKA RETIREMENT MANAGEMENT BOARD

Actuarial Committee

SUBJECT: FY 28 PERS Employer Contribution Rate Tier I - III

ACTION: X

DATE: September 14, 2026

INFORMATION: ____

BACKGROUND:

AS 37.10.220(a)(8) sets forth the responsibility of the Alaska Retirement Management Board (Board) to annually certify to each employer in the system contribution rates for normal costs and for liquidating any past service liability:

> *(8) coordinate with the retirement system administrator to have an annual actuarial valuation of each retirement system prepared to determine system assets, accrued liabilities, and funding ratios and to certify to the appropriate budgetary authority of each employer in the system*
>
> *(A) an appropriate contribution rate for normal costs; and*
>
> *(B) an appropriate contribution rate for liquidating any past service liability; in this subparagraph, the appropriate contribution rate for liquidating the past service liability of the defined benefit retirement plan under AS 14.25.009 - 14.25.220 or the past service liability of the defined benefit retirement plan under AS 39.35.095 - 39.35.680 must be determined by a level percent of pay method based on amortization of the past service liability for a closed term of 25 years;*

AS 39.35.270 requires that the amount of each Public Employees' Retirement System (PERS) employer's contribution to the system shall be determined by applying the employer's contribution rate, as certified by the Board, to the total compensation paid to the active employee. Statutory employer contribution and additional state contribution are established under the following two sections of Alaska Statute:

Sec. 39.35.255. Contributions by employers. (a) Each employer, except as provided in (i) shall contribute to the system every payroll period an amount calculated by applying a rate of 22 percent of the greater of the total of all base salaries

(1) paid by the employer to employees who are active members of the system, including any adjustments to contributions required by AS 39.35.520; or

(2) paid by the employer to employees who were active members of the system during the corresponding payroll period for the fiscal year ending June 30, 2008.

(i) The State as an employer shall contribute to the system every payroll period an amount sufficient to pay the actuarially determined employer normal cost, all contributions required under AS 39.30.370 and AS 39.35.750, and all past service cost for members at the contribution rate adopted by the board under AS 37.10.220 for the fiscal year for that payroll period.

and:

Sec. 39.35.280. Additional state contributions. In addition to the contributions that the state is required to make under AS 39.35.255 as an employer, the state shall contribute to the plan each July 1 or, if funds are not available on July 1, as soon after July 1 as funds become available, an amount for the ensuing fiscal year that, when combined with the total employer contributions that the administrator estimates will be allocated under AS 39.35.255(c), is sufficient to pay the plan's past service liability at the contribution rate adopted by the board under AS 37.10.220 for that fiscal year.

On June 12, 2024, the Board adopted Resolution 2024-05 "Relating to a Change in Actuarial Methodology for the Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) Valuation Reports". The resolution made the following changes in actuarial methodology when determining the annual PERS and TRS employer contributions, as well as the calculation to both additional state contributions:

(1) Add a ½ year interest adjustment to the normal cost and unfunded liability amortizations that are used to calculate the actuarially determined contribution rates for PERS and TRS;
(2) Since PERS and TRS Additional State Contributions are deposited in the defined benefit trusts at the beginning of the year, the ½ year interest adjustment would be backed out when calculating the Additional State Contributions; and
(3) Employer contributions will be funding the ½ year interest loss from the employer contributions in the year the loss occurs, rather than funding the loss over a period of years.

These changes in methodology were implemented beginning with the calculation of the FY 2026 PERS and TRS employer contributions.

Effective with the June 30, 2025 actuarial valuations of PERS and TRS, the Board adopted new unfunded liability amortization periods:

(1) Maintain the 25-year closed amortization period for the layer related to the 2014 unfunded liability; and

(2) Change to a 15-year closed amortization period for all other layers.

These changes in unfunded liability amortization periods were implemented beginning with the calculation of the FY 2027 PERS and TRS employer contributions.

STATUS:

The Division of Retirement & Benefits' (Division) actuary, Arthur J. Gallagher and Company (Gallagher) has completed the allocation of projected FY 28 employer and additional state contributions as shown in their letter dated August 21, 2026 based on the June 30, 2025 valuation report, except the results for PERS reflect FY 26 asset performance as shown in the preliminary June 30, 2026 asset statements provided by the Division on August 13, 2026. The PERS June 30, 2025 valuation report has been reviewed by the Board's actuary, Gabriel, Roeder, Smith & Co. (GRS) and then certified and accepted by the Board.

RECOMMENDATION:

The Actuarial Committee recommends that the Alaska Retirement Management Board set the Fiscal Year 2028 PERS actuarially determined contribution rate attributable to employers consistent with its fiduciary duty, as set out in the attached form of Resolution 2026-06.

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2028 Employer Contribution Rate
For the Public Employees' Retirement System

Resolution 2026-06

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, consistent with Resolution 2025-04, the Board interprets AS 37.10.220(a)(8)(B) as applying the 25-year closed amortization term to the initial unfunded liability, originating by statute in 2014, and allowing for the amortization of subsequent unfunded liability layers over closed periods of less than 25 years; and

WHEREAS, in 2025, the Board, relying on the analysis set out in Resolution 2025-04, set all subsequent separate unfunded liability layers with a 15-year amortization period, as reflected in the Arthur J. Gallagher and Company (Gallagher) schedule dated August 21, 2026; and

WHEREAS, the calculations presented by Gallagher to the Board for the FY28 contribution rates in the schedule dated August 21, 2026, reflect a 15-year amortization period for all layers except the layer related to the 2014 unfunded liability, which remains consistent with Resolution 2025-04; and

WHEREAS, AS 39.35.255 establishes a statutory non-State employer contribution rate of 22.00 percent and the actuarially determined contribution rate for the State as an employer, and AS 39.35.280 requires additional state contribution to make up the

difference between 22.00 percent for non-State employers and the actuarially determined contribution rate; and

WHEREAS, the Arthur J. Gallagher and Company (Gallagher), schedule dated August 21, 2026 determines that the actuarially determined contribution rate for pension benefits is 20.14 percent composed of the normal cost rate of 1.73 percent and past service rate of 18.41 percent; and

WHEREAS, the Gallagher schedule dated August 21, 2026 determines that the actuarially determined contribution rate for postemployment healthcare benefits is 1.60 percent composed of the normal cost rate of 1.60 percent and past service rate of negative 12.36 percent; and

WHEREAS, the Gallagher schedule dated August 21, 2026 presents the employer rate incorporating the total cost of the Defined Contribution Retirement Plan of 7.56 percent;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that the Fiscal Year 2028 actuarially determined contribution rate attributable to employers participating in the Public Employees' Retirement System is set at 29.30 percent, composed of the contribution rate for defined benefit pension of 20.14 percent, the contribution rate for postemployment healthcare of 1.60 percent, and the contribution rate for defined contribution pension of 7.56 percent, and the Additional State Contribution for non-state employers per the attached Gallagher schedule dated August 21, 2026.

DATED at Anchorage, Alaska this ____ day of September, 2026.

_____
Chair

ATTEST:

_____
Secretary

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2028 Employer Contribution Rate
For the Public Employees' Retirement System

Resolution 2026-06

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, consistent with Resolution 2025-04, the Board interprets AS 37.10.220(a)(8)(B) as applying the 25-year closed amortization term to the initial unfunded liability, originating by statute in 2014, and allowing for the amortization of subsequent unfunded liability layers over closed periods of less than 25 years; and

WHEREAS, in 2025, the Board, relying on the analysis set out in Resolution 2025-04, set all subsequent separate unfunded liability layers with a 15-year amortization period, as reflected in the Arthur J. Gallagher and Company (Gallagher) schedule dated August 21, 2026; and

WHEREAS, the calculations presented by Gallagher to the Board for the FY28 contribution rates in the schedule dated August 21, 2026, reflect a 15-year amortization period for all layers except the layer related to the 2014 unfunded liability, which remains consistent with Resolution 2025-04; and

WHEREAS, AS 39.35.255 establishes a statutory non-State employer contribution rate of 22.00 percent and the actuarially determined contribution rate for the State as an employer, and AS 39.35.280 requires additional state contribution to make up the

difference between 22.00 percent for non-State employers and the actuarially determined contribution rate; and

WHEREAS, the Arthur J. Gallagher and Company (Gallagher), schedule dated August 21, 2026 determines that the actuarially determined contribution rate for pension benefits is 20.14 percent composed of the normal cost rate of 1.73 percent and past service rate of 18.41 percent; and

WHEREAS, the Gallagher schedule dated August 21, 2026 determines that the actuarially determined contribution rate for postemployment healthcare benefits is zero percent composed of the normal cost rate of zero percent and past service rate of negative 12.36 percent; and

WHEREAS, the Gallagher schedule dated August 21, 2026 presents the employer rate incorporating the total cost of the Defined Contribution Retirement Plan of 7.56 percent;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that the Fiscal Year 2028 actuarially determined contribution rate attributable to employers participating in the Public Employees' Retirement System is set at 27.70 percent, composed of the contribution rate for defined benefit pension of 20.14 percent, the contribution rate for postemployment healthcare of zero percent, and the contribution rate for defined contribution pension of 7.56 percent, and the Additional State Contribution for non-state employers per the attached Gallagher schedule dated August 21, 2026.

DATED at Anchorage, Alaska this ____ day of September, 2026.

_____
Chair

ATTEST:

_____
Secretary

ALASKA RETIREMENT MANAGEMENT BOARD

Actuarial Committee

SUBJECT: FY 28 PERS Retiree Major Medical and Occupational Death & Disability

ACTION: X

DATE: September 14, 2026

INFORMATION:

BACKGROUND:

The Alaska Retirement Management Board (Board) establishes rates for the Public Employees' Retirement System (PERS) Defined Contribution Retirement Plan for the following plans: 1) Retiree Major Medical Insurance and 2) Occupational Death & Disability under the following two sections in Alaska Statute:

Retiree Major Medical Insurance
AS 39.35.750 (b) requires that "An employer shall also contribute an amount equal to a percentage, as adopted by the board, of each member's compensation from July 1 to the following June 30 to pay for retiree major medical insurance."

Occupational Death & Disability
AS 39.35.750 (e) requires that "An employer shall make annual contributions to the plan in an amount determined by the board to be actuarially required to fully fund the cost of providing occupational disability and occupational death benefits under AS 39.35.890 and 39.35.892. The contribution required under this subsection for peace officers and fire fighters and the contribution required under this subsection for other employees shall be separately calculated based on the actuarially calculated costs for each group of employees."

STATUS:

The Division of Retirement & Benefits' actuary, Arthur J. Gallagher and Company (Gallagher), formerly Buck, has completed the actuarial valuation of the PERS Defined Contribution Retirement Plan as of June 30, 2025. The valuation has been reviewed by the Board's actuary, Gabriel, Roeder, Smith & Co. (GRS) and then certified and accepted by the Board.

According to the PERS Defined Contribution Retirement Plan actuarial valuation report with updates to reflect the effects of HB 14 which was effective July 1, 2026, and confirmed by GRS, the Fiscal Year 2028 actuarially determined contribution rates attributable to employers for the Retiree Major Medical Insurance should be 1.02 percent; for the peace officer/firefighter Occupational Death & Disability benefit should be 0.89 percent; and for "all other" Occupational Death & Disability benefit should be 0.37 percent.

RECOMMENDATION:

The Actuarial Committee recommends that the Alaska Retirement Management Board set Fiscal Year 2028 PERS Defined Contribution Retirement Retiree Major Medical Insurance and Occupational Death & Disability Benefit rates as set out in the following resolutions:

1. Resolution 2026-07: Public Employees' Defined Contribution Retirement Plan Retiree Major Medical Insurance Rate

2. Resolution 2026-08: Public Employees' Defined Contribution Retirement Plan Occupational Death & Disability Benefit Rates

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2028 Employer Contribution Rate For
Public Employees' Defined Contribution Retirement Plan
Retiree Major Medical Insurance Rate

Resolution 2026-07

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 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

WHEREAS, AS 39.35.750(b) requires the Board to approve an amount equal to a percentage of each member's compensation from July 1 to the following June 30 to pay for retiree major medical insurance; and

WHEREAS, the June 30, 2025 PERS Defined Contribution actuarial valuation report, with updates to reflect the effects of HB 14 which was effective July 1, 2026, determines that the actuarially determined contribution rate for retiree major medical insurance is 1.02 percent composed of the normal cost rate of 1.02 percent and past service rate of negative 0.13 percent; and

WHEREAS, there is no past service liability as determined by the annual actuarial valuation of the PERS Defined Contribution retiree major medical insurance, so no contribution rate for liquidating past service liability is appropriate under AS 37.10.220(a)(8)(B);

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, the Fiscal Year 2028 employer contribution rate for the retiree major medical insurance for the Public Employees' Defined Contribution Retirement Plan is set at 1.02 percent.

DATED at Anchorage, Alaska this __ day of September, 2026.

_____
Chair

ATTEST:

_____
Secretary

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2028 Employer Contribution Rate
For Public Employees' Defined Contribution Retirement Plan
Occupational Death & Disability Benefit Rates

Resolution 2026-08

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 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

WHEREAS, AS 39.35.750(e) requires the Board to determine an actuarially sound amount required to fully fund the cost of providing occupational disability and occupational death benefits under AS 39.35.890 and 39.35.892, and that such contribution for peace officers and fire fighters, and the contribution for other employees shall be calculated separately; and

WHEREAS, the June 30, 2025 PERS Defined Contribution actuarial valuation report, with updates to reflect the effects of HB 14 which was effective July 1, 2026, determines that the actuarially determined contribution rate for peace officer / firefighter occupational death & disability is 0.89 percent composed of the normal cost rate of 0.89 percent and past service rate of negative 0.22 percent; and

WHEREAS, the June 30, 2025 PERS Defined Contribution actuarial valuation report, with updates to reflect the effects of HB 14 which was effective July 1, 2026, determines that the actuarially determined contribution rate for occupational death and disability benefits for all other employees is 0.37 percent composed of the normal cost rate of 0.37 percent and past service rate of negative 0.28 percent; and

WHEREAS, there is no past service liability as determined by the annual actuarial valuation of the PERS Defined Contribution occupational death & disability, so no contribution rate for liquidating past service liability is appropriate under AS 37.10.220(a)(8)(B);

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, the Fiscal Year 2028 employer contribution rate for public employees' occupational death and disability benefit rate is set at 0.89 percent for peace officers / fire fighters, and at 0.37 percent for all other Public Employees' Defined Contribution Retirement Plan employees.

DATED at Anchorage, Alaska this __ day of September, 2026.

_____
Chair

ATTEST:

_____
Secretary

ALASKA RETIREMENT MANAGEMENT BOARD

Actuarial Committee

SUBJECT: FY 28 TRS Employer Contribution Rate
Tier I - II

ACTION: X

DATE: September 14, 2026

INFORMATION: ____

BACKGROUND:

AS 37.10.220(a)(8) sets forth the responsibility of the Alaska Retirement Management Board (Board) to annually certify to each employer in the system contribution rates for normal costs and for liquidating any past service liability:

> *(8) coordinate with the retirement system administrator to have an annual actuarial valuation of each retirement system prepared to determine system assets, accrued liabilities, and funding ratios and to certify to the appropriate budgetary authority of each employer in the system*
> *(A) an appropriate contribution rate for normal costs; and*
> *(B) an appropriate contribution rate for liquidating any past service liability; in this subparagraph, the appropriate contribution rate for liquidating the past service liability of the defined benefit retirement plan under AS 14.25.009 - 14.25.220 or the past service liability of the defined benefit retirement plan under AS 39.35.095 - 39.35.680 must be determined by a level percent of pay method based on amortization of the past service liability for a closed term of 25 years;*

AS 14.25.070 requires that the amount of each Teachers' Retirement System (TRS) employer's contribution to the system shall be determined by applying the employer's contribution rate, as certified by the Board, to the total compensation paid to the active employee. Statutory employer contribution and additional state contribution are established under the following two sections of Alaska Statute:

Sec. 14.25.070. Contributions by employers. (a) Each employer shall contribute to the system every payroll period an amount calculated by applying a rate of 12.56 percent to the total of all base salaries paid by the employer to active members of the system, including any adjustments to contributions required by AS 14.25.173(a).

and:

Sec. 14.25.085. Additional state contributions. In addition to the contributions that the state is required to make under AS 14.25.070 as an employer, the state shall contribute to the plan each July 1 or, if funds are not available on July 1, as soon after July 1 as funds become available, an amount for the ensuing fiscal year that, when combined with the total employer contributions that the administrator estimates will be allocated under AS 14.25.070(c), is sufficient to pay the plan's past service liability at the contribution rate adopted by the board under AS 37.10.220 for that fiscal year.

