



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedules of OPEB Amounts by Employer

June 30, 2017 and 2016

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

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KPMG LLP
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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 total for all entities of the columns titled net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (specified column totals) included in the accompanying schedule of OPEB amounts by employer of the State of Alaska Public Employees' Retirement System Occupational Death and Disability Plan (the Plan) as of and for the year ended June 30, 2017 and the total for all entities of the column titled net OPEB asset (specified column total) included in the accompanying schedule of OPEB amounts by employer of the Plan as of June 30, 2016, 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 specified column totals included in the schedules of OPEB amounts by employer based on our audits. We conducted our audits 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 specified column totals included in the schedules 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 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 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 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 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 net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense for the total of all participating entities for the Plan as of and for the year ended June 30, 2017 and the net OPEB asset for the



total of all participating entities for the Plan as of June 30, 2016, 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 Occupational Death and Disability Plan, as of and for the year ended June 30, 2017, and our report thereon, dated December 5, 2017, 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 Occupational Death and Disability 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
October 26, 2018

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedules of OPEB Amounts by Employer

As of and for the years ended June 30, 2017 and 2016

Employer	Employer number	Net OPEB Asset		Deferred outflows of resources as of June 30, 2017			
		June 30, 2017	June 30, 2016	Difference between expected and actual experience	Change of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred outflows of resources
Employers:							
State of Alaska	101	\$ 7,044,757	6,746,120	-	-	276,686	276,686
Southwest Region SD	102	17,466	15,433	-	-	-	-
Annette Island SD	103	14,334	11,625	-	-	-	-
Bering Strait SD	104	57,652	52,131	-	-	-	-
Chatham SD	105	4,710	3,961	-	-	-	-
City of Valdez	107	67,695	58,610	-	-	-	-
Juneau Borough SD	108	92,602	81,374	-	-	-	-
Matanuska-Susitna Borough	109	163,371	146,821	-	-	-	-
Matanuska-Susitna Borough SD	110	247,965	216,269	-	-	-	-
Anchorage SD	111	695,787	613,720	-	-	-	-
Copper River SD	112	8,337	7,443	-	-	-	-
University of Alaska	113	368,574	255,882	-	-	-	-
City of Kenai	115	55,114	49,240	-	-	2,395	2,395
Fairbanks North Star Borough	116	164,151	144,771	-	-	-	-
Fairbanks North Star Borough SD	117	239,662	215,562	-	-	-	-
Denali Borough SD	118	13,374	12,427	-	-	-	-
City And Borough of Sitka	120	77,445	72,043	-	-	2,371	2,371
Chugach SD	121	4,822	5,145	-	-	519	519
Ketchikan Gateway Borough	122	33,189	33,534	-	-	2,578	2,578
City of Soldotna	123	32,218	31,644	-	-	2,202	2,202
Iditarod Area SD	124	8,367	5,144	-	-	-	-
Kuspuk SD	125	11,249	7,883	-	-	-	-
City and Borough of Juneau	126	240,303	209,313	-	-	-	-
City of Kodiak	128	55,374	47,852	-	-	564	564
City of Fairbanks	129	38,204	34,426	-	-	4,249	4,249
City of Wasilla	131	51,986	46,170	-	-	-	-
Sitka Borough SD	133	23,848	23,546	-	-	873	873
City of Palmer	134	35,126	28,308	-	-	-	-
City And Borough of Wrangell	135	14,582	14,890	-	-	1,250	1,250
City of Bethel	136	49,480	45,523	-	-	1,198	1,198
Valdez City SD	137	18,489	15,475	-	-	-	-
Hoonah City SD	138	3,503	4,925	-	-	1,445	1,445
City of Nome	139	28,631	26,898	-	-	1,229	1,229
City of Kotzebue	140	42,374	37,068	-	-	1,184	1,184
Galena City SD	141	33,110	30,576	-	-	-	-
City of Petersburg	143	33,059	31,838	-	-	1,307	1,307
Bristol Bay Borough	144	17,974	15,525	-	-	-	-
North Slope Borough	145	581,587	530,921	-	-	-	-
Wrangell Public SD	146	5,925	4,984	-	-	-	-
City of Cordova	148	30,482	27,368	-	-	-	-
Nome City SD	149	12,789	13,957	-	-	1,652	1,652
City of King Cove	151	6,359	5,821	-	-	58	58
Alaska Housing Finance Corporation	152	99,762	86,121	-	-	-	-
Lower Yukon SD	153	44,952	37,885	-	-	-	-
Northwest Arctic Borough SD	154	68,127	62,321	-	-	-	-
Southeast Island SD	155	7,590	6,994	-	-	-	-
Pribilof SD	156	1,648	1,391	-	-	-	-
Lower Kuskokwim SD	157	110,619	100,411	-	-	-	-
Kodiak Island Borough SD	158	65,741	59,240	-	-	-	-
Yukon Flats SD	159	7,582	7,438	-	-	235	235
Yukon / Koyukuk SD	160	19,977	17,160	-	-	-	-
North Slope Borough SD	161	99,788	85,760	-	-	-	-
Aleutian Region SD	162	-	764	-	-	680	680
Cordova Community Medical Center	163	42,278	25,152	-	-	-	-
Lake And Peninsula Borough SD	164	16,792	14,888	-	-	-	-
Sitka Community Hospital	165	110,558	99,830	-	-	-	-
Tanana SD	166	991	1,297	-	-	319	319
Southeast Regional Resource Center	167	12,338	11,274	-	-	-	-
Hydaburg City SD	168	2,623	1,874	-	-	-	-
North Pacific Fishery Management Council	170	6,425	6,018	-	-	-	-
City of Barrow	171	9,618	8,837	-	-	-	-
City of Saint Paul	172	8,151	11,258	-	-	3,501	3,501
Municipality of Anchorage	173	1,124,811	960,134	-	-	-	-

