



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

Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2020

(With Independent Auditors' Report Thereon)

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

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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, 2020, 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 expense(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, 2020, and the 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 expense (benefit) for the total of all employers for the Plan as of and for the year ended June 30, 2020, 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, 2020, and our report thereon, dated October 28, 2020, 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
December 22, 2020

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

Schedule of Employer Allocations

As of and for the year ended June 30, 2020

<u>Employer</u>	<u>Employer number</u>	<u>Employer contributions</u>	<u>Allocation percentage</u>
State of Alaska	101	\$ 8,649,720	48.49017 %
Southwest Region School District	102	22,381	0.12547
Annette Island School District	103	19,721	0.11056
Bering Strait School District	104	64,858	0.36359
Chatham School District	105	5,696	0.03193
City of Valdez	107	98,229	0.55067
Juneau Borough School District	108	122,879	0.68886
Matanuska-Susitna Borough	109	240,765	1.34972
Matanuska-Susitna Borough School District	110	295,057	1.65408
Anchorage School District	111	824,503	4.62215
Copper River School District	112	11,966	0.06708
University of Alaska	113	671,362	3.76364
City of Kenai	115	68,781	0.38559
Fairbanks North Star Borough	116	219,082	1.22817
Fairbanks North Star Borough School District	117	313,622	1.75816
Denali Borough School District	118	16,425	0.09208
City and Borough of Sitka	120	80,564	0.45164
Chugach School District	121	5,894	0.03304
Ketchikan Gateway Borough	122	42,502	0.23827
City of Soldotna	123	36,706	0.20577
Iditarod Area School District	124	10,163	0.05698
Kuspuk School District	125	10,699	0.05998
City and Borough of Juneau	126	306,361	1.71745
City of Kodiak	128	72,382	0.40577
City of Fairbanks	129	63,885	0.35814
City of Wasilla	131	76,512	0.42893
Sitka Borough School District	133	26,482	0.14846
City of Palmer	134	39,447	0.22114
City and Borough of Wrangell	135	27,262	0.15283
City of Bethel	136	72,444	0.40612
Valdez City School District	137	22,003	0.12335
Hoonah City School District	138	3,629	0.02034
City of Nome	139	37,891	0.21242
City of Kotzebue	140	54,151	0.30357
Galena City School District	141	37,530	0.21039
City of Petersburg	143	46,571	0.26107
Bristol Bay Borough	144	28,506	0.15980
North Slope Borough	145	708,768	3.97334
Wrangell Public School District	146	10,074	0.05647
City of Cordova	148	28,603	0.16035
Nome City School District	149	14,209	0.07966
City of King Cove	151	7,266	0.04073

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

Schedule of Employer Allocations

As of and for the year ended June 30, 2020

<u>Employer</u>	<u>Employer number</u>	<u>Employer contributions</u>	<u>Allocation percentage</u>
Alaska Housing Finance Corporation	152	\$ 132,807	0.74451 %
Lower Yukon School District	153	67,250	0.37700
Northwest Arctic Borough School District	154	70,747	0.39661
Southeast Island School District	155	10,376	0.05817
Pribilof School District	156	2,115	0.01186
Lower Kuskokwim School District	157	146,154	0.81933
Kodiak Island Borough School District	158	74,589	0.41814
Yukon Flats School District	159	8,217	0.04606
Yukon/Koyukuk School District	160	22,849	0.12809
North Slope Borough School District	161	116,861	0.65512
Aleutian Region School District	162	—	—
Cordova Community Medical Center	163	95,472	0.53521
Lake and Peninsula Borough School District	164	17,113	0.09594
Sitka Community Hospital	165	8,263	—
Tanana School District	166	1,499	0.00841
Southeast Regional Resource Center	167	15,318	0.08587
Hydaburg City School District	168	6,499	0.03643
City of Tanana	169	—	—
North Pacific Fishery Management Council	170	12,153	0.06813
City of Barrow	171	11,329	0.06351
City of Saint Paul	172	16,334	0.09157
Municipality of Anchorage	173	1,540,287	8.63482
Kodiak Island Borough	174	25,744	0.14432
Nome Joint Utility System	175	3,726	0.02089
City of Sand Point	176	14,556	0.08160
Ketchikan Gateway Borough School District	177	73,490	0.41199
City of Dillingham	178	30,743	0.17234
City of Unalaska	179	123,966	0.69495
Kenai Peninsula Borough	180	167,294	0.93785
City of Ketchikan	181	80,378	0.45060
City of Seward	182	42,536	0.23845
City of Fort Yukon	183	4,642	0.02602
Bristol Bay Borough School District	184	5,288	0.02964
Cordova City School District	185	10,353	0.05804
City of Craig	186	16,597	0.09304
Petersburg Medical Center	187	79,377	0.44499
Haines Borough	189	26,575	0.14898
Kenai Peninsula Borough School District	190	157,244	0.88150
City of North Pole	191	26,149	0.14659
City of Galena	192	7,398	0.04148
City of Nenana	193	3,282	0.01840
Yupit School District	195	14,231	0.07978
Nenana City School District	196	18,406	0.10318