On June 12, 2024, the Board adopted Resolution 2024-05 "Relating to a Change in Actuarial Methodology for the Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) Valuation Reports". The resolution made the following changes in actuarial methodology when determining the annual PERS and TRS employer contributions, as well as the calculation to both additional state contributions:

(1) Add a ½ year interest adjustment to the normal cost and unfunded liability amortizations that are used to calculate the actuarially determined contribution rates for PERS and TRS;
(2) Since PERS and TRS Additional State Contributions are deposited in the defined benefit trusts at the beginning of the year, the ½ year interest adjustment would be backed out when calculating the Additional State Contributions; and
(3) Employer contributions will be funding the ½ year interest loss from the employer contributions in the year the loss occurs, rather than funding the loss over a period of years.

These changes in methodology were implemented beginning with the calculation of the FY 2026 PERS and TRS employer contributions.

Effective with the June 30, 2025 actuarial valuations of PERS and TRS, the Board adopted new unfunded liability amortization periods:

(1) Maintain the 25-year closed amortization period for the layer related to the 2014 unfunded liability; and

(2) Change to a 15-year closed amortization period for all other layers.

These changes in unfunded liability amortization periods were implemented beginning with the calculation of the FY 2027 PERS and TRS employer contributions.

STATUS:

The Division of Retirement & Benefits' (Division) actuary, Arthur J. Gallagher and Company (Gallagher) has completed the allocation of projected FY 28 employer and additional state contributions as shown in their letter dated August 21, 2026 based on the June 30, 2025 valuation report, except the results for TRS reflect FY 26 asset performance as shown in the preliminary June 30, 2026 asset statements provided by the Division on August 13, 2026. The TRS June 30, 2025 valuation report has been reviewed by the Board's actuary, Gabriel, Roeder, Smith & Co. (GRS) and then certified and accepted by the Board.

RECOMMENDATION:

The Actuarial Committee recommends that the Alaska Retirement Management Board set the Fiscal Year 2028 TRS actuarially determined contribution rate attributable to employers consistent with its fiduciary duty, as set out in the attached form of Resolution 2026-09.

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2028 Employer Contribution Rate
For the Teachers' Retirement System

Resolution 2026-09

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, consistent with Resolution 2025-04, the Board interprets AS 37.10.220(a)(8)(B) as applying the 25-year closed amortization term to the initial unfunded liability, originating by statute in 2014, and allowing for the amortization of subsequent unfunded liability layers over closed periods of less than 25 years; and

WHEREAS, in 2025, the Board, relying on the analysis set out in Resolution 2025-04, set all subsequent separate unfunded liability layers with a 15-year amortization period, as reflected in the Arthur J. Gallagher and Company (Gallagher) schedule dated August 21, 2026; and

WHEREAS, the calculations presented by Gallagher to the Board for the FY28 contribution rates in the schedule dated August 21, 2026, reflect a 15-year amortization period for all layers except the layer related to the 2014 unfunded liability, which remains consistent with Resolution 2025-04; 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; and

WHEREAS, the Arthur J. Gallagher and Company (Gallagher) schedule dated August 21, 2026 determines that the actuarially determined contribution rate for pension benefits is 22.46 percent composed of the normal cost rate of 1.81 percent and past service rate of 20.65 percent; and

WHEREAS, the Gallagher schedule dated August 21, 2026 determines that the actuarially determined contribution rate for postemployment healthcare benefits is 1.76 percent composed of the normal cost rate of 1.76 percent and past service rate of negative 22.96 percent; and

WHEREAS, the Gallagher schedule dated August 21, 2026 presents the employer rate incorporating the total cost of the Defined Contribution Retirement Plan of 8.29 percent;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that the Fiscal Year 2028 actuarially determined contribution rate attributable to employers participating in the Teachers' Retirement System is set at 32.51 percent, composed of the contribution rate for defined benefit pension of 22.46 percent, the contribution rate for postemployment healthcare of 1.76 percent, the contribution rate for defined contribution pension of 8.29 percent, and the Additional State Contribution per the attached Gallagher schedule dated August 21, 2026.

DATED at Anchorage, Alaska this ___ day of September, 2026.

_____
Chair

ATTEST:

_____
Secretary

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2028 Employer Contribution Rate
For the Teachers' Retirement System

Resolution 2026-09

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, consistent with Resolution 2025-04, the Board interprets AS 37.10.220(a)(8)(B) as applying the 25-year closed amortization term to the initial unfunded liability, originating by statute in 2014, and allowing for the amortization of subsequent unfunded liability layers over closed periods of less than 25 years; and

WHEREAS, in 2025, the Board, relying on the analysis set out in Resolution 2025-04, set all subsequent separate unfunded liability layers with a 15-year amortization period, as reflected in the Arthur J. Gallagher and Company (Gallagher) schedule dated August 21, 2026; and

WHEREAS, the calculations presented by Gallagher to the Board for the FY28 contribution rates in the schedule dated August 21, 2026, reflect a 15-year amortization period for all layers except the layer related to the 2014 unfunded liability, which remains consistent with Resolution 2025-04; 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; and

WHEREAS, the Arthur J. Gallagher and Company (Gallagher) schedule dated August 21, 2026 determines that the actuarially determined contribution rate for pension benefits is 22.46 percent composed of the normal cost rate of 1.81 percent and past service rate of 20.65 percent; and

WHEREAS, the Gallagher schedule dated August 21, 2026 determines that the actuarially determined contribution rate for postemployment healthcare benefits is zero percent composed of the normal cost rate of zero percent and past service rate of negative 22.96 percent; and

WHEREAS, the Gallagher schedule dated August 21, 2026 presents the employer rate incorporating the total cost of the Defined Contribution Retirement Plan of 8.29 percent;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that the Fiscal Year 2028 actuarially determined contribution rate attributable to employers participating in the Teachers' Retirement System is set at 30.75 percent, composed of the contribution rate for defined benefit pension of 22.46 percent, the contribution rate for postemployment healthcare of zero percent, the contribution rate for defined contribution pension of 8.29 percent, and the Additional State Contribution per the attached Gallagher schedule dated August 21, 2026.

DATED at Anchorage, Alaska this ____ day of September, 2026.

_____
Chair

ATTEST:

_____
Secretary

ALASKA RETIREMENT MANAGEMENT BOARD

Actuarial Committee

SUBJECT: FY 28 TRS Retiree Major Medical and Occupational Death & Disability

ACTION: X

DATE: September 14, 2026

INFORMATION:

BACKGROUND:

The Alaska Retirement Management Board (Board) establishes rates for the Teachers' Retirement System (TRS) Defined Contribution Retirement Plans for the following plans: 1) Retiree Major Medical Insurance and 2) Occupational Death & Disability under the following two sections in Alaska Statute:

Retiree Major Medical Insurance
AS 14.25.350 (b) requires that "An employer shall also contribute an amount equal to a percentage, as approved by the board, of each member's compensation from July 1 to the following June 30 to pay for retiree major medical insurance."

Occupational Death & Disability
AS 14.25.350 (e) requires that "An employer shall make annual contributions to a trust account in the plan, applied as a percentage of each member's compensation from July 1 to the following June 30, in an amount determined by the board to be actuarially required to fully fund the cost of providing occupational disability and occupational death benefits under AS 14.25.310 - 14.25.590."

STATUS:

The Division of Retirement & Benefits' actuary, Arthur J. Gallagher and Company (Gallagher), formerly Buck, has completed the actuarial valuation of the TRS Defined Contribution Retirement Plan as of June 30, 2025. The valuation has been reviewed by the Board's actuary, Gabriel, Roeder, Smith & Co. (GRS) and then certified and accepted by the Board.

According to the TRS Defined Contribution Retirement Plan actuarial valuation report, and confirmed by GRS, the Fiscal Year 2028 actuarially determined contribution rate attributable to employers for the Retiree Major Medical Insurance should be 0.76 percent and for the Occupational Death & Disability Benefit should be 0.08 percent.

RECOMMENDATION:

The Actuarial Committee recommends that the Alaska Retirement Management Board set Fiscal Year 2028 TRS Defined Contribution Retirement Plan Retiree Major Medical Insurance and Occupational Death & Disability Benefit rates as set out in the following resolutions:

1. Resolution 2026-10: Teachers' Defined Contribution Retirement Plan Retiree Major Medical Insurance Rate

2. Resolution 2026-11: Teachers' Defined Contribution Retirement Plan Occupational Death & Disability Benefit Rate

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2028 Employer Contribution Rate
For Teachers' Defined Contribution Retirement Plan
Retiree Major Medical Insurance Rate

Resolution 2026-10

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 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

WHEREAS, AS 14.25.350(b) requires the Board to approve an amount equal to a percentage of each member's compensation from July 1 to the following June 30 to pay for retiree major medical insurance; and

WHEREAS, the June 30, 2025 TRS Defined Contribution actuarial valuation report determines that the actuarially determined contribution rate for retiree major medical insurance is 0.76 percent composed of the normal cost rate of 0.76 percent and past service rate of negative 0.32 percent; and

WHEREAS, there is no past service liability as determined by the annual actuarial valuation of the TRS Defined Contribution retiree major medical insurance, so no contribution rate for liquidating past service liability is appropriate under AS 37.10.220(a)(8)(B);

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, the Fiscal Year 2028 employer contribution rate for the retiree major medical insurance for the Teachers' Defined Contribution Retirement Plan is set at 0.76 percent.

DATED at Anchorage, Alaska this __ day of September, 2026.

_____
Chair

ATTEST:

_____
Secretary

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2028 Employer Contribution Rate For
Teachers' Defined Contribution Retirement Plan Occupational
Death & Disability Benefit Rate

Resolution 2026-11

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 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

WHEREAS, AS 14.25.350 (e) requires the Board to determine an actuarially sound amount required to fully fund the cost of providing occupational disability and occupational death benefits under AS 14.25.310 – 14.25.590; and

WHEREAS, the June 30, 2025 TRS Defined Contribution actuarial valuation report determines that the actuarially determined contribution rate for occupational death & disability is 0.08 percent composed of the normal cost rate of 0.08 percent and past service rate of negative 0.16 percent; and

WHEREAS, there is no past service liability as determined by the annual actuarial valuation of the TRS Defined Contribution occupational death & disability, so no contribution rate for liquidating past service liability is appropriate under AS 37.10.220(a)(8)(B);

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, the Fiscal Year 2028 employer contribution rate for teachers' occupational death and disability benefit rate is set at 0.08 percent for all Teachers' Defined Contribution Retirement Plan employees.

DATED at Anchorage, Alaska this __day of September, 2026.

_____
Chair

ATTEST:

_____
Secretary

ALASKA RETIREMENT MANAGEMENT BOARD

Actuarial Committee

SUBJECT: FY 28 Alaska National Guard and Naval Militia Contribution Amount

ACTION: X

DATE: September 14, 2026

INFORMATION:

BACKGROUND:

AS 26.05.226 requires that "(a) The Department of Military and Veterans' Affairs (DMVA) shall contribute to the Alaska National Guard and Alaska Naval Militia retirement system the amounts determined by the Alaska Retirement Management Board as necessary to (1) fund the system based on the actuarial requirements of the system as established by the Alaska Retirement Management Board; and (2) administer the system. (b) The amount required for contributions from the Department of Military and Veterans' Affairs under (a) of this section shall be included in the annual appropriations made to the Department of Military and Veterans' Affairs."

STATUS:

The Division of Retirement & Benefits' (Division's) actuary, Arthur J. Gallagher and Company (Gallagher), formerly Buck, has completed the roll-forward actuarial valuation of the Alaska National Guard and Naval Militia Retirement System (NGNMRS) as of June 30, 2025. The roll-forward actuarial valuation has been reviewed by the Alaska Retirement Management Board's (Board's) actuary, Gabriel, Roeder, Smith & Co. (GRS) and then certified and accepted by the Board.

According to the NGNMRS June 30, 2025 roll-forward actuarial valuation report, and confirmed by GRS, the Fiscal Year 2028 actuarially determined contribution amount should be $0, consisting of the normal cost of $821,153, past service cost of negative $2,581,333, and administrative expense load of $331,000

RECOMMENDATION:

The Actuarial Committee recommends that the Alaska Retirement Management Board set the Fiscal Year 2028 NGNMRS annual contribution amount consistent with its fiduciary duty, as set out in the attached form of Resolution 2026-12.

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2028 Contribution Amount
For the Alaska National Guard and Naval Militia Retirement System

Resolution 2026-12

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, the June 30, 2025 Alaska National Guard and Naval Militia Retirement System roll-forward actuarial valuation report determines that the actuarially determined contribution amount is $0, composed of the normal cost of $821,153, past service cost amortization of negative $2,581,333 and administrative expense load of $331,000; and

WHEREAS, due to the funded status of the pension trust, the Board has the authority under AS 37.10.220(a)(8) to adopt an amount that is appropriate, and the Board has determined that the appropriate contribution amount for the Alaska National Guard and Naval Militia Retirement System pension benefits is $0; and

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that the Fiscal Year 2028 contribution amount for the State of Alaska, Department of Military and Veterans' Affairs to the Alaska National Guard and Naval Militia Retirement System is set at $0.

DATED at Anchorage, Alaska this __ day of September, 2026.

_____
Chair

ATTEST:

_____
Secretary

ALASKA RETIREMENT MANAGEMENT BOARD

Actuarial Committee

SUBJECT:	FY 28 JRS Employer Contribution Rate	ACTION:	
DATE:	September 14, 2026	INFORMATION:	X

BACKGROUND:

AS 22.25.046 states in part that:

(a) The state court system shall contribute to the judicial retirement system at the rate established by the commissioner of administration. The contribution rate shall be based on the results of an actuarial valuation of the judicial retirement system. The results of the actuarial valuation shall be based on actuarial methods and assumptions adopted by the commissioner of administration.

(b) The contribution rate shall be a percentage which, when applied to the covered compensation of all active members of the judicial retirement system, will generate sufficient money to support, along with contributions from members, the benefits of the judicial retirement system.

(c) Employer contributions shall be separately computed for benefits provided by AS 22.25.090 and shall be deposited in the Alaska retiree health care trust established under AS 39.30.097(a).”

In September 2025 the Alaska Retirement Management Board (Board) adopted Resolution 2025-19 for the judicial retirement system recommending:

(a) The commissioner of administration adopt an amortization schedule combining all existing amortization bases into a new single base in the June 30, 2024 valuation.

(b) The new amortization base be amortized over a closed 15-year period beginning June 30, 2024.

In December 2025 the Board adopted Resolution 2025-23 for the judicial retirement system recommending the commissioner of administration adopt a new funding policy framework as follows:

(a) When the plan is under 100 percent funded on an actuarial value of assets basis, employ a 15-year layered amortization method of the unfunded accrued liability plus normal cost to balance contribution stability and progress.

(b) When the plan is at or above 100 percent funded on an actuarial value of assets basis, reset all outstanding layers and continue contributions equal to at least the normal cost.

(c) When the plan is significantly overfunded at 125 percent or more on an actuarial value of assets basis, amortize the surplus over 100 years as an offset to the normal cost to maintain the funded ratio near the target level.

STATUS:

The Division of Retirement & Benefits' (Division's) actuary, Arthur J. Gallagher (Gallagher), formerly Buck, has completed the actuarial roll-forward valuation of the Alaska Judicial Retirement System (JRS) as of June 30, 2025. The actuarial roll-forward valuation has been reviewed by the Board's actuary, Gabriel, Roeder, Smith & Co. (GRS) and then certified and accepted by the Board.