Deferred inflows of resources as of June 30, 2017				OPEB expense for the year ended June 30, 2017			
Difference between expected and actual experience	Changes of assumptions	Net difference between projected and actual investment earnings on OPEB plan investments	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of plan OPEB expense	Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	Total OPEB expense
207,708	-	440,094	-	647,802	1,147,277	34,156	1,181,433
515	-	1,091	974	2,580	2,844	(120)	2,724
423	-	895	1,725	3,043	2,334	(213)	2,121
1,700	-	3,602	2,154	7,456	9,389	(266)	9,123
139	-	294	441	874	767	(54)	713
1,996	-	4,229	2,420	8,645	11,025	(299)	10,726
2,730	-	5,785	5,561	14,076	15,081	(687)	14,394
4,817	-	10,206	4,692	19,715	26,606	(579)	26,027
7,311	-	15,491	16,344	39,146	40,382	(2,018)	38,364
20,515	-	43,466	39,750	103,731	113,313	(4,907)	108,406
246	-	521	396	1,163	1,358	(49)	1,309
10,867	-	23,025	81,932	115,824	60,024	(10,115)	49,909
1,625	-	3,443	-	5,068	8,976	296	9,272
4,840	-	10,255	9,386	24,481	26,733	(1,159)	25,574
7,066	-	14,972	9,978	32,016	39,030	(1,232)	37,798
394	-	835	203	1,432	2,178	(25)	2,153
2,283	-	4,838	-	7,121	12,612	293	12,905
142	-	301	-	443	785	64	849
979	-	2,073	-	3,052	5,405	318	5,723
950	-	2,013	-	2,963	5,247	272	5,519
247	-	523	2,472	3,242	1,363	(305)	1,058
332	-	703	2,457	3,492	1,832	(303)	1,529
7,085	-	15,012	5,830	27,927	39,135	(720)	38,415
1,633	-	3,459	-	5,092	9,018	70	9,088
1,126	-	2,387	-	3,513	6,222	525	6,747
1,533	-	3,248	318	5,099	8,466	(39)	8,427
703	-	1,490	-	2,193	3,884	108	3,992
1,036	-	2,194	3,023	6,253	5,721	(373)	5,348
430	-	911	-	1,341	2,375	154	2,529
1,459	-	3,091	-	4,550	8,058	148	8,206
545	-	1,155	1,798	3,498	3,011	(222)	2,789
103	-	219	-	322	570	178	748
844	-	1,789	-	2,633	4,663	152	4,815
1,249	-	2,647	-	3,896	6,901	146	7,047
976	-	2,068	670	3,714	5,392	(83)	5,309
975	-	2,065	-	3,040	5,384	161	5,545
530	-	1,123	814	2,467	2,927	(100)	2,827
17,148	-	36,332	4,459	57,939	94,715	(550)	94,165
175	-	370	554	1,099	965	(68)	897
899	-	1,904	408	3,211	4,964	(50)	4,914
377	-	799	-	1,176	2,083	204	2,287
187	-	397	-	584	1,036	7	1,043
2,941	-	6,232	7,365	16,538	16,247	(909)	15,338
1,325	-	2,808	4,138	8,271	7,321	(511)	6,810
2,009	-	4,256	1,907	8,172	11,095	(235)	10,860
224	-	474	167	865	1,236	(21)	1,215
49	-	103	150	302	268	(19)	249
3,262	-	6,910	3,792	13,964	18,015	(468)	17,547
1,938	-	4,107	2,645	8,690	10,706	(326)	10,380
224	-	474	-	698	1,235	29	1,264
589	-	1,248	1,551	3,388	3,253	(191)	3,062
2,942	-	6,234	7,709	16,885	16,251	(952)	15,299
-	-	-	-	-	-	84	84
1,247	-	2,641	13,287	17,175	6,885	(1,640)	5,245
495	-	1,049	891	2,435	2,735	(110)	2,625
3,260	-	6,907	4,257	14,424	18,005	(526)	17,479
29	-	62	-	91	161	39	200
364	-	771	357	1,492	2,009	(44)	1,965
77	-	164	541	782	427	(67)	360
189	-	401	55	645	1,046	(7)	1,039
284	-	601	235	1,120	1,566	(29)	1,537
240	-	509	-	749	1,327	432	1,759
33,164	-	70,268	12,035	115,467	183,181	(1,486)	181,695