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

Schedule of Employer Allocations

As of and for the year ended June 30, 2020

<u>Employer</u>	<u>Employer number</u>	<u>Employer contributions</u>	<u>Allocation percentage</u>
City of Saxman	198	\$ 1,628	0.00913 %
City of Hoonah	199	12,773	0.07161
City of Pelican	200	1,015	0.00569
City of Whittier	202	15,629	0.08761
Anchorage Community Development Authority	203	18,440	0.10337
Craig City School District	204	10,613	0.05949
Dillingham City School District	205	13,330	0.07473
City of Thorne Bay	206	5,202	0.02916
City of Akutan	208	9,193	0.05154
Unalaska City School District	209	8,752	0.04906
Kashunamiut School District	211	11,603	0.06504
City of Homer	215	56,901	0.31899
Special Education Service Agency	218	2,088	0.01170
Bartlett Regional Hospital	219	372,501	2.08823
Northwest Arctic Borough	220	15,960	0.08947
Saint Mary's School District	221	11,006	0.06170
Bristol Bay Regional Housing Authority	223	8,748	0.04904
Copper River Basin Regional Housing Authority	224	4,829	0.02707
Skagway City School District	225	2,808	0.01574
City of Klawock	227	6,963	0.03903
Petersburg City School District	228	10,768	0.06037
Aleutians East Borough	230	5,699	0.03195
City of Huslia	235	1,140	0.00639
City of Kaltag	237	224	0.00126
Haines Borough School District	240	6,094	0.03416
City of Atka	243	774	0.00434
Aleutians East Borough School District	244	9,207	0.05162
Delta/Greely School District	246	11,533	0.06465
Lake and Peninsula Borough	247	5,367	0.03008
City and Borough of Yakutat	248	5,875	0.03294
City of Unalakleet	249	314	0.00176
Klawock City School District	251	5,135	0.02879
Alaska Gateway School District	255	24,412	0.13686
Pelican City School District	257	5	0.00003
Denali Borough	258	6,643	0.03724
Cook Inlet Housing Authority	262	106,511	0.59710
Interior Regional Housing Authority	263	9,357	0.05245
Yakutat School District	264	2,436	0.01366
Kake City School District	265	4,447	0.02493
Aleutian Housing Authority	267	7,100	0.03980
Bering Straits Regional Housing Authority	270	9,441	0.05293
City of Egegik	271	1,588	0.00890
Ilisagvik College	275	57,585	0.32282

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

Schedule of Employer Allocations

As of and for the year ended June 30, 2020

Employer	Employer number	Employer contributions	Allocation percentage
North Pacific Rim Housing Authority	276	\$ 8,039	0.04507 %
Saxman Seaport	278	1,366	0.00766
Tlingit-Haida Regional Housing Authority	279	34,409	0.19290
Baranof Island Housing Authority	281	5,786	0.03244
City of Delta Junction	282	1,885	0.01057
City of Anderson	283	228	0.00128
Inter-Island Ferry Authority	284	10,417	0.05840
City of Seldovia	286	1,348	0.00756
Northwest Inupiat Housing Authority	288	5,713	0.03203
City of Upper Kalskag	290	—	—
City of Shaktoolik	291	219	0.00123
Tagiugmiullu Nunamiullu Housing Authority	293	13,527	0.07583
Municipality of Skagway	296	40,069	0.22463
City of Nulato	297	—	—
City of Aniak	298	2,689	0.01507
Alaska Gasline Development Corporation	299	15,262	0.08556
Total contributions		\$ <u>17,846,352</u>	<u>100.00000 %</u>

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

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**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, 2020

