State of Alaska
National Guard and Naval Militia Retirement System

Actuarial Valuation Report as of June 30, 2024

Gallagher

Insurance | Risk Management | Consulting

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May 9, 2025

State of Alaska
The Alaska Retirement Management Board
The Department of Revenue, Treasury Division
The Department of Administration, Division of Retirement and Benefits
P.O. Box 110203
Juneau, AK 99811-0203

Certification of Actuarial Valuation

Dear Members of The Alaska Retirement Management Board, The Department of Revenue, and The Department of Administration,

This report summarizes the actuarial valuation results of the State of Alaska National Guard and Naval Militia Retirement System (NGNMRS) as of June 30, 2024 performed by Gallagher Benefit Services, Inc. (Gallagher).

The actuarial valuation is based on financial information provided in the financial statements audited by KPMG LLP and member data provided by the Division of Retirement and Benefits as summarized in this report. The benefits considered are those delineated in Alaska statutes effective June 30, 2024. The actuary did not verify the data submitted, but did perform tests for consistency and reasonableness.

All costs, liabilities, and other factors under NGNMRS were determined in accordance with generally accepted actuarial principles and procedures. An actuarial cost method is used to measure the actuarial liabilities which we believe is reasonable. Gallagher is solely responsible for the actuarial data and actuarial results presented in this report. This report fully and fairly discloses the actuarial position of NGNMRS as of June 30, 2024.

The contribution requirements reflect the cost of benefits accruing in the upcoming year, administrative expenses expected to be paid from the trust, and a level dollar amortization of the initial unfunded actuarial accrued liability and subsequent gains/losses over a period of 20 years less average military service of active members. The calculations of the contributions are reasonable actuarially determined contributions as defined in Actuarial Standard of Practice No. 4 (ASOP 4). The contribution levels are recommended by the actuary and adopted by the Board each year. This objective is currently being met and is projected to continue to be met. Absent future gains/losses, actuarially determined contributions are expected to remain zero and the funded status is expected to remain at or above 100%.

The Board and staff of the State of Alaska may use this report for the review of the operations of NGNMRS. Use of this report for any other purpose or by anyone other than the Board or staff of the State of Alaska may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, Gallagher recommends requesting its advanced review of any statement to be based on information contained in this report. Gallagher will accept no liability for any such statement made without its prior review.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the actuarial assumptions, changes in assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this valuation.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the plan and reasonable long-term expectations, and represent our best estimate of the anticipated long-term experience under the plan. In our professional judgment, the combined effect of the assumptions is expected to have no significant bias. The actuary performs an analysis of plan experience periodically and recommends changes if, in the opinion of the actuary, assumption changes are needed to more accurately reflect expected future experience. The last full experience analysis was performed for the period July 1, 2017 to June 30, 2021. Based on that experience study, the Board adopted new assumptions effective beginning with the June 30, 2022 valuation to better reflect expected future experience.

A summary of the actuarial assumptions and methods used in this actuarial valuation is shown in Sections 4.2 and 4.3. We certify that the assumptions and methods used for funding purposes, as described in Sections 4.2 and 4.3 of this report, meet the requirements of all applicable Actuarial Standards of Practice.

Actuarial Standards of Practice No. 27 (ASOP 27) and No. 35 (ASOP 35) require the actuary to disclose the information and analysis used to support the actuary's determination that the assumptions selected by the plan sponsor do not significantly conflict with those that, in the actuary's professional judgment, are reasonable for the purpose of the measurement. Gallagher provides advice on reasonable assumptions when performing periodic experience studies. The Board selects the assumptions used, and the signing actuaries review the assumptions through discussions with the Board staff and analysis of actuarial experience.

In the case of the Board's selected expected return on assets (EROA), the signing actuaries have used economic information and tools provided by Gallagher's Investment practice. A spreadsheet tool created by this practice converts averages, standard deviations, and correlations from Gallagher's Capital Market Assumptions that are used for stochastic forecasting into approximate percentile ranges for the arithmetic and geometric average returns. The EROA spreadsheet tool is intended to suggest possible reasonable ranges for the expected return on assets without attempting to predict or select a specific best estimate rate of return. It takes into account the duration of investment and the target allocation of assets in the portfolio to various asset classes.

Based on the actuaries' analysis, including consistency with other assumptions used in the valuation, the percentiles generated by the EROA spreadsheet tool described above, and review of actuarial gain/loss analysis, the signing actuaries believe the assumptions, in their professional judgment, do not significantly conflict with what are reasonable for the purpose of the measurement.

ACFR Information

We have prepared the following information in this report for the Actuarial Section and Statistical Section of the ACFR: (i) member data tables in Section 3; (ii) changes in contribution rates in the Executive Summary; and (iii) summary of actuarial assumptions in Section 4.3.

Governmental Accounting Standards Board (GASB) Statement No. 67 (GASB 67) was effective for NGNMRS beginning with fiscal year ending June 30, 2014. Please see our separate GASB 67 report for other information needed for the ACFR.

Risk Information

Actuarial Standard of Practice No. 51 (ASOP 51) applies to actuaries performing funding calculations related to a pension plan. See Section 5 of this report for further details regarding ASOP 51. Section 5 also contains information on the Low-Default-Risk Obligation Measure (LDROM) required to be disclosed under Actuarial Standard of Practice No. 4 (ASOP 4).

Use of Models

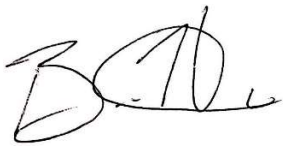
Actuarial Standard of Practice No. 56 (ASOP 56) provides guidance to actuaries performing actuarial services that involve designing, developing, selecting, modifying, using, reviewing, or evaluating models. In addition to the EROA spreadsheet tool disclosed above, Gallagher uses third-party software to perform actuarial valuations and projections. The model is intended to calculate the liabilities associated with the provisions of the plan using data and assumptions as of the measurement date under the funding methods specified in this report. Gallagher also uses internally developed models that apply applicable funding methods and policies to the liabilities derived from the third-party software and other inputs, such as plan assets and contributions, to generate many of the exhibits found in this report.