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedules of OPEB Amounts by Employer

As of and for the years ended June 30, 2017 and 2016

Employer	Employer number	Net OPEB Asset		Deferred outflows of resources as of June 30, 2017			
		June 30, 2017	June 30, 2016	Difference between expected and actual experience	Change of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred outflows of resources
Kodiak Island Borough	174	\$ 20,405	16,705	-	-	-	-
Nome Joint Utility System	175	1,846	457	-	-	-	-
City of Sand Point	176	10,161	10,330	-	-	1,044	1,044
Ketchikan Gateway Borough SD	177	57,768	50,805	-	-	-	-
City of Dillingham	178	29,197	27,261	-	-	810	810
City of Unalaska	179	94,464	85,058	-	-	-	-
Kenai Peninsula Borough	180	136,586	124,501	-	-	3,992	3,992
City of Ketchikan	181	55,411	52,306	-	-	2,027	2,027
City of Seward	182	32,352	28,748	-	-	-	-
City of Fort Yukon	183	4,759	1,968	-	-	-	-
Bristol Bay Borough SD	184	2,677	1,651	-	-	-	-
Cordova City SD	185	6,896	5,734	-	-	-	-
City of Craig	186	14,362	14,175	-	-	1,164	1,164
Petersburg Medical Center	187	56,076	49,044	-	-	-	-
Haines Borough	189	23,405	18,823	-	-	-	-
Kenai Peninsula Borough SD	190	144,769	130,990	-	-	-	-
City of North Pole	191	20,243	18,463	-	-	2,121	2,121
City of Galena	192	6,328	4,926	-	-	-	-
City of Nenana	193	368	283	-	-	18	18
Yupit SD	195	10,845	7,065	-	-	-	-
Nenana City SD	196	14,212	12,426	-	-	-	-
City of Saxman	198	954	1,690	-	-	701	701
City of Hoonah	199	13,392	11,334	-	-	3,924	3,924
City of Pelican	200	1,278	886	-	-	-	-
City of Whittier	202	9,500	7,611	-	-	-	-
Anchorage Community Development Authority	203	20,456	20,331	-	-	868	868
Craig City SD	204	9,830	8,756	-	-	-	-
Dillingham City SD	205	8,251	10,406	-	-	2,313	2,313
City of Thorne Bay	206	5,019	4,313	-	-	-	-
City of Akutan	208	13,235	6,458	-	-	-	-
Unalaska City SD	209	6,843	5,595	-	-	-	-
Kashunamiut SD	211	9,485	10,438	-	-	1,303	1,303
City of Homer	215	43,414	40,672	-	-	1,073	1,073
Special Education Service Agency	218	3,154	2,935	-	-	-	-
Bartlett Regional Hospital	219	289,389	244,832	-	-	-	-
Northwest Arctic Borough	220	16,328	18,775	-	-	3,135	3,135
Saint Mary's SD	221	6,023	5,583	-	-	-	-
Bristol Bay Regional Housing Authority	223	10,795	10,398	-	-	164	164
Copper River Basin Regional Housing Authority	224	5,133	5,098	-	-	214	214
Skagway City SD	225	1,179	1,134	-	-	16	16
City of Klawock	227	6,246	5,994	-	-	401	401
Petersburg City SD	228	8,746	7,948	-	-	-	-
Aleutians East Borough	230	4,681	3,787	-	-	-	-
City of Huslia	235	732	699	-	-	6	6
City of Kaltag	237	86	208	-	-	113	113
Haines Borough SD	240	5,861	6,326	-	-	695	695
City of Atka	243	954	1,845	-	-	839	839
Aleutians East Borough SD	244	5,917	7,303	-	-	1,517	1,517
Delta/Greely SD	246	9,908	9,874	-	-	444	444
Lake and Peninsula Borough	247	3,128	3,469	-	-	453	453
City and Borough of Yakutat	248	7,126	5,015	-	-	-	-
City of Unalakleet	249	4,198	3,007	-	-	-	-
Klawock City SD	251	3,622	3,594	-	-	149	149
Alaska Gateway SD	255	17,766	14,868	-	-	-	-
Pelican City SD	257	150	184	-	-	37	37
Denali Borough	258	4,283	4,154	-	-	83	83
Cook Inlet Housing Authority	262	72,109	66,844	-	-	-	-
Interior Regional Housing Authority	263	7,897	6,851	-	-	-	-
Yakutat SD	264	1,822	1,469	-	-	-	-
Kake City SD	265	3,646	2,980	-	-	-	-
Aleutian Housing Authority	267	7,691	7,537	-	-	232	232
Bering Straits Regional Housing Authority	270	7,582	9,488	-	-	2,059	2,059
City of Egegik	271	152	-	-	-	-	-
Iliagvik College	275	56,291	52,529	-	-	-	-
North Pacific Rim Housing Authority	276	4,696	4,449	-	-	5	5
Saxman Seaport	278	1,070	596	-	-	-	-
Tlingit-Haida Regional Housing Authority	279	21,924	23,138	-	-	2,130	2,130
Baranof Island Housing Authority	281	5,172	4,617	-	-	-	-
City of Delta Junction	282	3,594	4,232	-	-	739	739