Employer	Employer number	Net OPEB liability	Difference between expected and actual experience	Change in assumptions	Deferred outflows of resources		
					Net difference between projected and actual investment earnings on OPEB plan investments	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
State of Alaska	101	\$ 3,439,410	17,884	4,830,292	1,540,048	—	6,388,224
Southwest Region School District	102	8,899	46	12,498	3,985	1,505	18,034
Annette Island School District	103	7,842	41	11,013	3,511	2,132	16,697
Bering Strait School District	104	25,790	134	36,219	11,548	406	48,307
Chatham School District	105	2,265	12	3,181	1,014	262	4,469
City of Valdez	107	39,059	203	54,854	17,489	6,189	78,735
Juneau Borough School District	108	48,861	254	68,620	21,878	4,875	95,627
Matanuska-Susitna Borough	109	95,736	498	134,451	42,867	20,870	198,686
Matanuska-Susitna Borough School District	110	117,324	610	164,769	52,534	4,332	222,245
Anchorage School District	111	327,849	1,705	460,430	146,799	10,801	619,735
Copper River School District	112	4,758	25	6,682	2,131	788	9,626
University of Alaska	113	266,955	1,388	374,910	119,533	104,934	600,765
City of Kenai	115	27,350	142	38,410	12,246	1,383	52,181
Fairbanks North Star Borough	116	87,114	453	122,342	39,007	11,205	173,007
Fairbanks North Star Borough School District	117	124,706	648	175,137	55,839	8,148	239,772
Denali Borough School District	118	6,531	34	9,172	2,924	428	12,558
City And Borough of Sitka	120	32,035	167	44,989	14,344	65	59,565
Chugach School District	121	2,344	12	3,291	1,049	242	4,594
Ketchikan Gateway Borough	122	16,900	88	23,734	7,567	739	32,128
City of Soldotna	123	14,595	76	20,498	6,535	—	27,109
Iditarod Area School District	124	4,041	21	5,676	1,810	2,299	9,806
Kuspuk School District	125	4,254	22	5,975	1,905	1,042	8,944
City And Borough of Juneau	126	121,819	633	171,082	54,546	15,333	241,594
City of Kodiak	128	28,781	150	40,421	12,887	2,322	55,780
City of Fairbanks	129	25,403	132	35,676	11,374	6,575	53,757
City of Wasilla	131	30,424	158	42,727	13,623	4,547	61,055
Sitka Borough School District	133	10,530	55	14,788	4,715	—	19,558
City of Palmer	134	15,685	82	22,028	7,023	2,282	31,415
City And Borough of Wrangell	135	10,840	56	15,224	4,854	4,329	24,463
City of Bethel	136	28,806	150	40,455	12,898	4,777	58,280
Valdez City School District	137	8,749	45	12,287	3,918	1,851	18,101
Hoonah City School District	138	1,443	8	2,027	646	354	3,035
City of Nome	139	15,067	78	21,160	6,746	2,232	30,216
City of Kotzebue	140	21,532	112	30,240	9,641	3,331	43,324
Galena City School District	141	14,923	78	20,958	6,682	3	27,721
City of Petersburg	143	18,518	96	28,007	8,292	3,251	37,646
Bristol Bay Borough	144	11,335	59	15,919	5,075	3,788	24,841
North Slope Borough	145	281,829	1,465	395,799	126,193	20,730	544,187
Wrangell Public School District	146	4,006	21	5,626	1,794	1,555	8,996
City of Cordova	148	11,373	59	15,973	5,093	222	21,347
Nome City School District	149	5,650	29	7,935	2,530	1,536	12,030
City of King Cove	151	2,889	15	4,057	1,294	271	5,637
Alaska Housing Finance Corporation	152	52,808	275	74,164	23,646	8,137	106,222
Lower Yukon School District	153	26,741	139	37,555	11,974	6,335	56,003
Northwest Arctic Borough School District	154	28,131	146	39,508	12,596	37	52,287
Southeast Island School District	155	4,126	21	5,794	1,847	883	8,545
Pribilof School District	156	841	4	1,181	377	437	1,999
Lower Kuskokwim School District	157	58,115	302	81,617	26,022	3,398	111,339
Kodiak Island Borough School District	158	29,659	154	41,653	13,280	3,027	58,114
Yukon Flats School District	159	3,267	17	4,588	1,463	413	6,481
Yukon / Koyukuk School District	160	9,085	47	12,760	4,068	507	17,382
North Slope Borough School District	161	46,468	242	65,259	20,807	3,375	89,683
Aleutian Region School District	162	—	—	—	—	—	—
Cordova Community Medical Center	163	37,963	197	53,314	16,998	72,940	143,449
Lake And Peninsula Borough School District	164	6,805	35	9,557	3,047	1,283	13,922
Sitka Community Hospital	165	—	—	—	—	—	579
Tanana School District	166	596	3	837	267	348	1,455
Southeast Regional Resource Center	167	6,091	32	8,554	2,727	404	11,717
Hydaburg City School District	168	2,584	13	3,629	1,157	2,877	7,676
City of Tanana	169	—	—	—	—	32	32