Gallagher maintains an extensive review process in which the results of the liability calculations are checked using detailed sample life output, changes from year to year are summarized by source, and significant deviations from expectations are investigated. Other funding outputs and the internal models are similarly reviewed in detail and at a higher level for accuracy, reasonability, and consistency with prior results. Gallagher also reviews the third-party model when significant changes are made to the software. This review is performed by experts within Gallagher who are familiar with applicable funding methods, as well as the manner in which the model generates its output. If significant changes are made to the internal models, extra checking and review are completed.

This report was prepared under the overall direction of David Kershner, who meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. He is a Fellow of the Society of Actuaries, an Enrolled Actuary, a Member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries.

We are available to discuss this report with you at your convenience. David can be reached at (602) 803-6174 and Brett can be reached at (260) 423-1072.

Respectfully submitted,



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

Brett Hunter, ASA, EA, MAAA
Senior Consultant

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Executive Summary

Overview

The State of Alaska National Guard and Naval Militia Retirement System (NGNMRS) provides pension benefits to the Alaska National Guard, Alaska Naval Militia, and other eligible participants. The Commissioner of the Department of Administration is responsible for administering the plan. The Alaska Retirement Management Board has fiduciary responsibility over the assets of the plan. This report presents the results of the actuarial valuation of NGNMRS as of the valuation date of June 30, 2024.

Purpose

An actuarial valuation is performed on the plan once every two years as of the end of the fiscal year, and roll-forward valuations are performed every other year. The main purposes of the actuarial valuation detailed in this report are:

1. To determine the Employer contribution necessary to meet the Board's funding policy for the plan;
2. To disclose the funding assets and liability measures as of the valuation date;
3. To review the current funded status of the plan and assess the funded status as an appropriate measure for determining future actuarially determined contributions;
4. To compare actual and expected experience under the plan during the fiscal year; and
5. To report trends in contributions, assets, liabilities, and funded status over the last several years.

The actuarial valuation provides a "snapshot" of the funded position of NGNMRS based on the plan provisions, membership data, assets, and actuarial methods and assumptions as of the valuation date.

Funded Status

Where presented, references to "funded ratio" and "unfunded actuarial accrued liability" typically are measured on an actuarial value of assets basis. It should be noted that the same measurements using market value of assets would result in different funded ratios and unfunded accrued liabilities. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the plan if the plan were to settle (i.e. purchase annuities) for a portion or all of its liabilities.

Funded Status as of June 30	2022	2024
a. Actuarial Accrued Liability	$ 28,366,668	$ 30,917,566
b. Valuation Assets	46,215,854	46,504,697
c. Unfunded Actuarial Accrued Liability, (a) - (b)	$ (17,849,186)	$ (15,587,131)
d. Funded Ratio based on Valuation Assets, (b) ÷ (a)	162.9%	150.4%
e. Fair Value of Assets	$ 44,088,041	$ 45,037,891
f. Funded Ratio based on Fair Value of Assets, (e) ÷ (a)	155.4%	145.7%

Actuarially Determined Contribution Amounts	FY25	FY27
a. Normal Cost	$ 690,172	$ 821,153
b. Administrative Expense Load	331,000	328,000
c. Past Service Cost	(2,691,240)	(2,616,965)
d. Total Annual Contribution, (a) + (b) + (c), not less than 0	$ 0	$ 0

The Actuarially Determined Contribution amount for FY26 based on a roll-forward valuation as of June 30, 2023 was $0.

1 Actuarial Funding Results

1.1 Actuarial Liabilities and Normal Cost

As of June 30, 2024	Present Value of Projected Benefits	Actuarial Accrued (Past Service) Liability
Active Members		
Retirement Benefits	$ 21,204,911	$ 16,707,392
Disability Benefits	185,289	148,350
Death Benefits	325,302	223,547
Termination Benefits	0	0
Subtotal	$ 21,715,502	$ 17,079,289
Inactive Members		
Vested Terminations	$ 8,038,459	$ 8,038,459
Benefit Recipients	5,799,818	5,799,818
Subtotal	$ 13,838,277	$ 13,838,277
Total	**$ 35,553,779**	**$ 30,917,566**

As of June 30, 2024	Normal Cost
Active Members	
Retirement Benefits	$ 797,066
Disability Benefits	6,656
Death Benefits	17,431
Termination Benefits	0
Subtotal	$ 821,153
Administrative Expense Load	$ 328,000
Total	**$ 1,149,153**

1 Actuarial Funding Results

1.2 Actuarial Contributions as of June 30, 2024 for FY27

1. Actuarial Accrued Liability	$	30,917,566
2. Valuation Assets		46,504,697
3. Unfunded Actuarial Accrued Liability, (1) - (2)	$	(15,587,131)
4. Funded Ratio, (2) ÷ (1)		150.4%
5. Past Service Cost Amortization Payment[1]	$	(2,616,965)
6. Normal Cost, including Administrative Expense Load		1,149,153
7. Total Contribution, (5) + (6), not less than 0	**$**	**0**

[1] Calculated on a level dollar basis over a 7-year period as of June 30, 2024.

1 Actuarial Funding Results

1.3 Actuarial Gain/(Loss) for FY24

1. Expected Actuarial Accrued Liability		
a. Actuarial Accrued Liability as of June 30, 2023	$	28,928,732
b. Normal Cost		690,172
c. Interest on (a) and (b) at 5.75%		1,703,086
d. Benefit Payments		(1,710,829)
e. Interest on (d) at 5.75%, adjusted for timing		(52,602)
f. Assumptions/Methods Changes		0
g. Expected Actuarial Accrued Liability as of June 30, 2024 (a) + (b) + (c) + (d) + (e) + (f)	$	29,558,559
2. Actual Actuarial Accrued Liability as of June 30, 2024		30,917,566
3. Liability Gain/(Loss), (1)(g) - (2)	**$**	**(1,359,007)**
4. Expected Actuarial Asset Value		
a. Actuarial Value of Assets as of June 30, 2023	$	46,312,767
b. Interest on (a) at 5.75%		2,662,984
c. Employer Contributions		0
d. Interest on (c) at 5.75%, adjusted for timing		0
e. Benefit Payments		(1,710,829)
f. Interest on (e) at 5.75%, adjusted for timing		(52,602)
g. Administrative Expenses		(361,419)
h. Interest on (g) at 5.75%, adjusted for timing		(10,246)
i. Expected Actuarial Asset Value as of June 30, 2024 (a) + (b) + (c) + (d) + (e) + (f) + (g) + (h)	$	46,840,655
5. Actual Actuarial Asset Value as of June 30, 2024		46,504,697
6. Actuarial Asset Value Gain/(Loss), (5) - (4)(i)	**$**	**(335,958)**
7. Total Actuarial Gain/(Loss), (3) + (6)	**$**	**(1,694,965)**

