



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Education
& Early Development**

FINANCE & SUPPORT SERVICES

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To: All Business Managers

From: Linda Hall, Audit & Review Analyst II

Date: January 2, 2019

Subject: FY2020 Budget Template Submittals

This letter provides information to the districts highlighting updates in the FY2020 District Operating Fund budget form, TRS/PERS on-behalf rates, and a reminder as to the district budget submittal procedure.

TRS/PERS on-behalf payments should be recorded as revenue and allocated and reported by function as expenditures. The TRS/PERS on-behalf will need to be allocated using the format outlined for the FY2008 audit and FY2009 budget. Please refer to the final page of the budget template for instructions on allocating TRS/PERS on-behalf.

The FY2020 rates for the TRS and PERS plans are listed below and are shown in the attached two resolutions from the Alaska Retirement Management Board: Resolution 2018-07 and Resolution 2018-10.

	Employer Rate		On-behalf	=	Actuarial Rate
TRS	12.56%	+	17.91%	=	30.47%
PERS	22.00%	+	6.62%	=	28.62%

The department is requesting that all districts submit their FY2020 District Operating Fund Budget to the department in Excel format via email. Please email the budget to linda.hall2@alaska.gov by the **July 15, 2019 deadline**. The signature page will need to be submitted by pdf, or mail.

The updated FY2020 District Operating Fund Budget template is available on the department's website via [DEED Forms](#), search by form number **05-18-045**.

The Chart of Accounts, 2018 Edition, is available on the department's website: [School Finance](#), under Resources & Links.

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2020 Employer Contribution Rate
For the Public Employees' Retirement System

Resolution 2018-07

WHEREAS, the Alaska Retirement Management Board (Board) was established by law to serve as trustee to the assets of the State's retirement systems; and

WHEREAS, under AS 37.10.210-220, the Board is to establish and determine the investment objectives and policy for each of the funds entrusted to it; and

WHEREAS, AS 37.10.071 and AS 37.10.210-220 require the Board to apply the prudent investor rule and exercise the fiduciary duty in the sole financial best interest of the funds entrusted to it and treat beneficiaries thereof with impartiality; and

WHEREAS, AS 37.10.220(a)(8) requires the Board to coordinate with the retirement system administrator to conduct an annual actuarial valuation of each retirement system to determine system assets, accrued liabilities and funding ratios, and to certify to the appropriate budgetary authority of each employer in the system an appropriate contribution rate for normal costs and an appropriate contribution rate for liquidating any past service liability determined by a level percent of pay method based on amortization of the past service liability for a closed term of 25 years; and

WHEREAS, AS 39.35.255 establishes a statutory employer contribution rate of 22.00 percent and AS 39.35.280 requires additional state contribution to make up the difference between 22.00 percent and the actuarially determined contribution rate; and

WHEREAS, the "PERS, TRS, and JRS - Allocation of the Additional State Contributions for FY 20" letter dated September 12, 2018 determines that the actuarially determined contribution rate for pension benefits is 18.29 percent composed of the normal cost rate of 3.29 percent and past service rate of 15.00 percent; and

WHEREAS, the "PERS, TRS, and JRS - Allocation of the Additional State Contributions for FY 20" letter dated September 12, 2018 determines that the actuarially determined contribution rate for postemployment healthcare benefits is 4.89 percent composed of the normal cost rate of 2.45 percent and past service rate of 2.44 percent; and

WHEREAS, the "PERS, TRS, and JRS - Allocation of the Additional State Contributions for FY 20" letter dated September 12, 2018 presents the employer rate incorporating the normal cost of the Defined Contribution Retirement Plan of 5.44 percent;

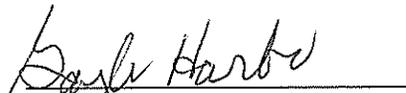
NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that the Fiscal Year 2020 actuarially determined contribution rate attributable to employers participating in the Public Employees' Retirement System is set at 28.62 percent, composed of the contribution rate for defined benefit pension of 18.29 percent, the contribution rate for postemployment healthcare of 4.89 percent, and the contribution rate for defined contribution pension of 5.44 percent.

DATED at Anchorage, Alaska this 20th day of September, 2018.



Chair

ATTEST:



Secretary

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2020 Employer Contribution Rate
For the Teachers' Retirement System

Resolution 2018-10

WHEREAS, the Alaska Retirement Management Board (Board) was established by law to serve as trustee to the assets of the State's retirement systems; and

WHEREAS, under AS 37.10.210-220, the Board is to establish and determine the investment objectives and policy for each of the funds entrusted to it; and

WHEREAS, AS 37.10.071 and AS 37.10.210-220 require the Board to apply the prudent investor rule and exercise the fiduciary duty in the sole financial best interest of the funds entrusted to it and treat beneficiaries thereof with impartiality; and

WHEREAS, AS 37.10.220(a)(8) requires the Board to coordinate with the retirement system administrator to conduct an annual actuarial valuation of each retirement system to determine system assets, accrued liabilities and funding ratios, and to certify to the appropriate budgetary authority of each employer in the system an appropriate contribution rate for normal costs and an appropriate contribution rate for liquidating any past service liability determined by a level percent of pay method based on amortization of the past service liability for a closed term of 25 years; and

WHEREAS, AS 14.25.070 establishes a statutory employer contribution rate of 12.56 percent and AS 14.25.085 requires additional state contribution to make up the difference between 12.56 percent and the actuarially determined contribution rate; and

WHEREAS, the "PERS, TRS, and JRS - Allocation of the Additional State Contributions for FY 20" letter dated September 12, 2018 determines that the actuarially determined contribution rate for pension benefits is 20.71 percent composed of the normal cost rate of 3.09 percent and past service rate of 17.62 percent; and

WHEREAS, the "PERS, TRS, and JRS - Allocation of the Additional State Contributions for FY 20" letter dated September 12, 2018 determines that the actuarially determined contribution rate for postemployment healthcare benefits is 3.91 percent composed of the normal cost rate of 2.05 percent and past service rate of 1.86 percent; and

WHEREAS, the "PERS, TRS, and JRS - Allocation of the Additional State Contributions for FY 20" letter dated September 12, 2018 presents the employer rate incorporating the normal cost of the Defined Contribution Retirement Plan of 5.85 percent;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that the Fiscal Year 2020 actuarially determined contribution rate attributable to employers participating in the Teachers' Retirement System is set at 30.47 percent, composed of the contribution rate for defined benefit pension of 20.71 percent, the contribution rate for postemployment healthcare of 3.91 percent, and the contribution rate for defined contribution pension of 5.85 percent.

DATED at Anchorage, Alaska this 20th day of September, 2018.



Chair

ATTEST:



Secretary