Deferred outflows of resources				OPEB expense		
Difference between expected and actual experience	Change in assumptions	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)	
739,122	8,891,729	206,459	9,837,310	8,362,460	(36,389)	8,326,071
1,912	23,007	1,163	26,082	21,638	54	21,692
1,685	20,273	504	22,462	19,067	259	19,326
5,542	66,673	2,315	74,530	62,704	(306)	62,398
487	5,855	390	6,732	5,507	(9)	5,498
8,394	100,977	357	109,728	94,967	1,000	95,967
10,500	126,317	—	136,817	118,798	776	119,574
20,573	247,501	—	268,074	232,769	3,101	235,870
25,213	303,312	6,722	335,247	285,258	(182)	285,076
70,454	847,572	18,161	936,187	797,121	(911)	796,210
1,023	12,301	458	13,782	11,569	67	11,636
57,368	690,145	430	747,943	649,065	18,071	667,136
5,877	70,706	1,585	78,168	66,497	13	66,510
18,721	225,211	9,582	253,514	211,806	564	212,370
26,799	322,397	4,494	353,690	303,206	751	303,957
1,403	16,884	1,133	19,420	15,879	(98)	15,781
6,884	82,818	11,444	101,146	77,888	(1,635)	76,253
504	6,059	443	7,006	5,698	(48)	5,650
3,632	43,691	1,631	48,954	41,090	(186)	40,904
3,137	37,733	2,802	43,672	35,487	(455)	35,032
868	10,448	1,940	13,256	9,826	125	9,951
914	10,999	2,105	14,018	10,344	(106)	10,238
26,179	314,932	3,556	344,667	296,186	1,795	297,981
6,185	74,407	759	81,351	69,978	311	70,289
5,459	65,673	—	71,132	61,763	1,037	62,800
6,538	78,653	460	85,651	73,971	695	74,666
2,263	27,223	2,438	31,924	25,602	(393)	25,209
3,371	40,550	3,195	47,116	38,137	(48)	38,089
2,330	28,025	608	30,963	26,357	536	26,893
6,190	74,470	143	80,803	70,038	712	70,750
1,880	22,619	2,048	26,547	21,272	15	21,287
310	3,731	1,062	5,103	3,509	(146)	3,363
3,238	38,951	1,287	43,476	36,633	109	36,742
4,627	55,666	860	61,153	52,353	363	52,716
3,207	38,580	2,360	44,147	36,283	(352)	35,931
3,979	47,874	1,162	53,015	45,024	265	45,289
2,436	29,303	—	31,739	27,559	568	28,127
60,564	728,598	21,768	810,930	685,229	(542)	684,687
961	10,356	—	11,217	9,739	240	9,979
2,444	29,403	3,706	35,553	27,653	(544)	27,109
1,214	14,607	2,239	18,060	13,737	(181)	13,556
621	7,469	752	8,842	7,024	(72)	6,952
11,348	136,522	815	148,685	128,396	1,129	129,525
5,747	69,132	—	74,879	65,017	1,016	66,033
6,045	72,727	5,850	84,622	68,398	(902)	67,496
887	10,667	1,215	12,769	10,032	(26)	10,006
181	2,174	212	2,567	2,045	33	2,078
12,489	150,243	1,829	164,561	141,300	299	141,599
6,374	76,675	3,556	86,605	72,111	(139)	71,972
702	8,447	1,536	10,685	7,944	(174)	7,770
1,952	23,488	1,583	27,023	22,090	(127)	21,963
9,986	120,131	8,712	138,829	112,980	(589)	112,391
—	—	303	303	—	(60)	(60)
8,158	98,143	17,307	123,608	92,301	7,620	99,921
1,462	17,592	1,848	20,902	16,545	(111)	16,434
—	—	80,191	80,191	—	(11,301)	(11,301)
128	1,541	762	2,431	1,450	(58)	1,392
1,309	15,747	515	17,571	14,810	(12)	14,798
555	6,681	219	7,455	6,283	376	6,659
—	—	57	57	—	(3)	(3)