1 Actuarial Funding Results

1.4 Development of Change in Unfunded Liability During FY24

1. 2023 Unfunded Liability	$	(17,384,035)
a. Interest on Unfunded Liability at 5.75%	$	(999,582)
b. Normal Cost		690,172
c. Employer Contributions		0
d. Administrative Expenses		361,419
e. Interest on (b) thru (d) at 5.75%, adjusted for timing		49,930
f. Assumptions/Methods Changes		0
g. Expected Change in Unfunded Liability During FY24 (a) + (b) + (c) + (d) + (e) + (f)	$	101,939
2. Expected 2024 Unfunded Liability, (1) + (1)(g)	$	(17,282,096)
a. Liability (Gain)/Loss During FY24	$	1,359,007
b. Actuarial Assets (Gain)/Loss During FY24		335,958
c. Total Actuarial (Gain)/Loss During FY24	$	1,694,965
3. Actual 2024 Unfunded Liability, (2) + (2)(c)	$	(15,587,131)

1 Actuarial Funding Results

1.5 History of Unfunded Liability and Funded Ratio

Valuation Date	Actuarial Accrued Liability	Valuation Assets	Assets as a Percent of Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)
June 30, 2000	$ 17,967,471	$ 13,734,397	76.4%	$ 4,233,074
June 30, 2002	20,545,214	12,114,025	59.0%	8,431,189
June 30, 2004	19,749,305	13,391,055	67.8%	6,358,250
June 30, 2006	25,457,589	15,587,569	61.2%	9,870,020
June 30, 2007	26,289,978	16,882,529	64.2%	9,407,449
June 30, 2008	28,904,645	28,370,756	98.2%	533,889
June 30, 2009	30,208,411	30,123,348	99.7%	85,063
June 30, 2010	30,034,407	32,000,585	106.5%	(1,966,178)
June 30, 2011	31,324,457	33,019,577	105.4%	(1,695,120)
June 30, 2012	32,771,017	33,682,091	102.8%	(911,074)
June 30, 2013	33,907,968	34,178,622	100.8%	(270,654)
June 30, 2014	36,715,287	36,271,836	98.8%	443,451
June 30, 2015	38,313,473	37,855,133	98.8%	458,340
June 30, 2016	31,184,361	38,439,835	123.3%	(7,255,474)
June 30, 2017	32,483,912	39,638,736	122.0%	(7,154,824)
June 30, 2018[1]	21,934,014	41,031,353	187.1%	(19,097,339)
June 30, 2019	22,592,882	41,939,204	185.6%	(19,346,322)
June 30, 2020	22,417,247	43,020,393	191.9%	(20,603,146)
June 30, 2021	22,975,269	45,248,391	196.9%	(22,273,122)
June 30, 2022	28,366,668	46,215,854	162.9%	(17,849,186)
June 30, 2023	28,928,732	46,312,767	160.1%	(17,384,035)
June 30, 2024	30,917,566	46,504,697	150.4%	(15,587,131)

[1] Approximately $10.7 million of the liability decrease reflected in the June 30, 2018 valuation was due to the removal of 798 active and vested terminated participants who had cashed out prior to June 30, 2016.

2 Plan Assets

2.1 Summary of Fair Value of Assets

As of June 30	2024
Cash and Short-Term Investments	
- Cash and Cash Equivalents	$ 1,227,906
- Subtotal	$ 1,227,906
Fixed Income Investments	
- Domestic Fixed Income Pool	$ 24,148,040
- International Fixed Income Pool	0
- Transition pool	0
- High Yield Pool	0
- Treasury Inflation Protection Pool	0
- Emerging Debt Pool	0
- Subtotal	$ 24,148,040
Equity Investments	
- Domestic Equity Pool	$ 5,285,918
- International Equity Pool	3,190,665
- Private Equity Pool	4,059,238
- Emerging Markets Equity Pool	771,020
- Alternative Equity Strategies	3,250,848
- Subtotal	$ 16,557,689
Other Investments	
- Real Estate Pool	$ 1,482,233
- Other Investments Pool	1,680,173
- Absolute Return Pool	0
- Other Assets	0
- Subtotal	$ 3,162,406
Total Cash and Investments	$ 45,096,041
Net Accrued Receivables	(58,150)
Net Assets	$ 45,037,891

2 Plan Assets

2.2 Changes in Fair Value of Assets

Fiscal Year		2024
1. Fair Value of Assets at beginning of year	$	44,501,184
2. Additions:		
a. Employer Contributions	$	0
b. Interest and Dividend Income		980,339
c. Net Appreciation/(Depreciation) in Fair Value of Investments		1,724,575
d. Other		77
e. Total Additions	$	2,704,991
3. Deductions:		
a. Retirement Benefits	$	1,710,829
b. Investment Expenses		96,036
c. Administrative Expenses		361,419
d. Total Deductions	$	2,168,284
4. Fair Value of Assets at end of year	$	45,037,891
5. Approximate Fair Value Investment Return Rate during Fiscal Year Net of Investment Expenses		6.0%

2 Plan Assets

2.3 Development of Actuarial Value of Assets

The actuarial value of assets was equal to the fair value at June 30, 2006. Investment gains and losses are recognized 20% per year over 5 years. In no event may valuation assets be less than 80% or more than 120% of fair value as of the current valuation date.

