ALASKA RETIREMENT MANAGEMENT BOARD

Actuarial Committee Meeting

December 1, 2026

State of Alaska

ALASKA RETIREMENT MANAGEMENT BOARD

ACTUARIAL COMMITTEE MEETING

December 1, 2026 – 10:15 AM

Videoconference:	Click here to join the meeting **Meeting ID:** 214 517 533 804 689 8 **Passcode:** ko2Zw9Bh	**Teleconference:**	**Call-In #:** 1-907-202-7104 **Code:** 816 089 803#

10:15 AM **Call to Order**

Roll Call
Public Meeting Notice
Approval of Agenda
Approval of Minutes – September 14, 2026

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

PERS and TRS Preliminary Valuation Results - June 30, 2026
David Kershner, Principal, Consulting Actuary, Gallagher
Bob Besenhofer, Director, Health Actuary, Gallagher
Kevin Spanier, Principal, Public Sector Retirement Operations Leader, Gallagher

Actuary Review of Preliminary Valuation Results
Paul Wood, Senior Consultant & Team Leader, GRS
Cassie Rapoport, Consultant, GRS

Review of Committee Charter & Periodic Self-Assessment

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.)*

11:15 AM **Adjournment**

ALASKA RETIREMENT MANAGEMENT BOARD
ACTUARIAL COMMITTEE MEETING

September 14, 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
Norman West
Bob Williams

Other Trustees Present
Sandi Ryan

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

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

Department of Revenue – Treasury Division Staff
Zach Hanna, CIO
Pam Leary, Director
Shane Carson
Grant Ficek
Benjamin Garrett
Robyn Mesdag
Hunter Romberg
Teresa Rose
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
Christina Maiquis

DRAFT

Guests / Presenters

Bob Besenhofer, Gallagher
Brett Hunter, Gallagher
David Kershner, Gallagher
Kevin Spanier, Gallagher
Paul Wood, GRS
Steve Center, Callan

Public

Kevin R. Banks
Randall Burns, RPEA
Rhonda McLeod
Barbara Reid, RPEA
Wendy Woolf, RPEA

DRAFT

PROCEEDINGS

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

ROLL CALL
COMMISSIONER JANELLE EARLS, TRUSTEE DONALD KROHN, TRUSTEE DENNIS MOEN, TRUSTEE NORMAN WEST, TRUSTEE BOB WILLIAMS, and CHAIR LORNE BRETZ were present, establishing a quorum.

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

APPROVAL of AGENDA
TRUSTEE B. WILLIAMS moved to approve the agenda. TRUSTEE WEST seconded. There being no objections, the agenda was approved, as presented.

APPROVAL OF MINUTES
TRUSTEE KROHN moved to approve the minutes of the June 9, 2026 meeting. TRUSTEE MOEN later seconded the motion, and the minutes were approved without objection.

PUBLIC MEMBER PARTICIPATION – None.

FY 2028 CONTRIBUTION RATE SETTING
Discussion of FY 2028 PERS / TRS / JRS Additional State Contributions
DAVID KERSHNER, Principal, Consulting Actuary with Gallagher, explained that additional state contributions cover the actuarially determined employer costs above statutory contribution limits: 22% of payroll for non-state PERS employers and 12.56% for TRS employers.

BRETT HUNTER, Senior Consultant, with Gallagher presented the FY28 PERS and TRS contribution calculations and projections under Scenarios 1a and 1b. Under Scenario 1a, healthcare normal costs are contributed to the healthcare trusts, while pension past-service costs are funded

under the existing contribution approach. Under Scenario 1b, healthcare normal costs are not contributed and are instead redirected to DB pension past-service costs. Because statutory employer contributions remain fixed, this shifts a greater share of the pension past-service cost to employers and reduces the state's additional contributions.

Compared with Scenario 1a, Scenario 1b is projected to reduce FY28 additional state contributions by about $36 million and state-as-employer contributions by about $24 million. TRUSTEE B. WILLIAMS observed that the combined reduction of roughly $60 million appeared reasonable, given projections that the healthcare trusts would remain well funded. He noted that the Board may need to revisit the approach if those projections change.

The Committee discussed the anticipated volatility associated with expiring amortization layers, including a projected $94 million reduction between FY33 and FY34. D. KERSHNER recommended that Gallagher evaluate alternative amortization-smoothing methodologies using updated projections and present their findings at the March 2027 meeting. Committee members expressed strong support for the recommendation.

FY 2028 CONTRIBUTION REVIEW – EMPLOYER CONTRIBUTION RATES / AMOUNT
Resolution 2026-06 FY28 PERS Contribution Rate
TRUSTEE B. WILLIAMS moved that the Actuarial Committee recommend 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 (Scenario 1b). TRUSTEE KROHN seconded the motion.

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

Resolution 2026-07 & -08 FY28 PERS Retiree Major Medical Insurance and Occupational Death & Disability
TRUSTEE B. WILLIAMS moved that the Actuarial Committee recommend that the Alaska Retirement Management Board set Fiscal Year 2028 PERS Defined Contribution Retirement Retiree Major Medical Insurance and Occupational Death & Disability Benefit rates through Resolution 2026-07: Public Employees' Defined Contribution Retirement Plan Retiree Major Medical Insurance Rate, and Resolution 2026-08: Public Employees' Defined Contribution Retirement Plan Occupational Death & Disability Benefit Rates. TRUSTEE MOEN seconded the motion.

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

Resolution 2026-09 FY28 TRS Contribution Rate
TRUSTEE MOEN moved that the Actuarial Committee recommend 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 (Scenario 1b). TRUSTEE B. WILLIAMS seconded the motion.

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

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Resolution 2026-10 & -11 FY28 TRS Retiree Major Medical Insurance and Occupational Death & Disability
TRUSTEE WEST moved that the Actuarial Committee recommend 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 through Resolution 2026-10: Teachers' Defined Contribution Retirement Plan Retiree Major Medical Insurance Rate and Resolution 2026-11: Teachers' Defined Contribution Retirement Plan Occupational Death & Disability Benefit Rates. TRUSTEE KROHN seconded the motion.

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

Resolution 2026-12 FY28 NGNMRS Contribution Amount
TRUSTEE MOEN moved that the Actuarial Committee recommend 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. TRUSTEE WEST seconded the motion.

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

JRS Contribution Rate
D. KERSHNER reported that the JRS pension and healthcare trusts are overfunded, so the state contribution rate is currently zero for both; the court system continues to pay the normal cost. He explained that prior amortization layers were reset and the funding method offsets normal costs with surplus amortization. TRUSTEE B. WILLIAMS expressed support for the approach and suggested that future JRS contribution rate information be presented as resolutions to reflect the board's formal support for consideration by the Commissioner of Administration.

DISCUSSION OF FY 2026 VALUATION TIMELINE
CHRISTOPHER NOVELL, Chief Financial Officer with the Division of Retirement and Benefits, reported that the FY2026 valuation process remained on schedule. D. KERSHNER confirmed that Gallagher had received the census data and expected to present preliminary PERS and TRS results in December. Draft reports would be provided to GRS for review in January, with complete results for all plans presented at the March 2027 meeting. PAUL WOOD, Actuary, Senior Consultant and Team Leader with GRS, noted that the timeline was consistent with prior years.

KEVIN SPANIER, Principal, Public Sector Retirement Operations Leader with Gallagher, reported that Gallagher had agreed to sell its public sector business to Foster & Foster, with the transaction expected to close by the end of the year. He stated that the pension team was expected to transition to the new firm and that the sale would not affect the current valuation timeline. The retiree medical team would remain with Gallagher and continue supporting the valuation cycle.

D. KERSHNER added that some tools and processes may change as part of the transition, but the team expected to maintain continuity of service. Additional details would be provided as they become available.

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FUTURE MEETINGS
CHAIR BRETZ noted Gallagher would present alternative amortization-smoothing methodologies at the Committee's March 16, 2027 meeting.

PUBLIC / MEMBER COMMENTS – None.

ADJOURNMENT
There being no further items to discuss, TRUSTEE B. WILLIAMS moved to adjourn the meeting; TRUSTEE KROHN seconded. The meeting adjourned at 2:20 p.m., without objection.

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State of Alaska Retirement Systems

Presentation to ARMB Actuarial Committee
Preliminary June 30, 2026 Valuation Results (PERS and TRS)

December 1, 2026

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Gallagher

Insurance | Risk Management | Consulting

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Purpose of the 2026 Valuations

Purpose of the 2026 Valuations

- Measure each trust's funded status (assets vs liabilities) as of June 30, 2026.
- Compare actual vs expected FY26 experience for both assets and liabilities.
- Measure the effects of the new assumptions recently adopted by the ARMB.
- Calculate the impact of HB 14 (enhanced PERS occupational disability benefits).
- Establish a basis for the FY29 contribution rates.

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New Assumptions

New Assumptions

- At the June 2026 meeting, the ARMB adopted new assumptions effective June 30, 2026 based on the experience study for the 4-year period ending June 30, 2025.
- Impact of the new assumptions on the June 30, 2026 Actuarial Accrued Liability:
  - PERS Pension: Increased by $155.9M (0.9%)
  - PERS Healthcare: Increased by $480.3M (6.4%)
  - TRS Pension: Decreased by $63.5M (-0.8%)
  - TRS Healthcare: Increased by $163.2M (5.9%)

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2026 Valuation Results



Valuation Highlights

Assets

- The FY26 returns were about 14% (market) and about 7% (actuarial). The expected return was 7.25%. The FY26 asset gain/loss amounts are shown on slide 13.