According to page 1 of the JRS actuarial roll-forward valuation report as of June 30, 2025, the recommended Fiscal Year 2028 employer contribution rate is 35.23 percent based on the following table:

	Pension	Post-employment Health Care	Total
Normal Cost Rate	35.23%	7.30%	n/a
Past Service Cost Rate	0.00%	0.00%	n/a
Offset for Funding Surplus Rate	0.00%	(9.82)%	n/a
Total Employer Contribution Rate[1]	35.23%	0.00%	35.23%

The Alaska Legislature has established operating budget language that explicitly addresses JRS past service costs separate from the normal costs. Normal costs as a percentage are charged to the Alaska Court System's operating budget and past service cost in dollars is funded separately in retirement section language like PERS and TRS.

The computed JRS Past Service Contribution amount is $0 as shown on page 2 of the Gallagher letter dated August 21, 2026. Therefore, no contribution amount needs to be reflected in the operating budget language section for FY 2028.

[1] The Total Employer Contribution Rate cannot be less than 0%.

State of Alaska

Timeline for June 30, 2026 Valuations (PERS, TRS, PERS DCR, TRS DCR, JRS, NGNMRS)

Item #	Task	Original Deadline	Revised Deadline	Date Completed	Team Responsible	Comments / Notes
1	Monthly audit discussion with GRS / Gallagher	7/8/26	7/13/26	7/13/26	GRS / Gallagher	
2	Aetna census and enrollment data request to DRB	7/10/26		7/15/26	Gallagher	DRB to replace SSN with RIN before sending data to Gallagher.
3	Valuation data request to DRB	7/10/26		7/14/26	Gallagher	NGNMRS data request was sent on May 31.
4	Monthly audit discussion with GRS / Gallagher	8/12/26	8/10/26	cancelled	GRS / Gallagher	
5	Preliminary 6/30/26 assets to Gallagher (to be used for FY28 contribution rates only)	8/14/26		8/13/26	DRB	
6	Claims data request to Segal/DRB	8/21/26			Gallagher	Incurred claims through 5/31/26 that are paid through 7/31/26.
7	Valuation data to Gallagher	9/4/26			DRB	
8	Monthly audit discussion with GRS / Gallagher	9/9/26			GRS / Gallagher	
9	Send valuation data files received from DRB to GRS	9/11/26			Gallagher	
10	**Actuarial Committee Meeting - FY28 contribution rates (based on 6/30/25 valuations)**	9/14/26			All	**Anchorage**
11	Claims data to Gallagher	9/18/26			Segal / DRB	
12	Audit data and sample lives request to Gallagher	9/18/26			GRS	
13	Data questions to DRB	9/25/26			Gallagher	
14	Data responses to Gallagher	10/2/26			DRB	
15	Monthly audit discussion with GRS / Gallagher	10/14/26			GRS / Gallagher	
16	Final 6/30/26 assets to Gallagher (to be used for 6/30/26 valuations)	10/9/26			DRB	
17	Send 6/30/26 valuation data and DRB data questions to GRS	10/23/26			Gallagher	
18	Monthly audit discussion with GRS / Gallagher	11/11/26			GRS / Gallagher	
19	Sample life information to GRS	11/13/26			Gallagher	
20	Preliminary valuation results and PVB's by individual to GRS	11/20/26			Gallagher	
21	**Actuarial Committee Meeting - 6/30/25 valuation results (preliminary - PERS and TRS)**	12/1/26			All	**Remote**
22	Monthly audit discussion with GRS / Gallagher	12/9/26			GRS / Gallagher	
23	Draft DCR valuation reports to GRS	1/8/27			Gallagher	
24	Monthly audit discussion with GRS / Gallagher	1/13/27			GRS / Gallagher	
25	Draft DB valuation reports to GRS	1/22/27			Gallagher	
26	Monthly audit discussion with GRS / Gallagher	2/10/27			GRS / Gallagher	
27	Monthly audit discussion with GRS / Gallagher	3/10/27			GRS / Gallagher	
28	**Actuarial Committee Meeting - 6/30/26 valuation results (all plans), PERS/TRS 30-yr projections, draft 6/30/26 valuation reports**	3/16/27			All	**Juneau**
29	Draft actuarial review report to Gallagher	3/26/27			GRS	
30	Monthly audit discussion with GRS / Gallagher	4/14/27			GRS / Gallagher	
31	Monthly audit discussion with GRS / Gallagher	5/12/27			GRS / Gallagher	
32	**Actuarial Committee Meeting - final 6/30/26 valuation reports**	6/8/27			All	**Anchorage**
33	Monthly audit discussion with GRS / Gallagher	6/9/27	6/16/27		GRS / Gallagher	

Note: All deadline and completion dates are specific to PERS and TRS.

SCHEDULE OF REMAINING 2026 MEETINGS

December 1, 2026 (Videoconference)

1. Status Report/Discussion on Draft Actuarial Valuation and Actuary Review Process
2. Discussion of new trends and findings in actuarial matters
3. Committee Performance – Self Assessment
4. Education topic:

Periodic and As Needed Meeting Topics

1. Updates by DOA-DRB on actuary procurement
2. Updates by DOR-Treasury on review actuary procurement
3. Actuarial Committee training

Alaska Retirement Management Board

Actuarial Committee

SCHEDULE OF 2027 MEETINGS

March 16, 2027 (Juneau/ Videoconference)

1. Review Valuation Projections and Sensitivity Analysis
2. Discuss Draft Review Actuary Report
3. Review Draft Valuation Reports - requests or recommendations for edits or corrections
4. Review Audit Findings List - proposed resolution and recommendations

June 8, 2027 (Anchorage/ Videoconference)

1. Review and discussion of final review reports and valuations, including any items brought forward from March meeting
2. Action: Recommendations from committee to board for acceptance of review reports and valuations
3. Recommendation from committee to board for action on Audit Findings List
4. FY2026 valuation discussion
    a. Valuation Timeline
    b. Actuarial principles and underlying assumptions; any proposed new assumptions
    c. Outstanding audit issues (Audit Findings List)
5. Committee Performance – Self Assessment

September 21, 2027 (Fairbanks/ Videoconference)

1. Review contribution rate resolutions/action memos for recommendation to Board
2. Status/Follow-up from previous meetings

November 30, 2027 (Anchorage/ Videoconference)

1. Status Report/Discussion on Draft Actuarial Valuation and Actuary Review Process
2. Discussion of new trends and findings in actuarial matters
3. Committee Performance – Self Assessment

Periodic and As Needed Meeting Topics

1. Updates by DOA-DRB on actuary procurement
2. Updates by DOR-Treasury on review actuary procurement
3. Actuarial Committee training and/or education topics

Approved: 6/10/2026

Appendix- Table of Contents

State of Alaska Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), PERS Defined Contribution Retirement System, TRS Defined Contribution Retirement System, Judicial Retirement System, and National Guard and Naval Militia Retirement System Experience Study Report for the Period July 1, 2021 to June 30, 2025 ..... pg. 90

Alaska Retirement Management Board Charter of the Actuarial Committee ..... pg. 141

State of Alaska

Public Employees' Retirement System (PERS)

Teachers' Retirement System (TRS)

Public Employees' Defined Contribution Retirement System (PERS DCR)

Teachers' Defined Contribution Retirement System (TRS DCR)

Judicial Retirement System (JRS)

National Guard and Naval Militia Retirement System (NGNMRS)

Experience Study Report for the Period July 1, 2021 to June 30, 2025



Gallagher

Insurance | Risk Management | Consulting

Gallagher

Insurance | Risk Management | Consulting

August 3, 2026

State of Alaska
The Alaska Retirement Management Board
The Department of Administration, Division of Retirement and Benefits
P.O. Box 110203
Juneau, AK 99811-0203

Dear Members of The Alaska Retirement Management Board and The Department of Administration,

We were engaged by the Alaska Retirement Management Board (Board) to study the economic and demographic experience of active and retired members of the State of Alaska Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), Public Employees' Defined Contribution Retirement System (PERS DCR), Teachers' Defined Contribution Retirement System (TRS DCR), Judicial Retirement System (JRS), and National Guard and Naval Militia Retirement System (NGNMRS) for the 4-year period July 1, 2021 to June 30, 2025.

Alaska Statutes 37.10.220(a)(9) require an experience study of the economic and demographic experience of active and retired members of the State of Alaska Retirement Systems to be performed not less than once every 4 years, except for the healthcare assumptions which are to be reviewed annually as part of the annual actuarial valuations. The results of the experience study provide information to assist the Board in assessing whether to adopt new actuarial assumptions for measuring the Systems' pension and postretirement healthcare benefit obligations.

This report provides details of the experience of the Systems for the period July 1, 2021 to June 30, 2025, and outlines our proposed actuarial assumptions for the Board to consider adopting effective for the June 30, 2026 actuarial valuations. The experience study was prepared in accordance with generally accepted actuarial principles and procedures.

The results of the current experience study were discussed in detail with the Actuarial Committee at the December 2025, March 2026, and June 2026 meetings, including the estimated impact of the proposed assumptions on liabilities and funded ratios based on the June 30, 2024 valuations.

At the June 2026 meeting, the Board adopted the proposed assumptions shown in this report. Where we proposed different alternatives, the Board made the following decisions:

- Maintain the current 7.25% investment return assumption for PERS, TRS, and JRS,
- Maintain the current 2.50% inflation rate for valuing the Postretirement Pension Adjustments, and
- Implement a DCR rehire assumption as a load to the DCR Normal Cost.

In addition, the Board decided not to implement a DCR new entrant load that was recommended by the Board's review actuary.

The new assumptions adopted by the Board will be implemented effective with the June 30, 2026 valuations.

The Board and staff of the State of Alaska may use this report for the review of the experience of the Systems. Use of this report for any other purpose or by anyone other than the Board or staff of the State of Alaska may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, Gallagher recommends requesting its advanced review of any statement to be based on information contained in this report. Gallagher will accept no liability for any such statement made without its prior review.

Actuarial Standard of Practice No. 56 (ASOP 56) provides guidance to actuaries performing actuarial services that involve designing, developing, selecting, modifying, using, reviewing, or evaluating models. For this report, Gallagher used internally developed models and third-party software to compare actual versus assumed experience and to determine proposed assumptions.

The internal models and third-party software outputs were reviewed in detail and at a higher level for accuracy, reasonability, and consistency with prior results. Gallagher also reviews the third-party model when significant changes are made to the software. This review is performed by experts within Gallagher who are familiar with applicable funding methods, as well as the manner in which the model generates its output. If significant changes are made to the internal models, extra checking and review are completed.

Additional models used to analyze inflation rates and investment returns are described later in the report.

This report was prepared under our supervision and in accordance with all applicable Actuarial Standards of Practice. David Kershner is a Fellow of the Society of Actuaries, an Enrolled Actuary, a Member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries. Kevin Spanier is an Associate of the Society of Actuaries, an Enrolled Actuary, a Member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries. Brett Hunter is a Fellow of the Society of Actuaries, an Enrolled Actuary, a Member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries. We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

We are available to discuss this report with you at your convenience. David can be reached at (602) 803-6174, Kevin can be reached at (770) 916-4184, Brett can be reached at (260) 423-1072, and Robert can be reached at (312) 399-9339.

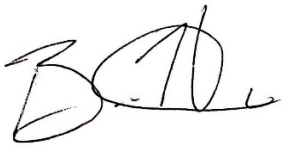
Respectfully submitted,



David J. Kershner, FSA, EA, MAAA, FCA
Senior Vice President



Kevin Spanier, ASA, EA, MAAA, FCA
Senior Vice President



Brett Hunter, FSA, EA, MAAA, FCA
Senior Consultant

The undersigned actuary is an Associate of the Society of Actuaries, a Member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries. He is responsible for all healthcare-related assumptions and hereby affirms his qualification to render opinions in such matters in accordance with the Qualification Standards of the American Academy of Actuaries.



Robert Besenhofer, ASA, MAAA, FCA
Director

Contents

Introduction **1**

1 Demographic Assumptions **3**

1.1 Mortality 3

1.2 Termination 10

1.3 Retirement 13

1.4 Disability 15

1.5 Other Demographic Assumptions 16

2 Economic Assumptions **23**

2.1 Inflation 23

2.2 Investment Returns 25

2.3 Individual Salary Increases 28

2.4 Payroll Growth Rates 29

2.5 Healthcare Cost Trend Rates 30

3 Actuarial Methods **31**

3.1 Actuarial Cost Method 31

3.2 Asset Valuation Methods 31

3.3 Amortization Methods 31

Appendix: Current and Proposed Assumptions **33**

A. Inflation, Investment Returns, and Payroll Growth Rates 33

B. Salary Increase Rates 34

C. Healthcare Trend Rates 36

D. Termination Rates 37

E. Retirement Rates 41

Introduction

Assumptions are a key element in an actuarial valuation. In order to perform an actuarial valuation of the assets and liabilities of the Systems, the actuary must adopt assumptions with respect to each of the following:

- Investment return on the Systems' funds over the period that benefits to current members will be paid, including inflation during the same period.
- The relative increases in the salary of a member from the date of the valuation to the date of separation from active service.
- The expected mortality rates among pensioners (healthy and disabled).
- The probabilities of members separating from active service due to termination of employment, death, and disability.
- The ages at which members are expected to retire.
- The rate at which separating members will elect to receive a refund of their contributions.
- The number of dependents, marriage at retirement, and age of spouse at retirement.
- Assumptions specific to postretirement healthcare benefits.

The actuarial valuation is the method by which the actuarially determined contribution is calculated. Actuarial assumptions do not directly impact the total cost of a retirement program, but they are a key variable in determining the timing of that cost and the allocation of the cost between current and future contributions. For actuarial valuations, the actuary should select reasonable assumptions that share the following characteristics:

- They are appropriate for purpose of the measurement,
- They reflect the actuary's professional judgement,
- They take into account current and historical data that is relevant to selecting the assumption for the measurement date, to the extent such relevant data is reasonably available,
- They reflect the actuary's best estimate of future experience, the actuary's observation of the estimates inherent in market data (if any), or a combination thereof, and
- They are expected to have no significant bias.

In accordance with Alaska Statutes 37.10.220(a)(9), the Alaska Retirement Management Board (Board) requests an actuarial experience study at least once every 4 years. The purpose of the current study is to measure actual experience under the Systems during the 4-year period July 1, 2021 to June 30, 2025, compare this experience to the current assumptions, and propose changes to the assumptions to better match future expected experience. The last experience study was performed in 2022 based on experience during the 4-year period July 1, 2017 to June 30, 2021.

© 2026 Arthur J. Gallagher & Co.

Introduction

Methodology

Census data is provided to the actuary by the State of Alaska Department of Administration, Retirement and Benefits Division for purposes of the actuarial valuations. The census data is provided annually for all Systems, except for JRS and NGNMRS. The census data for JRS and NGNMRS is provided once every two years. The census data includes demographic characteristics of current and past members, changes in the members' status or relationship with the Systems, and a salary history for active members. These demographic changes and salary history are the basis for the experience study.

We analyzed each System's experience for the 4-year period July 1, 2021 to June 30, 2025. The census data used for our analysis was the same data used for the actuarial valuations. Due to the impacts from the COVID-19 pandemic, the weight of the first year of experience (July 1, 2021 to June 30, 2022) was adjusted to be half the weight of the other years' experience for the purpose of analyzing demographic experience.

Tabulations were compiled using distributions by age and/or service of the liability (or headcount) of members who were exposed during the 4-year period to the events of termination of employment, retirement, death, and disability. A member is considered exposed to an event if he or she meets the age and/or service requirements for that event. The tabulations for mortality, retirement, and ultimate withdrawal (PERS and TRS) were weighted by the liability for each member. All other assumptions were weighted by headcounts. The assumed rates of occurrence for each event, which are currently used in the annual actuarial valuations, were then applied to the members exposed to determine the liability (or headcount) of members expected to separate from service for each category.