1. Deferral of Investment Gain/(Loss) for FY24		
a. Fair Value as of June 30, 2023	$	44,501,184
b. Contributions		0
c. Benefit Payments		1,710,829
d. Administrative Expenses		361,419
e. Actual Investment Return (net of investment expenses)		2,608,955
f. Expected Return Rate (net of investment expenses)		5.75%
g. Expected Return, Weighted for Timing		2,495,970
h. Investment Gain / (Loss) for the Year, (e) - (g)		112,985
2. Actuarial Value as of June 30, 2024		
a. Fair Value as of June 30, 2024	$	45,037,891
b. Deferred Investment Gain/(Loss)		(1,466,806)
c. Preliminary Actuarial Value as of June 30, 2024, (a) - (b)		46,504,697
d. Upper Limit: 120% of Fair Value as of June 30, 2024		54,045,469
e. Lower Limit: 80% of Fair Value as of June 30, 2024		36,030,313
f. Actuarial Value at June 30, 2024, (c) limited by (d) and (e)		46,504,697
3. Ratio of Actuarial Value of Assets to Fair Value of Assets		103.3%
4. Approximate Actuarial Value Investment Return Rate during FY24 Net of Investment Expenses		5.0%

2 Plan Assets

2.3 Development of Actuarial Value of Assets (continued)

The table below shows the development of the gains/(losses) to be recognized in the current year:

Fiscal Year Ending	Asset Gain / (Loss)	Gain / (Loss) Recognized in Prior Years	Gain / (Loss) Recognized This Year	Gain / (Loss) Deferred to Future Years
June 30, 2020	$ (685,847)	$ (548,676)	$ (137,171)	$ 0
June 30, 2021	6,594,160	3,956,496	1,318,832	1,318,832
June 30, 2022	(7,160,610)	(2,864,244)	(1,432,122)	(2,864,244)
June 30, 2023	(19,638)	(3,928)	(3,928)	(11,782)
June 30, 2024	112,985	0	22,597	90,388
Total	**$ (1,158,950)**	**$ 539,648**	**$ (231,792)**	**$ (1,466,806)**

2 Plan Assets

2.4 Historical Asset Rates of Return

	Actuarial Value		Fair Value	
Year Ending	Annual	Cumulative	Annual	Cumulative
June 30, 2005	N/A	N/A	6.4%	6.4%
June 30, 2006	N/A	N/A	5.2%	5.8%
June 30, 2007	8.4%	8.4%	13.1%	8.2%
June 30, 2008	6.4%	7.4%	(2.3%)	5.5%
June 30, 2009	2.8%	5.8%	(9.8%)	2.2%
June 30, 2010	3.0%	5.1%	11.8%	3.8%
June 30, 2011	4.6%	5.0%	13.4%	5.1%
June 30, 2012	3.4%	4.7%	0.5%	4.5%
June 30, 2013	4.6%	4.7%	7.6%	4.8%
June 30, 2014	8.8%	5.2%	13.4%	5.7%
June 30, 2015	7.0%	5.4%	0.9%	5.2%
June 30, 2016	4.2%	5.3%	(0.2%)	4.8%
June 30, 2017	4.8%	5.3%	8.2%	5.0%
June 30, 2018	5.3%	5.3%	4.6%	5.0%
June 30, 2019	4.1%	5.2%	5.9%	5.0%
June 30, 2020	5.1%	5.2%	5.3%	5.1%
June 30, 2021	9.5%	5.4%	23.0%	6.0%
June 30, 2022	6.7%	5.5%	(7.7%)	5.2%
June 30, 2023	4.7%	5.5%	5.7%	5.3%
June 30, 2024	5.0%	5.4%	6.0%	5.3%

Cumulative returns are since fiscal year ending June 30, 2005.

3 Member Data

3.1 Summary of Members Included

As of June 30	2016	2018	2020	2022	2024
Active Members					
Air Guard					
1. Number	2,174	2,139	2,242	2,300	2,713
2. Number Vested	417	364	405	505	647
3. Average Age	35.16	34.98	35.20	36.33	36.75
4. Average Alaska Guard Service	7.55	7.24	7.26	8.94	8.76
5. Average Total Military Service	13.08	12.68	12.82	13.94	14.78
Army Guard					
1. Number	1,820	1,575	1,639	1,560	1,749
2. Number Vested	199	193	218	205	226
3. Average Age	32.00	32.45	32.85	33.47	33.33
4. Average Alaska Guard Service	5.72	6.00	6.41	6.68	7.02
5. Average Total Military Service	10.41	10.34	10.82	11.20	11.03
Naval Militia					
1. Number	60	63	53	49	45
2. Number Vested	6	8	6	7	7
3. Average Age	33.26	34.48	33.85	33.36	34.15
4. Average Alaska Guard Service	4.93	5.44	4.34	5.33	6.45
5. Average Total Military Service	10.72	11.86	10.28	11.02	12.37
Total					
1. Number	4,054	3,777	3,934	3,909	4,507
2. Number Vested	622	565	629	717	880
3. Average Age	33.71	33.92	34.20	35.15	35.40
4. Average Alaska Guard Service	6.69	6.69	6.87	7.99	8.06
5. Average Total Military Service	11.85	11.69	11.95	12.81	13.30
Vested Terminations					
1. Number	1,427	588	649	702	669
2. Average Age	58.37	56.10	57.00	57.82	60.01
3. Average Alaska Guard Service	14.41	13.84	13.84	13.90	15.40
4. Average Total Military Service	24.69	24.42	24.58	24.48	26.15
Benefit Recipients					
1. Number	676	752	708	691	694
2. Average Age	58.28	59.18	58.83	59.58	59.93
3. Average Years Remaining	12.00	11.53	12.13	11.81	11.23
Total Number of Members	**6,157**	**5,117**	**5,291**	**5,302**	**5,870**

For 2022, Air Guard data was provided as of June 30, 2021. As a result, the status of each Air Guard member as of June 30, 2022 was assumed to be the same as June 30, 2021, and service as of June 30, 2021 for active members was increased by a year.