Liabilities

- PERS pension liabilities are $70M **higher** than expected, primarily due to larger-than-expected salary increases that were partially offset by lower-than-expected PRPA increases and benefit payments different than expected.
- TRS pension liabilities are $10M **lower** than expected, primarily due to lower-than-expected PRPA increases and benefit payments different than expected that offset larger-than-expected salary increases.
- HB 14 was effective July 1, 2026. It **increased** the PERS pension Present Value of Future Benefits by $3.8M (0.02%). Due to the mechanics of the Entry Age Normal funding method, the net impact on the PERS pension Actuarial Accrued Liability as of June 30, 2026 was a **decrease** of $0.6M (-0.004%).
- Healthcare liabilities are $470M (PERS) and $217M (TRS) **higher** than expected, primarily due to larger-than-expected medical/Rx costs. The new trend rates from the experience study should help reduce the magnitude of future claims experience losses.
- Slides 14 and 15 show the sources and amounts of liability gains/losses.

Funded Ratios

- Based on FY26 experience described above and the new assumptions, pension funded ratios are **higher** than last year while healthcare funded ratios are **lower** than last year. See slides 11 and 12 for details.

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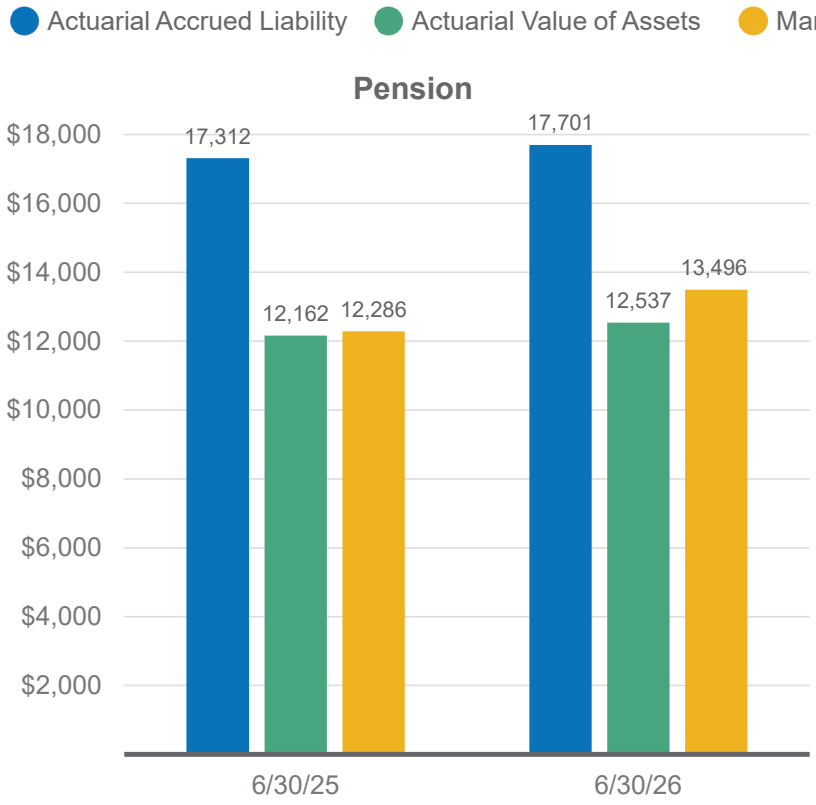
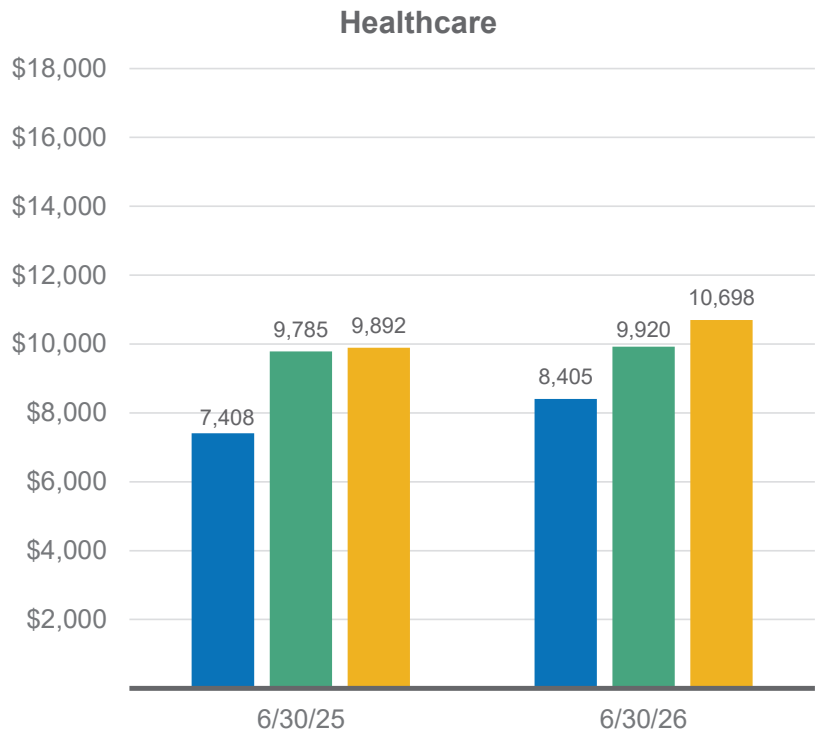
Summary of Valuation Results – PERS

$ in millions





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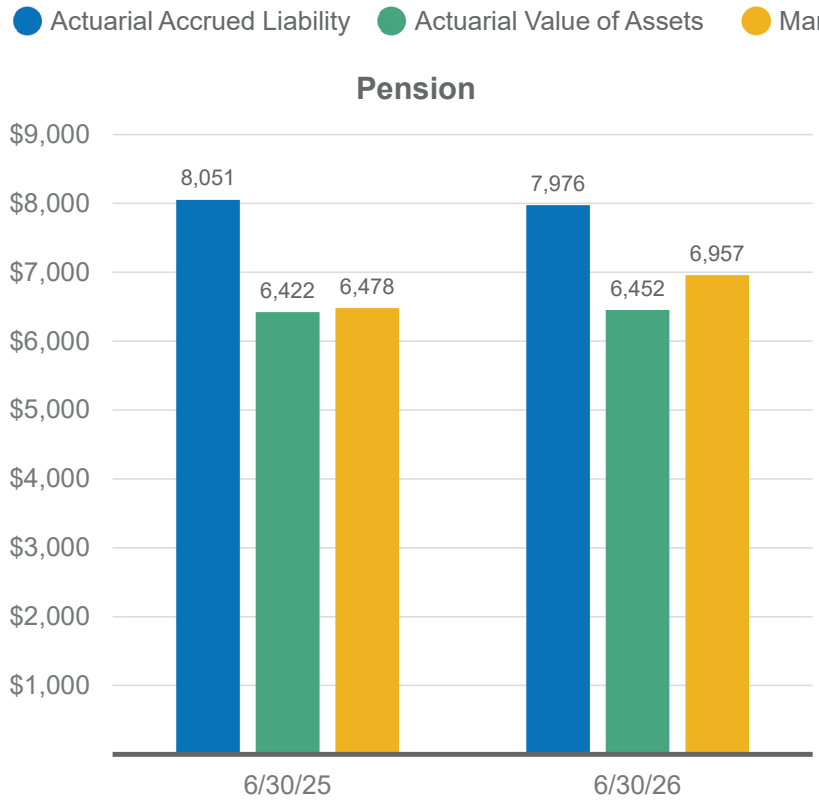
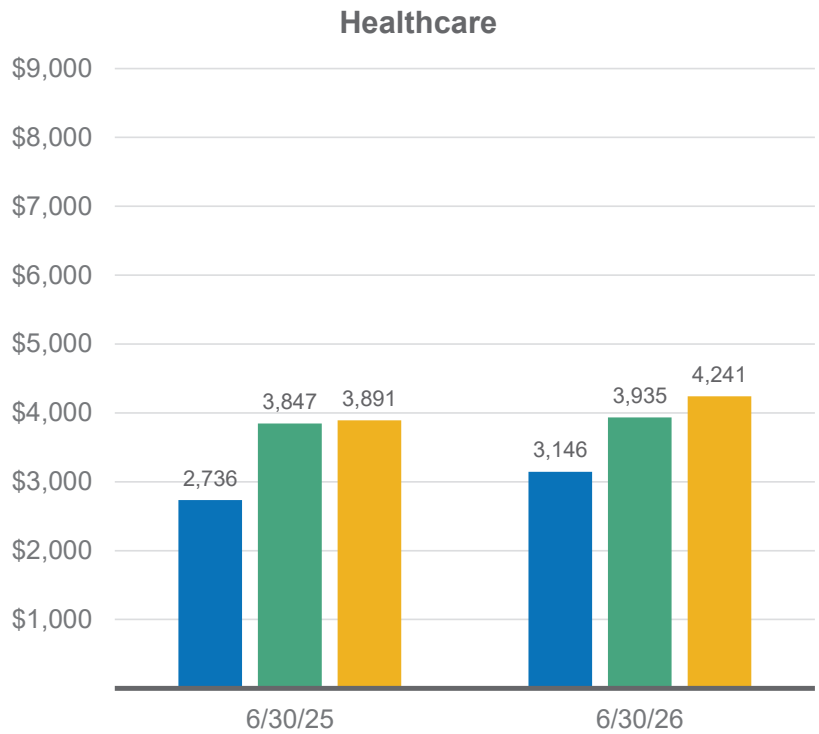
Summary of Valuation Results – TRS

