



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2019

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Table of Contents

	Page
Independent Auditors' Report	1-2
Schedule of Employer Allocations	3-6
Schedule of OPEB Amounts by Employer	8-13
Notes to Schedule of Employer Allocations and Schedule of OPEB Amounts by Employer	14-21



KPMG LLP
Suite 600
701 West Eighth Avenue
Anchorage, AK 99501

Independent Auditors' Report

The Division of Retirement and Benefits and
Members of the Alaska Retirement Management Board
State of Alaska Public Employees' Retirement System:

We have audited the accompanying schedule of employer allocations of the State of Alaska Public Employees' Retirement System Retiree Medical Plan (the Plan) as of and for the year ended June 30, 2019, and the related notes. We have also audited the total for all employers of the columns titled net OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total OPEB benefit (specified column totals) included in the accompanying schedule of OPEB amounts by employer of the Plan as of and for the year ended June 30, 2019, and related notes.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of OPEB amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Opinions

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and the net OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total OPEB benefit for the total of all entities for the Plan as of and for the year ended June 30, 2019, in accordance with U.S. generally accepted accounting principles.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the State of Alaska Public Employees' Retirement System, which includes the Retiree Medical Plan, as of and for the year ended June 30, 2019, and our report thereon, dated October 23, 2019, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the State of Alaska Public Employees' Retirement System management, the members of the Alaska Retirement Management Board, State of Alaska Public Employees' Retirement System Retiree Medical Plan employers, and their auditors, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Anchorage, Alaska
February 27, 2020

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2019

<u>Employer</u>	<u>Employer number</u>	<u>Employer contributions</u>	<u>Allocation percentage</u>
State of Alaska	101	\$ 5,730,870	48.83446 %
Southwest Region School District	102	14,237	0.12131
Annette Island School District	103	11,909	0.10148
Bering Strait School District	104	42,568	0.36273
Chatham School District	105	4,031	0.03435
City of Valdez	107	64,919	0.55320
Juneau Borough School District	108	78,297	0.66719
Matanuska-Susitna Borough	109	145,616	1.24084
Matanuska-Susitna Borough School District	110	196,550	1.67486
Anchorage School District	111	540,846	4.60871
Copper River School District	112	8,294	0.07068
University of Alaska	113	441,832	3.76498
City of Kenai	115	46,446	0.39578
Fairbanks North Star Borough	116	152,955	1.30338
Fairbanks North Star Borough School District	117	210,389	1.79278
Denali Borough School District	118	11,486	0.09788
City and Borough of Sitka	120	61,925	0.52768
Chugach School District	121	3,651	0.03111
Ketchikan Gateway Borough	122	28,045	0.23898
City of Soldotna	123	25,274	0.21537
Iditarod Area School District	124	8,074	0.06880
Kuspuk School District	125	8,364	0.07127
City and Borough of Juneau	126	191,190	1.62918
City of Kodiak	128	48,298	0.41156
City of Fairbanks	129	40,478	0.34493
City of Wasilla	131	50,736	0.43234
Sitka Borough School District	133	18,422	0.15698
City of Palmer	134	27,933	0.23802
City and Borough of Wrangell	135	16,108	0.13726
City of Bethel	136	46,274	0.39432
Valdez City School District	137	15,648	0.13334
Hoonah City School District	138	2,075	0.01768
City of Nome	139	23,439	0.19973
City of Kotzebue	140	33,206	0.28296
Galena City School District	141	25,996	0.22152
City of Petersburg	143	28,415	0.24213
Bristol Bay Borough	144	16,417	0.13990
North Slope Borough	145	449,193	3.82770
Wrangell Public School District	146	5,907	0.05033
City of Cordova	148	19,389	0.16522
Nome City School District	149	7,916	0.06745
City of King Cove	151	4,980	0.04243