**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, 2020

Deferred outflows of resources							
Employer	Employer number	Net OPEB liability	Difference between expected and actual experience	Change in assumptions	Net difference between projected and actual investment earnings on OPEB plan investments	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
North Pacific Fishery Management Council	170	\$ 4,833	25	6,787	2,164	1,528	10,504
City of Barrow	171	4,505	23	6,326	2,017	1,259	9,625
City of Saint Paul	172	6,495	34	9,121	2,908	2,854	14,917
Municipality of Anchorage	173	612,468	3,184	860,147	274,242	74,479	1,212,052
Kodiak Island Borough	174	10,237	53	14,376	4,584	1,885	20,898
Nome Joint Utility System	175	1,481	8	2,081	663	1,234	3,986
City of Sand Point	176	5,788	30	8,128	2,592	832	11,582
Ketchikan Gateway Borough School District	177	29,222	152	41,039	13,085	2,704	56,980
City of Dillingham	178	12,224	64	17,168	5,474	—	22,706
City of Unalaska	179	49,293	256	69,227	22,072	3,049	94,604
Kenai Peninsula Borough	180	66,522	346	93,423	29,786	251	123,806
City of Ketchikan	181	31,961	166	44,885	14,311	8,054	67,416
City of Seward	182	16,914	88	23,753	7,573	1,840	33,254
City of Fort Yukon	183	1,846	10	2,592	826	2,391	5,819
Bristol Bay Borough School District	184	2,103	11	2,953	941	979	4,884
Cordova City School District	185	4,117	21	5,782	1,843	1,061	8,707
City of Craig	186	6,600	34	9,268	2,955	—	12,257
Petersburg Medical Center	187	31,563	164	44,327	14,133	8,474	67,098
Haines Borough	189	10,567	55	14,840	4,732	1,041	20,668
Kenai Peninsula Borough School District	190	62,525	325	87,810	27,997	651	116,783
City of North Pole	191	10,398	54	14,603	4,656	1,397	20,710
City of Galena	192	2,942	15	4,132	1,317	346	5,810
City of Nenana	193	1,305	7	1,833	584	2,569	4,993
Yupik School District	195	5,659	29	7,947	2,534	2,547	13,057
Nenana City School District	196	7,319	38	10,278	3,277	1,517	15,110
City of Saxman	198	647	3	909	290	656	1,858
City of Hoonah	199	5,079	26	7,133	2,274	371	9,804
City of Pelican	200	403	2	567	181	242	992
City of Whittier	202	6,214	32	8,728	2,783	2,974	14,517
Anchorage Community Development Authority	203	7,332	38	10,297	3,283	—	13,618
Craig City School District	204	4,220	22	5,926	1,890	99	7,937
Dillingham City School District	205	5,301	28	7,444	2,373	4,121	13,966
City of Thorne Bay	206	2,068	11	2,905	926	113	3,955
City of Akutan	208	3,655	19	5,134	1,637	2,488	9,278
Unalaska City School District	209	3,480	18	4,887	1,558	843	7,306
Kashunamit School District	211	4,614	24	6,479	2,066	1,687	10,256
City of Homer	215	22,626	118	31,775	10,131	3,201	45,225
Special Education Service Agency	218	830	4	1,166	372	—	1,542
Bartlett Regional Hospital	219	148,118	770	208,016	66,322	23,049	298,157
Northwest Arctic Borough	220	6,346	33	8,912	2,842	1,359	13,146
Saint Mary's School District	221	4,376	23	6,146	1,960	2,899	11,028
Bristol Bay Regional Housing Authority	223	3,479	18	4,885	1,558	—	6,461
Copper River Basin Regional Housing Authority	224	1,920	10	2,697	860	—	3,567
Skagway City School District	225	1,116	6	1,568	500	716	2,790
City of Klawock	227	2,769	14	3,888	1,240	485	5,627
Petersburg City School District	228	4,282	22	6,013	1,917	214	8,166
Aleutians East Borough	230	2,266	12	3,183	1,015	208	4,418
City of Huslia	235	453	2	636	203	342	1,183
City of Kaltag	237	89	—	125	40	59	224
Haines Borough School District	240	2,423	13	3,403	1,085	50	4,551
City of Atka	243	308	2	432	138	47	619
Aleutians East Borough School District	244	3,661	19	5,142	1,639	917	7,717
Delta/Greely School District	246	4,586	24	6,440	2,053	547	9,064
Lake And Peninsula Borough	247	2,134	11	2,997	955	815	4,778
City And Borough of Yakutat	248	2,336	12	3,281	1,046	601	4,940
City of Unalakleet	249	125	1	175	56	502	734
Klawock City School District	251	2,042	11	2,867	914	642	4,434
Alaska Gateway School District	255	9,707	50	13,633	4,347	1,627	19,657
Pelican City School District	257	2	—	3	1	107	111
Denali Borough	258	2,641	14	3,710	1,183	508	5,415