$ in millions





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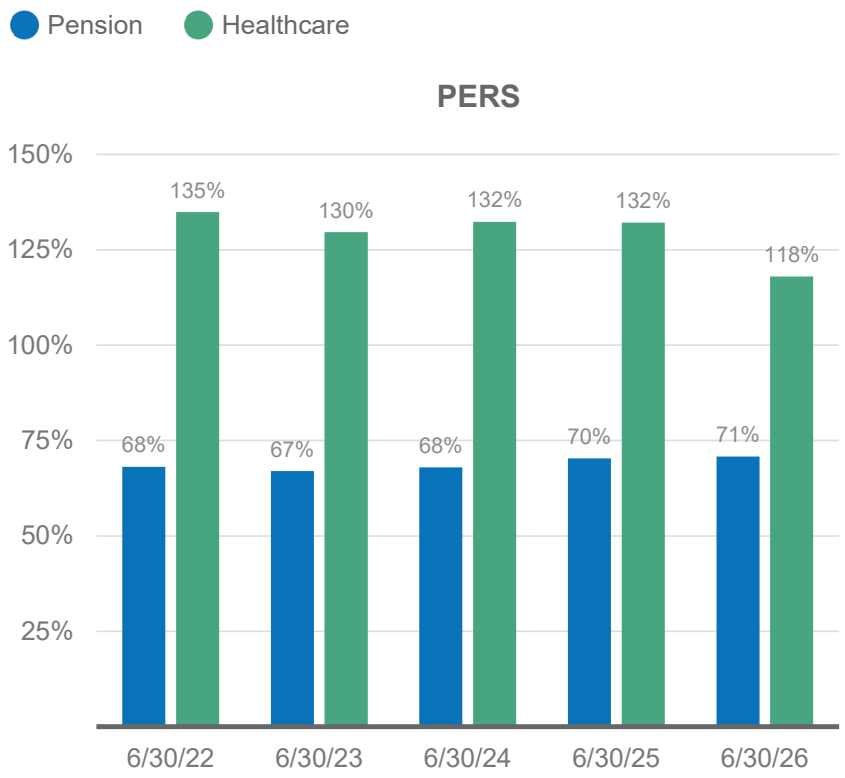
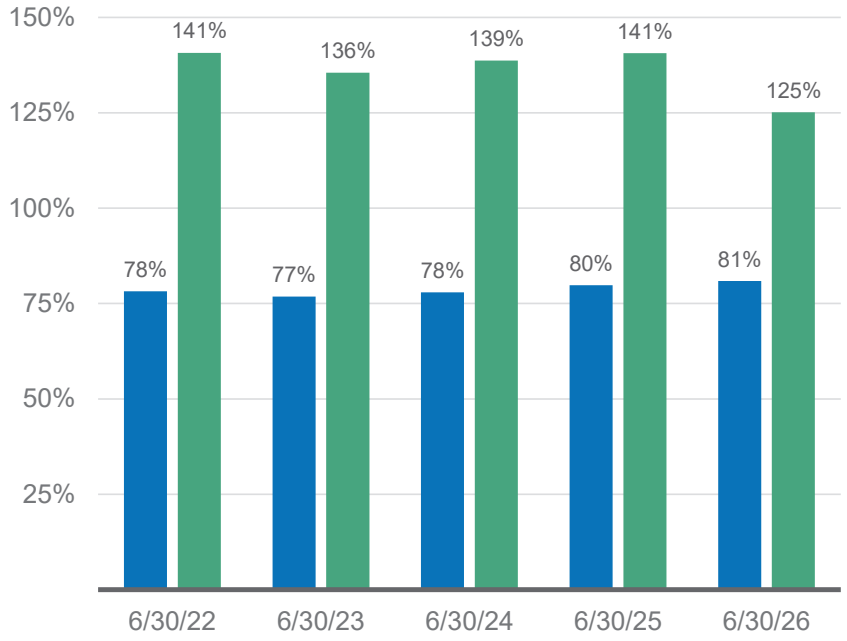
Funded Ratios – PERS and TRS





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Summary of Valuation Results

$ in thousands	PERS Pension	PERS Healthcare	TRS Pension	TRS Healthcare
Actuarial Accrued Liability (AAL)				
6/30/26	$ 17,701,104	$ 8,404,821	$ 7,976,317	$ 3,145,507
6/30/25	$ 17,311,947	$ 7,408,403	$ 8,051,399	$ 2,735,920
Actuarial Value of Assets (AVA)				
6/30/26	$ 12,536,695	$ 9,920,254	$ 6,452,147	$ 3,934,663
6/30/25	$ 12,162,329	$ 9,785,277	$ 6,422,103	$ 3,846,857
Unfunded Liability (AAL - AVA)				
6/30/26	$ 5,164,409	$ (1,515,433)	$ 1,524,170	$ (789,156)
6/30/25	$ 5,149,618	$ (2,376,874)	$ 1,629,296	$ (1,110,937)
Market Value of Assets (MVA)				
6/30/26	$ 13,496,135	$ 10,698,379	$ 6,957,282	$ 4,241,019
6/30/25	$ 12,286,031	$ 9,891,510	$ 6,478,048	$ 3,891,081
Actuarial Funded Ratio (AVA / AAL)				
6/30/26	70.8%	118.0%	80.9%	125.1%
6/30/25	70.3%	132.1%	79.8%	140.6%
Market Funded Ratio (MVA / AAL)				
6/30/26	76.2%	127.3%	87.2%	134.8%
6/30/25	71.0%	133.5%	80.5%	142.2%

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FY26 Asset and Liability Experience

$ in thousands	PERS Pension	PERS Healthcare	TRS Pension	TRS Healthcare
Actuarial Accrued Liability*				
Expected 6/30/26	$ 17,476,359	$ 7,454,014	$ 8,050,037	$ 2,765,741
Actual 6/30/26	$ 17,545,834	$ 7,924,499	$ 8,039,866	$ 2,982,356
FY26 Gain/(Loss)	$ (69,475)	$ (470,485)	$ 10,171	$ (216,615)
Actuarial Value of Assets				
Expected 6/30/26	$ 12,559,705	$ 9,939,754	$ 6,475,874	$ 3,939,157
Actual 6/30/26	$ 12,536,695	$ 9,920,254	$ 6,452,147	$ 3,934,663
FY26 Gain/(Loss)	$ (23,010)	$ (19,500)	$ (23,727)	$ (4,494)
Market Value of Assets				
Expected 6/30/26	$ 12,692,375	$ 10,053,689	$ 6,535,876	$ 3,986,587
Actual 6/30/26	$ 13,496,135	$ 10,698,379	$ 6,957,282	$ 4,241,019
FY26 Gain/(Loss)	$ 803,760	$ 644,690	$ 421,406	$ 254,432

* Measured using the old assumptions and prior to the effects of HB 14.

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FY26 Liability Gain/(Loss) Amounts – PERS

$ in thousands	Pension	Healthcare
PRPA increases due to CPI < expected	$ 18,270	$ n/a
COLA increases < expected	2,233	n/a
Salary increases > expected	(110,711)	n/a
Demographic experience	10,234	(540)
Claims experience	n/a	(411,744)
Changes in dependent coverage elections	n/a	(14,511)
Medicare Part B only experience	n/a	(925)
Metcalfe transfers from DCR	(1,810)	(555)
Rehires (net of rehire load)	944	(3,124)
Benefit payments different than expected	22,507	(44,771)
Programming changes	83	n/a
Other	(11,225)	5,685
Total $	$ (69,475)	$ (470,485)
Total %	(0.4)%	(6.3)%

The losses for Metcalfe transfers are partially offset by amounts ($12K pension and $181K healthcare) that were deposited in FY26 to the DB trusts on behalf of Metcalfe transfers from DCR to DB.

Note: Liability figures on this slide were measured using the old assumptions and prior to the effects of HB 14.

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FY26 Liability Gain/(Loss) Amounts – TRS

$ in thousands	Pension	Healthcare
PRPA increases due to CPI < expected	$ 8,708	$ n/a
COLA increases < expected	2,093	n/a
Salary increases > expected	(4,348)	n/a
Demographic experience	4,542	(20,824)
Claims experience	n/a	(158,124)
Changes in dependent coverage elections	n/a	(20,964)
Medicare Part B only experience	n/a	115
Metcalfe transfers from DCR	n/a	n/a
Rehires (net of rehire load)	149	99
Benefit payments different than expected	12,582	(10,571)
Programming changes	n/a	n/a
Other	(13,555)	(6,346)
Total $	$ 10,171	$ (216,615)
Total %	0.1%	(7.8)%

The pension other loss includes $6.6M for data changes, $4.0M for changes in QDRO participants, and $2.9M for changes in indebtedness amounts.

Note: Liability figures on this slide were measured using the old assumptions.

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Actuarially Determined Contribution Rates

	PERS Pension	PERS Healthcare	TRS Pension	TRS Healthcare
as of 6/30/26				
Employer Normal Cost	2.76%	2.48%	2.42%	2.56%
Past Service Cost	18.70%	(7.13)%	21.96%	(15.13)%
Total	21.46%	2.48%	24.38%	2.56%
as of 6/30/25				
Employer Normal Cost	2.30%	2.07%	2.37%	2.21%
Past Service Cost	18.71%	(9.72)%	22.26%	(18.19)%
Total	21.01%	2.07%	24.63%	2.21%

Contribution rates are expressed as a percentage of total DB/DCR payroll.

The Total contribution rate cannot be less than the Employer Normal Cost rate.

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Healthcare Changes

Comparison of FY26 and FY27 Costs

	Medical			Prescription Drugs (Rx)			
	Pre-Medicare	Medicare Parts A & B	Medicare Part B Only	Pre-Medicare	Medicare	EGWP Subsidy (Smoothed)	Net Medicare + EGWP
A. FY26 Cost at Age 65 (2025 Valuation)	$19,003	$2,337	$7,712	$5,158	$5,381	($2,106)	$3,275
B. Aging/Part B Adjustment from 2025 Experience Study	3.18%	8.52%	-4.33%	-3.51%	-2.40%	-1.04%	-3.27%
C. Adjusted FY26 Cost at Age 65 [A x (1+B)]	$19,608	$2,536	$7,378	$4,977	$5,252	($2,084)	$3,168
D. FY26 trend rate	6.40%	5.40%	5.40%	8.80%	8.80%	25.57%	-2.24%
E. FY27 Expected Cost at Age 65 [C x (1+D)]	$20,863	$2,673	$7,776	$5,415	$5,714	($2,617)	$3,097
F. FY27 Cost at Age 65 (2026 Valuation)	$22,934	$2,656	$7,730	$5,605	$6,080	($2,548)	$3,532
G. Percentage (Gain) / Loss [(F / E) - 1]	9.9%	(0.6%)	(0.6%)	3.5%	6.4%	2.6%	14.0%

A. **FY26 Cost at Age 65** – FY26 cost used in 2025 valuation.

B. **Aging/Part B Adjustment** – Aging table that sets cost by age was adjusted during the 2025 experience study, adjusting the age 65 costs. Estimated costs for Part B only participants compared to participants with Part A and Part B coverage was also adjusted during the 2025 experience study.