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2019

<u>Employer</u>	<u>Employer number</u>	<u>Employer contributions</u>	<u>Allocation percentage</u>
Alaska Housing Finance Corporation	152	\$ 82,088	0.69949 %
Lower Yukon School District	153	42,028	0.35813
Northwest Arctic Borough School District	154	48,208	0.41080
Southeast Island School District	155	7,937	0.06764
Pribilof School District	156	1,210	0.01031
Lower Kuskokwim School District	157	97,148	0.82782
Kodiak Island Borough School District	158	46,595	0.39705
Yukon Flats School District	159	5,943	0.05065
Yukon/Koyukuk School District	160	16,303	0.13892
North Slope Borough School District	161	84,761	0.72227
Aleutian Region School District	162	—	—
Cordova Community Medical Center	163	—	—
Lake and Peninsula Borough School District	164	10,243	0.08728
Sitka Community Hospital	165	70,039	0.59682
Tanana School District	166	1,550	0.01321
Southeast Regional Resource Center	167	10,336	0.08808
Hydaburg City School District	168	1,795	0.01529
City of Tanana	169	53	0.00045
North Pacific Fishery Management Council	170	8,089	0.06893
City of Barrow	171	8,297	0.07070
City of Saint Paul	172	9,537	0.08127
Municipality of Anchorage	173	998,624	8.50957
Kodiak Island Borough	174	17,951	0.15297
Nome Joint Utility System	175	2,016	0.01718
City of Sand Point	176	9,338	0.07957
Ketchikan Gateway Borough School District	177	47,157	0.40184
City of Dillingham	178	21,495	0.18316
City of Unalaska	179	81,299	0.69277
Kenai Peninsula Borough	180	111,028	0.94610
City of Ketchikan	181	46,347	0.39493
City of Seward	182	26,697	0.22749
City of Fort Yukon	183	6,402	0.05455
Bristol Bay Borough School District	184	3,400	0.02897
Cordova City School District	185	6,642	0.05660
City of Craig	186	11,070	0.09433
Petersburg Medical Center	187	45,695	0.38938
Haines Borough	189	18,685	0.15922
Kenai Peninsula Borough School District	190	110,926	0.94524
City of North Pole	191	19,178	0.16342
City of Galena	192	4,895	0.04171
City of Nenana	193	103	0.00088
Yupit School District	195	8,115	0.06915
Nenana City School District	196	11,392	0.09707

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2019

<u>Employer</u>	<u>Employer number</u>	<u>Employer contributions</u>	<u>Allocation percentage</u>
City of Saxman	198	\$ 461	0.00393 %
City of Hoonah	199	8,665	0.07384
City of Pelican	200	547	0.00466
City of Whittier	202	8,181	0.06971
Anchorage Community Development Authority	203	15,189	0.12943
Craig City School District	204	7,016	0.05978
Dillingham City School District	205	5,710	0.04866
City of Thorne Bay	206	3,435	0.02927
City of Akutan	208	5,936	0.05058
Unalaska City School District	209	6,365	0.05424
Kashunamiut School District	211	6,061	0.05165
City of Homer	215	34,633	0.29512
Special Education Service Agency	218	1,797	0.01531
Bartlett Regional Hospital	219	234,737	2.00026
Northwest Arctic Borough	220	14,502	0.12357
Saint Mary's School District	221	5,488	0.04676
Bristol Bay Regional Housing Authority	223	6,860	0.05846
Copper River Basin Regional Housing Authority	224	3,192	0.02720
Skagway City School District	225	1,455	0.01240
City of Klawock	227	5,109	0.04354
Petersburg City School District	228	7,283	0.06206
Aleutians East Borough	230	3,889	0.03314
City of Huslia	235	743	0.00633
City of Kaltag	237	172	0.00147
Haines Borough School District	240	4,471	0.03810
City of Atka	243	604	0.00515
Aleutians East Borough School District	244	5,555	0.04734
Delta/Greely School District	246	7,074	0.06028
Lake and Peninsula Borough	247	3,184	0.02713
City and Borough of Yakutat	248	4,060	0.03460
City of Unalakleet	249	815	0.00694
Klawock City School District	251	2,829	0.02411
Alaska Gateway School District	255	16,875	0.14380
Pelican City School District	257	177	0.00151
Denali Borough	258	4,459	0.03800
Cook Inlet Housing Authority	262	62,136	0.52948
Interior Regional Housing Authority	263	6,536	0.05570
Yakutat School District	264	1,199	0.01022
Kake City School District	265	3,030	0.02582
Aleutian Housing Authority	267	5,468	0.04659
Bering Straits Regional Housing Authority	270	6,673	0.05686
City of Egegik	271	1,038	0.00884
Ilisagvik College	275	43,615	0.37166

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2019

Employer	Employer number	Employer contributions	Allocation percentage
North Pacific Rim Housing Authority	276	\$ 4,789	0.04081 %
Saxman Seaport	278	759	0.00647
Tlingit-Haida Regional Housing Authority	279	19,731	0.16814
Baranof Island Housing Authority	281	3,696	0.03150
City of Delta Junction	282	1,652	0.01408
City of Anderson	283	140	0.00119
Inter-Island Ferry Authority	284	6,456	0.05501
City of Seldovia	286	951	0.00810
Northwest Inupiat Housing Authority	288	4,057	0.03457
City of Upper Kalskag	290	105	0.00089
City of Shaktoolik	291	305	0.00260
Tagiugmiullu Nunamiullu Housing Authority	293	7,237	0.06167
Municipality of Skagway	296	26,379	0.22479
City of Nulato	297	1,147	0.00977
City of Aniak	298	1,714	0.01460
Alaska Gasline Development Corporation	299	19,751	0.16830
Total contributions		\$ <u>11,735,306</u>	<u>100.00000 %</u>

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer.