Deferred outflows of resources				OPEB expense		
Difference between expected and actual experience	Change in assumptions	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)	
1,038	12,493	158	13,689	11,750	223	11,973
968	11,646	2,424	15,038	10,953	(165)	10,788
1,396	16,791	1,506	19,693	15,791	137	15,928
131,618	1,583,382	—	1,715,000	1,489,133	12,717	1,501,850
2,200	26,464	1,939	30,603	24,889	46	24,935
318	3,830	—	4,148	3,602	206	3,808
1,244	14,963	420	16,627	14,072	47	14,119
6,280	75,546	1,205	83,031	71,050	245	71,295
2,627	31,603	2,889	37,119	29,722	(444)	29,278
10,593	127,434	240	138,267	119,849	468	120,317
14,295	171,975	2,084	188,354	161,738	(264)	161,474
6,868	82,626	1,737	91,231	77,708	844	78,552
3,635	43,726	116	47,477	41,123	259	41,382
397	4,772	3,604	8,773	4,488	(81)	4,407
452	5,436	—	5,888	5,112	168	5,280
885	10,643	63	11,591	10,010	165	10,175
1,418	17,062	1,032	19,512	16,046	(177)	15,869
6,783	81,598	1,173	89,554	76,741	1,055	77,796
2,271	27,318	1,655	31,244	25,692	(34)	25,658
13,437	161,643	12,431	187,511	152,021	(1,703)	150,318
2,234	26,881	2,135	31,250	25,281	(69)	25,212
632	7,605	189	8,426	7,153	38	7,191
280	3,374	577	4,231	3,173	273	3,446
1,216	14,629	433	16,278	13,758	350	14,108
1,573	18,921	920	21,414	17,795	89	17,884
139	1,674	489	2,302	1,574	1	1,575
1,091	13,131	1,652	15,874	12,349	(188)	12,161
87	1,043	256	1,386	981	(2)	979
1,335	16,066	67	17,468	15,110	433	15,543
1,576	18,955	4,740	25,271	17,827	(714)	17,113
907	10,910	630	12,447	10,260	(82)	10,178
1,139	13,703	2,935	17,777	12,888	80	12,968
444	5,347	375	6,166	5,029	(38)	4,991
786	9,450	2,318	12,554	8,888	97	8,985
748	8,997	767	10,512	8,461	36	8,497
991	11,927	1,746	14,664	11,217	(72)	11,145
4,862	58,493	1,412	64,767	55,011	210	55,221
178	2,146	850	3,174	2,018	(128)	1,890
31,830	382,922	8,257	423,009	360,130	2,431	362,561
1,364	16,406	7,071	24,841	15,430	(674)	14,556
940	11,314	551	12,805	10,640	334	10,974
748	8,993	2,348	12,089	8,458	(361)	8,097
413	4,964	685	6,062	4,669	(117)	4,552
240	2,886	133	3,259	2,715	85	2,800
595	7,158	1,063	8,816	6,732	(85)	6,647
920	11,069	444	12,433	10,410	(31)	10,379
487	5,859	152	6,498	5,510	19	5,529
97	1,172	382	1,651	1,102	(6)	1,096
19	230	97	346	217	(7)	210
521	6,265	1,084	7,870	5,892	(169)	5,723
66	796	605	1,467	749	(101)	648
787	9,465	748	11,000	8,902	(11)	8,891
985	11,856	904	13,745	11,150	(81)	11,069
459	5,517	302	6,278	5,188	66	5,254
502	6,040	1,044	7,586	5,680	(48)	5,632
27	322	2,488	2,837	303	(294)	9
439	5,278	223	5,940	4,964	50	5,014
2,086	25,095	886	28,067	23,602	161	23,763
—	5	261	266	4	(21)	(17)
568	6,829	190	7,587	6,422	51	6,473