E. **FY27 Expected Cost at Age 65** – Adjusted FY26 cost + 1 year of expected trend.

F. **FY27 Cost at Age 65** – FY27 cost used in 2026 valuation based on experience through FY26.

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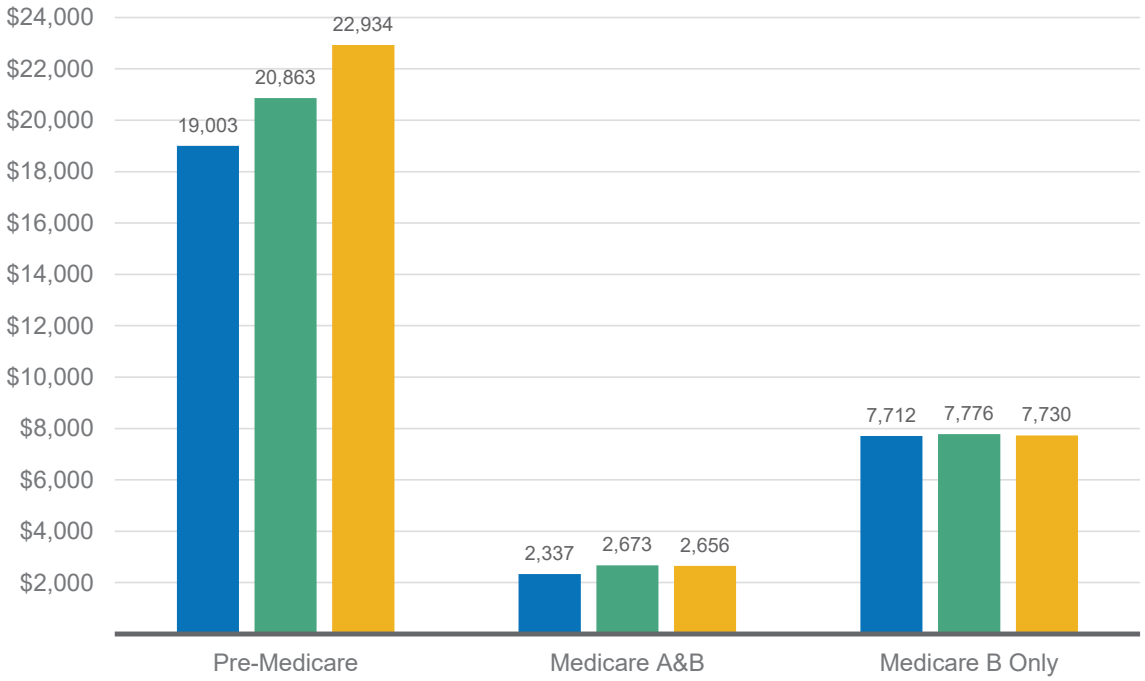
FY27 Projected Claims Per Capita – Medical

- FY26 Cost – FY26 cost used in 2025 valuation
- FY27 Expected Cost – FY26 cost + 1 year of expected trend
- FY27 Cost – FY27 cost used in 2026 valuation based on experience through FY26



	(Gain)/Loss PMPY	(Gain)/Loss %
Pre-Medicare	$ 2,071	9.9%
Medicare A&B	$ (17)	(0.6%)
Medicare B Only	$ (46)	(0.6%)

Medical costs are 9.9% **higher** than expected for Pre-Medicare and 0.6% **lower** than expected for Post-Medicare.

Per capita claims costs are at age 65.

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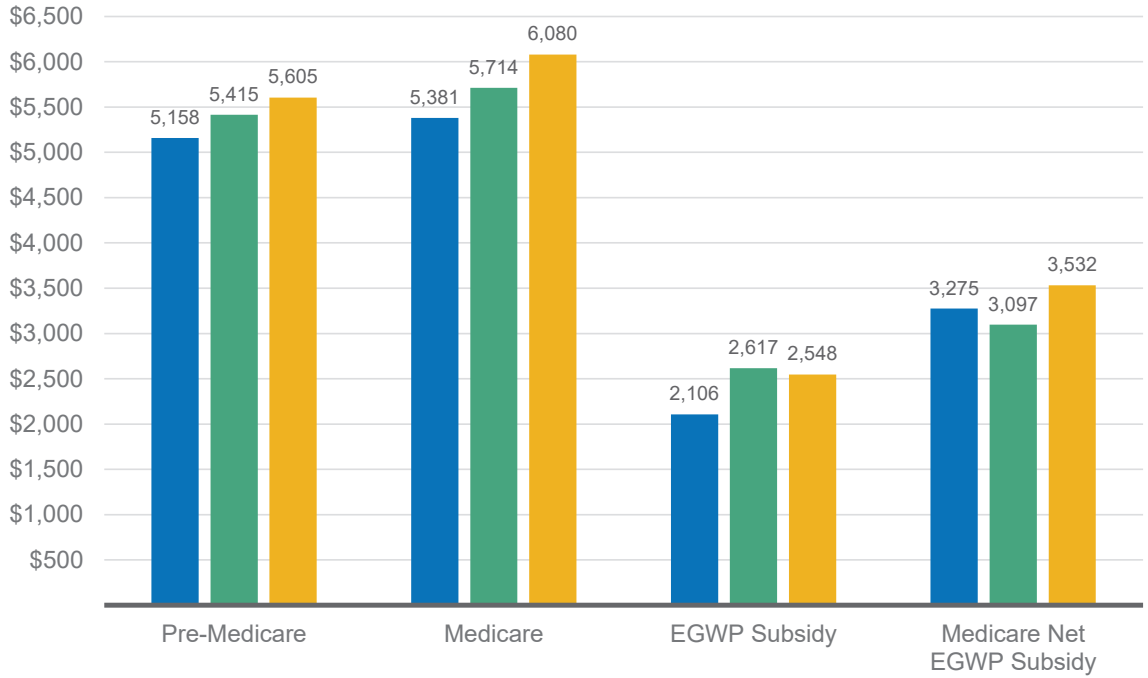
FY27 Projected Claims Per Capita – Rx

- FY26 Cost – FY26 cost used in 2025 valuation
- FY27 Expected Cost – FY26 cost + 1 year of expected trend
- FY27 Cost – FY27 cost used in 2026 valuation based on experience through FY26



	(Gain)/Loss PMPY	(Gain)/Loss %
Pre-Medicare	$ 190	3.5%
Medicare	$ 366	6.4%
EGWP Subsidy	$ 69	2.6%
Medicare Net EGWP Subsidy	$ 435	14.0%

Rx costs are 3.5% **higher** than expected for pre-Medicare and 6.4% **higher** than expected for Medicare.

EGWP subsidies are 2.6% **lower** than expected, resulting in a net Medicare Rx cost 14.0% **higher** than expected.

Per capita claims costs are at age 65.

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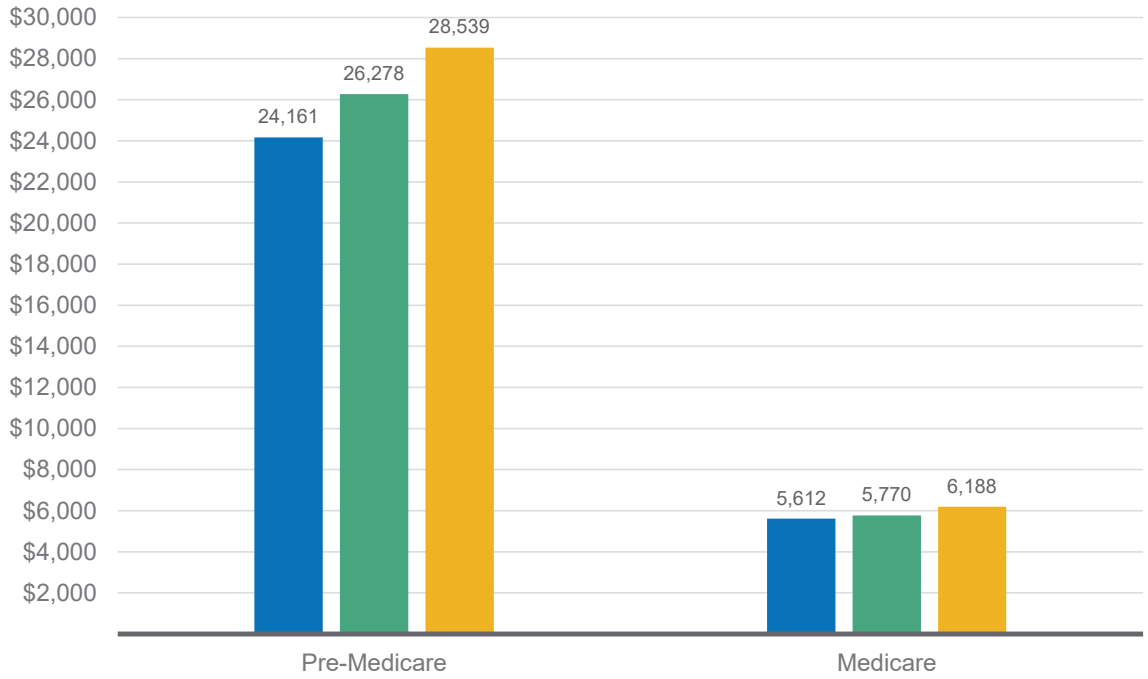
FY27 Projected Claims Per Capita – Combined

- FY26 Cost – FY26 cost used in 2025 valuation
- FY27 Expected Cost – FY26 cost + 1 year of expected trend
- FY27 Cost – FY27 cost used in 2026 valuation based on experience through FY26



	(Gain)/Loss PMPY	(Gain)/Loss %
Pre-Medicare	$ 2,261	8.6%
Medicare	$ 418	7.2%

Combined Medical and Rx experience is 8.6% **higher** than expected for Pre-Medicare and 7.2% **higher** than expected for Medicare.