Page intentionally blank

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2019

Employer	Employer number	Net OPEB liability	Change in assumptions	Deferred outflows of resources	
				Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
State of Alaska	101	\$ 11,683,153	5,654,925	—	5,654,925
Southwest Region School District	102	29,023	14,048	1,159	15,207
Annette Island School District	103	24,278	11,751	1,176	12,927
Bering Strait School District	104	86,781	42,004	384	42,388
Chatham School District	105	8,217	3,977	309	4,286
City of Valdez	107	132,346	64,059	7,239	71,298
Juneau Borough School District	108	159,619	77,259	2,589	79,848
Matanuska-Susitna Borough	109	296,858	143,686	8,420	152,106
Matanuska-Susitna Borough School District	110	400,693	193,945	5,181	199,126
Anchorage School District	111	1,102,587	533,678	11,273	544,951
Copper River School District	112	16,909	8,184	919	9,103
University of Alaska	113	900,734	435,976	123,066	559,042
City of Kenai	115	94,686	45,830	1,623	47,453
Fairbanks North Star Borough	116	311,820	150,928	13,100	164,028
Fairbanks North Star Borough School District	117	428,906	207,600	9,523	217,123
Denali Borough School District	118	23,416	11,334	498	11,832
City And Borough of Sitka	120	126,242	61,104	76	61,180
Chugach School District	121	7,442	3,602	—	3,602
Ketchikan Gateway Borough	122	57,174	27,673	858	28,531
City of Soldotna	123	51,524	24,939	—	24,939
Iditarod Area School District	124	16,459	7,967	2,704	10,671
Kuspuk School District	125	17,051	8,253	1,244	9,497
City And Borough of Juneau	126	389,766	188,656	5,151	193,807
City of Kodiak	128	98,463	47,658	2,739	50,397
City of Fairbanks	129	82,520	39,942	5,740	45,682
City of Wasilla	131	103,432	50,064	5,305	55,369
Sitka Borough School District	133	37,556	18,178	—	18,178
City of Palmer	134	56,944	27,562	2,703	30,265
City And Borough of Wrangell	135	32,838	15,894	2,756	18,650
City of Bethel	136	94,337	45,661	3,850	49,511
Valdez City School District	137	31,900	15,440	2,170	17,610
Hoonah City School District	138	4,230	2,048	23	2,071
City of Nome	139	47,783	23,128	750	23,878
City of Kotzebue	140	67,696	32,766	895	33,661
Galena City School District	141	52,996	25,651	4	25,655
City of Petersburg	143	57,928	28,039	1,022	29,061
Bristol Bay Borough	144	33,469	16,200	1,506	17,706
North Slope Borough	145	915,740	443,240	3,070	446,310
Wrangell Public School District	146	12,042	5,829	916	6,745
City of Cordova	148	39,526	19,132	265	19,397
Nome City School District	149	16,137	7,811	—	7,811
City of King Cove	151	10,152	4,914	316	5,230
Alaska Housing Finance Corporation	152	167,347	81,000	2,982	83,982
Lower Yukon School District	153	85,679	41,471	4,667	46,138
Northwest Arctic Borough School District	154	98,279	47,570	44	47,614
Southeast Island School District	155	16,181	7,832	1,027	8,859
Pribilof School District	156	2,467	1,194	284	1,478
Lower Kuskokwim School District	157	198,048	95,860	3,967	99,827
Kodiak Island Borough School District	158	94,990	45,978	469	46,447
Yukon Flats School District	159	12,117	5,865	481	6,346
Yukon / Koyukuk School District	160	33,235	16,086	605	16,691
North Slope Borough School District	161	172,797	83,638	4,000	87,638
Aleutian Region School District	162	—	—	—	—
Cordova Community Medical Center	163	—	—	6,455	6,455
Lake And Peninsula Borough School District	164	20,882	10,107	236	10,343
Sitka Community Hospital	165	142,784	69,111	692	69,803
Tanana School District	166	3,160	1,530	405	1,935
Southeast Regional Resource Center	167	21,072	10,199	469	10,668
Hydaburg City School District	168	3,659	1,771	252	2,023
City of Tanana	169	108	52	37	89