**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, 2020

<u>Deferred outflows of resources</u>							
<u>Employer</u>	<u>Employer number</u>	<u>Net OPEB liability</u>	<u>Difference between expected and actual experience</u>	<u>Change in assumptions</u>	<u>Net difference between projected and actual investment earnings on OPEB plan investments</u>	<u>Change in proportion and difference between employer contributions and proportionate share of contributions</u>	<u>Total deferred outflows of resources</u>
Cook Inlet Housing Authority	262	\$ 42,352	220	59,479	18,964	10,994	89,657
Interior Regional Housing Authority	263	3,720	19	5,225	1,666	280	7,190
Yakutat School District	264	969	5	1,360	434	513	2,312
Kake City School District	265	1,768	9	2,483	792	279	3,563
Aleutian Housing Authority	267	2,823	15	3,965	1,264	—	5,244
Bering Straits Regional Housing Authority	270	3,754	20	5,272	1,681	358	7,331
City of Egegik	271	631	3	887	283	473	1,646
Ilisaqvik College	275	22,898	119	32,158	10,253	438	42,968
North Pacific Rim Housing Authority	276	3,197	17	4,489	1,431	1,056	6,993
Saxman Seaport	278	543	3	763	243	419	1,428
Tlingit-Haida Regional Housing Authority	279	13,682	71	19,215	6,126	3,873	29,285
Baranof Island Housing Authority	281	2,301	12	3,231	1,030	165	4,438
City of Delta Junction	282	749	4	1,053	336	—	1,393
City of Anderson	283	91	—	127	41	11	179
Inter-Island Ferry Authority	284	4,142	22	5,817	1,855	451	8,145
City of Seldovia	286	536	3	753	240	154	1,150
Northwest Inupiat Housing Authority	288	2,272	12	3,190	1,017	257	4,476
City of Upper Kalskag	290	—	—	—	—	8	8
City of Shaktoolik	291	87	—	122	39	—	161
Tagiugmiullu Nunamiullu Housing Authority	293	5,379	28	7,554	2,408	3,352	13,342
Municipality of Skagway	296	15,933	83	22,376	7,134	1,173	30,766
City of Nulato	297	—	—	—	—	57	57
City of Aniak	298	1,069	6	1,502	479	426	2,413
Alaska Gasline Development Corporation	299	6,069	32	8,523	2,717	3,620	14,892
Total for all employers		\$ 7,093,000	36,878	9,961,374	3,176,000	570,734	13,744,986

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

Deferred outflows of resources				OPEB expense		
Difference between expected and actual experience	Change in assumptions	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)	
9,101	109,491	1,045	119,637	102,974	1,402	104,376
800	9,618	584	11,002	9,046	(34)	9,012
208	2,504	155	2,867	2,355	51	2,406
380	4,572	208	5,160	4,299	19	4,318
607	7,299	1,528	9,434	6,864	(234)	6,630
807	9,705	1,754	12,266	9,128	(248)	8,880
136	1,633	6	1,775	1,535	78	1,613
4,921	59,196	8,942	73,059	55,673	(1,245)	54,428
687	8,264	58	9,009	7,772	147	7,919
117	1,404	142	1,663	1,321	46	1,367
2,940	35,372	1,213	39,525	33,267	319	33,586
494	5,948	260	6,702	5,594	(17)	5,577
161	1,937	1,514	3,612	1,822	(248)	1,574
20	235	92	347	221	(14)	207
890	10,709	88	11,687	10,071	50	10,121
115	1,386	225	1,726	1,303	(5)	1,298
488	5,873	323	6,684	5,523	—	5,523
—	—	123	123	—	(16)	(16)
19	225	215	459	212	(31)	181
1,156	13,905	707	15,768	13,077	377	13,454
3,424	41,190	251	44,865	38,738	183	38,921
—	—	1,558	1,558	—	(213)	(213)
230	2,764	55	3,049	2,600	68	2,668
1,304	15,689	13,572	30,565	14,755	(1,247)	13,508
<u>1,524,270</u>	<u>18,337,171</u>	<u>570,734</u>	<u>20,432,175</u>	<u>17,245,675</u>	<u>—</u>	<u>17,245,675</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, 2020