Medicare combined claims are equal to Medicare A&B claims plus Rx claims less the EGWP subsidy.

Per capita claims costs are at age 65.

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EGWP Subsidy Smoothing

- The ARMB adopted a 5-year smoothing method beginning with the 2024 valuations.
- Segal's estimated CY 2027 EGWP subsidy increased by 2.6% over their CY 2026 estimate.
- The FY27 EGWP smoothing calculations are shown below:

	Annual PMPY Subsidy	Weighting
FY23 trended to FY27	$ 1,725	6.7%
FY24 trended to FY27	$ 1,551	13.3%
FY25 trended to FY27	$ 2,219	20.0%
FY26 trended to FY27	$ 2,952	26.7%
FY27	$ 2,986	33.3%
Weighted Avg Subsidy	**$ 2,548**	

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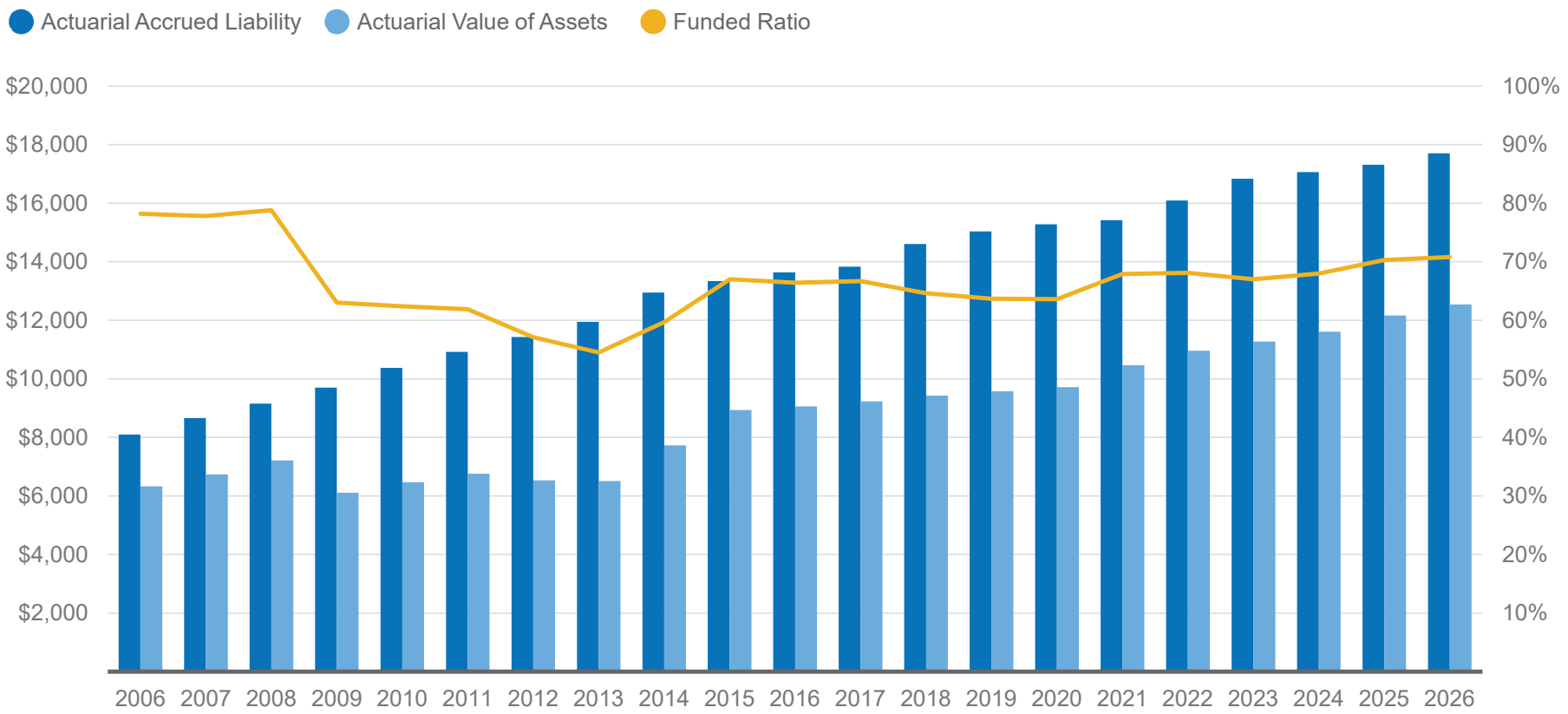
Historical Figures (2006-2026)

Assets, Liabilities, and Funded Ratios – PERS Pension

as of June 30 ($ in millions)



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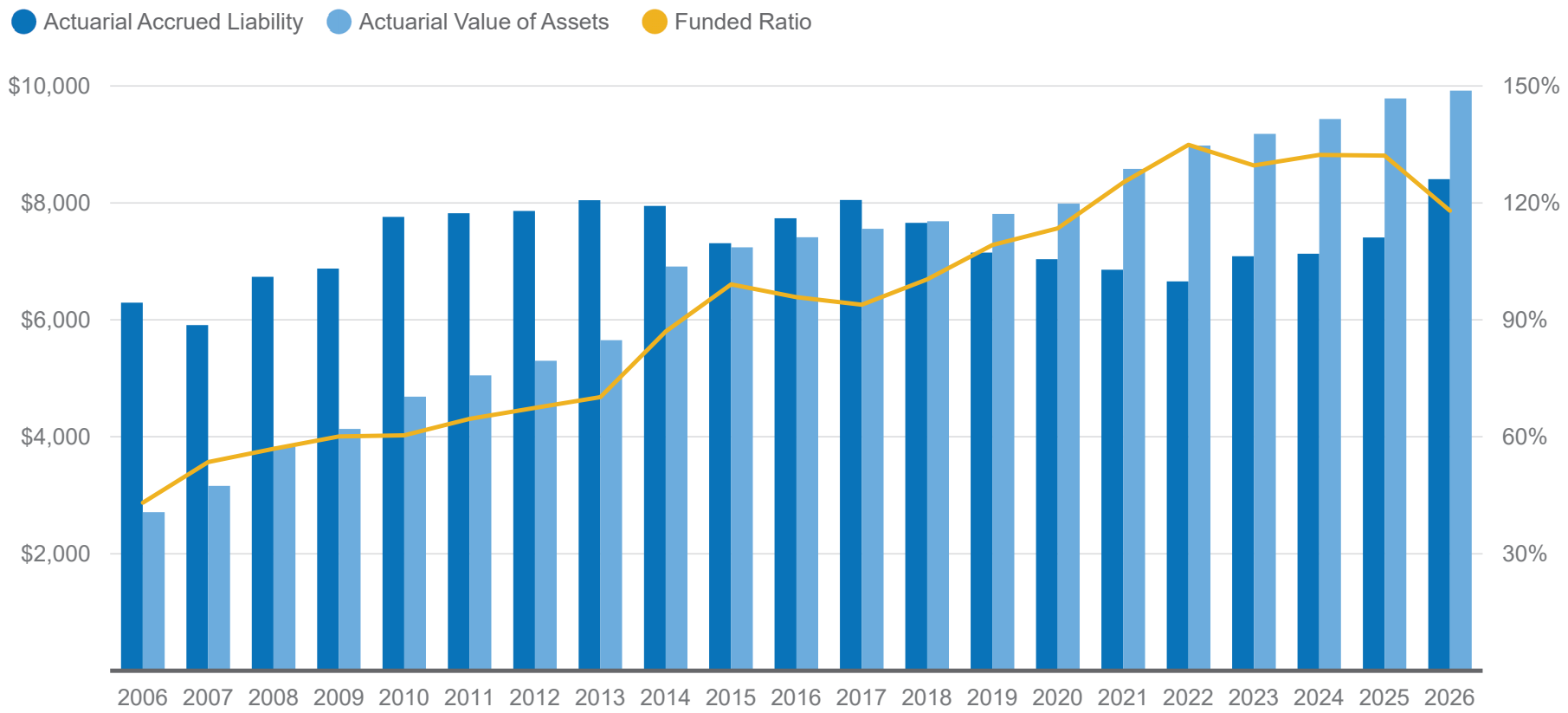
Assets, Liabilities, and Funded Ratios – PERS Healthcare

as of June 30 ($ in millions)