Deferred inflows of resources				OPEB expense benefit		
Net difference between projected and actual investment earnings on OPEB plan investments	Difference between expected and actual experience	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions	
					Total OPEB expense (benefit)	
128,925	865,494	189,144	1,183,563	8,184,346	(29,836)	8,154,510
320	2,150	1,350	3,820	20,331	(18)	20,313
268	1,799	585	2,652	17,008	101	17,109
958	6,429	2,695	10,082	60,792	(318)	60,474
91	609	97	797	5,756	34	5,790
1,460	9,804	—	11,264	92,712	1,049	93,761
1,761	11,825	—	13,586	111,817	402	112,219
3,276	21,991	—	25,267	207,957	1,205	209,162
4,422	29,683	4,636	38,741	280,696	198	280,894
12,167	81,680	21,110	114,957	772,391	(1,102)	771,289
187	1,253	—	1,440	11,845	131	11,976
9,940	66,727	—	76,667	630,987	18,131	649,118
1,045	7,014	316	8,375	66,330	196	66,526
3,441	23,100	—	26,541	218,438	1,895	220,333
4,733	31,773	—	36,506	300,459	1,375	301,834
258	1,735	460	2,453	16,404	4	16,408
1,393	9,352	2,119	12,864	88,436	(297)	88,139
82	551	525	1,158	5,214	(82)	5,132
631	4,235	1,814	6,680	40,052	(171)	39,881
569	3,817	1,861	6,247	36,094	(284)	35,810
182	1,219	516	1,917	11,530	333	11,863
188	1,263	784	2,235	11,945	93	12,038
4,301	28,874	4,138	37,313	273,041	263	273,304
1,087	7,294	—	8,381	68,976	417	69,393
911	6,113	—	7,024	57,808	808	58,616
1,141	7,662	—	8,803	72,457	759	73,216
414	2,782	1,594	4,790	26,309	(242)	26,067
628	4,218	1,219	6,065	39,891	250	40,141
362	2,433	728	3,523	23,004	264	23,268
1,041	6,989	169	8,199	66,085	509	66,594
352	2,363	906	3,621	22,347	191	22,538
47	313	1,258	1,618	2,963	(193)	2,770
527	3,540	1,504	5,571	33,473	(111)	33,362
747	5,015	1,001	6,763	47,423	4	47,427
585	3,926	1,096	5,607	37,125	(155)	36,970
639	4,291	1,371	6,301	40,580	(65)	40,515
369	2,479	—	2,848	23,446	221	23,667
10,105	67,838	25,279	103,222	641,499	(3,058)	638,441
133	892	—	1,025	8,436	133	8,569
436	2,928	3,580	6,944	27,689	(457)	27,232
178	1,195	2,633	4,006	11,304	(394)	10,910
112	752	621	1,485	7,112	(42)	7,070
1,847	12,397	946	15,190	117,231	346	117,577
945	6,347	—	7,292	60,021	689	60,710
1,085	7,281	4,687	13,053	68,847	(649)	68,198
179	1,199	19	1,397	11,335	140	11,475
27	183	247	457	1,728	6	1,734
2,185	14,672	813	17,670	138,738	456	139,194
1,048	7,037	4,138	12,223	66,543	(505)	66,038
134	898	1,115	2,147	8,488	(93)	8,395
367	2,462	241	3,070	23,282	64	23,346
1,907	12,801	218	14,926	121,049	595	121,644
—	—	363	363	—	(60)	(60)
—	—	20,126	20,126	—	(1,761)	(1,761)
230	1,547	2,149	3,926	14,628	(262)	14,366
1,576	10,577	14,042	26,195	100,024	(1,842)	98,182
35	234	185	454	2,214	26	2,240
233	1,561	269	2,063	14,761	28	14,789
40	271	255	566	2,563	6	2,569
1	8	—	9	76	5	81