3 Member Data

3.2 Age and Service Distribution of Active Members

Air Guard

	Years of Alaska Guard Service									
Age	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	Total
0 - 19	23	0	0	0	0	0	0	0	0	23
20 - 24	136	45	0	0	0	0	0	0	0	181
25 - 29	218	190	30	0	0	0	0	0	0	438
30 - 34	227	218	127	26	0	0	0	0	0	598
35 - 39	171	181	109	78	14	0	0	0	0	553
40 - 44	95	143	99	101	41	5	0	0	0	484
45 - 49	35	60	47	47	22	13	4	0	0	228
50 - 54	13	25	12	24	22	14	13	0	0	123
55 - 59	3	11	8	11	7	8	8	5	0	61
60 - 64	2	5	2	4	3	3	0	2	2	23
65 - 69	1	0	0	0	0	0	0	0	0	1
70 - 74	0	0	0	0	0	0	0	0	0	0
75+	0	0	0	0	0	0	0	0	0	0
Total	**924**	**878**	**434**	**291**	**109**	**43**	**25**	**7**	**2**	**2,713**

Army Guard

	Years of Alaska Guard Service									
Age	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	Total
0 - 19	55	0	0	0	0	0	0	0	0	55
20 - 24	265	41	0	0	0	0	0	0	0	306
25 - 29	205	146	13	0	0	0	0	0	0	364
30 - 34	139	133	62	13	0	0	0	0	0	347
35 - 39	76	116	57	29	2	0	0	0	0	280
40 - 44	29	70	35	40	16	0	0	0	0	190
45 - 49	13	24	26	29	9	5	0	0	0	106
50 - 54	10	18	12	9	7	5	0	1	0	62
55 - 59	1	7	5	10	7	3	3	0	0	36
60 - 64	0	0	0	1	0	1	0	0	0	2
65 - 69	0	0	0	1	0	0	0	0	0	1
70 - 74	0	0	0	0	0	0	0	0	0	0
75+	0	0	0	0	0	0	0	0	0	0
Total	**793**	**555**	**210**	**132**	**41**	**14**	**3**	**1**	**0**	**1,749**

3 Member Data

3.2 Age and Service Distribution of Active Members (continued)

Naval Militia

	Years of Alaska Guard Service									
Age	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	Total
0 - 19	0	0	0	0	0	0	0	0	0	0
20 - 24	5	1	0	0	0	0	0	0	0	6
25 - 29	4	7	0	0	0	0	0	0	0	11
30 - 34	5	4	1	0	0	0	0	0	0	10
35 - 39	1	7	1	0	0	0	0	0	0	9
40 - 44	1	1	0	0	0	0	0	0	0	2
45 - 49	1	1	2	0	0	0	0	0	0	4
50 - 54	1	0	0	1	0	0	0	0	0	2
55 - 59	0	0	0	0	1	0	0	0	0	1
60 - 64	0	0	0	0	0	0	0	0	0	0
65 - 69	0	0	0	0	0	0	0	0	0	0
70 - 74	0	0	0	0	0	0	0	0	0	0
75+	0	0	0	0	0	0	0	0	0	0
Total	**18**	**21**	**4**	**1**	**1**	**0**	**0**	**0**	**0**	**45**

Total

	Years of Alaska Guard Service									
Age	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	Total
0 - 19	78	0	0	0	0	0	0	0	0	78
20 - 24	406	87	0	0	0	0	0	0	0	493
25 - 29	427	343	43	0	0	0	0	0	0	813
30 - 34	371	355	190	39	0	0	0	0	0	955
35 - 39	248	304	167	107	16	0	0	0	0	842
40 - 44	125	214	134	141	57	5	0	0	0	676
45 - 49	49	85	75	76	31	18	4	0	0	338
50 - 54	24	43	24	34	29	19	13	1	0	187
55 - 59	4	18	13	21	15	11	11	5	0	98
60 - 64	2	5	2	5	3	4	0	2	2	25
65 - 69	1	0	0	1	0	0	0	0	0	2
70 - 74	0	0	0	0	0	0	0	0	0	0
75+	0	0	0	0	0	0	0	0	0	0
Total	**1,735**	**1,454**	**648**	**424**	**151**	**57**	**28**	**8**	**2**	**4,507**

3 Member Data

3.3 Member Data Reconciliation

	Active Members	Inactive Members		Total
		Vested Terms	Benefit Recipients	
As of June 30, 2022	**3,909**	**702**	**691**	**5,302**
New Entrants	829	0	0	829
Rehires	24	(4)	0	20
Rehired and then Termed / Retired	0	3	1	4
Vested Terminations	(19)	19	0	0
Non-Vested Terminations	(95)	0	0	(95)
Cashed Out	(97)	(30)	0	(127)
Retirements	(44)	(18)	62	0
Deceased	0	0	0	0
New Beneficiaries	0	0	0	0
New QDROs	0	0	(12)	(12)
Expiration of Benefits	0	0	(50)	(50)
Data Corrections	0	(3)	2	(1)
Net Change	**598**	**(33)**	**3**	**568**
As of June 30, 2024	**4,507**	**669**	**694**	**5,870**

4 Basis of the Actuarial Valuation

4.1 Summary of Plan Provisions

Effective Date

January 1, 1973, with amendments through June 30, 2024.

Membership

Members of the Alaska National Guard who were active on or after January 1, 1973, and members of the Alaska Naval Militia who were active on or after July 1, 1980.

Eligibility Service

Eligibility service is defined as the combined Alaska guard service, guard service in any other state, active military service and the reserves of them. A member must have 20 years of eligibility service to be vested in NGNMRS.

Benefit Service

Benefit service is defined as satisfactory service in any branch of the Alaska guard. A member must have 5 years of benefit service to be vested in NGNMRS. Benefit service is also used to determine the period of the member's pension retirement benefit.

Vesting

Members are 100% vested after 20 years of total service in the Alaska National Guard, Alaska Naval Militia, U.S. Armed Forces or Reserves, or any combination of that service if members have at least 5 years of service in the Alaska National Guard or Alaska Naval Militia.

Retirement Benefits

Eligibility

Members are eligible for voluntary retirement after completing 20 years of satisfactory service in the Alaska National Guard, Alaska Naval Militia, or U.S. Armed Forces, and the reserves of them or any combination of that service if they have at least 5 years of service in the Alaska National Guard or Alaska Naval Militia. Credit is also allowed for Territorial Guard service rendered to the former territory of Alaska.

Members are eligible for involuntary retirement at any time assuming there has been no misconduct.

Benefit Type

Eligible members may elect to receive:

a. monthly benefits of $100 which are payable for a period equal to the number of months that they were active members;

b. a lump sum benefit equal to the actuarial equivalent of a.; or

c. monthly payments until age 72 equal to the actuarial equivalent of a.

Disability Benefits

Members are eligible to receive monthly disability benefits of $100 (payable for a period equal to the number of months that they were active members) at any age if they become incapacitated and are vested in the plan.