The liability (or headcount) of members who actually separated from service due to termination of employment, retirement, death, or disability were then compared to the expected liability (or headcount). Data was grouped by age and/or service increments to provide meaningful results.

The expected and actual salaries as of the end of each year were compared to actual salaries as of the end of each previous year. These comparisons produced average annual increases in both expected and actual salaries for the 4-year period. For our analysis, we excluded a few active members with unusual pay changes that were considered outliers, such as those with missing pay, pay increases over 200%, and pay decreases over 50%. Excluding these outliers did not materially affect the overall results.

The results of the experience study are the basis for the actuary's proposed assumption changes. The actuary must also take into account any benefit changes that occurred during the experience period. If a change in benefit levels or benefit eligibility was made during the experience period, the actuary should consider the impact the change may have on the data used in the analysis. There have been no significant changes in the Systems' benefits during the 4-year period ending June 30, 2025.

In addition to comparing actual to expected experience and adjusting the results for special plan benefits and anticipated economic conditions, the actuary must consider future expectations of experience due to future plan changes or expected changes in the economy.

To summarize, the actuary's proposed assumptions are based on the following:

- Comparison of actual to expected experience,
- Adjustment for special plan benefits and past economic conditions, and
- Adjustment for future plan changes and economic conditions.

Actuarial Standards of Practice

The Actuarial Standards Board issues Actuarial Standards of Practice that all actuaries must follow. The Actuarial Standards of Practice that are applicable to the experience study include No. 4 (Measuring Pension Obligations and Determining Pension Plan Costs or Contributions), No. 6 (Measuring Retiree Group Benefit Obligations), and No. 27 (Selection of Assumptions for Measuring Pension Obligations). The experience study was performed in accordance with all applicable Actuarial Standards of Practice.

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

This section compares actual demographic experience during the 4-year period ending June 30, 2025 with expected experience, which is based on the current demographic assumptions that have been in effect since the June 30, 2022 actuarial valuations.

1.1 Mortality

The mortality assumption is used to project the life expectancy of active members and pensioners. Mortality assumptions typically include (i) a base table with mortality rates that differ by status, occupation, gender, and age, and (ii) a scale that projects future improvements in mortality.

In May 2025, the Society of Actuaries published the results of an updated mortality study based exclusively on public sector pension plan experience during calendar years 2013-2019. The standard base mortality tables from this study are called Pub-2016, with different tables for teachers, general employees, and safety employees.

In the Pub-2016 mortality study report, the Society of Actuaries stated that the amount-weighted tables (based on salary for active members and based on benefits for pensioners) produce the most appropriate results for measuring pension obligations. However, the headcount-weighted tables are more appropriate for measuring postretirement medical obligations where benefits are not correlated to income.

The Society of Actuaries concluded that it is not inappropriate or inconsistent to use amount-weighted tables to measure pension obligations and the corresponding headcount-weighted tables to measure postretirement medical obligations, even when covering the same member population.

The mortality assumption also includes a mortality improvement scale, which projects future changes in mortality rates. Consistent with our prior experience study, we are proposing a generational mortality improvement scale that projects future changes in mortality by age and year of birth (those born more recently are expected to live longer).

Updates to the improvement scales had been published annually in October prior to the COVID-19 pandemic. We understand these annual updates will commence again once there is sufficient post-pandemic data. The most recently published improvement scale is called MP-2021.

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

The table below shows the pension Actuarial Accrued Liability (AAL) for actual and expected deaths of active members in PERS/PERS DCR and TRS/TRS DCR during the 4-year period ending June 30, 2025.

- "Actual" is the pension AAL due to actual deaths that occurred during this period.
- "Expected" is the pension AAL due to expected deaths during this period based on the current assumptions.
- "Proposed" is the pension AAL that would have been expected due to deaths during this period using the proposed assumptions.

We have also included the actual, expected, and proposed number of deaths (headcounts) for the pension plans in the table below. These results are based on the amount-weighted mortality tables used for the pension plans.

Active Member Mortality

Group	Actuarial Accrued Liability					Headcounts		
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio	Actual	Expected	Proposed
PERS and PERS DCR – Peace/Fire								
Male	$ 4,294,244	$ 3,425,993	$ 3,535,433	125%	121%	12	9.89	9.57
Female	490,961	316,396	372,860	155%	132%	1	1.28	1.30
Total	$ 4,785,205	$ 3,742,389	$ 3,908,293	128%	122%	13	11.17	10.87
PERS and PERS DCR – Others								
Male	$ 19,856,046	$ 13,548,379	$ 14,220,123	147%	140%	111	75.46	80.08
Female	9,686,512	8,977,179	9,717,708	108%	100%	69	54.90	60.29
Total	$ 29,542,558	$ 22,525,558	$ 23,937,831	131%	123%	180	130.36	140.37
TRS and TRS DCR								
Male	$ 5,240,018	$ 3,455,433	$ 3,445,975	152%	152%	17	10.67	10.71
Female	5,620,935	4,331,523	4,193,877	130%	134%	19	16.77	16.19
Total	$ 10,860,953	$ 7,786,956	$ 7,639,852	139%	142%	36	27.44	26.90

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

The active mortality experience during the 4-year period ending June 30, 2025 was too small to be meaningful. Accordingly, we propose the pre-commencement mortality assumptions shown in the table below with no adjustment factors for credibility. The amount-weighted tables are proposed for pension benefits, and the headcount-weighted tables are proposed for healthcare benefits. The above-median variants of the tables are based on the salary of the active member.

Group	Base Table	Improvement Scale
PERS and PERS DCR – Peace/Fire	Pub-2016 Safety Employee	MP-2021
PERS and PERS DCR – Others	Pub-2016 General Employee	MP-2021
TRS and TRS DCR	Pub-2016 Teachers Employee	MP-2021
JRS	Pub-2016 General Employee, Above-Median	MP-2021
NGNMRS	Pub-2016 Safety Employee	MP-2021

We propose annual updates to the mortality improvement scale to the most recently published scale as of each valuation date.

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

The table below shows the experience (pension AAL and headcounts) for actual and expected deaths of healthy retirees in the pension plans during the 4-year period ending June 30, 2025. These results are based on the amount-weighted mortality tables used for the pension plans.

Healthy Retiree Mortality

Group	Actuarial Accrued Liability					Headcounts		
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio	Actual	Expected	Proposed
PERS and PERS DCR – Peace/Fire								
Male	$ 75,027,907	$ 80,729,025	$ 75,610,779	93%	99%	200	196.21	185.64
Female	5,632,563	7,411,149	7,104,347	76%	79%	18	24.11	23.76
Total	$ 80,660,470	$ 88,140,174	$ 82,715,126	92%	98%	218	220.32	209.40
PERS and PERS DCR – Others								
Male	$ 302,399,872	$ 302,511,524	$ 302,647,075	100%	100%	1,252	1,130.22	1,146.13
Female	190,123,246	207,130,299	191,125,186	92%	99%	1,283	1,232.42	1,161.89
Total	$ 492,523,118	$ 509,641,823	$ 493,772,261	97%	100%	2,535	2,362.64	2,308.02
TRS and TRS DCR								
Male	$ 172,527,584	$ 154,410,880	$ 169,940,541	112%	102%	456	389.46	430.77
Female	137,805,273	146,132,903	144,016,393	94%	96%	464	455.40	455.48
Total	$ 310,332,857	$ 300,543,783	$ 313,956,934	103%	99%	920	844.86	886.25
JRS								
Male	$ 12,882,064	$ 11,008,870	$ 10,935,243	117%	118%	14	9.86	9.92
Female	661,742	1,140,529	1,109,563	58%	60%	1	0.81	0.79
Total	$ 13,543,806	$ 12,149,399	$ 12,044,806	111%	112%	15	10.67	10.71
NGNMRS								
Male	$ 100,550	$ 107,946	$ 98,621	93%	102%	15	14.04	12.85
Female	5,114	14,332	13,389	36%	38%	1	1.99	1.86
Total	$ 105,664	$ 122,278	$ 112,010	86%	94%	16	16.03	14.71

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

The healthy retiree mortality experience during the 4-year period ending June 30, 2025 was partially statistically credible based on standard mortality credibility theory commonly used by actuaries. Accordingly, we propose the healthy retiree mortality assumptions shown in the table below with adjustment factors for credibility. The amount-weighted tables are proposed for pension benefits, and the headcount-weighted tables are proposed for healthcare benefits. The above-median variants of the tables are based on the benefit of the retiree.

Since the NGNMRS pension benefits do not vary based on the salary of the member, we considered both the amount-weighted and headcount-weighted versions of the Pub-2016 Safety Retiree tables. We concluded that the amount-weighted table was a better fit to the actual experience for NGNMRS.

Group	Base Table	Improvement Scale
PERS and PERS DCR – Peace/Fire	Pub-2016 Safety Retiree	MP-2021
PERS and PERS DCR – Others	Pub-2016 General Retiree[1]	MP-2021
TRS and TRS DCR	Pub-2016 Teachers Retiree[2]	MP-2021
JRS	Pub-2016 General Retiree, Above-Median	MP-2021
NGNMRS	Pub-2016 Safety Retiree	MP-2021

We propose annual updates to the mortality improvement scale to the most recently published scale as of each valuation date.

[1] 99% male / 98% female for pension and 96% male / 102% female for healthcare
[2] 103% male / 94% female for pension and 102% male / 96% female for healthcare

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

The table below shows the experience (pension AAL and headcounts) for actual and expected deaths of disabled retirees in the pension plans during the 4-year period ending June 30, 2025. These results are based on the amount-weighted mortality tables used for the pension plans.

Disabled Retiree Mortality

Group	Actuarial Accrued Liability					Headcounts		
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio	Actual	Expected	Proposed
PERS and PERS DCR – Peace/Fire								
Male	$ 4,140,752	$ 3,126,226	$ 3,108,137	132%	133%	15	8.50	8.48
Female	125,335	496,729	558,893	25%	22%	1	1.36	1.57
Total	$ 4,266,087	$ 3,622,955	$ 3,667,030	118%	116%	16	9.86	10.05
PERS and PERS DCR – Others								
Male	$ 14,762,947	$ 14,330,987	$ 11,632,242	103%	127%	56	47.27	38.98
Female	8,044,837	7,256,220	6,199,127	111%	130%	43	37.77	33.29
Total	$ 22,807,784	$ 21,587,207	$ 17,831,369	106%	128%	99	85.04	72.27
TRS and TRS DCR								
Male	$ 3,826,767	$ 3,199,822	$ 2,740,392	120%	140%	12	9.74	8.52
Female	2,848,386	4,948,521	4,363,394	58%	65%	11	16.48	14.90
Total	$ 6,675,153	$ 8,148,343	$ 7,103,786	82%	94%	23	26.22	23.42

The disabled mortality experience during the 4-year period ending June 30, 2025 was too small to be meaningful. Accordingly, we propose the disabled mortality assumptions shown in the table below with no adjustment factors for credibility. The amount-weighted tables are proposed for pension benefits, and the headcount-weighted tables are proposed for healthcare benefits.

Group	Base Table	Improvement Scale
PERS and PERS DCR – Peace/Fire	Pub-2016 Safety Disabled Retiree	MP-2021
PERS and PERS DCR – Others	Pub-2016 Non-Safety Disabled Retiree	MP-2021
TRS and TRS DCR	Pub-2016 Non-Safety Disabled Retiree	MP-2021
JRS	Pub-2016 Non-Safety Disabled Retiree	MP-2021
NGNMRS	Pub-2016 Safety Disabled Retiree	MP-2021

We propose annual updates to the mortality improvement scale to the most recently published scale as of each valuation date.

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

The table below shows the experience (pension AAL and headcounts) for actual and expected deaths of beneficiaries in the pension plans during the 4-year period ending June 30, 2025. These results are based on the amount-weighted mortality tables used for the pension plans.

Beneficiary Mortality

Group	Actuarial Accrued Liability					Headcounts		
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio	Actual	Expected	Proposed
PERS and PERS DCR – Peace/Fire								
Male	$ 55,344	$ 205,025	$ 203,671	27%	27%	2	2.04	2.12
Female	8,490,749	10,074,425	10,306,966	84%	82%	50	50.70	52.20
Total	$ 8,546,093	$ 10,279,450	$ 10,510,637	83%	81%	52	52.74	54.32
PERS and PERS DCR – Others								
Male	$ 11,132,163	$ 12,199,096	$ 12,282,798	91%	91%	172	185.74	192.07
Female	47,392,519	39,254,967	42,337,431	121%	112%	426	354.44	385.05
Total	$ 58,524,682	$ 51,454,063	$ 54,620,229	114%	107%	598	540.18	577.12
TRS and TRS DCR								
Male	$ 9,111,623	$ 8,468,502	$ 8,889,701	108%	102%	87	74.94	80.96
Female	24,301,021	24,687,491	25,167,486	98%	97%	161	149.85	154.18
Total	$ 33,412,644	$ 33,155,993	$ 34,057,187	101%	98%	248	224.79	235.14

The beneficiary mortality experience during the 4-year period ending June 30, 2025 was partially statistically credible based on standard mortality credibility theory commonly used by actuaries. Accordingly, we propose the beneficiary mortality assumptions shown in the table below with adjustment factors for credibility. The amount-weighted tables are proposed for pension benefits, and the headcount-weighted tables are proposed for healthcare benefits. The above-median variants of the tables are based on the benefit of the beneficiary.

Group	Base Table	Improvement Scale
PERS and PERS DCR – Peace/Fire	Pub-2016 Contingent Survivor	MP-2021
PERS and PERS DCR – Others	Pub-2016 Contingent Survivor[1]	MP-2021
TRS and TRS DCR	Pub-2016 Contingent Survivor, Above-Median[2]	MP-2021
JRS	Pub-2016 Contingent Survivor, Above-Median	MP-2021
NGNMRS	Pub-2016 Contingent Survivor	MP-2021

We propose annual updates to the mortality improvement scale to the most recently published scale as of each valuation date.

[1] 96% male / 113% female for pension and 93% male / 110% female for healthcare
[2] 100% male / 98% female for pension and 100% male / 100% female for healthcare

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

1.2 Termination

The termination assumption is used to project the ages when active members are expected to terminate employment.

The current termination assumptions reflect “select and ultimate” rates, except for JRS. During the select period (first few years of employment), the assumption is based on years of service. Thereafter, the ultimate rates are based on age.

Termination rates for DB members with less than 5 years of service (PERS) or 8 years of service (TRS) were not studied since the DB plans were closed to new entrants as of July 1, 2006. Therefore, we propose no changes to the DB select termination rates for PERS and TRS.

Since there was insufficient experience for NGNMRS and JRS members, we propose no changes to the termination rates for these plans.

The following table shows the pension AAL for actual and expected terminations of active DB members in PERS and TRS during the 4-year period ending June 30, 2025.

- “Actual” is the pension AAL due to actual terminations that occurred during this period.
- “Expected” is the pension AAL due to expected terminations during this period based on the current assumptions.
- “Proposed” is the pension AAL that would have been expected due to terminations during this period using the proposed assumptions.

We have also included the actual, expected, and proposed number of terminations (headcounts) for the pension plans in the table below.

DB Ultimate Period

Group	Actuarial Accrued Liability					Headcounts		
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio	Actual	Expected	Proposed
PERS – Peace/Fire								
Male	$ 15,689,665	$ 11,253,229	$ 13,906,924	139%	113%	29	17.54	21.53
Female	2,498,649	2,621,979	2,498,962	95%	100%	7	4.70	4.51
Total	$ 18,188,314	$ 13,875,208	$ 16,405,886	131%	111%	36	22.24	26.04
PERS – Others								
Male	$ 74,838,443	$ 85,625,897	$ 81,173,114	87%	92%	219	210.90	199.09
Female	107,462,558	112,889,503	110,067,919	95%	98%	372	330.93	320.14
Total	$ 182,301,001	$ 198,515,400	$ 191,241,033	92%	95%	591	541.83	519.23
TRS								
Male	$ 17,030,160	$ 10,514,144	$ 13,742,546	162%	124%	38	24.77	32.26
Female	41,275,512	26,616,856	33,496,735	155%	123%	108	70.48	88.61
Total	$ 58,305,672	$ 37,131,000	$ 47,239,281	157%	123%	146	95.25	120.87

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

For the DCR plans, only the headcounts for the occupation death & disability plans are shown below since the experience was analyzed on a headcount basis.

