

State of Alaska  
ALASKA RETIREMENT MANAGEMENT BOARD  
Relating to the Allocation of Actuarial Costs

Resolution 2013-07

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, the Departments of Revenue and Administration have entered into contracts with actuaries to perform actuarial work for the State's retirement systems; and

WHEREAS, the Board acknowledges that in addition to standard actuarial work necessary to develop annual contribution rates, there is a need for actuarial work to examine options to address unfunded liabilities associated with the PERS and TRS, and additional potential requests for actuarial work associated with alternative configurations of the retirement system tiers, etc.; and

WHEREAS, the Board acknowledges that actuarial work may be conducted at the request of the Board, the Departments of Revenue and Administration, or by the Legislature, and that such requests often have a shared purpose, such as addressing the unfunded liabilities of the retirement systems; and

WHEREAS, the Board has a statutory obligation to "coordinate with the retirement system administrator" to perform certain actuarial work under AS 37.10.220 and a statutory and fiduciary responsibility to protect retirement system assets and ensure that such assets are expended appropriately; and

WHEREAS, the Board desires to ensure that the retirement system is not unfairly burdened with the cost of actuarial work that may not directly benefit the existing retirement system and its beneficiaries, and desires therefore to exercise some manner of control over the actuarial costs allocated to the retirement systems; and

WHEREAS, the Board desires to ensure that costs of actuarial work are assessed to the retirement systems only when those costs are directly related to administration of the PERS and TRS plans as currently configured, or to the protection of PERS and TRS trust assets.

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

**Section 1.** To the extent that actuarial costs are incurred which are not directly related to the administration of the PERS and TRS plans as currently configured, or to the protection of PERS and TRS trust assets, those costs will be assessed to the retirement system trusts only when they are approved by the Board.

**Section 2.** To the extent that actuarial costs are incurred for the purpose of examining potential alternatives aimed at addressing the unfunded liabilities of the system at the request of the Board, and additional scenarios are requested by the administration or the legislature, so long as the costs are deemed reasonable by the administration, they may appropriately be charged to the retirement systems.

**Section 3.** To the extent that actuarial costs are incurred for the purpose of examining potential alternative retirement system structures, those costs will not be assessed to the retirement system trusts unless approved by the Board.

Dated at Juneau, Alaska this 19<sup>th</sup> day of April, 2013.

  
Chair

ATTEST:

  
Secretary