4 Basis of the Actuarial Valuation

Death Benefits

Active Members

If the active member had at least 5 years of service in the Alaska National Guard or Alaska Naval Militia, the designated beneficiary will receive a lump sum benefit equal to the retirement benefit.

Retired or Terminated Vested Members

The designated beneficiary will receive a lump benefit equal to the remaining benefits payable.

Changes in Benefit Provisions Valued Since the Prior Valuation

There were no changes in benefit provisions since the prior valuation.

4 Basis of the Actuarial Valuation

4.2 Description of Actuarial Methods and Valuation Procedures

Benefits valued are those delineated in Alaska State statutes as of the valuation date. Changes in State statutes effective after the valuation date are not taken into consideration in setting the assumptions and methods.

Actuarial Cost Method

Liabilities and contributions shown in the report are computed using the Entry Age Normal Actuarial Cost Method (level dollar basis). Any funding surplus or unfunded accrued liability is amortized over 20 years less the average total military service of active members.

The actuarial accrued liability under this method at any point in time is the theoretical amount of the fund that would have been accumulated had annual contributions equal to the normal cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date). The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of plan assets measured on the valuation date.

Under this method, differences between the actual experience and that assumed in the determination of costs and liabilities will emerge as adjustments in the unfunded actuarial accrued liability, subject to amortization.

Valuation of Assets

The actuarial asset value was initialized to equal Fair Value of Assets as of June 30, 2006. Beginning in FY07, the asset valuation method recognizes 20% of the gain or loss each year, for a period of five years. All assets are valued at fair value. Assets are accounted for on an accrued basis and are taken directly from financial statements audited by KPMG LLP. Valuation assets are constrained to a range of 80% to 120% of the fair value of assets.

Changes in Methods Since the Prior Valuation

There were no changes in the asset or valuation methods since the prior valuation.

4 Basis of the Actuarial Valuation

4.3 Summary of Actuarial Assumptions

The demographic and economic assumptions used in the June 30, 2024 valuation are described below. Unless noted otherwise, these assumptions were adopted by the Board at the June 2022 meeting based on the experience study for the period July 1, 2017 to June 30, 2021.

Investment Return

5.75% per year, net of investment expenses.

Mortality (Pre-Commencement)

Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement.

Mortality (Post-Commencement)

Retiree mortality in accordance with the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement.

Beneficiary mortality in accordance with the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement.

Turnover

Select and ultimate rates based on the 2017-2021 actual experience (see Table 1).

Disability

No changes to the incidence rates from the prior valuation due to insufficient 2017-2021 actual experience (see Table 2). Disability rates continue after a member is eligible for retirement.

Post-disability mortality in accordance with the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement.

Retirement

Retirement rates based on the 2017-2021 actual experience (see Table 3).

Vested terminated members are assumed to retire at the later of current age or age 50 when electing an annuity, and at current age when electing a lump sum.

Imputed Data

Data changes from the prior valuation which are deemed to have an immaterial impact on liabilities and contributions are assumed to be correct in the current year's client data.

Active and terminated members with a date of termination after the last date of hire are assumed to be terminated with status based on their amount of vesting service.

Form of Payment

50% of members are assumed to elect a lump sum benefit. 50% of members are assumed to elect a monthly annuity with the number of payments equal to the number of months they were active in the plan. A lump sum of the remaining payments is paid if the member should die while receiving payments. Lump sums are calculated based on a 5.75% discount rate annuity certain factor.

4 Basis of the Actuarial Valuation

Administrative Expenses

The Normal Cost as of June 30, 2024 was increased by $328,000 for administrative expenses. This amount is based on the average of actual administrative expenses during the last two fiscal years.

Changes in Assumptions Since the Prior Valuation

The amount included in the Normal Cost for administrative expenses was changed from $331,000 to $328,000 (based on the most recent two years of actual administrative expenses paid from plan assets).

4 Basis of the Actuarial Valuation

Table 1: Turnover Rates

Select Rates during the First 5 Years of Employment

Years of Service	Unisex
< 1	20.00%
1	10.00%
2	10.00%
3	10.00%
4	10.00%

Ultimate Rates after the First 5 Years of Employment

Age	Male	Female	Age	Male	Female
< 30	9.53%	9.94%	45	6.83%	7.13%
30	9.43%	9.84%	46	6.51%	6.79%
31	9.33%	9.74%	47	6.06%	6.32%
32	9.23%	9.63%	48	5.49%	5.73%
33	9.12%	9.51%	49	4.82%	5.03%
34	8.98%	9.37%	50	4.16%	4.33%
35	8.81%	9.20%	51	3.63%	3.79%
36	8.63%	9.00%	52	3.26%	3.40%
37	8.41%	8.77%	53	2.98%	3.12%
38	8.18%	8.53%	54	2.78%	2.91%
39	7.95%	8.29%	55	2.64%	2.75%
40	7.73%	8.06%	56	2.57%	2.67%
41	7.54%	7.87%	57	2.58%	2.69%
42	7.38%	7.70%	58	2.64%	2.76%
43	7.23%	7.55%	59	2.78%	2.90%
44	7.06%	7.37%	60	2.88%	3.00%

4 Basis of the Actuarial Valuation

Table 2: Disability Rates

Age	Male	Female	Age	Male	Female
< 23	0.0179%	0.0112%	46	0.1247%	0.0780%
23	0.0244%	0.0153%	47	0.1337%	0.0836%
24	0.0310%	0.0194%	48	0.1462%	0.0914%
25	0.0374%	0.0234%	49	0.1588%	0.0993%
26	0.0440%	0.0275%	50	0.1714%	0.1071%
27	0.0505%	0.0316%	51	0.1839%	0.1150%
28	0.0526%	0.0329%	52	0.1965%	0.1228%
29	0.0548%	0.0343%	53	0.2294%	0.1434%
30	0.0570%	0.0356%	54	0.2624%	0.1640%
31	0.0591%	0.0370%	55	0.2954%	0.1846%
32	0.0612%	0.0383%	56	0.3283%	0.2052%
33	0.0634%	0.0397%	57	0.3613%	0.2258%
34	0.0657%	0.0411%	58	0.4112%	0.2570%
35	0.0679%	0.0425%	59	0.4611%	0.2882%
36	0.0702%	0.0439%	60	0.5110%	0.3194%
37	0.0724%	0.0453%	61	0.5610%	0.3506%
38	0.0757%	0.0473%	62	0.6109%	0.3818%
39	0.0789%	0.0493%	63	0.6109%	0.3818%
40	0.0822%	0.0514%	64	0.6109%	0.3818%
41	0.0854%	0.0534%	65	0.6109%	0.3818%
42	0.0886%	0.0554%	66	0.6109%	0.3818%
43	0.0977%	0.0611%	67	0.6109%	0.3818%
44	0.1066%	0.0667%	68	0.4073%	0.2546%
45	0.1157%	0.0723%	69	0.2036%	0.1273%
			70+	0.2036%	0.1273%

