TEACHERS' RETIREMENT SYSTEM

ANNUAL COMPREHENSIVE FINANCIAL REPORT

A Component Unit of the State of Alaska

For the Fiscal Year Ended June 30, 2021



Mike Dunleavy, Governor

Prepared by

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

Paula Vrana, 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.

INTRODUCTORY SECTION

Letter of Transmittal	
Certificate of Achievement for Excellence in Financial Reporting	
Public Pension Coordinating Council Public Pension Standards Award For Funding and Administration	
Organization Chart	
Section Responsibilities and Professional Consultants	
Alaska Retirement Management Board	10
FINANCIAL SECTION	
Independent Auditors' Report	13
Management's Discussion and Analysis (Unaudited)	15
Basic Financial Statements	
Combining Statement of Fiduciary Net Position	25
Combining Statement of Changes in Fiduciary Net Position	26
Notes To Financial Statements – An Integral Part of the Basic Financial Statements	
Note 1 – Description	
Note 2 – Summary of Significant Accounting Policies	
Note 3 – Investments	
Note 4 – Net Pension Liability – Defined Benefit Pension Plan	
Note 5 – Net OPEB Asset	
Note 6 – Claims Payable	
Note 7 – Commitments and Contingencies	
Note 8 – Employer Group Waiver Program	
Note 9 – Medicare Part D Retiree Drug Subsidy	
Required Supplementary Information (Unaudited)	
Schedule of Changes in Employer Net Pension Liability and Related Ratios – Defined Benefit Pension Plar	
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	
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	50
Disability Plan Schedule of Employer and Nonemployer Contributions – Occupational Death and Disability Plan	
Schedule of Investment Returns – Occupational Death and Disability Plan	
Schedule of Changes in Employer Net OPEB Liability and Related Ratios – Retiree Medical Plan	
Schedule of Employer and Nonemployer Contributions – Retiree Medical Plan	
Schedule of Investment Returns – Retiree Medical Plan	
Notes to Required Supplementary Information	
Note 1 – Actuarial Assumptions and Methods	59
Note 2 – Changes in Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation	
Supplemental Schedules	
Schedule of Administrative and Investment Deductions	70
Schedule of Payments to Consultants Other than Investment Advisors	
	/3

INVESTMENT SECTION

Investment Consultant's Report	5
Treasury Division Staff and External Money Managers and Consultants	3
Investment Report)
Schedule of Investment Results	l
Asset Allocation	2
Top Ten Holdings by Asset Type	5
Schedule of Investment Management Fees	7
Investment Summary Schedule	3
Recaptured Commission Fees	í

ACTUARIAL SECTION

Teachers' Retirement System Defined Benefit Retirement Plan

Actuarial Certification	95
Description of Actuarial Methods and Valuation Procedures	98
Summary of Actuarial Assumptions and Changes in Assumptions	106
Funding Excess/(Unfunded Liability)	116
Employer Contribution Rates	117
Schedule of Active Member Valuation Data	118
Schedule of Pension Benefit Recipients Added to and Removed From Rolls	118
Analysis of Financial Experience	119
Summary of Plan Provisions and Changes in Plan Provisions	121

Teachers' Retirement System Defined Contribution Retirement Plan

Actuarial Certification	129
Description of Actuarial Methods and Valuation Procedures	132
Summary of Actuarial Assumptions and Changes in Assumptions	135
Funding Excess/(Unfunded Liability)	143
Employer Contribution Rates	144
Schedule of Active Member Valuation Data	145
Summary of Plan Provisions and Changes in Plan Provisions	146

STATISTICAL SECTION

Statistical Section Overview.	. 151
Changes in Fiduciary Net Position	152
Additions by Source	158
Deductions by Type	164
New Benefit Recipients	170
Schedule of Pension and Healthcare Benefits Deductions by Type	171
Schedule of Pension Benefit Recipients by Type of Pension Benefit and Option Elected	172
System Membership by Status	173
Principal Participating Employers	174
Participating Employers	175