Deferred inflows of resources as of June 30, 2017

OPEB expense for the year ended June 30, 2017

Difference between expected and actual experience	Changes of assumptions	Net difference between projected and actual investment earnings on OPEB plan investments	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of plan OPEB expense	Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions		Total OPEB expense
602	-	1,275	2,026	3,903	3,323	(250)	3,073	
54	-	115	1,147	1,316	301	(142)	159	
300	-	635	-	935	1,655	129	1,784	
1,703	-	3,609	3,432	8,744	9,408	(424)	8,984	
861	-	1,824	-	2,685	4,755	100	4,855	
2,785	-	5,901	111	8,797	15,384	(14)	15,370	
4,027	-	8,533	-	12,560	22,244	493	22,737	
1,634	-	3,462	-	5,096	9,024	250	9,274	
954	-	2,021	489	3,464	5,269	(60)	5,209	
140	-	297	2,278	2,715	775	(281)	494	
79	-	167	785	1,031	436	(97)	339	
203	-	431	704	1,338	1,123	(87)	1,036	
423	-	897	-	1,320	2,339	144	2,483	
1,653	-	3,503	3,576	8,732	9,132	(441)	8,691	
690	-	1,462	1,906	4,058	3,812	(235)	3,577	
4,268	-	9,044	5,376	18,688	23,576	(664)	22,912	
597	-	1,265	-	1,862	3,297	262	3,559	
187	-	395	901	1,483	1,031	(111)	920	
11	-	23	-	34	60	2	62	
320	-	677	2,845	3,842	1,766	(351)	1,415	
419	-	888	909	2,216	2,314	(112)	2,202	
28	-	60	-	88	155	87	242	
395	-	837	-	1,232	2,181	484	2,665	
38	-	80	287	405	208	(35)	173	
280	-	593	899	1,772	1,547	(111)	1,436	
603	-	1,278	-	1,881	3,331	107	3,438	
290	-	614	486	1,390	1,601	(60)	1,541	
243	-	515	-	758	1,344	286	1,630	
148	-	314	388	850	817	(48)	769	
390	-	827	5,259	6,476	2,155	(649)	1,506	
202	-	427	783	1,412	1,114	(97)	1,017	
280	-	593	-	873	1,545	161	1,706	
1,280	-	2,712	-	3,992	7,070	132	7,202	
93	-	197	44	334	514	(5)	509	
8,532	-	18,078	25,851	52,461	47,129	(3,191)	43,938	
481	-	1,020	-	1,501	2,659	387	3,046	
178	-	376	103	657	981	(13)	968	
318	-	674	-	992	1,758	20	1,778	
151	-	321	-	472	836	26	862	
35	-	74	-	109	192	2	194	
184	-	390	-	574	1,017	50	1,067	
258	-	546	292	1,096	1,424	(36)	1,388	
138	-	292	572	1,002	762	(71)	691	
22	-	46	-	68	119	1	120	
3	-	5	-	8	14	14	28	
173	-	366	-	539	954	86	1,040	
28	-	60	-	88	155	104	259	
174	-	370	-	544	964	187	1,151	
292	-	619	-	911	1,614	55	1,669	
92	-	195	-	287	509	56	565	
210	-	445	923	1,578	1,160	(114)	1,046	
124	-	262	425	811	684	(53)	631	
107	-	226	-	333	590	18	608	
524	-	1,110	1,729	3,363	2,893	(213)	2,680	
4	-	9	-	13	24	5	29	
126	-	268	-	394	698	10	708	
2,126	-	4,505	1,236	7,867	11,743	(153)	11,590	
233	-	493	552	1,278	1,286	(68)	1,218	
54	-	114	227	395	297	(28)	269	
107	-	228	418	753	594	(52)	542	
227	-	480	-	707	1,252	29	1,281	
224	-	474	-	698	1,235	254	1,489	
4	-	9	128	141	25	(16)	9	
1,660	-	3,517	655	5,832	9,167	(81)	9,086	
138	-	293	-	431	765	1	766	
32	-	67	371	470	174	(46)	128	
646	-	1,370	-	2,016	3,570	263	3,833	
153	-	323	246	722	842	(30)	812	
106	-	225	-	331	585	91	676	