4 Basis of the Actuarial Valuation

Table 3: Retirement Rates

Age	Male	Female
< 53	15.34%	18.20%
53	17.70%	21.00%
54	23.60%	28.00%
55	18.50%	16.25%
56	25.90%	22.75%
57	29.60%	26.00%
58	33.30%	29.25%
59	37.00%	32.50%
60	40.70%	35.75%
61	44.40%	35.75%
62	44.40%	35.75%
63	44.40%	35.75%
64	44.40%	35.75%
65+	100.00%	100.00%

5 Risk Information

5.1 Risk Overview

Funding future retirement benefits prior to when those benefits become due involves assumptions regarding future economic and demographic experience. These assumptions are applied to calculate actuarial liabilities, current contribution requirements, and the funded status of the plan. However, to the extent future experience deviates from the assumptions used, variations will occur in these calculated values. These variations create risk to the plan. Understanding the risks to the funding of the plan is important.

Actuarial Standard of Practice No. 51 (ASOP 51) requires certain disclosures of potential risks to the plan and provides useful information for intended users of actuarial reports that determine plan contributions or evaluate the adequacy of specified contribution levels to support benefit provisions.

Under ASOP 51, risk is defined as the potential of actual future measurements deviating from expected future measurements resulting from actual future experience deviating from actuarially assumed experience.

It is important to note that not all risk is negative, but all risk should be understood and accepted based on knowledge, judgment, and educated decisions. Future measurements may deviate in ways that produce positive or negative financial impacts to the plan.

In the actuary's professional judgment, the following risks may reasonably be anticipated to significantly affect the plan's future financial condition and contribution requirements.

- Investment Risk – potential that the investment return will differ from the rate assumed in the actuarial valuation
- Contribution Risk – potential that actual contributions will differ from actuarially determined contributions
- Long-Term Return on Investment Risk – potential that changes in long-term capital market assumptions or the plan's asset allocation will create the need to update the long-term return on investment assumption
- Longevity Risk – potential that participants live longer than projected under valuation mortality assumptions
- Other Demographic Risk – potential that other demographic experience will differ from the valuation assumptions

The following information is provided to comply with ASOP 51 and furnish beneficial information on potential risks to the plan. This list is not all-inclusive. It is an attempt to identify the more significant risks and how those risks might affect the results shown in this report.

Note that ASOP 51 does not require the actuary to evaluate the ability or willingness of the plan sponsor to make contributions to the plan when due, or to assess the likelihood or consequences of potential future changes in law. In addition, this valuation report is not intended to provide investment advice or to provide guidance on the management or reduction of risk.

5 Risk Information

5.2 Assessment of Risks

Investment Risk

Plan costs are very sensitive to the market return.

- Any return on assets lower than assumed will increase costs.
- The plan uses an actuarial value of assets that smooths gains and losses on market returns over a five-year period to help control some of the volatility in costs due to investment risk.
- Historical experience of actual returns is shown in Section 2.4 of this report. This historical experience illustrates how returns can vary over time.

The plan invests in a diversified portfolio of assets with the objective of maximizing investment returns at a reasonable level of risk. Actuarial Standard of Practice No. 4 (ASOP 4) requires the actuary to disclose a Low-Default-Risk Obligation Measure (LDROM) of the plan's liability and provide commentary to help the intended users of this report understand the significance of the LDROM with respect to funded status, contributions, and participant benefit security.

The LDROM is based on discount rates derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future. The LDROM shown here represents what the plan's liability would be if the plan invested its assets solely in a portfolio of high-quality bonds whose cash flows approximately match future benefit payments. Consequently, the difference between the LDROM and the Actuarial Accrued Liability represents the taxpayer savings from investing in a diversified portfolio of assets versus only investing in high-quality bonds. Furthermore, this difference also represents the cost of reducing investment risk.

As of June 30, 2024, the LDROM is $31.6 million for the plan based on an interest rate of 5.52%. The interest rate used for the LDROM was determined by calculating a single equivalent discount rate using projected benefit payments and the Gallagher Above Median Yield Curve as of June 30, 2024. Please note that the interest rate used for the LDROM is based on bond yields as of the measurement date and will therefore vary for different measurement dates. All other assumptions are the same as those used for funding purposes as shown in this report.

Actuaries play a role in helping to determine funding methods and policies that can achieve affordable and appropriate contributions and risk management. The funded status based on the Actuarial Accrued Liability, as well as the actuarially determined contributions, are calculated using the expected return on assets, which reflects the actual investment portfolio. Since the assets are not invested solely in an all-bond portfolio, the LDROM does not indicate the plan's funded status or progress, nor does it provide information on necessary plan contributions.

Regarding participant benefit security, if this plan were to be funded on an LDROM basis, participant benefits currently accrued as of the measurement date might be considered more secure, since the investment risk would be significantly reduced. However, the fact that assets are invested in a diversified portfolio does not mean that the participants' benefits are not secure. The security of participant benefits relies on a combination of the assets in the plan, the investment returns generated from those assets, and the promise of future contributions from the plan sponsor. Reducing investment risk by investing solely in bonds may significantly increase the actuarially determined contributions, and thereby increase contribution risk by decreasing the ability of the plan sponsor to make necessary contributions to fund the benefits. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security. Participant benefits will remain secure if reasonable and appropriate contributions with managed risk are calculated and paid.

5 Risk Information

Contribution Risk

There is a risk to the plan when the employer's actual contribution amount and the actuarially determined contribution differ.