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2019

Employer	Employer number	Net OPEB liability	Change in assumptions	Deferred outflows of resources	
				Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
North Pacific Fishery Management Council	170	\$ 16,491	7,982	1,776	9,758
City of Barrow	171	16,915	8,187	1,465	9,652
City of Saint Paul	172	19,443	9,411	1,813	11,224
Municipality of Anchorage	173	2,035,830	985,390	69,868	1,055,258
Kodiak Island Borough	174	36,596	17,714	2,219	19,933
Nome Joint Utility System	175	4,109	1,989	908	2,897
City of Sand Point	176	19,037	9,214	676	9,890
Ketchikan Gateway Borough School District	177	96,135	46,532	1,716	48,248
City of Dillingham	178	43,820	21,210	—	21,210
City of Unalaska	179	165,739	80,222	3,298	83,520
Kenai Peninsula Borough	180	226,345	109,556	300	109,856
City of Ketchikan	181	94,484	45,732	1,230	46,962
City of Seward	182	54,424	26,343	561	26,904
City of Fort Yukon	183	13,052	6,317	2,811	9,128
Bristol Bay Borough School District	184	6,930	3,354	1,052	4,406
Cordova City School District	185	13,540	6,554	1,033	7,587
City of Craig	186	22,568	10,924	—	10,924
Petersburg Medical Center	187	93,155	45,089	1,756	46,845
Haines Borough	189	38,091	18,437	1,245	19,682
Kenai Peninsula Borough School District	190	226,138	109,456	779	110,235
City of North Pole	191	39,097	18,924	1,624	20,548
City of Galena	192	9,979	4,830	414	5,244
City of Nenana	193	210	102	417	519
Yupit School District	195	16,544	8,008	1,446	9,454
Nenana City School District	196	23,223	11,241	884	12,125
City of Saxman	198	940	455	—	455
City of Hoonah	199	17,665	8,550	444	8,994
City of Pelican	200	1,115	540	135	675
City of Whittier	202	16,678	8,073	851	8,924
Anchorage Community Development Authority	203	30,965	14,988	—	14,988
Craig City School District	204	14,303	6,923	119	7,042
Dillingham City School District	205	11,641	5,635	971	6,606
City of Thorne Bay	206	7,002	3,389	136	3,525
City of Akutan	208	12,102	5,858	2,832	8,690
Unalaska City School District	209	12,976	6,280	988	7,268
Kashunamiut School District	211	12,356	5,981	—	5,981
City of Homer	215	70,604	34,174	243	34,417
Special Education Service Agency	218	3,663	1,773	—	1,773
Bartlett Regional Hospital	219	478,542	231,626	14,326	245,952
Northwest Arctic Borough	220	29,564	14,310	1,581	15,891
Saint Mary's School District	221	11,188	5,415	1,182	6,597
Bristol Bay Regional Housing Authority	223	13,985	6,769	—	6,769
Copper River Basin Regional Housing Authority	224	6,508	3,150	—	3,150
Skagway City School District	225	2,967	1,436	345	1,781
City of Klawock	227	10,416	5,042	563	5,605
Petersburg City School District	228	14,848	7,187	250	7,437
Aleutians East Borough	230	7,928	3,837	249	4,086
City of Huslia	235	1,514	733	389	1,122
City of Kaltag	237	351	170	68	238
Haines Borough School District	240	9,114	4,412	59	4,471
City of Atka	243	1,232	596	54	650
Aleutians East Borough School District	244	11,326	5,482	442	5,924
Delta/Greely School District	246	14,422	6,981	—	6,981
Lake And Peninsula Borough	247	6,492	3,142	516	3,658
City And Borough of Yakutat	248	8,278	4,007	719	4,726
City of Unalakleet	249	1,661	804	595	1,399
Klawock City School District	251	5,768	2,792	62	2,854
Alaska Gateway School District	255	34,402	16,652	1,911	18,563
Pelican City School District	257	361	175	124	299
Denali Borough	258	9,091	4,400	591	4,991