DCR Select Period

Group	Headcounts				
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio
PERS DCR – Peace/Fire					
< 1 year	139	112.72	123.97	123%	112%
1 year	136	134.21	132.52	101%	103%
2 years	107	109.89	106.78	97%	100%
3 years	77	91.59	89.08	84%	86%
4 years	85	70.77	79.41	120%	107%
Total	544	519.18	531.76	105%	102%
PERS DCR – Others					
< 1 year	2,248	2,127.96	2,202.62	106%	102%
1 year	3,136	2,849.06	3,029.18	110%	104%
2 years	1,772	1,653.09	1,746.37	107%	101%
3 years	1,252	1,155.12	1,231.64	108%	102%
4 years	965	854.31	882.00	113%	109%
Total	9,373	8,639.54	9,091.81	108%	103%
TRS DCR					
< 1 year	43	61.63	52.47	70%	82%
1 year	599	621.95	599.76	96%	100%
2 years	423	388.72	410.08	109%	103%
3 years	307	248.77	283.04	123%	108%
4 years	252	202.02	221.79	125%	114%
5 years	217	152.81	188.21	142%	115%
Total	1,841	1,675.90	1,755.35	110%	105%

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

DCR Ultimate Period

Group	Headcounts				
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio
PERS DCR – Peace/Fire					
Male	300	285.29	292.71	105%	102%
Female	80	76.24	76.96	105%	104%
Total	380	361.53	369.67	105%	103%
PERS DCR – Others					
Male	1,625	1,524.88	1,575.77	107%	103%
Female	2,168	2,026.20	2,099.23	107%	103%
Total	3,793	3,551.08	3,675.00	107%	103%
TRS DCR					
Male	308	270.17	288.43	114%	107%
Female	806	660.27	732.35	122%	110%
Total	1,114	930.44	1,020.78	120%	109%

The current and proposed termination rates are shown in Appendix D.

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

1.3 Retirement

The retirement assumption is used to project when active members are expected to retire. Some participants are eligible for unreduced retirement benefits if they meet certain age and/or service requirements. Otherwise, they are eligible for reduced retirement benefits.

Since there was insufficient experience for NGNMRS and JRS members, we propose no changes to the retirement rates for these plans.

The tables below show the pension AAL for actual and expected retirements of active DB members in PERS and TRS during the 4-year period ending June 30, 2025.

- "Actual" is the pension AAL due to actual retirements that occurred during this period.
- "Expected" is the pension AAL due to expected retirements during this period based on the current assumptions.
- "Proposed" is the pension AAL that would have been expected due to retirements during this period using the proposed assumptions.

We have also included the actual, expected, and proposed number of retirements (headcounts) for the pension plans in the tables below.

Reduced Retirement

Group	Actuarial Accrued Liability					Headcounts		
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio	Actual	Expected	Proposed
PERS – Peace/Fire								
Male	$ 6,009,863	$ 7,536,339	$ 6,767,924	80%	89%	12	13.00	11.68
Female	1,052,259	1,201,429	1,128,758	88%	93%	3	2.46	2.31
Total	$ 7,062,122	$ 8,737,768	$ 7,896,682	81%	89%	15	15.46	13.99
PERS – Others								
Male	$ 126,403,113	$ 114,924,349	$ 120,804,311	110%	105%	223	218.08	229.18
Female	125,878,315	133,037,060	128,623,532	95%	98%	307	322.75	312.24
Total	$ 252,281,428	$ 247,961,409	$ 249,427,843	102%	101%	530	540.83	541.42
TRS								
Male	$ 6,416,531	$ 6,854,177	$ 6,620,292	94%	97%	16	14.58	14.08
Female	19,689,261	16,728,982	18,249,798	118%	108%	47	40.38	44.04
Total	$ 26,105,792	$ 23,583,159	$ 24,870,090	111%	105%	63	54.96	58.12

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

Unreduced Retirement

Group	Actuarial Accrued Liability					Headcounts		
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio	Actual	Expected	Proposed
PERS – Peace/Fire								
Male	$ 313,436,953	$ 356,026,748	$ 338,739,772	88%	93%	281	349.40	333.98
Female	51,272,384	45,042,347	48,440,027	114%	106%	58	56.85	61.19
Total	$ 364,709,337	$ 401,069,095	$ 387,179,799	91%	94%	339	406.25	395.17
PERS – Others								
Male	$ 461,100,081	$ 491,767,529	$ 480,008,572	94%	96%	784	897.58	869.79
Female	524,267,277	551,907,251	544,669,656	95%	96%	1,111	1,252.30	1,236.26
Total	$ 985,367,358	$1,043,674,780	$1,024,678,228	94%	96%	1,895	2,149.88	2,106.05
TRS								
Male	$ 269,315,016	$ 230,478,388	$ 250,636,587	117%	107%	373	334.50	364.07
Female	480,168,059	435,065,948	464,278,995	110%	103%	692	664.45	707.70
Total	$ 749,483,075	$ 665,544,336	$ 714,915,582	113%	105%	1,065	998.95	1,071.77

The current and proposed retirement rates are shown in Appendix E.

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

1.4 Disability

The disability assumption is used to project the ages when active members are expected to become disabled.

The disability experience during the 4-year period ending June 30, 2025 was too small to be meaningful. Accordingly, we propose no changes to the current disability rates for all plans.

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

1.5 Other Demographic Assumptions

Occupational Death and Disability

PERS provides different benefits for members who become disabled or die due to occupational causes. TRS provides different benefits for members who die due to occupational causes. The table below summarizes the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions:

	PERS Peace/Fire	PERS Others	TRS
Experience	80%	31%	n/a[1]
Current Assumption	70%	35%	15%
Proposed Assumption	70%	35%	15%

Rehire Assumption (PERS and TRS)

The rehire assumption is used to estimate the liabilities that will be generated each year due to rehires. A percentage load is added to the Normal Cost (or active Actuarial Accrued Liability) to account for anticipated rehires during the upcoming year. The DB plans implemented rehire loads beginning with the June 30, 2016 valuations. For the DCR plans, we have included proposed rehire loads beginning with the June 30, 2026 valuations at the request of the Board. The tables below summarize the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions:

Rehire Load for DB Plans (Normal Cost)	Pension		Healthcare	
	PERS	TRS	PERS	TRS
Experience	21.36%	11.47%	9.89%	0.68%
Current Assumption	15.30%	12.00%	2.40%	0.20%
Proposed Assumption	21.40%	11.50%	9.90%	0.70%

Rehire Load for DCR Plans Option #1 (Normal Cost)	Occupational Death & Disability		Retiree Medical	
	PERS DCR	TRS DCR	PERS DCR	TRS DCR
Experience	1.11%	(0.11%)	24.83%	70.05%
Current Assumption	none	none	none	none
Proposed Assumption	1.10%	0.00%	24.80%	70.00%

Rehire Load for DCR Plans Option #2 (Active Liability)	Occupational Death & Disability		Retiree Medical	
	PERS DCR	TRS DCR	PERS DCR	TRS DCR
Experience	0.71%	(5.18%)	2.06%	4.46%
Current Assumption	none	none	none	none
Proposed Assumption	0.70%	0.00%	2.10%	4.50%

[1] There was no experience indicating TRS members who died from occupational causes.

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

Part-Time Service

Some PERS and TRS members are employed part-time, as indicated in the data provided to us for the annual valuations. Members earn a portion of a year of service for their part-time employment. An assumption is made regarding the amount of service these members will earn during each year in the future. We reviewed members who were part-time to analyze this assumption. The table below summarizes the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions.

	PERS Peace/Fire	PERS Others	TRS
Experience (years)	n/a[1]	0.70	0.81
Current Assumption (years)	1.00	0.75	0.75
Proposed Assumption (years)	1.00	0.75	0.75

Unused Sick Leave (TRS only)

TRS members receive service credit for unused sick leave when they retire. An assumption is made to determine the expected amount of credit received by members when they retire. The current assumption is that a TRS member will receive 5.25 days for each year of service. The experience for the 4-year period ending June 30, 2025 was 5.60 days. We propose changing this assumption from 5.25 days to 5.50 days.

Contribution Refunds

Vested members who terminate prior to being eligible for retirement have the option of withdrawing their contributions with interest or leaving their money in the System and receiving a deferred retirement annuity benefit. The table below summarizes the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions for the percentage of vested members who will withdraw their contributions at termination.

	PERS Peace/Fire	PERS Others	TRS
Experience	4%	2%	0%
Current Assumption	5%	5%	0%
Proposed Assumption	5%	5%	0%

For non-vested members, 100% are assumed to withdraw their contributions at termination.

Lump Sum Elections (NGNMRS only)

NGNMRS members can elect to receive their retirement benefits in the form of an annuity or as a lump sum. The table below summarizes the lump-sum election experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions.

	Actives	Terminated Vested
Experience	56%	44%
Current Assumption	50%	50%
Proposed Assumption	50%	50%

[1] There are no PERS Peace/Fire members in the data who are classified as part-time.

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

Alaska Residency Cost-of-Living Adjustments (COLA)

Eligible benefit recipients who reside in Alaska receive an additional COLA benefit equal to 10% of their base benefit. An assumption is made regarding how many members will remain in Alaska after retirement. The table below summarizes the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions.

	PERS Peace/Fire	PERS Others	TRS
Experience	58%	63%	58%
Current Assumption	60%	65%	60%
Proposed Assumption	60%	65%	60%

Spouse Age Difference

The age difference between husbands and wives is used in conjunction with the dependent spouse assumptions to value death benefits, expected optional form of payment elections, and postretirement healthcare benefits. The table below summarizes the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions.

	PERS Peace/Fire	PERS Others	TRS	DCR Plans	JRS
Male Member Older than Wife (years)					
Experience	2.6	3.1	3.6	(0.3)	3.7
Current Assumption	3.0	3.0	3.0	3.0	4.0
Proposed Assumption	3.0	3.0	4.0	2.0	4.0
Female Member Younger than Husband (years)					
Experience	(0.1)	2.0	1.9	2.4	1.6
Current Assumption	2.0	2.0	2.0	2.0	4.0
Proposed Assumption	1.0	2.0	2.0	2.0	3.0

Percent Married for Pension

This assumption is used to estimate the death benefits payable to a spouse upon the death of an active or deferred vested member in the pension valuation. There was insufficient experience to analyze this assumption, so we proposed no changes to the current assumption.

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

Dependent Spouse Medical Coverage Election

This assumption is used to determine the expected number of spouses who are eligible to elect participation in the postretirement healthcare valuation. This assumption also includes an allowance for future covered children. The tables below summarize the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions.

	PERS Peace/Fire		PERS Others		TRS		JRS	
	Male	Female	Male	Female	Male	Female	Male	Female
Experience	79%	53%	67%	51%	66%	55%	63%	52%
Current Assumption	75%	50%	60%	50%	60%	50%	80%	60%
Proposed Assumption	80%	55%	65%	50%	65%	55%	70%	55%

	PERS DCR Peace/Fire		PERS DCR Others		TRS DCR	
	Male	Female	Male	Female	Male	Female
Experience	57%	0%	35%	29%	33%	46%
Current Assumption	75%	50%	60%	50%	60%	50%
Proposed Assumption	60%	40%	50%	40%	50%	40%

Dependent Children

Healthcare benefits are valued only for members who are currently covering dependent children. Coverage for dependent children is currently assumed through age 23 (unless disabled, in which case coverage is assumed throughout the disabled child's life). The dependent spouse medical coverage election assumptions shown above include an allowance for future covered children.

Medicare Part B Only

This assumption is used to project the likelihood that members will not be eligible for Medicare Part A benefits. The current assumption is 2% of actives hired before April 1, 1986 and current retirees who are not yet Medicare eligible will not be eligible for Medicare Part A. The experience for the 4-year period ending June 30, 2025 was 3%. We propose changing this assumption from 2% to 3%.

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

Healthcare Participation

This assumption is used to project the likelihood that active members will elect to receive healthcare benefits upon retirement. The tables below summarize the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions.

DB Plans	PERS Peace/Fire			PERS Others			TRS		
	System Paid	Non-System Paid	Deferred Retiree	System Paid	Non-System Paid	Deferred Retiree	System Paid	Non-System Paid	Deferred Retiree
Experience[1]	99%	31%	86%	98%	22%	96%	98%	32%	101%
Current Assumption	100%	20%	100%	100%	25%	100%	100%	20%	100%
Proposed Assumption	100%	30%	85%	100%	20%	95%	100%	30%	100%

DCR Plans (age 65+)	Years of Service				
	< 15	15 - 19	20 - 24	25 - 29	30+
Experience	70%	56%	n/a	n/a	n/a
Current Assumption	75%	80%	85%	90%	95%
Proposed Assumption	70%	75%	85%	90%	95%

Healthcare Base Claims Cost Adjustments

This assumption is applied to the per capita claims cost rates developed for the DB plans to account for higher initial copays, deductibles, out-of-pocket limits, and member cost sharing in the DCR plans. The healthcare base claims cost adjustments are summarized in the table below.

	Pre-Medicare Medical	Medicare Medical	Prescription Drugs
Current Assumption	0.956	0.674	0.911
Proposed Assumption	0.961	0.731	0.933

Healthcare Cost Ratio for Those with Part B Only to Those with Parts A&B

The cost ratio for those with Medicare Part B only to those with Medicare Parts A&B are summarized in the table below.

	Cost Ratio
Current Assumption	3.30
Proposed Assumption	2.91

[1] Deferred Retiree experience includes members participating after the first year that they are eligible for System-Paid benefits, but the assumption is only applied in the first year. This allows TRS to have more than 100% actual experience in the experience period.

© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

Healthcare Morbidity

Morbidity rates (also called aging factors) are used to estimate utilization of healthcare benefits at each age to reflect the fact that healthcare utilization typically increases with age. Separate morbidity rates are used for medical and prescription drug benefits. The current and proposed morbidity factors are summarized in the table below.

Age	Current		Proposed	
	Medical	Rx	Medical	Rx
< 45	2.0%	4.5%	1.5%	2.5%
45 - 54	2.5%	3.5%	2.0%	2.0%
55 - 64	2.5%	1.0%	3.5%	1.0%
65 - 74	2.0%	2.1%	1.0%	2.3%
75 - 84	2.2%	(0.3%)	2.0%	0.0%
85 - 94	0.5%	(2.5%)	1.0%	(1.5%)
95+	0.0%	0.0%	0.0%	0.0%

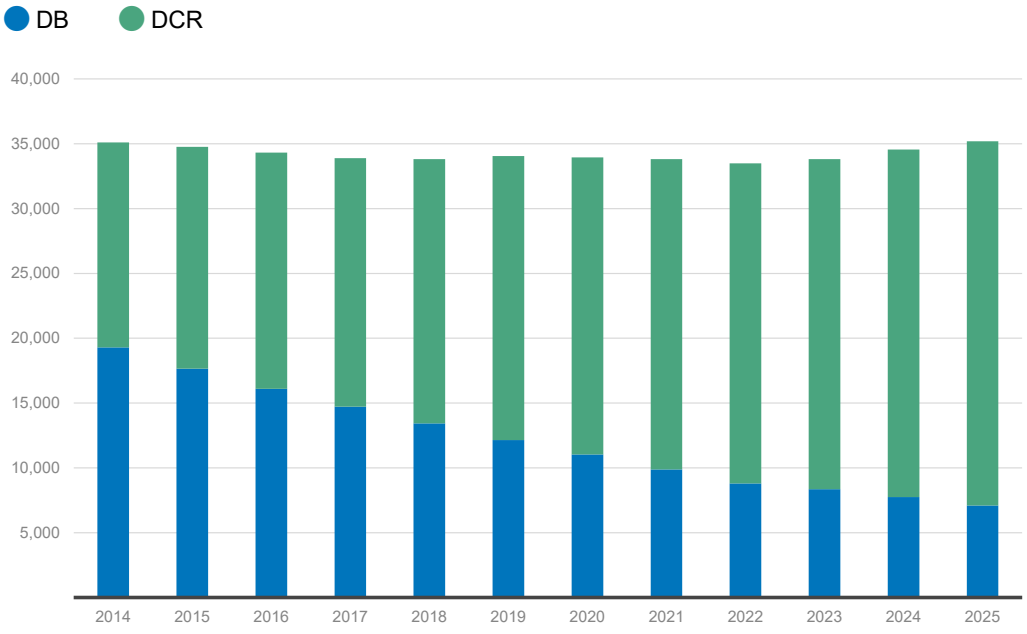
© 2026 Arthur J. Gallagher & Co.