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedules of OPEB Amounts by Employer

As of and for the years ended June 30, 2017 and 2016

Employer	Employer number	Net OPEB Asset		Deferred outflows of resources as of June 30, 2017			
		June 30, 2017	June 30, 2016	Difference between expected and actual experience	Change of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred outflows of resources
City of Anderson	283	\$ 343	365	-	-	36	36
Inter-Island Ferry Authority	284	8,033	7,304	-	-	-	-
City of Seldovia	286	1,564	1,044	-	-	-	-
Northwest Inupiat Housing Authority	288	4,497	3,873	-	-	-	-
City of Upper Kalskag	290	149	116	-	-	-	-
City of Shaktoolik	291	437	430	-	-	15	15
Tagiugmiullu Nunamiullu Housing Authority	293	6,909	6,902	-	-	324	324
Municipality of Skagway	296	32,112	26,924	-	-	-	-
City of Nulato	297	2,160	1,835	-	-	-	-
City of Aniak	298	1,937	1,077	-	-	-	-
Alaska Gasline Development Corporation	299	30,624	18,948	-	-	-	-
Total for employers		\$ 14,189,000	12,999,000	-	-	341,659	341,659

See accompanying notes to schedules of OPEB amounts by employer.

Deferred inflows of resources as of June 30, 2017				OPEB expense for the year ended June 30, 2017			
Difference between expected and actual experience	Changes of assumptions	Net difference between projected and actual investment earnings on OPEB plan investments	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of plan OPEB expense	Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	
						Proportionate share of plan OPEB expense	Total OPEB expense
10	-	21	-	31	56	4	60
237	-	502	265	1,004	1,308	(33)	1,275
46	-	98	389	533	255	(48)	207
133	-	281	340	754	732	(42)	690
4	-	9	23	36	24	(3)	21
13	-	27	-	40	71	2	73
204	-	432	-	636	1,125	40	1,165
947	-	2,006	2,656	5,609	5,230	(328)	4,902
64	-	135	185	384	352	(23)	329
57	-	121	673	851	315	(83)	232
903	-	1,913	8,928	11,744	4,987	(1,102)	3,885
<u>418,352</u>	<u>-</u>	<u>886,400</u>	<u>341,659</u>	<u>1,646,411</u>	<u>2,310,752</u>	<u>-</u>	<u>2,310,752</u>

STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

OCCUPATIONAL DEATH AND DISABILITY PLAN

Notes to Schedules of OPEB Amounts by Employer

June 30, 2017 and 2016

(1) Plan Description

The State of Alaska Public Employees' Retirement System (System) Occupational Death and Disability Plan (Plan) is a cost-sharing, multiple-employer defined benefit other postemployment benefit (OPEB) plan that provides OPEB 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 Plan provides death benefits for beneficiaries of Plan participants and long-term disability benefits to all active members within the System.

Death Benefits

If (1) the death of an employee occurs before the employee's retirement and before the employee's normal retirement date, (2) the proximate cause of death is a bodily injury sustained or a hazard undergone while in the performance and within the scope of the employee's duties, and (3) the injury or hazard is not the proximate result of willful negligence of the employee, then a monthly survivor's pension shall be paid to the surviving spouse. If there is no surviving spouse or if the spouse later dies, the monthly survivor's pension shall be paid in equal parts to the dependent children of the employee.

If an active general member of the System's Defined Benefit Pension Plan (DB Plan) dies from occupational causes, the spouse may receive a monthly pension equal to 40% of the DB Plan's member's salary. If an active peace officer or firefighter DB Plan member dies from occupational causes, the spouse may receive a monthly pension equal to 50% of the DB Plan's member's salary or 75% of the member's retirement benefit calculated as if the member had survived until normal retirement age, whichever is greater. When death is due to occupational causes and there is no surviving spouse, the DB Plan's member's dependent child(ren) may receive the monthly pension until they are no longer dependents. If the member does not have a spouse or dependent children at the time of death, a lump-sum death benefit is payable to the named beneficiary(ies). The amount of the occupational death pension changes on the date the DB Plan member's normal retirement would have occurred if the DB Plan member had lived. The new benefit is based on the DB Plan member's average monthly compensation at the time of death and the credited service, including service that would have accrued if the DB Plan member had lived and continued to work until normal retirement. If the death was from nonoccupational causes and the DB Plan member was vested, the spouse may receive a monthly 50% joint and survivor option benefit based on the member's credited service and average monthly compensation at the time of death. If the DB Plan member is not married or vested, a lump-sum death benefit is payable to the named beneficiary(ies).