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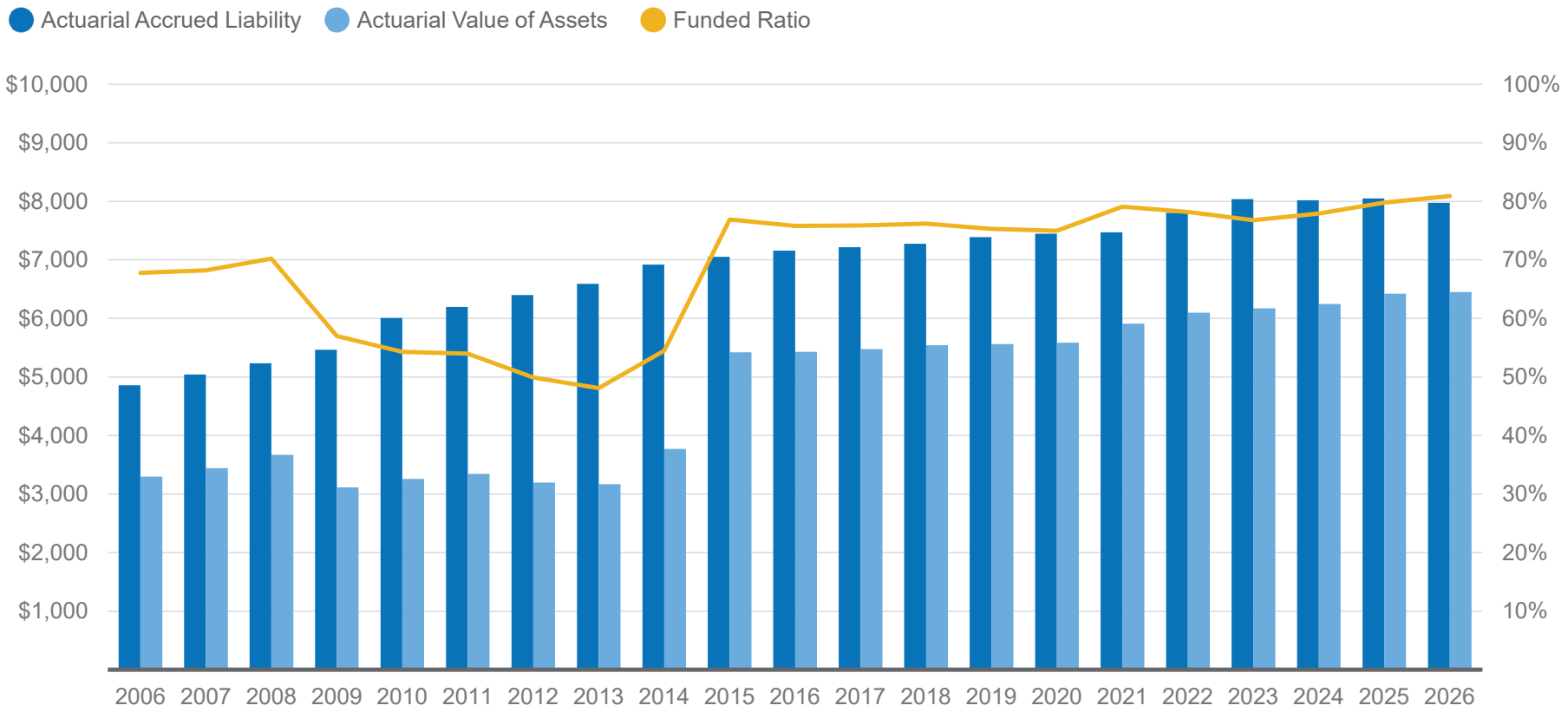
Assets, Liabilities, and Funded Ratios – TRS Pension

as of June 30 ($ in millions)



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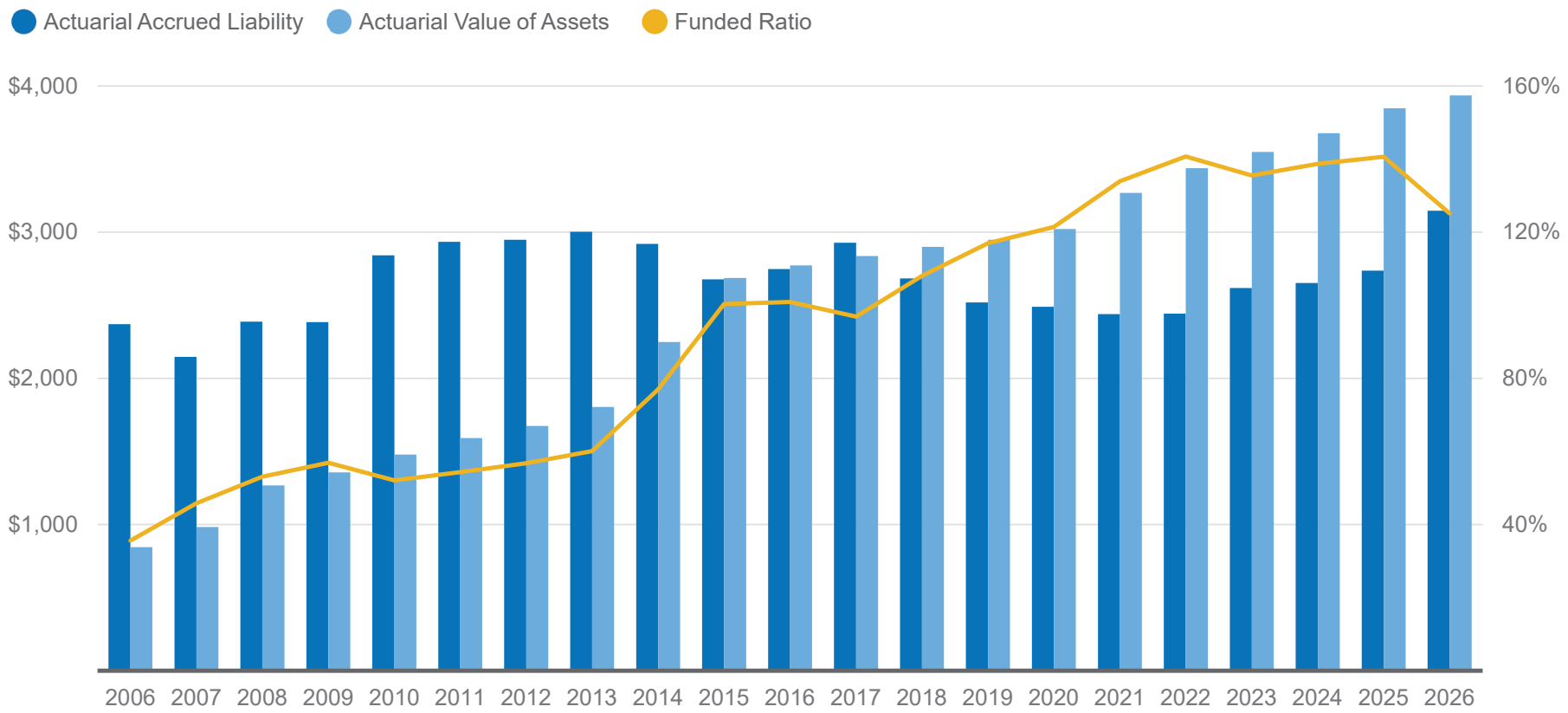
Assets, Liabilities, and Funded Ratios – TRS Healthcare

as of June 30 ($ in millions)



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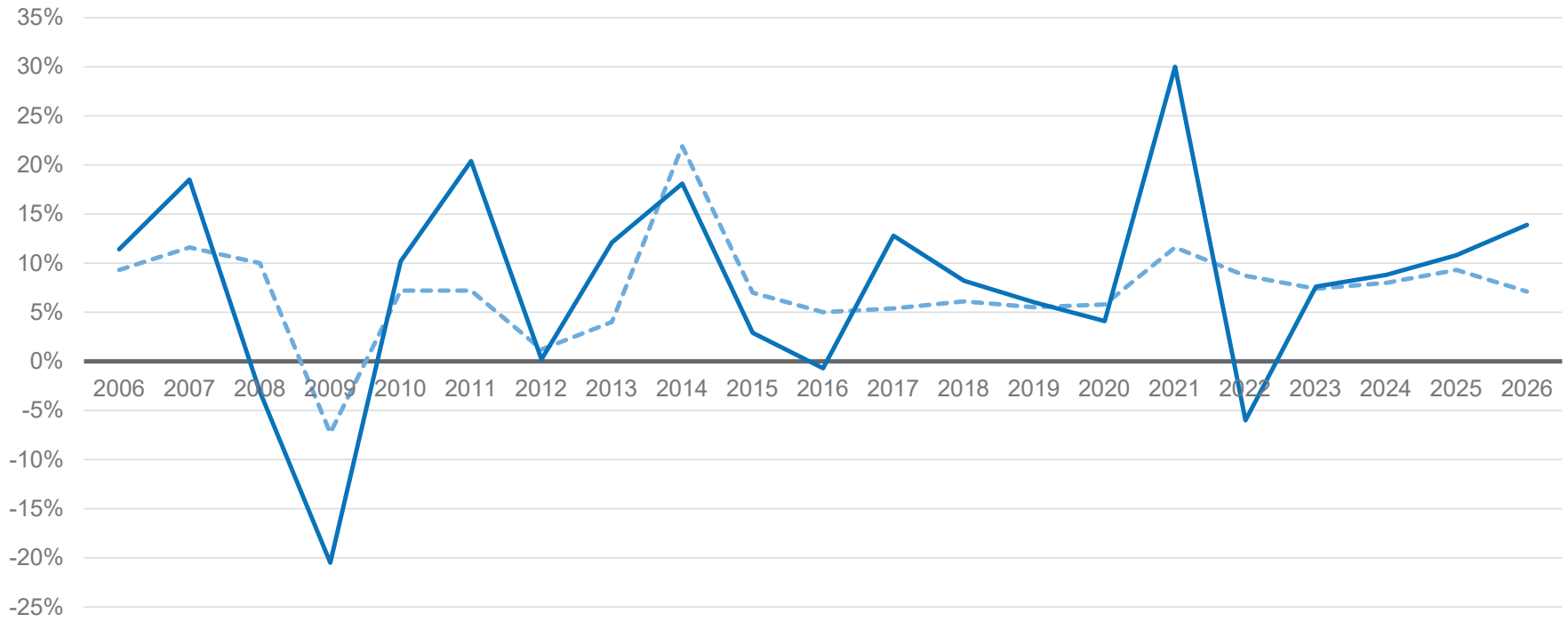
Fiscal Year Asset Returns – PERS

Market Return (7.4% compound average return)

Actuarial Return (7.1% compound average return)