1 Demographic Assumptions

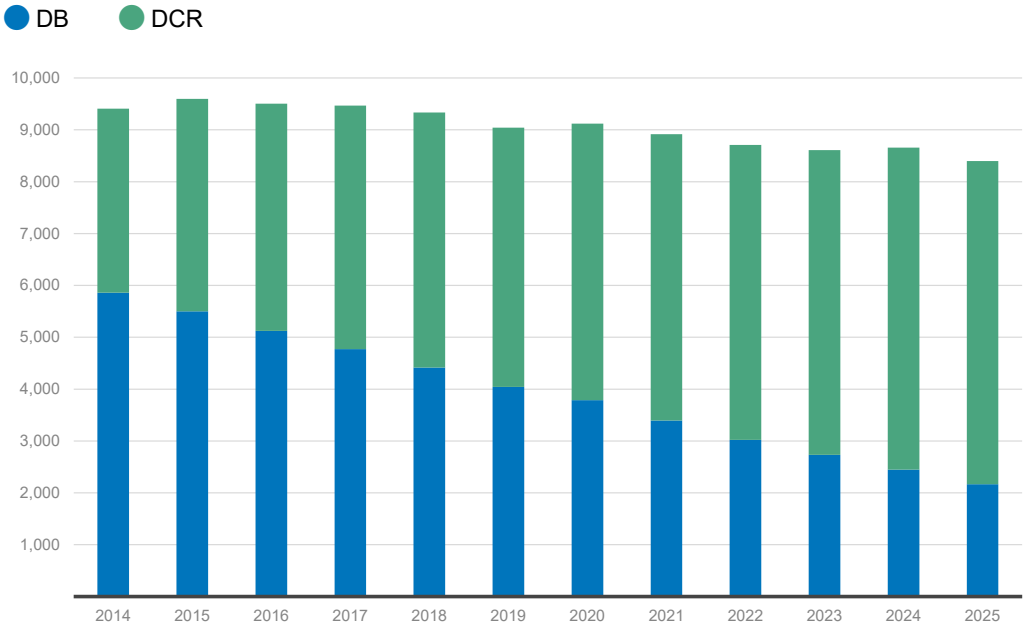
Active Population Growth

The graphs below show the number of DB and DCR active members for fiscal years 2014-2025.

PERS and PERS DCR



TRS and TRS DCR



The average percentage increase/(decrease) in the total number of active members (DB and DCR) during the last 4 fiscal years (2022-2025) was 1.01% for PERS and (1.48%) for TRS. The current active population growth assumption used for the PERS and TRS projections is 0%. We proposed no change to this assumption.

© 2026 Arthur J. Gallagher & Co.

2 Economic Assumptions

For the proposed inflation rate and investment returns, we have used economic information provided by Gallagher's Investments Practice.

Gallagher's capital market assumptions provide relevant expected returns, standard deviations, and correlations. Projected returns are then developed for the portfolio using a third-party economic scenario generator. This sophisticated model uses a multifactor approach to create internally consistent, realistic economic scenarios for all asset classes that reflect the current economic environment as a starting point. Equity returns include stochastic volatility with jumps to reflect extreme, infrequent events. However, such scenarios do not typically impact the 5th through 95th percentiles of projected returns. Corporate bond yields are generated by adding credit spreads to the corresponding zero-coupon Treasury yields. The credit spreads are driven by several factors, including equity returns, and also contain a shock process to allow the model to generate such scenarios as the 2008 Financial Crisis. However, we do not model specific risks such as war, pandemics, political risks, severe economic dislocations occurring with greater frequency or severity than predicted by the model, or the risk that relationships among macroeconomic variables may differ from those of the past. From these scenarios, a probabilistic model of expected returns is created, reflecting the duration of investment and the approximate allocation of assets in the portfolio to various asset classes. Under current calibrations, our model will tend to show a greater divergence between arithmetic and geometric average returns at higher standard deviations of portfolio return.

2.1 Inflation

Inflation is a core component of several of the economic assumptions, including the investment return, salary increases, payroll growth rate, and healthcare trend rates.

The table below shows the geometric averages of the inflation rates measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) over various periods. The table shows national inflation rates and inflation rates specific to urban Alaska (Anchorage). CPI-W for Urban Alaska (Anchorage) is used to determine the Postretirement Pension Adjustments (PRPAs) increases for pensioners in PERS and TRS. Over the long term, these increases have been about 25 basis points lower than the national increases.

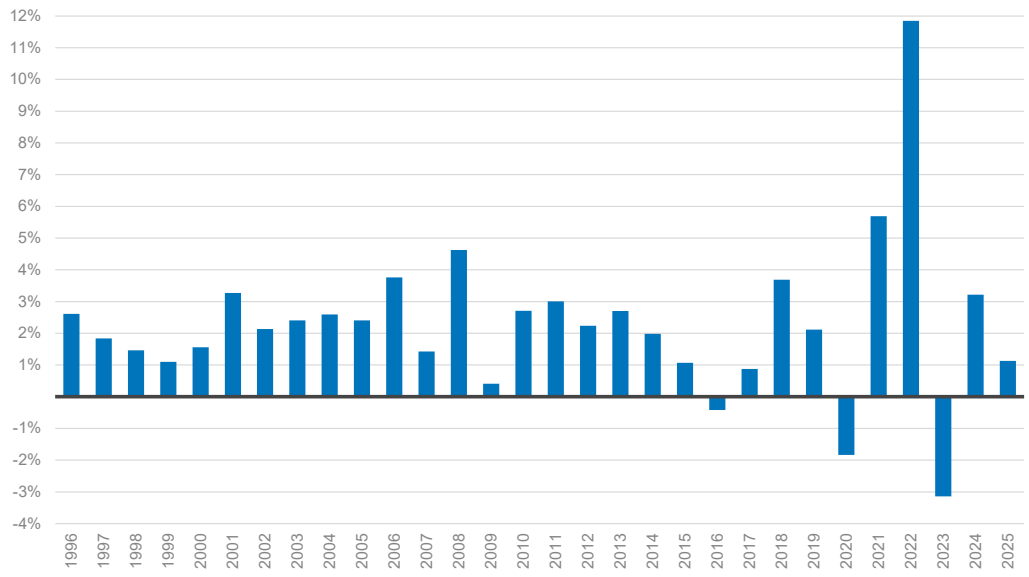
Period	Average CPI-W Increases	
	National	Urban Alaska (Anchorage)
10 Years Ending June 30, 2025	3.06%	2.24%
20 Years Ending June 30, 2025	2.57%	2.31%
30 Years Ending June 30, 2025	2.52%	2.25%

© 2026 Arthur J. Gallagher & Co.

2 Economic Assumptions

The graph below shows the historical inflation rates for CPI-W for Urban Alaska (Anchorage) over the past 30 fiscal years.

Historical CPI-W for Urban Alaska (Anchorage)



Our model produced the following expected geometric inflation rates based on Gallagher's 2025 Q3 capital market assumptions:

- 10-year 2.48%
- 20-year 2.40%
- 30-year 2.32%

Based on the results from our model, we propose maintaining the 2.50% inflation rate for the 2026-2029 valuations[1]. The current and proposed inflation rates are summarized in Appendix A.

[1] The Board may want to adopt a slightly lower inflation assumption, for example 2.25%, solely for purposes of valuing the Postretirement Pension Adjustments (PRPAs).

© 2026 Arthur J. Gallagher & Co.

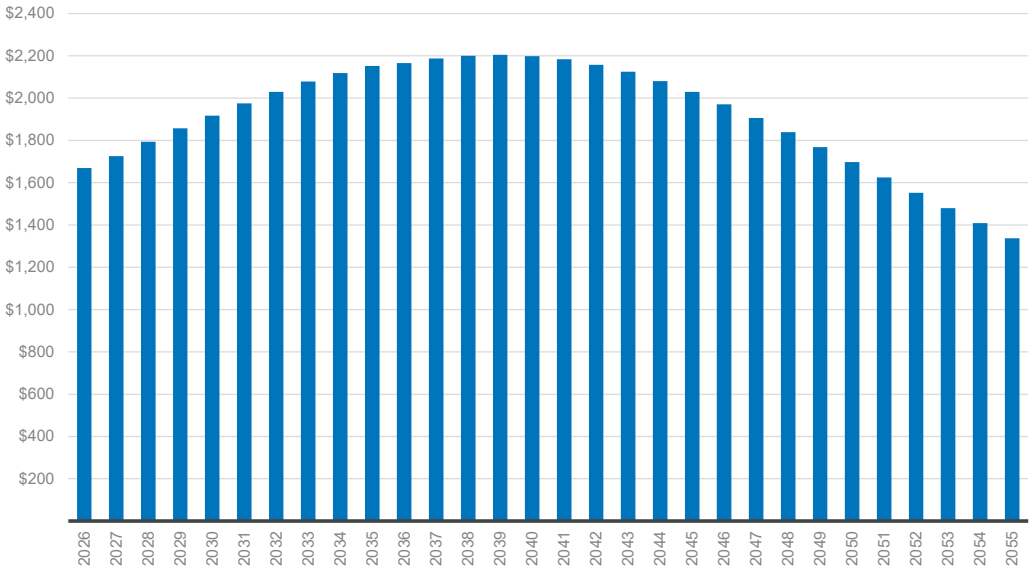
2 Economic Assumptions

2.2 Investment Returns

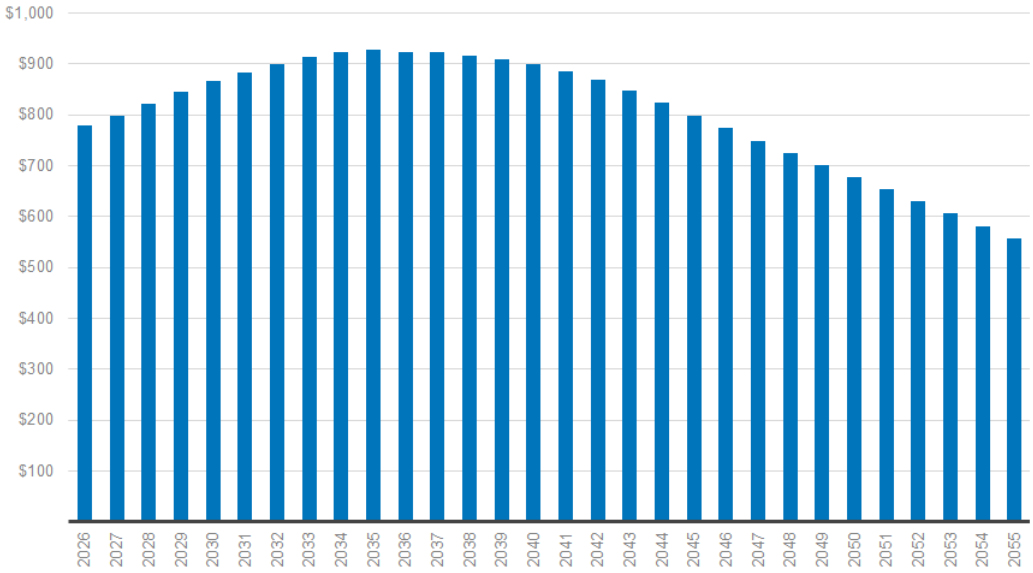
The investment return assumption is used to discount the projected benefits expected to be paid from each System. This assumption has the largest impact on each System's liability and contribution rates. In setting this assumption, we consider recent history but also recognize that the last few years of returns may not be the best predictor of long-term expectations.

Although PERS and TRS were closed to new entrants in 2006, the total projected pension and healthcare benefits are significant for many years to come. The graphs below show the projected benefits expected to be paid over the next 30 fiscal years based on the June 30, 2025 valuation projections. We believe a 20-year or 30-year time horizon is appropriate when evaluating the long-term investment return assumption.

PERS – 30-Year Projection of Pension and Healthcare Benefits ($ millions)



TRS – 30-Year Projection of Pension and Healthcare Benefits ($ millions)

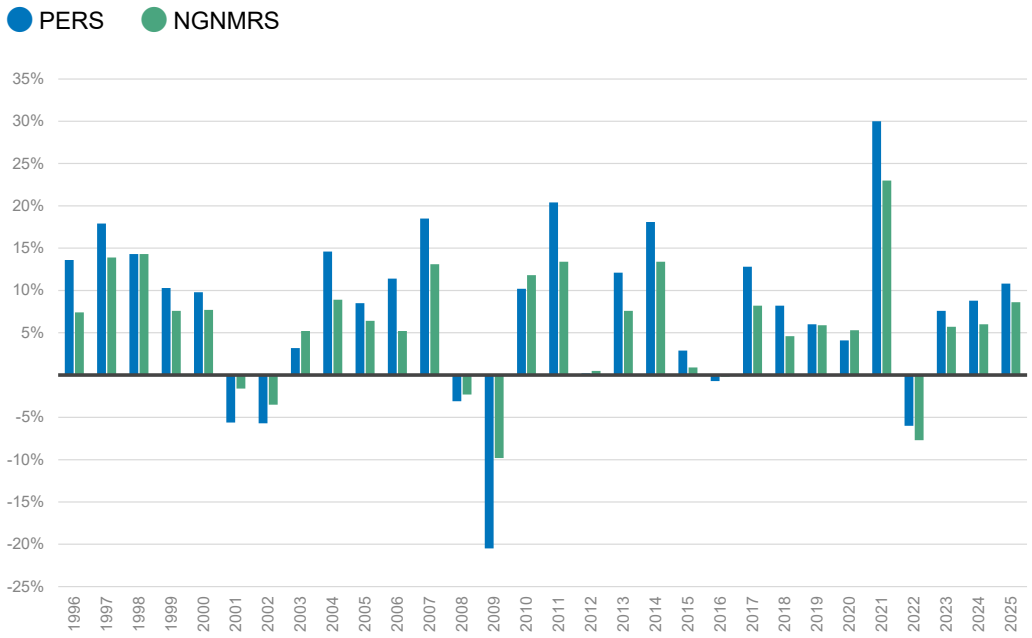


© 2026 Arthur J. Gallagher & Co.

2 Economic Assumptions

The graph below shows the historical market rates of return over the past 30 fiscal years for PERS and NGNMRS. The rates of return for TRS and JRS were equal to or very close to the rates of return for PERS.

Historical Market Rates of Return



Our analysis reflects the FY26 target asset allocations adopted by the Board in June 2025:

Asset Class	PERS/TRS/JRS	NGNMRS
Broad Doestic Equity	25.0%	12.0%
Global Equity (non-US)	17.0%	9.0%
Global Equity	3.6%	3.6%
Aggregate Bonds	25.2%	57.5%
Direct Real Estate	9.8%	4.9%
REITs	1.4%	0.7%
Infrastructure	2.8%	1.4%
Private Equity	14.0%	8.0%
Cash Equivalents	1.2%	2.9%
Total	**100.0%**	**100.0%**

© 2026 Arthur J. Gallagher & Co.

2 Economic Assumptions

We projected expected future investment returns under two methods:

- Geometric – Geometric nominal and real rates of return were projected for the next 30 years. Returns beyond 30 years are assumed to be the same as the average return for year 30.
- Building Block – Arithmetic real returns by asset class are deconstructed into relevant components. The values for each component (e.g., inflation, risk-free return, and various equity and other risk premiums) are determined based on various factors, including GDP growth rates, historical values, risk premiums implied by current market conditions, and current consensus estimates, taking into account investment horizon. Expected inflation is added to real returns to develop nominal returns.

