### PUBLIC EMPLOYEES' RETIREMENT SYSTEM

#### COMPREHENSIVE ANNUAL FINANCIAL REPORT

### A Component Unit of the State of Alaska

For the Fiscal Year Ended June 30, 2020



Mike Dunleavy, Governor

Prepared by

Department of Administration Division of Retirement and Benefits P.O. Box 110203 Juneau, AK 99811-0203

Kelly Tshibaka, Commissioner
Paula Vrana, Deputy Commissioner
Ajay Desai, Director
Kevin Worley, Chief Financial Officer
Jim Puckett, Chief Pension Officer
Emily Ricci, Chief Healthcare Policy Administrator

Located at: 333 Willoughby Avenue State Office Building, 6th floor Toll-Free (800) 821-2251 | Juneau (907) 465-4460 alaska.gov/drb



The Alaska Department of Administration complies with Title II of the 1990 Americans with Disabilities Act (ADA). This publication is available in alternative communication formats upon request. To make necessary arrangements, contact the ADA Coordinator for the Division of Retirement and Benefits, at (907) 465-4460 or contact the TDD for the hearing impaired at (907) 465-2805.

# Table of Contents

IN	TRODUCTORY SECTION	
	Letter of Transmittal  Certificate of Achievement for Excellence in Financial Reporting  Public Pension Coordinating Council Public Pension Standards Award For Funding and Administration	7
	Organization Chart	
	Section Responsibilities and Professional Consultants.	
	Alaska Retirement Management Board.	
F	NANCIAL SECTION	
	Independent Auditors' Report	15
	Management's Discussion and Analysis (Unaudited)	17
	Basic Financial Statements	
	Combining Statement of Fiduciary Net Position	28
	Combining Statement of Changes in Fiduciary Net Position	
	Notes To Financial Statements – An Integral Part of the Basic Financial Statements  Note 1 – Description	20
	Note 2 – Summary of Significant Accounting Policies	
	Note 3 – Investments	
	Note 4 – Net Pension Liability – Defined Benefit Pension Plan	
	Note 5 – Net OPEB (Asset) Liability	
	Note 6 – Claims Payable	
	Note 7 – Commitments and Contingencies	
	Note 8 – Medicare Part D Retiree Drug Subsidy	
	Note 9 – Employer Group Waiver Program	
	Required Supplementary Information (Unaudited)  Schedule of Changes in Employer Net Pension Liability and Related Ratios – Defined Benefit Pension Plan.	50
	Schedule of Employer and Nonemployer Contributions – Defined Benefit Pension Plan	
	Schedule of Investment Returns – Defined Benefit Pension Plan	
	Schedule of Changes in Employer Net OPEB Liability and Related Ratios –	•• ))
	Alaska Retiree Healthcare Trust Plan	56
	Schedule of Employer and Nonemployer Contributions – Alaska Retiree Healthcare Trust Plan	
	Schedule of Investment Returns – Alaska Retiree Healthcare Trust Plan	
	Schedule of Changes in Employer Net OPEB Liability and Related Ratios –	
	Occupational Death and Disability Plan	60
	Schedule of Employer and Nonemployer Contributions – Occupational Death and Disability Plan	61
	Schedule of Investment Returns – Occupational Death and Disability Plan	63
	Schedule of Changes in Employer Net OPEB Liability and Related Ratios – Retiree Medical Plan	64
	Schedule of Employer and Nonemployer Contributions – Retiree Medical Plan	65
	Schedule of Investment Returns – Retiree Medical Plan	67
	Notes to Required Supplementary Information	
	Note 1 – Actuarial Assumptions and Methods	68
	Note 2 – Changes in Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation	
	Supplemental Schedules Schedule of Administrative and Investment Deductions	01
	Schedule of Administrative and Investment Deductions	
	beneative of a symmetry to Constitution Other than investment Advisors	02

# Table of Contents

Investment Section	
Investment Consultant's Report	
Treasury Division Staff and External Money Managers and Consultants	
Investment Report	
Schedule of Investment Results	
Asset Allocation	
Top Ten Holdings by Asset Type	
Schedule of Investment Management Fees	
Investment Summary Schedule	
Recaptured Commission Fees	
ACTUARIAL SECTION	
Alaska Public Employees' Retirement System Defined Benefit Retirement Plan	
Actuarial Certification	
Description of Actuarial Methods and Valuation Procedures	
Summary of Actuarial Assumptions and Changes in Assumptions	
Funding Excess/(Unfunded Liability)	
Employer Contribution Rates	
Schedule of Active Member Valuation Data	
Schedule of Pension Benefit Recipients Added to and Removed From Rolls	
Analysis of Financial Experience	
Summary of Plan Provisions and Changes in Plan Provisions	
Alaska Public Employees' Retirement System Defined Contribution Retirement P.	
Actuarial Certification	
Description of Actuarial Methods and Valuation Procedures	
Summary of Actuarial Assumptions and Changes in Assumptions	
Funding Excess/(Unfunded Liability)	
Employer Contribution Rates	
Schedule of Active Member Valuation Data	
Summary of Plan Provisions and Changes in Plan Provisions	
STATISTICAL SECTION	
Statistical Section Overview	
Changes in Fiduciary Net Position	
Additions by Source	
Deductions by Type	
New Benefit Recipients	
Schedule of Pension and Healthcare Benefits Deductions by Type	
Schedule of Pension Benefit Recipients by Type of Pension Benefit and Option Elected	
System Membership by Status	
Principal Participating Employers	
Participating Employers	192