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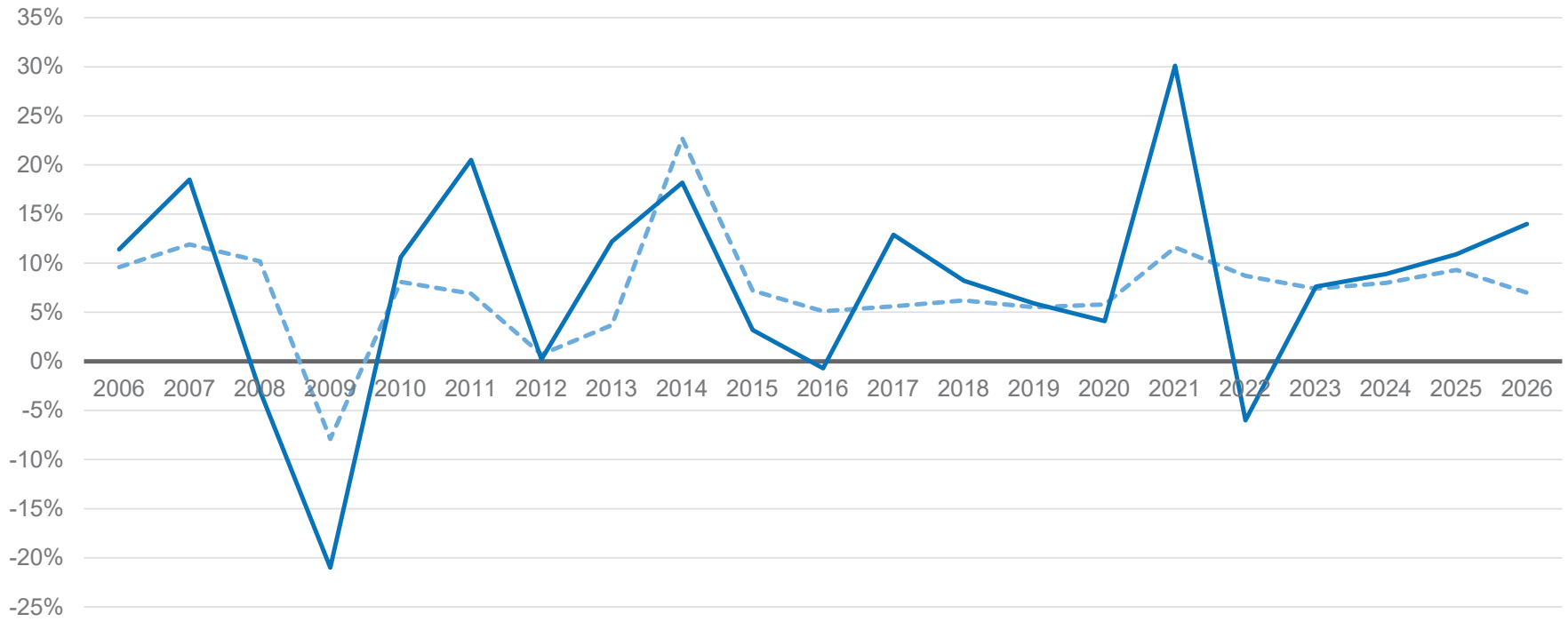
Fiscal Year Asset Returns – TRS

Market Return (7.4% compound average return)

Actuarial Return (7.2% compound average return)



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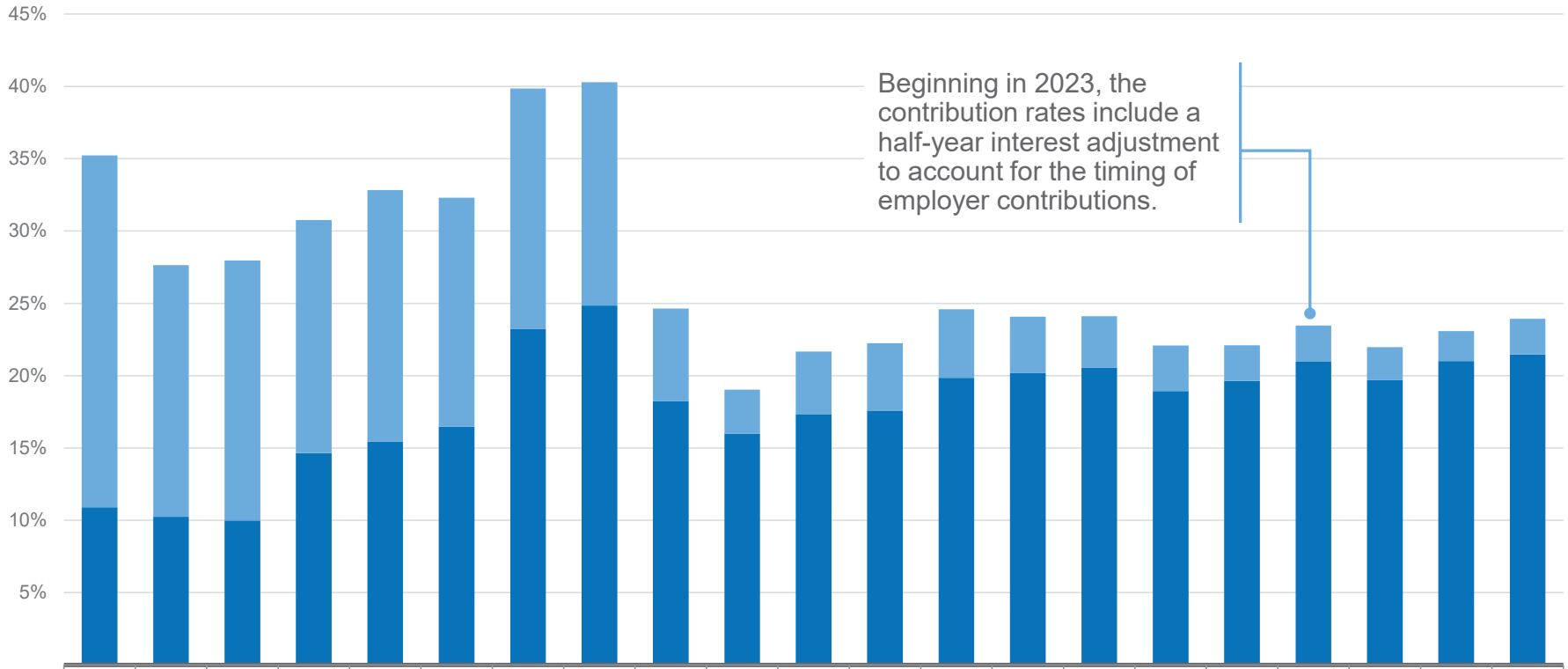
June 30 Actuarially Determined Contribution Rates – PERS



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Healthcare	24.31%	17.40%	17.98%	16.11%	17.38%	15.84%	16.61%	15.44%	6.41%	3.05%	4.33%	4.67%	4.74%	3.91%	3.57%	3.16%	2.46%	2.51%	2.28%	2.07%	2.48%
Pension	10.91%	10.25%	9.98%	14.65%	15.45%	16.47%	23.24%	24.84%	18.23%	15.98%	17.34%	17.58%	19.85%	20.17%	20.54%	18.93%	19.64%	20.96%	19.69%	21.01%	21.46%

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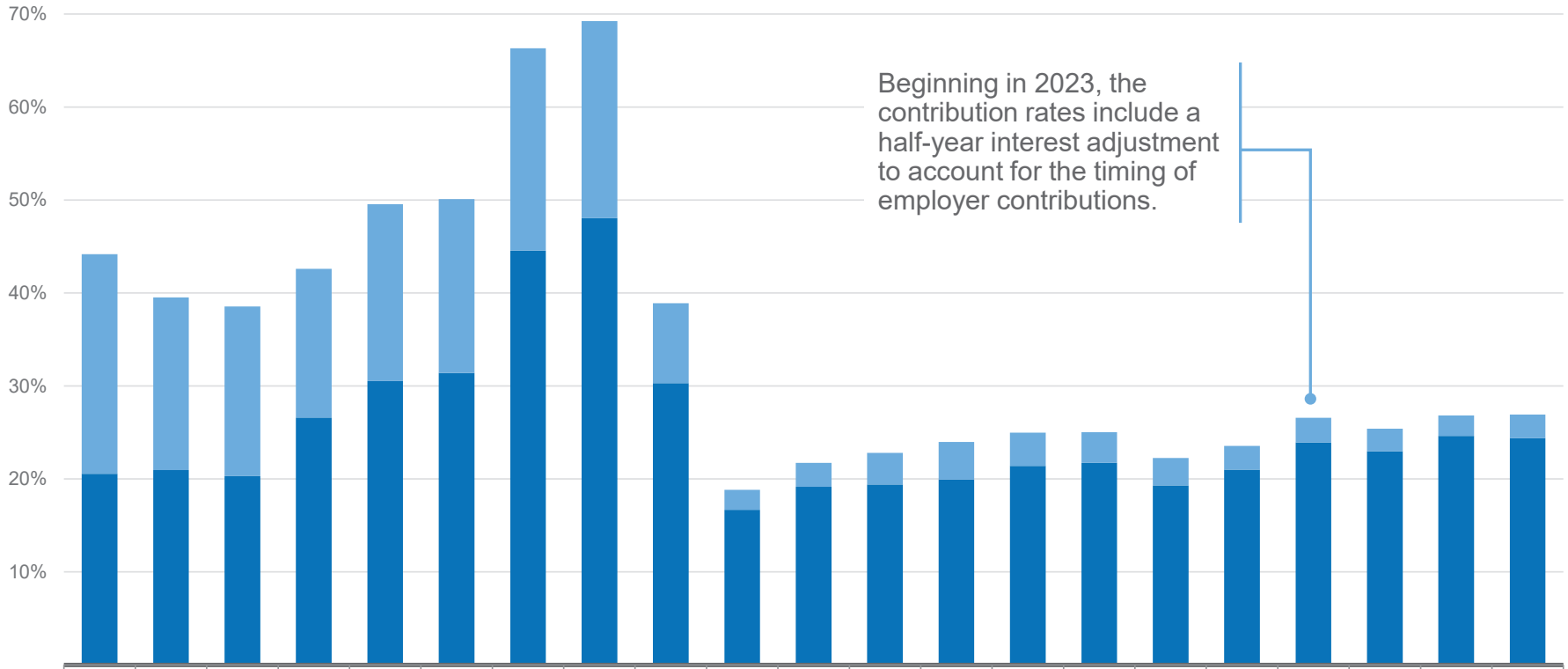
June 30 Actuarially Determined Contribution Rates – TRS