The table below shows the results of our geometric analysis based on Gallagher's 2025 Q3 capital market assumptions. The 65th and 35th percentiles are the endpoints we use to assess the reasonableness of the investment return assumption.

The geometric returns shown below are net of an investment expense assumption of 12 basis points, which was provided by the State's Department of Revenue.

	PERS/TRS/JRS			NGNMRS		
	10-Year	20-Year	30-Year	10-Year	20-Year	30-Year
Geometric Returns						
Inflation Rate	2.48%	2.40%	2.32%	2.48%	2.40%	2.32%
Real Rate of Return	4.28%	4.68%	4.89%	3.34%	3.63%	3.80%
Nominal Rate of Return	6.76%	7.08%	7.21%	5.82%	6.03%	6.12%
Nominal Rate of Return, net of Investment Expenses						
Expected Value	6.64%	6.96%	7.09%	5.70%	5.91%	6.00%
65th Percentile	8.21%	8.11%	8.05%	6.57%	6.53%	6.53%
35th percentile	5.39%	5.95%	6.27%	4.95%	5.37%	5.48%

The table below shows the results of the Building Block method based on Gallagher's 2024 Q4 capital market assumptions. The Building Block method results were not presented to the Actuarial Committee based on Gallagher's 2025 Q3 capital market assumptions.

	PERS/TRS/JRS			NGNMRS		
	10-Year	20-Year	30-Year	10-Year	20-Year	30-Year
Building Block (Arithmetic Returns)						
Inflation Rate	2.46%	2.51%	2.47%	2.46%	2.51%	2.47%
Real Rate of Return	5.07%	5.25%	5.43%	3.81%	3.87%	4.01%
Nominal Rate of Return	7.53%	7.76%	7.90%	6.27%	6.38%	6.48%
Investment Expenses	(0.12%)	(0.12%)	(0.12%)	(0.12%)	(0.12%)	(0.12%)
Nominal Rate of Return, net of Investment Expenses	7.41%	7.64%	7.78%	6.15%	6.26%	6.36%

We propose (i) maintaining the current 7.25% investment return assumption or lowering it to 7.00% for PERS/TRS/JRS, and (ii) maintaining the current 5.75% investment return assumption for NGNMRS. The current and proposed investment return assumptions are summarized in Appendix A.

© 2026 Arthur J. Gallagher & Co.

2 Economic Assumptions

2.3 Individual Salary Increases

The salary increase assumption is used to project each active member's pay from the current amount until the member's expected retirement date.

We reviewed the salary increases that active members in PERS and TRS received during the 4-year period ending June 30, 2025. The average annual salary increases, as well as the expected and proposed salary increases, are summarized in the table below.

	FY 2022	FY 2023	FY 2024	FY 2025	4-Year Average
PERS and PERS DCR – Peace/Fire					
Actual	8.27%	9.58%	11.60%	6.83%	9.03%
Expected	5.46%	5.50%	5.50%	5.54%	5.50%
Proposed	6.31%	6.38%	6.35%	6.38%	6.37%
PERS and PERS DCR – Others					
Actual	5.49%	7.77%	8.50%	8.44%	7.61%
Expected	4.16%	4.18%	4.21%	4.24%	4.20%
Proposed	5.47%	5.50%	5.55%	5.59%	5.50%
TRS and TRS DCR					
Actual	5.99%	3.56%	5.68%	6.79%	5.52%
Expected	4.13%	4.14%	4.20%	4.25%	4.18%
Proposed	4.94%	4.97%	5.05%	5.11%	4.92%

The current and proposed salary increase rates are shown in Appendix B.

© 2026 Arthur J. Gallagher & Co.

2 Economic Assumptions

2.4 Payroll Growth Rates

To calculate the contribution rates for PERS and TRS, the Unfunded Actuarial Accrued Liability is amortized on a level percent of pay basis using total DB and DCR payroll. Because pay is expected to increase, an assumption is made for the rate at which total payroll is expected to increase.

The tables below show the increases in total payroll for active members (DB and DCR) during the 4-year period ending June 30, 2025.

PERS and PERS DCR ($ in thousands)

Fiscal Year	Total Payroll	Percent Increase
2021	$ 2,406,757	n/a
2022	$ 2,442,007	1.46%
2023	$ 2,588,883	6.01%
2024	$ 2,800,537	8.18%
2025	$ 2,974,776	6.22%

TRS and TRS DCR ($ in thousands)

Fiscal Year	Total Payroll	Percent Increase
2021	$ 750,334	n/a
2022	$ 758,938	1.15%
2023	$ 754,274	(0.61%)
2024	$ 779,350	3.32%
2025	$ 792,816	1.73%

Effective June 30, 2025, the Board adopted new payroll growth rates of 2.00% for PERS, 1.00% for TRS, and 1.50% for JRS based on a 10-year history of actual payroll growth through June 30, 2024. We propose no changes to these new assumptions.

© 2026 Arthur J. Gallagher & Co.

2 Economic Assumptions

2.5 Healthcare Cost Trend Rates

The healthcare cost trend rates are used to project the baseline per capita costs into the future. Separate trend rates are used for each major healthcare benefit category (medical, prescription drugs, and EGWP).

The healthcare cost trend rates are reviewed annually as part of the actuarial valuation process. We have also reviewed them as part of the experience study since the inflation rate and other related assumptions are being evaluated.

We have used the Getzen model, developed by the Society of Actuaries, to set the healthcare cost trend rates for the Systems since 2012.

In evaluating the healthcare cost trend rates, we considered:

- Alaska plan experience
- Gallagher 2025 National Health Care Trend Survey
- Segal 2025 Health Plan Cost Trend Survey
- Trend assumptions for other state retirement systems
- Federal Open Market Committee June 2025 forecast of real GDP growth
- Congressional Budget Office July 2025 forecast of real GDP growth
- Callan June 2025 Board meeting 10-year projection of real GDP growth

The current and proposed healthcare cost trend rates are shown in Appendix C.

© 2026 Arthur J. Gallagher & Co.

3 Actuarial Methods

3.1 Actuarial Cost Method

Liabilities and contributions are currently determined using the Entry Age Normal Actuarial Cost Method, level percent of pay basis.

We propose no changes to the actuarial cost method.

3.2 Asset Valuation Methods

The current asset valuation methods recognize 20% of the investment gain or loss each year, for a period of five years. For the DCR plans, JRS, and NGNMRS, the valuation assets are constrained to a range of 80% to 120% of the fair value of assets.

We propose no changes to the asset valuation methods.

3.3 Amortization Methods

For PERS and TRS:

- Effective June 30, 2018, the Board adopted a 25-year layered Unfunded Actuarial Accrued Liability (UAAL) amortization method. Layer #1 equals the sum of (i) the UAAL at June 30, 2018 based on the 2017 valuation, plus (ii) the FY18 experience gain/loss. Layer #1 is amortized over the remainder of the 25-year closed period that was originally established in 2014. Layer #2 equals the change in UAAL at June 30, 2018 due to the experience study and EGWP implementation. Layer #2 is amortized over a separate closed 25-year period starting in 2018. Post-2018 layers are created each year based on the difference between the actual and expected UAAL occurring that year and are amortized over separate closed 25-year periods. The amortizations continue to be on a level percent of pay basis.
- Effective June 30, 2025, the Board modified the 25-year layered UAAL amortization method to reduce the initial amortization period from 25 years to 15 years for all layers, except for Layer #1 which was unchanged.

For JRS:

- In September 2025, the Board adopted a 15-year fresh start approach for the amortization method effective June 30, 2024. The UAAL as of June 30, 2024 was amortized over a 15-year closed period. Future layers are created each year based on the difference between actual and expected UAAL occurring that year and are amortized over separate closed 15-year periods. The amortizations continue to be on a level percent of pay basis.
- In December 2025, the Board adopted Resolution 2025-23 that recommended a new funding policy effective June 30, 2025:
    - If the funded ratio, determined separately for pension and healthcare, is less than 100% on an actuarial value of assets basis, the total contribution rate equals the normal cost rate plus the total amortization rate determined in accordance with the amortization method used for FY27 contribution rates, but not less than the normal cost rate.
    - If the funded ratio, determined separately for pension and healthcare, is at least 100% and less than 125% on an actuarial value of assets basis, all outstanding amortization bases (layers) are eliminated, in which case the amortization rate equals zero and the total contribution rate equals the normal cost rate.

© 2026 Arthur J. Gallagher & Co.

3 Actuarial Methods

- If the funded ratio, determined separately for pension and healthcare, is at least 125% on an actuarial value of assets basis, the total contribution rate equals the normal cost rate offset by a 100-year amortization of the funding surplus.
- The amortizations continue to be on a level percent of pay basis.
- Total contribution rates are not less than zero.

For the DCR plans, each year's difference between the actual and expected UAAL is amortized over a separate closed 25-year period on a level percent of pay basis.

For NGNMRS, the UAAL is amortized over 20 years less the average total military service of active members on a level dollar basis.

We propose no changes to the amortization methods.

© 2026 Arthur J. Gallagher & Co.

Appendix: Current and Proposed Assumptions[1]

A. Inflation, Investment Returns, and Payroll Growth Rates

Current	PERS	TRS	JRS	NGNMRS
Inflation Rate	2.50%	2.50%	2.50%	2.50%
Real Rate of Return	4.75%	4.75%	4.75%	3.25%
Nominal Rate of Return	7.25%	7.25%	7.25%	5.75%
Payroll Growth Rate	2.00%	1.00%	1.50%	n/a

Proposed #1	PERS	TRS	JRS	NGNMRS
Inflation Rate*	2.50%	2.50%	2.50%	2.50%
Real Rate of Return	4.75%	4.75%	4.75%	3.25%
Nominal Rate of Return	7.25%	7.25%	7.25%	5.75%
Payroll Growth Rate	2.00%	1.00%	1.50%	n/a

Proposed #2	PERS	TRS	JRS	NGNMRS
Inflation Rate*	2.50%	2.50%	2.50%	2.50%
Real Rate of Return	4.50%	4.50%	4.50%	3.25%
Nominal Rate of Return	7.00%	7.00%	7.00%	5.75%
Payroll Growth Rate	2.00%	1.00%	1.50%	n/a

* The Board may want to adopt a slightly lower inflation assumption, for example 2.25%, solely for purposes of valuing the Postretirement Pension Adjustments (PRPAs).

Nominal rates of return are net of investment expenses of 12 basis points, as provided by the State's Department of Revenue.

[1] Certain assumptions are not shown if the proposed assumptions and current assumptions are the same.

© 2026 Arthur J. Gallagher & Co.

Appendix: Current and Proposed Assumptions

B. Salary Increase Rates

PERS and PERS DCR – Peace/Fire

Service	Current	Proposed
< 1	8.50%	9.50%
1	7.75%	8.75%
2	7.25%	8.00%
3	7.00%	7.50%
4	6.75%	7.00%
5	6.25%	6.50%
6	5.75%	6.25%
7	5.50%	6.00%
8	5.25%	5.85%
9	5.05%	5.75%
10	4.95%	5.65%
11	4.85%	5.50%
12	4.75%	5.50%
13	4.65%	5.50%
14	4.55%	5.50%
15	4.45%	5.50%
16	4.35%	5.25%
17	4.25%	5.25%
18	4.05%	5.25%
19	4.05%	5.25%
20+	3.85%	5.25%

PERS and PERS DCR – Others

Service	Current	Proposed
< 1	6.75%	9.00%
1	6.00%	7.25%
2	5.50%	6.75%
3	5.00%	6.25%
4	4.75%	6.00%
5	4.25%	5.80%
6	4.05%	5.55%
7	3.95%	5.30%
8	3.75%	5.05%
9	3.55%	4.90%
10	3.45%	4.75%
11	3.25%	4.55%
12	3.10%	4.30%
13	3.05%	4.15%
14	3.00%	4.00%
15	2.95%	3.95%
16	2.90%	3.90%
17	2.85%	3.85%
18	2.85%	3.80%
19	2.85%	3.75%
20+	2.85%	3.70%

© 2026 Arthur J. Gallagher & Co.

Appendix: Current and Proposed Assumptions

B. Salary Increase Rates (continued)

TRS

Service	Current	Proposed
< 1	7.00%	8.50%
1	6.50%	7.00%
2	6.00%	6.50%
3	5.75%	6.25%
4	5.50%	6.00%
5	5.25%	5.75%
6	5.00%	5.50%
7	4.75%	5.25%
8	4.50%	5.10%
9	4.25%	4.95%
10	4.00%	4.85%
11	3.75%	4.70%
12	3.50%	4.55%
13	3.45%	4.40%
14	3.35%	4.25%
15	3.25%	4.10%
16	3.15%	3.95%
17	3.05%	3.80%
18	3.00%	3.65%
19	2.95%	3.50%
20+	2.85%	3.25%

TRS DCR

Service	Current	Proposed
< 1	7.25%	8.50%
1	6.75%	7.00%
2	6.25%	6.50%
3	5.75%	6.25%
4	5.25%	6.00%
5	5.00%	5.75%
6	4.75%	5.50%
7	4.50%	5.25%
8	4.25%	5.10%
9	4.00%	4.95%
10	3.75%	4.85%
11	3.50%	4.70%
12	3.25%	4.55%
13	3.05%	4.40%
14	3.00%	4.25%
15	2.95%	4.10%
16	2.90%	3.95%
17	2.85%	3.80%
18	2.85%	3.65%
19	2.85%	3.50%
20+	2.85%	3.25%

© 2026 Arthur J. Gallagher & Co.

Appendix: Current and Proposed Assumptions

C. Healthcare Trend Rates

Fiscal Year	Current			Proposed		
	Medical Pre-65	Medical Post-65	Rx and EGWP	Medical Pre-65	Medical Post-65	Rx and EGWP
2025	6.40%	5.40%	8.80%	n/a	n/a	n/a
2026	6.20%	5.40%	8.50%	6.20%	5.40%	8.50%
2027	6.05%	5.35%	8.20%	7.00%	6.00%	11.00%
2028	5.85%	5.35%	7.90%	6.90%	5.90%	10.90%
2029	5.65%	5.30%	7.45%	6.60%	5.75%	9.95%
2030	5.45%	5.30%	7.05%	6.30%	5.65%	9.00%
2031	5.30%	5.30%	6.60%	6.00%	5.50%	8.00%
2032	5.30%	5.30%	6.15%	5.70%	5.40%	7.05%
2033	5.30%	5.30%	5.70%	5.40%	5.25%	6.10%
2034	5.30%	5.30%	5.30%	5.15%	5.15%	5.15%
2035	5.30%	5.30%	5.30%	4.95%	4.95%	4.95%
2036	5.30%	5.30%	5.30%	4.95%	4.95%	4.95%
2037	5.30%	5.30%	5.30%	4.90%	4.90%	4.90%
2038	5.30%	5.30%	5.30%	4.90%	4.90%	4.90%
2039	5.25%	5.25%	5.30%	4.90%	4.90%	4.90%
2040	5.20%	5.20%	5.30%	4.90%	4.90%	4.90%
2041	5.10%	5.10%	5.20%	4.90%	4.90%	4.90%
2042	5.05%	5.05%	5.10%	4.90%	4.90%	4.90%
2043	4.95%	4.95%	5.00%	4.85%	4.85%	4.85%
2044	4.90%	4.90%	4.90%	4.80%	4.80%	4.80%
2045	4.80%	4.80%	4.85%	4.75%	4.75%	4.75%
2046	4.75%	4.75%	4.75%	4.70%	4.70%	4.70%
2047	4.70%	4.70%	4.70%	4.65%	4.65%	4.65%
2048	4.60%	4.60%	4.65%	4.60%	4.60%	4.60%
2049	4.55%	4.55%	4.55%	4.55%	4.55%	4.55%
2050+	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

© 2026 Arthur J. Gallagher & Co.