(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, 2020

(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, or its participating employers. 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. 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, 2020. 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 2020 employer effective contribution rate is 1.32% 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, 2020 are as follows:

Total OPEB liability	\$ 148,662,000
Plan fiduciary net position	<u>(141,569,000)</u>
Net OPEB liability	<u>\$ 7,093,000</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, 2020

The total OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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%.
Healthcare cost trend rates	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drug: 8.0% grading down to 4.5% Employer Group Waiver Plan (EGWP): 8.0% grading down to 4.5%
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013–2017 actual mortality experience. Post-commencement mortality rates were based on 91% of the male rates and 96% of the female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. The rates for pre-commencement mortality were 100% of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected 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, 2020

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, 2020:

<u>Decrement due to disability</u>		<u>Decrement due to retirement</u>	
<u>Age</u>	<u>Percent participation</u>	<u>Age</u>	<u>Percent participation</u>
<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+	<u>Years of service</u>
			<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, 2019 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2017. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions.
2. The Further Consolidated Appropriations Act, 2020 that was signed into law in December 2019 made several changes, including the repeal of the Cadillac Tax.
3. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

**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, 2020

(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	6.24 %
Global equity (non-U.S.)	6.67
Aggregate bonds	(0.16)
Opportunistic	3.01
Real assets	3.82
Private equity	10.00
Cash equivalents	(1.09)

(c) Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2020 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.

**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, 2020

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

The following presents the collective net OPEB liability of the Plan as of June 30, 2020, 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:

1% decrease (6.38%)	Current discount rate (7.38%)	1% increase (8.38%)
\$ 43,942,000	7,093,000	(20,800,000)

(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, 2020, calculated using the current healthcare cost trend rates, as well as what the Plan's net OPEB liability (asset) would be if it were using trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

1% decrease	Current healthcare cost trend rate	1% increase
\$ (24,888,000)	7,093,000	50,594,000

**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, 2020

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

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ending June 30, 2020:

	<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:						
Difference between expected and actual experience	2020	8.2 years	\$ —	42,000	5,122	36,878
Change in assumptions	2018	9.1 years	5,167,396	—	727,802	4,439,594
	2019	8.2 years	6,412,390	—	890,610	5,521,780
			11,579,786	—	1,618,412	9,961,374
Difference between projected and actual earnings on OPEB plan investments	2017	5 years	(1,267,200)	—	(633,600)	(633,600)
	2018	5 years	33,600	—	11,200	22,400
	2019	5 years	969,600	—	242,400	727,200
	2020	5 years	—	3,825,000	765,000	3,060,000
			(264,000)	3,825,000	385,000	3,176,000
Total deferred outflows of resources			\$ 11,315,786	3,867,000	2,008,534	13,174,252
Deferred inflows of resources						
Difference between expected and actual experience	2017	9.1 years	\$ 30,835	—	5,055	25,780
	2018	9.1 years	564,880	—	79,560	485,320
	2019	8.2 years	1,176,585	—	163,415	1,013,170
			1,772,300	—	248,030	1,524,270
Change in assumptions	2020	8.2 years	—	20,884,000	2,546,829	18,337,171
Total deferred inflows of resources			\$ 1,772,300	20,884,000	2,794,859	19,861,441

**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, 2020

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

Year ending June 30:		
2021	\$	786,325
2022		152,725
2023		163,925
2024		406,325
2025		1,171,325
Thereafter		<u>4,006,564</u>
Total	\$	<u><u>6,687,189</u></u>

(7) Collective OPEB Expense

The components of the collective OPEB expense (excluding employer specific amounts) for the year ending June 30, 2020 are as follows:

Service cost	\$	15,726,000
Interest on total OPEB liability		11,651,000
Administrative expense		26,000
Expected investment return net of investment expenses		(9,371,000)
Recognition (amortization) of deferred outflows/inflows of resources:		
Difference between expected and actual experience		(242,908)
Change in assumptions		(928,417)
Difference between projected and actual investment earnings on OPEB plan investments		<u>385,000</u>
Total OPEB expense	\$	<u><u>17,245,675</u></u>