The monthly survivor's pension section for survivors of the System's Defined Contribution Retirement (DCR) Plan employees who are not peace officers or firefighters is 40% of the employee's monthly compensation in the month in which the employee dies. The monthly survivor's pension for survivors of employees who are peace officers or firefighters is 50% of the monthly compensation in the month in which the employee dies. While the monthly survivor's pension is being paid, the employer shall make contributions on behalf of the employee's beneficiaries based on the deceased employee's gross monthly compensation at the time of occupational death.

STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

OCCUPATIONAL DEATH AND DISABILITY PLAN

Notes to Schedules of OPEB Amounts by Employer

June 30, 2017 and 2016

Disability Benefits

Active DB Plan members who become permanently disabled due to occupational or nonoccupational causes receive disability benefits until normal retirement age, or when the service requirement for normal retirement is met. Although there are no minimum service requirements for DB Plan members to be eligible for occupational disability, DB Plan members must be vested to receive nonoccupational disability benefits. The monthly occupational disability benefit is equal to 40% of the DB Plan's salary at the time of the disability. The nonoccupational disability benefit is based on the DB Plan member's service and salary at the time of disability. At normal retirement age, a disabled general DB Plan member receives normal retirement benefits. A peace officer or firefighter DB Plan member may elect to receive normal retirement benefits calculated under the occupational disability benefit rules.

A DCR Plan member is eligible for an occupational disability benefit if employment is terminated because of a total and apparently permanent occupational disability before the member's normal retirement date. The occupational disability benefits accrue beginning the first day of the month following termination of employment as a result of the disability and are payable the last day of the month. If a final determination granting the benefit is not made in time to pay the benefit when due, a retroactive payment shall be made to cover the period of deferment.

(2) Basis of Presentation

The schedules of OPEB amounts by employer (the Schedules) present amounts that are considered elements of the financial statements of the System 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 System, 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 asset, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The Plan has historically had low contribution percentages, ranging from zero to less than one percent, and management determined these contribution percentages would not be meaningful for purposes of GASB Statement No. 75 allocations. However, because the contribution base of the Plan is comparable to that of the System's Retiree Medical Plan, management determined to use the allocation percentages computed for the System's Retiree Medical Plan for purposes of this Plan's GASB Statement No. 75 allocations. Allocation percentages are presented in a separate audit report titled *State of Alaska Public Employees' Retirement System Retiree Medical Plan Schedules of Employer Allocations*.

(4) Contributions

Employer contributions are actuarially determined and adopted by the Alaska Retirement Management Board (Board). An employer shall contribute to each member's account based on the member's

STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

OCCUPATIONAL DEATH AND DISABILITY PLAN

Notes to Schedules of OPEB Amounts by Employer

June 30, 2017 and 2016

compensation. For the year ended June 30, 2017, the rates are 0.49% for occupational death and disability for peace officers and firefighters, and 0.17% for occupational death and disability for all other members.

(5) Collective Net OPEB Asset

Components of the Collective Net OPEB Asset

The components of the collective net OPEB asset of the Plan are as follows as of June 30:

	<u>2017</u>	<u>2016</u>
Total OPEB liability	\$ 12,560,000	8,947,000
Plan fiduciary net position	<u>26,749,000</u>	<u>21,946,000</u>
Net OPEB asset	<u><u>\$ (14,189,000)</u></u>	<u><u>(12,999,000)</u></u>

The total OPEB liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total OPEB liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of June 30, 2015, which was rolled forward to June 30, 2016. These actuarial valuations used the following actuarial assumptions as of both the June 30, 2017 and 2016 measurement dates:

Inflation rate	3.12%
Salary increases:	Graded by service, from 9.66% to 4.92% for Peace Officer/Firefighter Graded by age and service, from 8.55% to 4.34% for All Others
Investment rate of return	8.00%, net of OPEB plan investment expenses. This is based on average inflation rate of 3.12% and a real rate of return of 4.88%.

Post-termination mortality rates are 96% of all rates of RP-2000 table, 2000 Base Year projected to 2018 with Projection Scale BB. Disability mortality was in accordance with the RP-2000 Disabled Retiree Mortality Table, 2000 Base Year, projected to 2018 with Projection Scale BB. Pre-termination mortality rates are based upon the 2010-2013 actual mortality experience and 60% of the male and 65% of female post-termination rates. Deaths are assumed to be occupational 70% of the time for Peace Officer/Firefighters and 50% of the time for All Others.