Deferred inflows of resources				OPEB expense benefit			
Net difference between projected and actual investment earnings on OPEB plan investments	Difference between expected and actual experience	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions	Total OPEB expense (benefit)	
182	1,222	63	1,467	11,553	237	11,790	
187	1,253	1,756	3,196	11,849	(38)	11,811	
215	1,440	1,802	3,457	13,620	(43)	13,577	
22,465	150,815	—	173,280	1,426,151	10,604	1,436,755	
404	2,711	972	4,087	25,637	199	25,836	
45	304	—	349	2,879	141	3,020	
210	1,410	501	2,121	13,336	12	13,348	
1,061	7,122	1,399	9,582	67,345	71	67,416	
484	3,246	1,764	5,494	30,697	(253)	30,444	
1,829	12,278	279	14,386	116,104	436	116,540	
2,498	16,768	1,136	20,402	158,560	(110)	158,450	
1,043	6,999	2,039	10,081	66,188	(128)	66,060	
601	4,032	135	4,768	38,126	70	38,196	
144	967	—	1,111	9,143	419	9,562	
76	513	—	589	4,855	157	5,012	
149	1,003	73	1,225	9,485	140	9,625	
249	1,672	1,016	2,937	15,810	(153)	15,657	
1,028	6,901	1,362	9,291	65,258	84	65,342	
420	2,822	408	3,650	26,684	147	26,831	
2,495	16,752	5,027	24,274	158,416	(577)	157,839	
431	2,896	—	3,327	27,388	227	27,615	
110	739	182	1,031	6,991	42	7,033	
2	16	670	688	147	(34)	113	
183	1,226	504	1,913	11,590	164	11,754	
256	1,720	1,069	3,045	16,269	(17)	16,252	
10	70	579	659	659	(90)	569	
195	1,309	1,586	3,090	12,375	(148)	12,227	
12	83	298	393	781	(20)	761	
184	1,236	78	1,498	11,684	120	11,804	
342	2,294	1,698	4,334	21,692	(256)	21,436	
158	1,060	685	1,903	10,019	(76)	9,943	
128	862	3,448	4,438	8,155	(376)	7,779	
77	519	418	1,014	4,905	(36)	4,869	
134	896	2,698	3,728	8,478	81	8,559	
143	961	129	1,233	9,090	127	9,217	
136	915	2,052	3,103	8,656	(306)	8,350	
779	5,230	1,652	7,661	49,460	(206)	49,254	
40	271	459	770	2,566	(65)	2,501	
5,281	35,451	9,588	50,320	335,231	909	336,140	
326	2,190	3,256	5,772	20,710	(275)	20,435	
123	829	642	1,594	7,837	73	7,910	
154	1,036	1,351	2,541	9,797	(196)	9,601	
72	482	781	1,335	4,559	(114)	4,445	
33	220	156	409	2,079	26	2,105	
115	772	575	1,462	7,297	(6)	7,291	
164	1,100	262	1,526	10,402	(1)	10,401	
87	587	—	674	5,554	41	5,595	
17	112	444	573	1,061	(7)	1,054	
4	26	83	113	246	(3)	243	
101	675	693	1,469	6,385	(100)	6,285	
14	91	598	703	863	(87)	776	
125	839	894	1,858	7,934	(85)	7,849	
159	1,068	1,061	2,288	10,103	(157)	9,946	
72	481	359	912	4,547	14	4,561	
91	613	968	1,672	5,799	(18)	5,781	
18	123	2,129	2,270	1,163	(203)	960	
64	427	264	755	4,040	(31)	4,009	
380	2,549	—	2,929	24,100	284	24,384	
4	27	86	117	253	5	258	
100	673	109	882	6,368	64	6,432	

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2019

Deferred outflows of resources					
Employer	Employer number	Net OPEB liability	Change in assumptions	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
Cook Inlet Housing Authority	262	\$ 126,673	61,313	2,901	64,214
Interior Regional Housing Authority	263	13,325	6,449	331	6,780
Yakutat School District	264	2,444	1,183	95	1,278
Kake City School District	265	6,177	2,990	328	3,318
Aleutian Housing Authority	267	11,147	5,395	—	5,395
Bering Straits Regional Housing Authority	270	13,604	6,584	417	7,001
City of Egegik	271	2,116	1,024	544	1,568
Illisagvik College	275	88,916	43,037	510	43,547
North Pacific Rim Housing Authority	276	9,762	4,725	605	5,330
Saxman Seaport	278	1,547	749	318	1,067
Tlingit-Haida Regional Housing Authority	279	40,225	19,470	884	20,354
Baranof Island Housing Authority	281	7,535	3,647	58	3,705
City of Delta Junction	282	3,368	1,630	—	1,630
City of Anderson	283	285	138	—	138
Inter-Island Ferry Authority	284	13,161	6,370	33	6,403
City of Seldovia	286	1,939	938	184	1,122
Northwest Inupiat Housing Authority	288	8,270	4,003	302	4,305
City of Upper Kalskag	290	214	104	10	114
City of Shaktoolik	291	622	301	—	301
Tagiugmiullu Nunamiullu Housing Authority	293	14,754	7,141	1,823	8,964
Municipality of Skagway	296	53,778	26,030	1,397	27,427
City of Nulato	297	2,338	1,131	68	1,199
City of Aniak	298	3,494	1,691	437	2,128
Alaska Gasline Development Corporation	299	40,265	19,489	4,329	23,818
Total for employers		\$ 23,924,000	11,579,786	403,204	11,982,990

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer.

Deferred inflows of resources				OPEB expense		
Net difference between projected and actual investment earnings on OPEB plan investments	Difference between expected and actual experience	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions	Total OPEB expense (benefit)
1,398	9,384	1,226	12,008	88,738	222	88,960
147	987	199	1,333	9,334	23	9,357
27	181	180	388	1,712	(10)	1,702
68	458	109	635	4,327	35	4,362
123	826	783	1,732	7,809	(115)	7,694
150	1,008	1,491	2,649	9,530	(179)	9,351
23	157	7	187	1,482	77	1,559
981	6,587	3,210	10,778	62,288	(386)	61,902
108	723	70	901	6,839	73	6,912
17	115	165	297	1,084	25	1,109
444	2,980	1,451	4,875	28,179	(114)	28,065
83	558	302	943	5,279	(33)	5,246
37	250	1,256	1,543	2,359	(186)	2,173
3	21	108	132	200	(16)	184
145	975	103	1,223	9,220	(9)	9,211
21	144	181	346	1,358	5	1,363
91	613	—	704	5,793	45	5,838
2	16	11	29	150	—	150
7	46	48	101	436	(7)	429
163	1,093	831	2,087	10,336	130	10,466
593	3,984	251	4,828	37,673	188	37,861
26	173	377	576	1,638	(42)	1,596
39	259	64	362	2,447	60	2,507
444	2,983	3,623	7,050	28,206	205	28,411
264,000	1,772,300	403,204	2,439,504	16,759,382	—	16,759,382

