

---

# Public Employees' Retirement System

## ***Annual Comprehensive Financial Report***

**A Component Unit of the State of Alaska**

*For the Fiscal Year Ended June 30, 2025*



**Mike Dunleavy, Governor**

Prepared by

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

Paula Vrana, Commissioner  
Dave Donley, Deputy Commissioner  
Kathy Lea, Director  
Christopher Novell, Chief Financial Officer  
Mindy Voigt, Chief Pension Officer  
Chris Murray, Chief Health Policy Administrator

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

---



ALASKA DIVISION OF  
**Retirement  
and Benefits**

*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

---

## INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal .....	1
GFOA Certificate of Achievement for Excellence in Financial Reporting .....	6
Public Pension Coordinating Council Public Pension Standards Award For Funding and Administration .....	7
Organization Chart.....	8
Section Responsibilities and Professional Consultants.....	9
Alaska Retirement Management Board.....	10

## FINANCIAL SECTION

Independent Auditors' Report .....	13
Management's Discussion and Analysis (Unaudited) .....	16

### Basic Financial Statements

Combining Statement of Fiduciary Net Position .....	28
Combining Statement of Changes in Fiduciary Net Position.....	29
Notes to Financial Statements	
Note 1 – Description .....	30
Note 2 – Summary of Significant Accounting Policies .....	38
Note 3 – Investments.....	40
Note 4 – Net Pension Liability – Defined Benefit Pension Plan .....	41
Note 5 – Net OPEB Asset.....	44
Note 6 – Claims Payable .....	48
Note 7 – Employer Group Waiver Program.....	48
Note 8 – Medicare Part D Retiree Drug Subsidy .....	49
Note 9 – Commitments and Contingencies .....	49

### Required Supplementary Information (Unaudited)

Schedule of Changes in Employer Net Pension Liability and Related Ratios – Defined Benefit Pension Plan .....	51
Schedule of Employer and Nonemployer Contributions – Defined Benefit Pension Plan .....	52
Schedule of Investment Returns – Defined Benefit Pension Plan .....	53
Schedule of Changes in Employer Net OPEB (Asset) Liability and Related Ratios –	
Alaska Retiree Healthcare Trust Plan .....	54
Schedule of Employer and Nonemployer Contributions – Alaska Retiree Healthcare Trust Plan.....	55
Schedule of Investment Returns – Alaska Retiree Healthcare Trust Plan .....	56
Schedule of Changes in Employer Net OPEB (Asset) Liability and Related Ratios	
Occupational Death and Disability Plan.....	57
Schedule of Employer Contributions – Occupational Death and Disability Plan .....	58
Schedule of Investment Returns – Occupational Death and Disability Plan .....	59
Schedule of Changes in Employer Net OPEB (Asset) Liability and Related Ratios – Retiree Medical Plan .....	60
Schedule of Employer Contributions – Retiree Medical Plan .....	61
Schedule of Investment Returns – Retiree Medical Plan .....	62

### Notes to Required Supplementary Information (Unaudited)

Note 1 – Actuarial Assumptions and Methods .....	63
Note 2 – Changes in Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation .....	77

### Supplemental Schedules

Schedule of Administrative and Investment Deductions .....	80
Schedule of Payments to Consultants Other Than Investment Advisors .....	81

# Table of Contents

---

## INVESTMENT SECTION (Unaudited)

Investment Consultant's Report .....	83
Treasury Division Staff and External Money Managers and Consultants .....	87
Investment Report.....	89
Schedule of Investment Results .....	90
Asset Allocation .....	91
Top Ten Holdings by Asset Type .....	94
Schedule of Investment Management Fees .....	95
Investment Summary Schedule .....	96
Recaptured Commission Fees.....	101

## ACTUARIAL SECTION (Unaudited)

### Public Employees' Retirement System Defined Benefit Retirement Plan

Certification of Actuarial Valuation .....	103
Description of Actuarial Methods and Valuation Procedures .....	107
Summary of Actuarial Assumptions and Changes in Assumptions .....	115
Funding Excess/(Unfunded Liability) .....	130
Employer Contribution Rates .....	131
Schedule of Active Member Valuation Data .....	132
Schedule of Pension Benefit Recipients Added to and Removed from Rolls .....	133
Pension Solvency Test .....	134
Healthcare Solvency Test .....	135
Analysis of Financial Experience.....	136
Schedule of Funding Progress – Defined Benefit Pension Plan .....	138
Schedule of Funding Progress – Alaska Retiree Healthcare Trust Plan .....	138
Summary of Plan Provisions and Changes in Plan Provisions.....	139

### Public Employees' Retirement System Defined Contribution Retirement Plan

Certification of Actuarial Valuation .....	147
Description of Actuarial Methods and Valuation Procedures .....	151
Summary of Actuarial Assumptions and Changes in Assumptions .....	154
Funding Excess/(Unfunded Liability) .....	167
Employer Contribution Rates .....	168
Schedule of Active Member Valuation Data .....	169
Occupational Death and Disability Plan Solvency Test .....	170
Retiree Medical Plan Solvency Test .....	171
Schedule of Funding Progress – Occupational Death and Disability Plan.....	172
Schedule of Funding Progress – Retiree Medical Plan .....	173
Summary of Plan Provisions and Changes in Plan Provisions.....	174

## STATISTICAL SECTION (Unaudited)

Statistical Section Overview .....	179
Changes in Fiduciary Net Position .....	180
Additions by Source.....	186
Deductions by Type .....	192
New Benefit Recipients .....	198
Schedule of Pension and Healthcare Benefits Deductions by Type .....	200
Schedule of Pension Benefit Recipients by Type of Pension Benefit and Option Elected.....	201
System Membership by Status .....	203
Principal Participating Employers .....	204
Participating Employers.....	205