The actuarial assumptions used in the June 30, 2016 and 2015 actuarial valuations were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions effective for the June 30, 2014 actuarial valuation adopted by the Board to better reflect expected future experience.

STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

OCCUPATIONAL DEATH AND DISABILITY PLAN

Notes to Schedules of OPEB Amounts by Employer

June 30, 2017 and 2016

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 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 for each major asset class included in the Plan's target asset allocations as of June 30, 2017 and 2016 are summarized in the following table (note that the rates shown below exclude the inflation component):

<u>Asset class</u>	Long-term expected real rate of return	
	2017	2016
Broad domestic equity	8.83%	—%
Global ex-U.S. equity	7.79	5.55
Intermediate treasuries	1.29	—
Opportunistic	4.76	—
Real assets	4.94	3.65
Absolute return	4.76	—
Private equity	12.02	—
Cash equivalents	0.63	—
Fixed income composite	—	0.80
Alternative equity	—	4.70
Domestic equity	—	5.35
Private equity	—	6.25

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2017 and 2016 was 8.0%. The projection of cash flows used to determine the discount rate assumed that employer and State 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.

Sensitivity of the Collective Net OPEB Asset to Changes in the Discount Rate

The following presents the collective net OPEB asset of the Plan as of June 30, 2017 and 2016, calculated using the discount rate of 8.0%, as well as what the Plan's collective net OPEB asset would be if it were

STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN
Notes to Schedules of OPEB Amounts by Employer
June 30, 2017 and 2016

calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (7%)</u>	<u>Current discount rate (8%)</u>	<u>1% Increase (9%)</u>
2017	\$ (12,809,000)	(14,189,000)	(15,317,000)
2016	(11,927,846)	(12,999,000)	(13,866,132)

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

Deferred outflows of resources relate entirely to employer specific amounts.

The following presents a summary of changes in the collective deferred inflows of resources (excluding employer specific amounts) for the year ending June 30, 2017:

	<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 Inflows of Resources:						
Difference between projected and actual earnings on OPEB plan investments	2017	5 years	\$ —	1,108,000	221,600	886,400
Difference between expected and actual experience	2017	9.1 years	—	470,000	51,648	418,352
Total Deferred Inflows of Resources			<u>\$ —</u>	<u>1,578,000</u>	<u>273,248</u>	<u>1,304,752</u>

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

Year ending June 30:	
2018	\$ (273,248)
2019	(273,248)
2020	(273,248)
2021	(273,248)
2022	(51,648)
Thereafter	<u>(160,112)</u>
Total	<u>\$ (1,304,752)</u>

STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN
Notes to Schedules of OPEB Amounts by Employer
June 30, 2017 and 2016

(7) Collective OPEB Expense

The components of the collective OPEB expense (excluding employer specific amounts) for the year ending June 30, 2017 are as follows:

Service cost	\$	3,419,000
Interest on total OPEB liability		977,000
Administrative expense		18,000
Expected investment return net of investment expenses		(1,830,000)
Recognition (amortization) of deferred outflows/inflows of resources:		
Difference between projected and actual investment earnings on OPEB plan investments		(221,600)
Difference between expected and actual experience		(51,648)
		<hr/>
Total OPEB expense	\$	<u><u>2,310,752</u></u>

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Contributions
As of and for the year ended June 30, 2017
(Unaudited)

Employer	Employer Number	Actual Contributions
State of Alaska	101	\$ 1,108,815
Southwest Region SD	102	2,178
Annette Island SD	103	1,787
Bering Strait SD	104	7,189
Chatham SD	105	587
City of Valdez	107	11,166
Juneau Borough SD	108	11,545
Matanuska-Susitna Borough	109	22,861
Matanuska-Susitna Borough SD	110	30,915
Anchorage SD	111	86,741
Copper River SD	112	1,040
University of Alaska	113	46,774
City of Kenai	115	12,472
Fairbanks North Star Borough	116	20,474
Fairbanks North Star Borough SD	117	29,882
Denali Borough SD	118	1,668
City and Borough of Sitka	120	13,557
Chugach SD	121	601
Ketchikan Gateway Borough	122	4,905
City of Soldotna	123	5,332
Iditarod Area SD	124	1,040
Kuspuk SD	125	1,404
City and Borough of Juneau	126	41,478
City of Kodiak	128	12,083
City of Fairbanks	129	11,260
City of Wasilla	131	9,145
Sitka Borough SD	133	2,974
City of Palmer	134	5,912
City and Borough of Wrangell	135	2,131
City of Bethel	136	8,810
Valdez City SD	137	2,305
Hoonah City SD	138	449
City of Nome	139	5,144
City of Kotzebue	140	9,641
Galena City SD	141	4,128
City of Petersburg	143	5,033
Bristol Bay Borough	144	2,810
North Slope Borough	145	86,892
Wrangell Public SD	146	739
City of Cordova	148	4,817
Nome City SD	149	1,594
City of King Cove	151	1,053