- If the actual contribution is lower than the actuarially determined contribution, the plan may not be sustainable in the long term.
- Any underpayment of the actuarially determined contribution will increase future contribution amounts to help pay off the additional Unfunded Actuarial Accrued Liability associated with the underpayment(s).

Long-Term Return on Investment Risk

Inherent in the long-term return on investment assumption is the expectation that the current rate will be used until the last benefit payment of the plan is made. There is a risk that sustained changes in economic conditions, changes in long-term future capital market assumptions, or changes to the plan's asset allocation will necessitate an update to the long-term return on investment assumption used.

- Under a lower long-term return on investment assumption, less investment return is available to pay plan benefits. This may lead to a need for increased employer contributions.
- The liabilities will be higher at a lower assumed rate of return because future benefits will have a lower discount rate applied when calculating the present value.
- Historical experience of actual returns is shown in Section 2.4 of this report. The cumulative historical experience illustrates that although market returns have been above and below the assumed rate, the overall return during the time period was slightly below 5.75%. The assumed rate, asset allocation, and future market expectations should continue to be evaluated. A 1% decrease in the long-term return on investment assumption will increase the actuarial accrued liability by approximately 11%.

Longevity Risk

Plan costs will be increased as participants are expected to live longer.

- Benefits are paid over a longer lifetime when life expectancy is expected to increase. The longer duration of payments leads to higher liabilities.
- Health care has been improving, which affects the life expectancy of participants. As health care improves, leading to longer life expectancies, costs to the plan could increase.
- The mortality assumption for the plan mitigates this risk by assuming future improvement in mortality. However, any improvement in future mortality greater than that expected under the current mortality assumption would lead to increased costs for the plan.

Other Demographic Risk

The plan is subject to risks associated with other demographic assumptions (e.g., retirement and termination). Differences between actual and expected experience for these assumptions tend to have less impact on the overall costs of the plan. The demographic assumptions used in the valuation are re-evaluated regularly as part of the four-year experience studies to ensure the assumptions are consistent with long-term expectations.

5 Risk Information

5.3 Historical Information

Monitoring certain information over time may help understand risks faced by the plan. Historical information is included throughout this report. Some examples are:

- Section 1.5 illustrates how the plan's funded status (comparison of actuarial accrued liabilities to actuarial value of assets) has changed over time.
- Section 2.4 shows the volatility of asset returns over time.
- Section 3 includes various historical information showing how member census data has changed over time.

5 Risk Information

5.4 Plan Maturity Measures

There are certain measures that may aid in understanding the significant risks to the plan.

Ratio of Retired Liability to Total Liability

As of June 30	2018	2020	2022	2024
1. Retiree and Beneficiary Accrued Liability	$ 6,094,900	$ 5,808,004	$ 6,164,835	$ 5,799,818
2. Total Accrued Liability	$ 21,934,014	$ 22,417,247	$ 28,366,668	$ 30,917,566
3. Ratio, (1) ÷ (2)	27.8%	25.9%	21.7%	18.8%

A high percentage of liability concentrated on participants in pay status indicates a mature plan (often a ratio above 60% - 65%). An increasing percentage may indicate a need for a less risky asset allocation, which may lead to a lower long-term return on asset assumption and increased costs. Higher percentages may also indicate greater investment risk as benefit payments may be greater than contributions creating an increased reliance on investment returns. This ratio should be monitored each year in the future.

Ratio of Cash Flow to Assets

During FYE June 30	2018	2020	2022	2024
1. Contributions	$ 907,231	$ 860,686	$ 0	$ 0
2. Benefit Payments	1,359,467	1,641,475	1,620,749	1,710,829
3. Cash Flow, (1) - (2)	$ (452,236)	$ (780,789)	$ (1,620,749)	$ (1,710,829)
4. Fair Value of Assets	$ 39,418,117	$ 42,095,708	$ 44,088,041	$ 45,037,891
5. Ratio, (3) ÷ (4)	(1.1%)	(1.9%)	(3.7%)	(3.8%)

When this cash flow ratio is negative, more cash is being paid out than deposited in the trust. Negative cash flow indicates the trust needs to rely on investment returns to cover benefit payments and / or may need to invest in more liquid assets to cover the benefit payments. More liquid assets may not generate the same returns as less liquid assets, which can increase the investment risk. Currently, due to the funded status being significantly over 100%, negative cash flow is appropriate and expected. Also, the low magnitude of the ratio implies there may already be enough liquid assets to cover the benefit payments, less investment return is needed to cover the shortfall, or only a small portion of assets will need to be converted to cash. Therefore, the investment risk is likely not amplified at this time. It is normal for plans with funded statuses greater than 100% to have negative cash flow as lower contributions are needed due to the prefunding of the benefits. This maturity measure should be monitored in the future especially if the funded status decreases closer to 100%.

Glossary of Terms

Actuarial Accrued Liability

Total accumulated cost to fund pension benefits arising from service in all prior years.

Actuarial Cost Method

Technique used to assign or allocate, in a systematic and consistent manner, the expected cost of a pension plan for a group of plan members to the years of service that give rise to that cost.

Actuarial Present Value of Projected Benefits

Amount which, together with future interest, is expected to be sufficient to pay all future benefits.

Actuarial Valuation

Study of probable amounts of future pension benefits and the necessary amount of contributions to fund those benefits.

Actuary

Person who performs mathematical calculations pertaining to pension and insurance benefits based on specific procedures and assumptions.

Annual Required Contribution

Disclosure measure of annual pension cost.

GASB 67 and 68

Governmental Accounting Standards Board Statement Number 67 amends Number 25 effective for the fiscal year beginning after June 15, 2013 and defines new financial reporting requirements for public pension plans.

Governmental Accounting Standards Board Statement Number 68 amends Number 27 effective for fiscal years beginning after June 15, 2014 and defines new accounting and financial reporting requirements for employers sponsoring public pension plans.

Normal Cost

That portion of the actuarial present value of benefits assigned to a particular year in respect to an individual participant or the plan as a whole.

Unfunded Actuarial Accrued Liability (UAAL)

The portion of the actuarial accrued liability not offset by plan assets.

Vested Benefits

Benefits which are unconditionally guaranteed regardless of employment.

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