May 19, 2020

Ms. Rhonda McLeod  
Chief Financial Officer  
Alaska Court System  
820 W. 4th Avenue  
Anchorage, AK 99501-2005

Re: FY22 Employer Contribution Rates for the State of Alaska Judicial Retirement System

Dear Ms. McLeod:

Buck Global, LLC is engaged by the Alaska Retirement Management Board to determine the funded status and contribution requirements for the State of Alaska Judicial Retirement System (JRS).

Based on our June 30, 2019 actuarial valuation of JRS, we determined the following employer contribution rates, expressed as a percentage of payroll, for the fiscal year ending June 30, 2022:

- Pension 39.72%
- Healthcare 6.28%
- Total 46.00%

We understand that you have requested the State of Alaska’s Department of Administration to approve an alternative pattern of employer contribution rates to JRS for FY22. As such, we have determined an alternative employer contribution pattern that is equivalent, on a present value basis, to the FY22 employer contribution rates shown above. That is, employer contributions to JRS based on the rates shown above or the rates and lump sum amounts shown below would have no adverse financial effect on JRS (assuming the plan’s assets earn the expected rate of return of 7.38% that was used in the most recent actuarial valuation).

The equivalent FY22 contribution rates and lump sum contribution amounts as of August 31, 2020 are as follows:

1. **Equivalent Contribution Rates for FYE June 30, 2022**¹
   - Pension 36.32%
   - Healthcare 4.40%
   - Total 40.72%

2. **Lump Sum Contributions as of August 31, 2020**
   - Pension $617,800
   - Healthcare 74,800
   - Total $692,600

¹ These are the same as the FY21 rates outlined in our letter dated August 1, 2019.
The present value of the contributions based on the alternative rates shown in this letter was determined using a discount rate of 7.38%, which is the long-term expected rate of return used in our June 30, 2019 actuarial valuation of JRS.

Please call me at 602-803-6174 if you have any questions.

Sincerely,

David J. Kershner, FSA, EA, MAAA, FCA
Principal
Buck

cc: Mr. Kevin Worley, State of Alaska