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Contributions
As of and for the year ended June 30, 2017
(Unaudited)

Employer	Employer Number	Actual Contributions
Alaska Housing Finance Corporation	152	\$ 12,440
Lower Yukon SD	153	5,605
Northwest Arctic Borough SD	154	8,495
Southeast Island SD	155	946
Pribilof SD	156	205
Lower Kuskokwim SD	157	13,791
Kodiak Island Borough SD	158	8,191
Yukon Flats SD	159	945
Yukon / Koyukuk SD	160	2,491
North Slope Borough SD	161	12,442
Cordova Community Medical Center	163	5,196
Lake and Peninsula Borough SD	164	2,094
Sitka Community Hospital	165	13,785
Tanana SD	166	123
Southeast Regional Resource Center	167	1,538
Hydaburg City SD	168	327
North Pacific Fishery Mgmt Council	170	801
City of Barrow	171	1,199
City of Saint Paul	172	1,404
Municipality of Anchorage	173	230,906
Kodiak Island Borough	174	2,870
Nome Joint Utility System	175	230
City of Sand Point	176	1,724
Ketchikan Gateway Borough SD	177	7,203
City of Dillingham	178	4,916
City of Unalaska	179	15,979
Kenai Peninsula Borough	180	26,254
City of Ketchikan	181	9,310
City of Seward	182	5,348
City of Fort Yukon	183	570
Bristol Bay Borough SD	184	334
Cordova City SD	185	860
City of Craig	186	2,512
Petersburg Medical Center	187	6,992
Haines Borough	189	4,100
Kenai Peninsula Borough SD	190	18,004
City of North Pole	191	5,599
City of Galena	192	838
City of Nenana	193	132
Yupiit SD	195	1,352
Nenana City SD	196	1,772
City of Saxman	198	119

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Contributions
As of and for the year ended June 30, 2017
(Unaudited)

Employer	Employer Number	Actual Contributions
City of Hoonah	199	\$ 7,416
City of Pelican	200	159
City of Whittier	202	1,552
Anchorage Community Develop Authority	203	2,550
Craig City SD	204	1,226
Dillingham City SD	205	1,028
City of Thorne Bay	206	626
City of Akutan	208	1,807
Unalaska City SD	209	853
Kashunamiut SD	211	1,183
City of Homer	215	7,025
Special Education Service Agency	218	393
Bartlett Regional Hospital	219	36,033
Northwest Arctic Borough	220	2,234
Saint Mary's SD	221	751
Bristol Bay RHA	223	1,346
Copper River Basin RHA	224	640
Skagway City SD	225	147
City of Klawock	227	1,145
Petersburg City SD	228	1,091
Aleutians East Borough	230	584
City of Huslia	235	91
City of Kaltag	237	11
Haines Borough SD	240	731
City of Atka	243	119
Aleutians East Borough SD	244	738
Delta/Greely SD	246	1,235
Lake and Peninsula Borough	247	390
City and Borough of Yakutat	248	1,579
City of Unalakleet	249	1,010
Klawock City SD	251	452
Alaska Gateway SD	255	2,215
Pelican City SD	257	19
Denali Borough	258	526
Cook Inlet Housing Authority	262	8,990
Interior RHA	263	985
Yakutat SD	264	227
Kake City SD	265	455
Aleutian Housing Authority	267	959
Bering Straits RHA	270	945
City of Egegik	271	19
Ilisagvik College	275	7,018

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Contributions
As of and for the year ended June 30, 2017
(Unaudited)

Employer	Employer Number	Actual Contributions
North Pacific Rim HA	276	\$ 586
Saxman Seaport	278	133
Tlingit-Haida RHA	279	2,733
Baranof Island HA	281	645
City of Delta Junction	282	448
City of Anderson	283	43
Inter-Island Ferry Authority	284	1,002
City of Seldovia	286	193
Northwest Inupiat Housing Authority	288	561
City of Upper Kalskag	290	19
City of Shaktoolik	291	55
Tagiugmiullu Nunamiullu Housing Authorit	293	862
Municipality of Skagway	296	4,481
City of Nulato	297	269
City of Aniak	298	242
Alaska Gasline Development Corporation	299	3,818
Total employer contributions		\$ <u><u>2,195,866</u></u>

See accompanying independent auditors' report