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Healthcare	23.60%	18.58%	18.24%	16.00%	19.03%	18.70%	21.76%	21.18%	8.59%	2.16%	2.57%	3.40%	4.05%	3.57%	3.30%	2.94%	2.56%	2.65%	2.41%	2.21%	2.56%
Pension	20.57%	20.95%	20.32%	26.61%	30.53%	31.40%	44.55%	48.06%	30.30%	16.68%	19.16%	19.40%	19.94%	21.41%	21.73%	19.32%	21.00%	23.94%	22.99%	24.63%	24.38%

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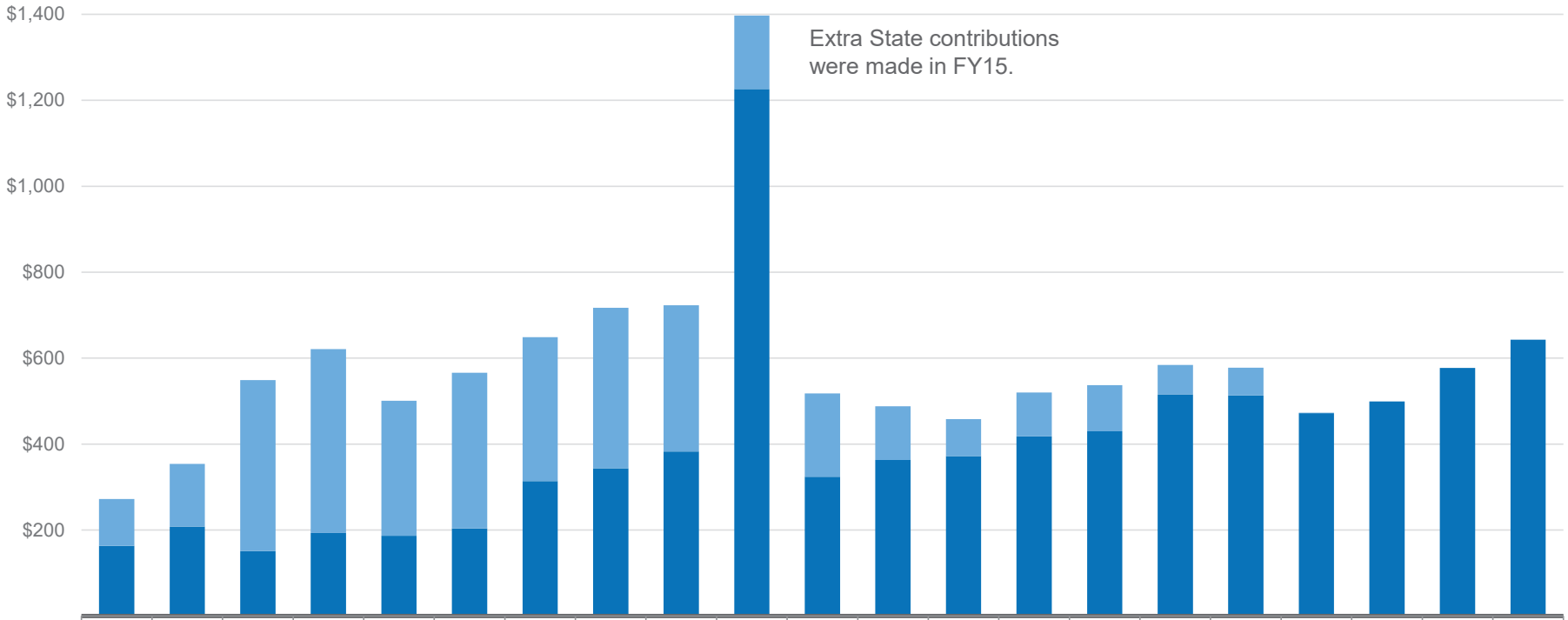
Fiscal Year Employer/State Contributions – PERS

$ in millions



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Healthcare	109	146	398	428	314	362	335	373	340	171	194	125	86	102	107	68	65	1	0	0	0
Pension	163	208	151	193	187	204	314	344	383	1,226	324	363	372	418	430	516	513	472	499	577	643

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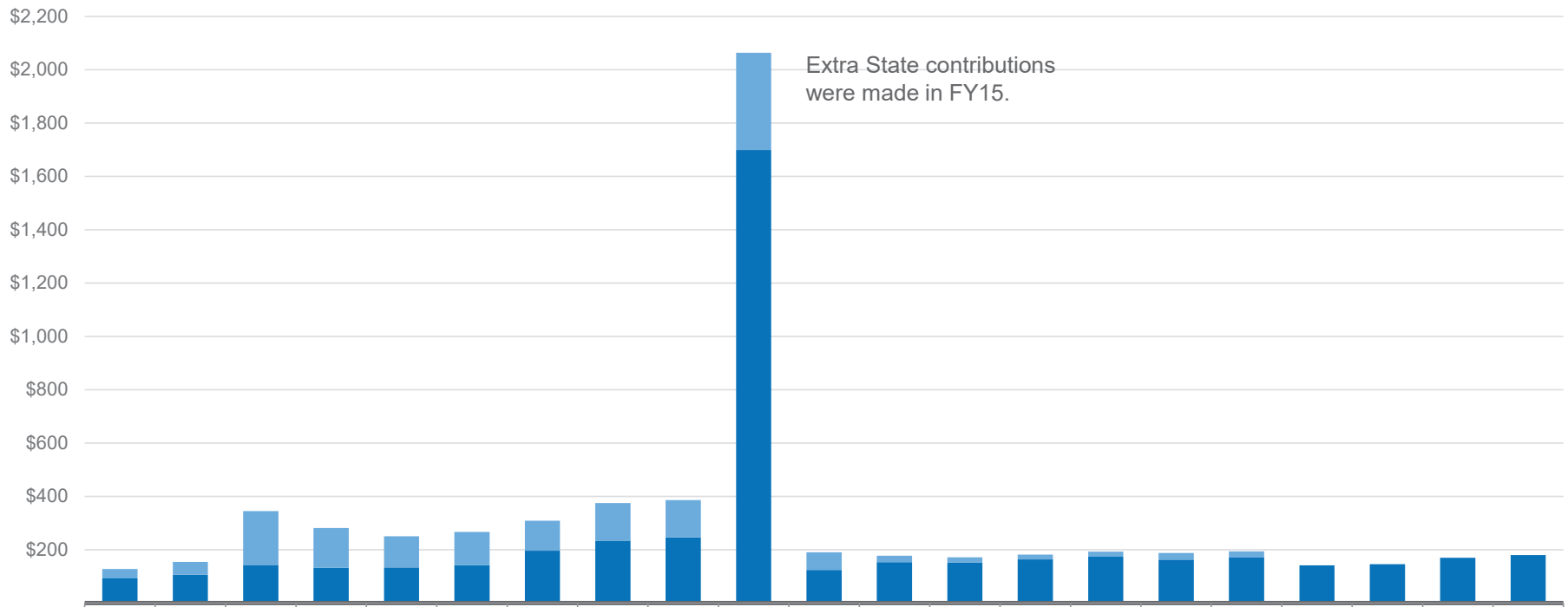
Fiscal Year Employer/State Contributions – TRS

$ in millions



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Healthcare	36	48	202	149	116	125	113	141	140	364	66	24	19	18	19	25	22	0	0	0	0
Pension	92	106	143	132	134	142	196	234	246	1,699	124	153	152	164	174	163	172	141	146	170	180

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Next Steps

Next Steps

- Complete DCR, JRS, and NGNMRS valuations.
- Run projections of assets, liabilities, and contributions for PERS and TRS.
  - Identify alternative projection scenarios.
  - Consider potential amortization smoothing methods to mitigate volatility of projected State contributions.
- Prepare draft valuation reports.
- Discuss these items at the March 2027 meeting.

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Actuarial Certification

Actuarial Certification

The purpose of this presentation is to provide the ARMB Actuarial Committee with preliminary PERS and TRS June 30, 2026 valuation results for discussion at the December 1, 2026 meeting. More complete valuation results will be presented at the March 16, 2027 meeting. This presentation should be considered part of the June 30, 2026 actuarial valuation report services.

Use of this presentation for any other purpose may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the information for that purpose. Because of the risk of misinterpretation of actuarial results, you should ask Gallagher to review any statement you wish to make on the results contained in this presentation. Gallagher will accept no liability for any such statement made without prior review by Gallagher.

The data, assumptions, methods, and plan provisions used to determine the results shown in this presentation are as shown in the June 30, 2026 actuarial valuation reports (draft reports will be provided within the next few weeks). The June 30, 2026 actuarial valuation reports will contain disclosures required by Actuarial Standards of Practice.

Where presented, references to “funded ratio” and “unfunded actuarial accrued liability” typically are measured on an actuarial value of assets basis. It should be noted that the same measurements using market value of assets would result in different funded ratios and unfunded accrued liabilities. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the plan if the plan were to settle (i.e., purchase annuities) for a portion or all of its liabilities.

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.

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FSA, EA, MAAA, FCA
Senior Vice President
Retirement

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

Brett Hunter
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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.

Alaska Retirement Management Board

COMMITTEE SELF-ASSESSMENT

Actuarial Committee

Self-assessment within the meaning of the committee's charter may be achieved by discussion, at least twice a year, of the following questions:

	YES	NO
1. Are discussions at the committee level meaningful and, if not, what can be done about it?		
2. Is the committee touching on key issues; what key issues are being missed?		
3. Is the committee giving appropriate time to key issues?		
4. Does the work of the Actuarial Committee appropriately meet the needs of the Board by reducing necessary Board meeting time spent on the matters that come before the Actuarial Committee?		

Revised 11/02/2021

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