



August 1, 2019

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

Re: FY21 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, 2018 actuarial valuation of JRS, we determined the following employer contribution rates, expressed as a percentage of payroll, for the fiscal year ending June 30, 2021:

- Pension 42.04%
- Healthcare 6.12%
- Total 48.16%

We understand you have requested the State of Alaska's Department of Administration to approve an alternative pattern of employer contribution rates to JRS for FY21. We have determined an alternative employer contribution pattern that is equivalent, on a present value basis, to the FY21 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 the plan (assuming the plan's invested assets earn the expected rate of return used in the actuarial valuation).

The equivalent FY21 contribution rates and lump sum contribution amounts as of August 31, 2019 are as follows:

1. Equivalent Contribution Rates for FYE June 30, 2021¹

- Pension 36.32%
- Healthcare 4.40%
- Total 40.72%

¹ These are the same as the FY20 rates as outlined in our letter dated April 30, 2018.

2. Lump Sum Contribution as of August 31, 2019

- Pension \$ 870,600
- Healthcare 105,500
- Total \$ 976,100

The present value of the alternative contribution 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 the June 30, 2018 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

Copy to: Kevin Worley – State of Alaska