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2019

(1) Plan Description

The State of Alaska Public Employees' Retirement System (System) Retiree Medical Plan (Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefits (OPEB) plan that provides health benefits to State and local government employees.

The Plan is established under Alaska Statute 39.35, which establishes benefit and contribution provisions and may be amended only by the State of Alaska (State) legislature. The self-insured Plan provides major medical coverage to eligible employees who participate in the System's Defined Contribution Retirement (DCR) Plan. Members are not eligible to use this Plan until they have at least 10 years of service, and are Medicare age eligible.

The medical benefits available to eligible persons means that an eligible person may not be denied medical coverage except for failure to pay the required premium. Major medical insurance coverage takes effect on the first day of the month following the date of the Plan administrator's approval of the election and stops when the person who elects coverage dies or fails to make the required premium payment. The coverage for persons 65 years of age or older is the same as that available for persons under 65 years of age. The benefits payable to those persons 65 years of age or older supplement any benefits provided under the federal old age, survivors and disability insurance program. The medical and optional insurance premiums owed by the person who elects coverage may be deducted from the health reimbursement arrangement until the balance becomes insufficient to pay the premiums, at which point the person who elects coverage shall pay the premiums directly.

The cost of premiums for retiree major medical insurance coverage for an eligible member or surviving spouse who is:

- (1) not eligible for Medicare is an amount equal to the full monthly group premium for retiree major medical insurance coverage,
- (2) eligible for Medicare is the following percentage of the premium amounts established for retirees who are eligible for Medicare:
 - (a) 30 percent if the member had 10 or more, but less than 15, years of service;
 - (b) 25 percent if the member had 15 or more, but less than 20, years of service;
 - (c) 20 percent if the member had 20 or more, but less than 25, years of service;
 - (d) 15 percent if the member had 25 or more, but less than 30, years of service; and
 - (e) 10 percent if the member had 30 or more years of service.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2019

(2) Basis of Presentation

The schedule of employer allocations and the schedule of OPEB amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the Plan and its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan, its participating employers, or the State. The amounts presented in the Schedules are prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

(3) Allocation Methodology

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense (benefit). The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of OPEB amounts by employer are based on the ratio of contributions made for each employer to total contributions made to the Plan during the year ended June 30, 2019. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer may result in immaterial differences.

(4) Contributions

Employer contribution rates are actuarially determined and adopted by the Alaska Retirement Management Board (Board). The 2019 employer effective contribution rate is 0.94% of annual payroll.

(5) Collective Net OPEB Liability

(a) Components of the Collective Net OPEB Liability

The components of the collective net OPEB liability of the Plan as of June 30, 2019 is as follows:

Total OPEB liability	\$	142,162,000
Plan fiduciary net position		<u>(118,238,000)</u>
Net OPEB liability	\$	<u><u>23,924,000</u></u>

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2019

The total OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial valuations used the following actuarial assumptions as of June 30, 2019 measurement dates:

Inflation	2.50% per year
Salary increases	Graded by service, from 7.75% to 2.75% for peace officer/firefighter Graded by service, from 6.75% to 2.75% for all others
Investment rate of return	7.38%, net of postretirement healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real return of 4.88%.
Trend rates	Pre-65 medical: 7.5% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drug: 8.5% grading down to 4.5% Employer Group Waiver Plan (EGWP): 8.5% grading down to 4.5%
Mortality	Pre-termination and post-termination mortality rates were based upon the 2013–2017 actual mortality experience. Post-termination mortality rates were based on 91% of the male rates and 96% of the female rates of the RP-2014 healthy annuitant table projected with MP-2017 generational improvement. The rates for pre-termination mortality were 100% of the RP-2014 employee table with MP-2017 generational improvement.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2019

Participation rates reflect the expected plan election rate that varies by reason for decrement, duration that a member may pay full cost prior to Medicare eligibility, and availability of alternative and/or lower cost options, particularly in the Medicare market. This assumption is based on observed trends in participation from a range of other plans. The following participation rates were used to measure the collective net OPEB liability of the Plan as of June 30, 2019:

