

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to a Cost-sharing multiple-employer plan for the Public Employees
Retirement System's Defined Benefit Plan

Resolution 2007-04

WHEREAS, the Alaska Retirement Management Board ("Board") was established by law to serve as fiduciary of the funds of the Public Employees' Retirement System ("PERS");

WHEREAS, the Board is charged with setting contribution rates for employers participating in the Defined Benefit Plan of the PERS based on data provided to the Board and assumptions presented to the Board and adopted by the Board;

WHEREAS, the State of Alaska acts as administrator for the PERS and as such is responsible for records related to activity for individual employers participating in the Defined Benefit Plan of the PERS under the assumption that it is an agent multiple-employer plan;

WHEREAS, actuarial liabilities related to members in the PERS Defined Benefit Plan have been calculated by the administrator's actuary and allocated to employers based on service earned with the employer;

WHEREAS, contribution rates calculated by the actuary and paid by participating employers have been impacted;

WHEREAS, representatives of PERS employers have challenged the accuracy of the rates assigned to individual employers, contending among other things that some employers may have benefited at the expense of other employers;

WHEREAS, the PERS Defined Benefit Plan is currently in an underfunded status resulting in significant and dramatic increases in individual rates assigned to employers, resulting in specific and direct challenges to the accuracy and methodology used by the State of Alaska as administrator of the PERS Defined Benefit Plan;

WHEREAS, commentators on the foregoing problem have advocated that the PERS Defined Benefit Plan utilize a cost-sharing multiple-employer arrangement similar to that utilized for the Teachers' Retirement System's Defined Benefit Plan (TRS), and that factors favoring a change to such a process include the difficulty in ascertaining asset balances and rates assignable to each employer and the attendant disruption and cost of definitively resolving the issues through a dispute processes;

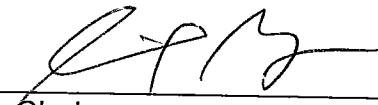
NOW THEREFORE BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD that:

1. The Board supports implementation of a cost-sharing multiple-employer arrangement for the PERS Defined Benefit Plan analogous to the arrangement used for TRS;

2. The Board supports consideration of a settled upon allocation of liabilities between the State of Alaska and other participating employers and recognizes that the proper entity to allocate additional liabilities is the Alaska Legislature; and

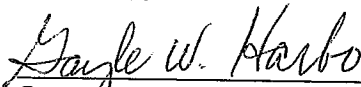
3. The action contemplated hereby is, in the opinion of the Board, a reasonable effort to protect and preserve the assets of the funds of PERS and the allocation of responsibilities among the employers participating in the PERS Defined Benefit Plan.

DATED at Anchorage, Alaska this 9th day of February, 2007.



Chair

ATTEST:



Secretary