Appendix: Current and Proposed Assumptions

D. Termination Rates

PERS – Peace/Fire: Ultimate Rates after First 5 Years

Age	Current		Proposed	
	Male	Female	Male	Female
< 30	2.40%	5.80%	2.40%	5.80%
30 - 34	2.00%	5.10%	2.00%	5.10%
35 - 39	1.60%	3.00%	1.60%	3.00%
40 - 44	1.30%	3.00%	1.90%	2.50%
45 - 49	1.50%	2.90%	2.10%	3.00%
50 - 54	3.00%	5.00%	3.00%	5.00%
55+	2.25%	1.80%	3.00%	5.00%

PERS – Others: Ultimate Rates after First 5 Years

Age	Current		Proposed	
	Male	Female	Male	Female
< 30	7.80%	8.20%	7.80%	8.20%
30 - 34	7.00%	7.10%	7.00%	7.10%
35 - 39	5.70%	5.50%	5.00%	5.80%
40 - 44	4.50%	5.20%	4.50%	4.60%
45 - 49	4.20%	4.40%	3.60%	4.00%
50 - 54	3.60%	4.70%	3.60%	4.90%
55+	2.90%	4.90%	3.60%	4.90%

TRS: Ultimate Rates after First 8 Years

Age	Current		Proposed	
	Male	Female	Male	Female
< 30	3.60%	4.60%	3.60%	4.60%
30 - 34	3.60%	5.40%	3.60%	5.40%
35 - 39	3.60%	3.90%	3.60%	3.90%
40 - 44	3.10%	2.60%	3.70%	3.20%
45 - 49	3.10%	2.60%	3.70%	3.20%
50 - 54	4.60%	4.80%	6.80%	6.20%
55+	2.80%	4.80%	6.80%	6.20%

© 2026 Arthur J. Gallagher & Co.

Appendix: Current and Proposed Assumptions

D. Termination Rates (continued)

PERS DCR – Peace/Fire

Select Rates during First 5 Years

	Current		Proposed	
Service	Male	Female	Male	Female
< 1	17.00%	27.00%	19.00%	28.00%
1	12.00%	21.00%	12.00%	20.00%
2	11.00%	15.00%	11.00%	13.00%
3	11.00%	13.00%	11.00%	11.00%
4	10.00%	9.00%	11.00%	11.00%

Ultimate Rates after First 5 Years

	Current		Proposed	
Age	Male	Female	Male	Female
< 30	6.60%	10.20%	7.90%	15.40%
30 - 34	6.80%	10.00%	7.80%	9.60%
35 - 39	6.70%	9.90%	6.30%	9.40%
40 - 44	6.50%	9.50%	6.40%	9.50%
45 - 49	6.50%	9.30%	6.80%	9.50%
50 - 54	8.50%	9.10%	7.70%	9.30%
55 - 59	9.80%	9.60%	9.90%	9.30%
60 - 64	12.50%	10.30%	13.40%	10.30%
65+	19.20%	10.70%	13.40%	10.30%

© 2026 Arthur J. Gallagher & Co.

Appendix: Current and Proposed Assumptions

D. Termination Rates (continued)

PERS DCR – Others

Select Rates during First 5 Years

	Current		Proposed	
Service	Male	Female	Male	Female
< 1	28.00%	29.00%	29.00%	30.00%
1	20.00%	24.00%	22.00%	25.00%
2	16.00%	19.00%	17.00%	20.00%
3	14.00%	16.00%	15.00%	17.00%
4	12.00%	14.00%	13.00%	14.00%

Ultimate Rates after First 5 Years

	Current		Proposed	
Age	Male	Female	Male	Female
< 30	13.70%	15.80%	14.30%	15.50%
30 - 34	12.20%	11.20%	11.90%	11.50%
35 - 39	9.70%	10.20%	9.50%	10.40%
40 - 44	8.50%	10.60%	9.10%	10.40%
45 - 49	8.90%	8.90%	9.10%	9.30%
50 - 54	8.40%	8.70%	8.40%	9.30%
55 - 59	8.70%	9.50%	8.70%	10.30%
60 - 64	10.10%	11.80%	11.50%	11.90%
65+	11.20%	15.70%	15.00%	20.60%

© 2026 Arthur J. Gallagher & Co.

Appendix: Current and Proposed Assumptions

D. Termination Rates (continued)

TRS DCR

Select Rates during First 6 Years

	Current		Proposed	
Service	Male	Female	Male	Female
< 1	28.00%	31.00%	25.00%	26.00%
1	28.00%	21.00%	25.00%	21.00%
2	19.00%	18.00%	20.00%	19.00%
3	17.00%	13.00%	16.00%	16.00%
4	13.00%	13.00%	15.00%	14.00%
5	13.00%	10.00%	14.00%	13.00%

Ultimate Rates after First 6 Years

	Current		Proposed	
Age	Male	Female	Male	Female
< 30	10.50%	8.70%	11.30%	9.80%
30 - 34	10.50%	8.70%	12.30%	10.40%
35 - 39	10.40%	8.60%	9.40%	9.40%
40 - 44	10.30%	8.60%	9.40%	8.20%
45 - 49	10.00%	8.40%	10.30%	8.60%
50 - 54	9.50%	8.10%	10.30%	8.60%
55 - 59	8.80%	7.90%	11.40%	10.80%
60 - 64	9.30%	8.70%	17.50%	12.10%
65+	10.90%	7.40%	17.50%	12.10%

© 2026 Arthur J. Gallagher & Co.

Appendix: Current and Proposed Assumptions

E. Retirement Rates

PERS – Peace/Fire

Reduced Retirement

Age	Current		Proposed	
	Male	Female	Male	Female
50	5.00%	5.00%	6.90%	7.20%
51	5.00%	5.00%	6.90%	7.20%
52	7.00%	7.00%	6.90%	7.20%
53	7.00%	7.00%	6.90%	7.20%
54	7.00%	7.00%	6.90%	7.20%
55	7.50%	7.50%	6.90%	7.20%
56	7.50%	7.50%	6.90%	7.20%
57	7.50%	7.50%	6.90%	7.20%
58	7.50%	7.50%	6.90%	7.20%
59	20.00%	20.00%	17.00%	18.00%

Unreduced Retirement

Age	Current		Proposed	
	Male	Female	Male	Female
< 47	9.00%	7.50%	7.70%	9.20%
47 - 49	13.00%	18.50%	14.00%	16.00%
50 - 54	20.00%	21.00%	18.50%	21.50%*
55 - 59	29.00%	20.00%	26.00%	27.00%
60 - 64	29.00%	31.50%	33.50%	27.00%
65 - 69	45.00%	45.00%	36.50%	45.00%
70+	100.00%	100.00%	100.00%	100.00%

* 30.00% at age 50

© 2026 Arthur J. Gallagher & Co.

Appendix: Current and Proposed Assumptions

E. Retirement Rates (continued)

PERS – Others

Reduced Retirement

	Current		Proposed	
Age	Male	Female	Male	Female
50	7.00%	8.50%	7.00%	8.50%
51	7.00%	8.50%	7.00%	8.50%
52	11.00%	8.50%	11.00%	8.50%
53	11.00%	8.50%	11.00%	8.50%
54	24.00%	16.50%	24.00%	16.50%
55	7.00%	6.50%	7.20%	6.60%
56	7.00%	6.50%	7.20%	6.60%
57	7.00%	6.50%	7.20%	6.60%
58	7.00%	6.50%	7.20%	6.60%
59	18.00%	22.00%	19.50%	20.00%

Unreduced Retirement

	Current		Proposed	
Age	Male	Female	Male	Female
< 50	11.50%	11.50%	11.50%	11.50%
50 - 54	37.50%	40.50%	37.00%	34.00%
55 - 59	25.50%	24.00%	28.00%	25.50%
60 - 64	26.50%	24.50%	26.00%	24.50%
65 - 69	30.50%	28.50%	28.50%	27.50%
70 - 74	27.50%	27.50%	23.50%	25.50%
75 - 79	50.00%	50.00%	50.00%	50.00%
80+	100.00%	100.00%	100.00%	100.00%

© 2026 Arthur J. Gallagher & Co.

Appendix: Current and Proposed Assumptions

E. Retirement Rates (continued)

TRS

Reduced Retirement

	Current		Proposed	
Age	Male	Female	Male	Female
50	5.00%	5.00%	5.00%	5.00%
51	5.00%	5.00%	5.00%	5.00%
52	5.00%	10.00%	5.00%	10.00%
53	5.00%	5.00%	5.00%	5.00%
54	10.00%	5.00%	10.00%	5.00%
55	14.50%	11.00%	12.90%	12.00%
56	9.50%	11.00%	9.60%	12.00%
57	9.50%	11.00%	9.60%	12.00%
58	9.50%	11.00%	9.60%	12.00%
59	9.50%	11.00%	9.60%	12.00%

Unreduced Retirement

	Current		Proposed	
Age	Male	Female	Male	Female
< 45	3.00%	3.00%	3.60%	4.20%
45 - 46	5.50%	7.00%	3.60%	4.20%
47 - 49	5.50%	7.00%	7.20%	7.80%
50 - 54	12.50%	13.00%	14.40%	13.50%
55 - 59	20.00%	17.50%	20.50%	19.80%
60 - 64	19.50%	23.50%	24.00%	25.50%
65 - 69	28.00%	23.50%	25.00%	25.00%
70 - 74	30.00%	36.00%	32.00%	37.00%
75 - 79	50.00%	50.00%	50.00%	50.00%
80+	100.00%	100.00%	100.00%	100.00%

© 2026 Arthur J. Gallagher & Co.

Appendix: Current and Proposed Assumptions

E. Retirement Rates (continued)

PERS DCR – Peace/Fire

Age	Current	Proposed
< 55	2.00%	2.00%
55	3.00%	3.00%
56	3.00%	3.00%
57	3.00%	3.00%
58	3.00%	3.00%
59	3.00%	3.00%
60	5.00%	5.00%
61	5.00%	5.00%
62	10.00%	10.00%
63	5.00%	5.00%
64	5.00%	5.00%
65	25.00%	25.00%
66	25.00%	25.00%
67	25.00%	25.00%
68	20.00%	20.00%
69	20.00%	20.00%
70+	100.00%	100.00%

PERS DCR – Others

Age	Current	Proposed
< 55	2.00%	2.00%
55	3.00%	3.00%
56	3.00%	3.00%
57	3.00%	3.00%
58	3.00%	3.00%
59	3.00%	3.00%
60	5.00%	5.00%
61	5.00%	5.00%
62	10.00%	10.00%
63	5.00%	5.00%
64	5.00%	5.00%
65	25.00%	30.00%
66	25.00%	25.50%
67	25.00%	23.50%
68	20.00%	20.50%
69	20.00%	23.00%
70+	100.00%	100.00%

© 2026 Arthur J. Gallagher & Co.

Appendix: Current and Proposed Assumptions

E. Retirement Rates (continued)

TRS DCR

Age	Current	Proposed
< 55	2.00%	2.00%
55	3.00%	3.00%
56	3.00%	3.00%
57	3.00%	3.00%
58	3.00%	3.00%
59	3.00%	3.00%
60	5.00%	5.00%
61	5.00%	5.00%
62	10.00%	10.00%
63	5.00%	5.00%
64	5.00%	5.00%
65	25.00%	26.00%
66	25.00%	20.50%
67	25.00%	28.50%
68	20.00%	21.50%
69	20.00%	25.00%
70+	100.00%	100.00%

© 2026 Arthur J. Gallagher & Co.

© 2026 Arthur J. Gallagher & Co.

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc. is a licensed insurance agency that does business in California as “Gallagher Benefit Services of California Insurance Services” and in Massachusetts as “Gallagher Benefit Insurance Services.” Neither Arthur J. Gallagher & Co., nor its affiliates provide accounting, legal or tax advice.



Alaska Retirement Management Board

CHARTER OF THE ACTUARIAL COMMITTEE

I. Actuarial Committee Purpose.

The Actuarial Committee (Committee) assists the Alaska Retirement Management Board (Board) in fulfilling the Board's function of independent oversight of the integrity of the Alaska Retirement Management Board' s (Board) retirement systems ' actuarial valuations, experience analyses, and other requested reports and analysis, including compliance with legal, accounting., and regulatory requirements. It also serves as a conduit of communication between the Actuary, the Review Actuary, the Audit Actuary, Department of Administration (DOA) and Department of Revenue (DOR) staff, and the Board.

The Committee has the authority to conduct any review appropriate to fulfilling its responsibilities and it has direct access to the independent actuaries, as well as DOR and DOA management and staff, and legal counsel. The Committee may recommend that the Board retain, at Board expense and consistent with applicable procurement requirements, special legal, accounting, or other consultants or experts it considers necessary in the performance of its duties.

II. Actuarial Committee Responsibilities and Duties.

A. The Committee shall assist the Board in carrying out the following responsibilities:

1. Coordinate with the retirement system administrator to have an annual actuarial valuation of each retirement system prepared to determine system assets, accrued liabilities, and funding ratios and to certify to the appropriate budgetary authority of each employer in the system (A) an appropriate contribution rate for normal costs; (B) an appropriate contribution rate for liquidating any past service liability; in this subparagraph, the appropriate contribution rate for liquidating the past service liability of the defined benefit retirement plan under AS 14.25.009 - 14.25.220 or the past service liability of the defined benefit retirement plan under AS 39.35.095 - 39.35.680 must be determined by a level percent of pay method based on amortization of the past service liability for a closed term of 25 years;

2. Review actuarial assumptions prepared and certified by a member of the American Academy of Actuaries and conduct experience analyses of the retirement systems not less than once every four years, except for health cost assumptions, which shall be reviewed annually; the results of all actuarial assumptions prepared under this paragraph shall be reviewed and certified by a second member of the American Academy of Actuaries before presentation to the board.

3. Review the annual actuarial valuations and any actuarial experience analysis prepared by the Actuary and the report prepared by the Review Actuary prior to presentation or distribution of any report.

4. Coordinate with staff to conduct an independent audit of the state's actuary not less than once every four years and review any audit report prepared by the Audit Actuary prior to presentation or distribution to the Board.

5. In consultation with management and the independent actuaries, consider the integrity of the actuarial reporting processes and controls, including the process for "closure" on the audit findings.

6. Review any significant changes to applicable actuarial principles and any items required to be communicated by the independent actuaries.

7. Review the independence and performance of the actuaries and periodically recommend to the Board the appointment of the independent actuaries or recommend approval of any discharge of actuaries when circumstances warrant.

8. Review, discuss and recommend for Board consideration any strategic issues related to the actuarial work.

9. Review and assess the adequacy of this Charter at least annually and submit recommended changes to it to the Board for approval.

10. Review and periodically perform self-assessment of the Committee's performance.

B. The Committee shall have the following responsibilities with respect to the ARMB's independent actuaries:

1. Schedule an annual pre-valuation entrance conference with the Actuary that includes DOA and DOR staff and the Review Actuary to discuss scope, staffing, locations, timeline , reliance upon management, and general approach to the annual valuation conducted for the retirement systems; and in the year that an actuarial experience analysis is conducted, schedule a similar entrance conference.

2. Discuss with management and the independent actuaries the actuarial principles and provide input as to the underlying assumptions and methods used in the preparation of the retirement systems' valuation reports and experience analyses to ensure the integrity of actuarial number s used in preparation of accounting reports, compliance with GASB or other regulatory bodies, consistency with the actuarial policies of the plan, and alignment with the purpose of the reporting.

3. Review the Actuary's draft valuation and the Review Actuary's draft report (and the experience analysis and review when conducted); discuss the contents with the actuaries and monitor the follow-up on significant observations, findings, and recommendations.

4. Discuss with the independent actuaries the clarity and format of the presentations in appearances before the committee and the Board.

5. Meet with the actuaries, in the absence of management, to review findings, recommendations or other pertinent subjects.

6. Review Audit Actuary report (conducted every four years); discuss any significant findings with Actuary and management.

C. In addition to the foregoing, the Committee shall:

1. Perform such other activities consistent with this Charter, and governing law as the Committee considers necessary or appropriate or as the Board may otherwise request.

2. Maintain minutes of Committee meetings and periodically report to the Board on significant results of the Committee's activities.