



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Department of Administration

DIVISION OF RETIREMENT AND BENEFITS

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PERS or TRS Employer

RE: Audit of employer census information provided to the Alaska Retirement Systems (PERS / TRS)

As you are probably aware, Governmental Accounting Standards Board (GASB) Statement No. 68 requires participating employers to report their share of the net pension liability of PERS and/or TRS on their financial statements. In order to ensure that the information is as accurate as possible, and to comply with guidance from GASB and the American Institute of Certified Public Accountants (AICPA), the Division of Retirement & Benefits and the Alaska Retirement Systems have engaged KPMG LLP to perform tests on employee census data of the PERS and TRS membership. *The census data is also applicable to the newest addition, GASB Statement No. 75 – “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions”.*

The AICPA has prepared a “State and Local Government Expert Panel (SLGEP) Pension Whitepaper” addressing the issue of census data and the specific audit issues related to GASB No. 68 and defined benefit plans. It is included with this letter for additional information. Basically, the impact is that KPMG will have to go to the original source documents that employers have for hiring, and trace that all the way through to the data that the Alaska Retirement Systems report to our consulting actuary. Our consulting actuary uses that data to determine the defined benefit system total pension liabilities, as well as the net pension liability that is ultimately allocated to all participating employers. The Alaska Retirement Systems will be working closely with KPMG to be directly involved in making decisions as to when, what participating governments / school districts, and what data is needed so that there is sufficient and appropriate audit evidence about PERS and TRS.

You have been selected this year for audit of the census data. Based on membership size reported to the Alaska Retirement Systems, employers are selected for audit of census data either annually, every 5 years, or every 10 years. KPMG will be in contact with you directly to set up the selection of test participants, and obtaining the needed information. Some information that will be requested is: birthdate, date of hire, date of termination (if applicable), member’s sex, and some other data. Our auditors, KPMG, are bound by contract and this contract includes confidentiality agreements over all provided details. KPMG provides a secure site to upload requested details. All requested information will be provided directly to KPMG via the secure site. KPMG will provide details on accessing and assisted with use of the secured site.

Your participation in this testing is very much appreciated! Should you have any questions or concerns about the information requested, please contact me via e-mail at Christina.Maiquis@alaska.gov or via phone at (907) 465-1845.