Decrement due to disability		Decrement due to retirement	
Age	Percent participation	Age	Percent participation
<56	75.0 %	55	50.0 %
56	77.5	56	55.0
57	80.0	57	60.0
58	82.5	58	65.0
59	85.0	59	70.0
60	87.5	60	75.0
61	90.0	61	80.0
62	92.5	62	85.0
63	95.0	63	90.0
64	97.5	64	95.0
65+	100.0	65+	Years of service
			<15
			15-19
			20-24
			25-29
			30+
			75.0 %
			80.0
			85.0
			90.0
			95.0

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2017. As a result of this experience study, the Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

In addition to the changes in assumptions resulting from the experience study, the following assumption changes have been made since the prior valuation:

1. Based on recent experience, the healthcare cost trend assumptions were updated.
2. Per capita claims costs were updated to reflect recent experience.
3. Healthcare cost trends were updated to reflect a Cadillac Tax load.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2019

(b) Long-Term Expected Rate of Return

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return, excluding the inflation component of 2.50%, for each major asset class included in the Plan's target asset allocation are summarized in the following table:

Asset class	Long-term expected real rate of return
Domestic equity	8.16 %
Global equity (non-U.S.)	7.51
Intermediate treasuries	1.58
Opportunistic	3.96
Real assets	4.76
Private equity	11.39
Cash equivalents	0.83

(c) Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2019 was 7.38%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability in accordance with the method prescribed by GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2019

(d) Sensitivity of the Collective Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the collective net OPEB liability (asset) of the Plan as of June 30, 2019, calculated using the discount rate of 7.38%, as well as what the Plan's collective net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Current discount rate (7.38%)	1% increase (8.38%)
1% decrease (6.38%)		
\$ 60,089,000	23,924,000	(3,303,000)

(e) Sensitivity of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the collective net OPEB liability (asset) of the Plan as of June 30, 2019, calculated using the healthcare cost trend rates and using trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Current healthcare cost trend rate	1% increase
1% decrease		
\$ (7,358,000)	23,924,000	66,746,000

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2019

(6) Collective Deferred Outflows of Resources and Deferred Inflows of Resources

The following presents a summary of changes in the collective deferred outflows and inflows of resources (excluding employer specific amounts) for the year ending June 30, 2019:

	<u>Year of deferral</u>	<u>Amortization period</u>	<u>Beginning of year balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of year balance</u>
Deferred outflows resources:						
Change in assumptions	2018	9.1 years	\$ 5,895,198	—	727,802	5,167,396
	2019	8.2 years	—	7,303,000	890,610	6,412,390
Total deferred outflows of resources			<u>\$ 5,895,198</u>	<u>7,303,000</u>	<u>1,618,412</u>	<u>11,579,786</u>
Deferred inflows of resources:						
Difference between projected and actual earnings on OPEB plan investments	2017	5 years	\$ 1,900,800	—	633,600	1,267,200
	2018	5 years	(44,800)	—	(11,200)	(33,600)
	2019	5 years	—	(1,212,000)	(242,400)	(969,600)
			<u>1,856,000</u>	<u>(1,212,000)</u>	<u>380,000</u>	<u>264,000</u>
Difference between expected and actual experience	2017	9.1 years	35,890	—	5,055	30,835
	2018	9.1 years	644,440	—	79,560	564,880
	2019	8.2 years	—	1,340,000	163,415	1,176,585
			<u>680,330</u>	<u>1,340,000</u>	<u>248,030</u>	<u>1,772,300</u>
Total deferred inflows of resources			<u>\$ 2,536,330</u>	<u>128,000</u>	<u>628,030</u>	<u>2,036,300</u>

Amounts reported as deferred outflows and inflows of resources (excluding employer specific amounts) related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2020	\$ 990,382
2021	990,382
2022	1,623,982
2023	1,612,782
2024	1,370,382
Thereafter	<u>2,955,576</u>
Total	<u>\$ 9,543,486</u>

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2019

(7) Collective OPEB Expense

The components of the collective OPEB expense (excluding employer specific amounts) for the year ending June 30, 2019 are as follows:

Service cost	\$ 13,465,000
Interest on total OPEB liability	10,093,000
Administrative expense	14,000
Expected investment return net of investment expenses	(7,803,000)
Recognition (amortization) of deferred outflows/inflows of resources:	
Difference between projected and actual investment earnings on OPEB plan investments	(380,000)
Difference between expected and actual experience	(248,030)
Change in assumptions	<u>1,618,412</u>
Total OPEB expense	<u>\$ 16,759,382</u>