



**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2021

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

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KPMG LLP
Suite 600
701 West Eighth Avenue
Anchorage, AK 99501

Independent Auditors' Report

The Division of Retirement and Benefits and
Members of the Alaska Retirement Management Board
State of Alaska Teachers' Retirement System:

We have audited the accompanying schedule of employer allocations of the State of Alaska Teachers' Retirement System Retiree Medical Plan (the Plan) as of and for the year ended June 30, 2021, and the related notes. We have also audited the total for all entities of the columns titled net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (benefit) (specified column totals) included in the accompanying schedule of OPEB amounts by employer of the Plan as of and for the year ended June 30, 2021, and the related notes.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of OPEB amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Opinions

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and the net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total employer OPEB expense (benefit) for the total of all participating entities for the Plan as of and for the year ended June 30, 2021, in accordance with U.S. generally accepted accounting principles.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the State of Alaska Teachers' Retirement System, which includes the Retiree Medical Plan, as of and for the year ended June 30, 2021, and our report thereon, dated October 20, 2021 expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the State of Alaska Teachers' Retirement System management, the members of the Alaska Retirement Management Board, State of Alaska Teachers' Retirement System Retiree Medical Plan employers, and their auditors, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Anchorage, Alaska
April 22, 2022

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2021

<u>Employer</u>	<u>Employer number</u>	<u>Employer contributions</u>	<u>Allocation percentage</u>
Anchorage School District	701	\$ 1,300,795	30.84964 %
Cordova City School District	704	9,970	0.23645
Craig City School District	705	11,611	0.27536
Fairbanks North Star Borough School District	706	384,658	9.12255
Haines Borough School District	707	10,577	0.25084
Hoonah City School District	708	9,854	0.23369
Hydaburg City School District	709	7,768	0.18423
Juneau Borough School District	710	132,783	3.14908
Kenai City School District	712	7,038	0.16691
Ketchikan Gateway Borough School District	714	82,414	1.95452
Klawock City School District	717	3,438	0.08154
Kodiak Island Borough School District	718	92,784	2.20046
Nenana City School District	719	12,289	0.29144
Nome City School District	720	26,234	0.62216
Matanuska-Susitna Borough School District	722	509,406	12.08107
Pelican City School District	723	1,033	0.02450
Petersburg City School District	724	16,096	0.38173
Sitka Borough School District	727	42,000	0.99607
Skagway City School District	728	7,449	0.17665
Unalaska City School District	729	17,674	0.41917
Valdez City School District	730	22,059	0.52315
Wrangell Public School District	731	11,222	0.26614
Yakutat School District	732	4,809	0.11404
University of Alaska	733	104,076	2.46826
Galena City School District	735	38,596	0.91533
North Slope Borough School District	736	136,640	3.24054
State of Alaska	737	21,626	0.51297
Bristol Bay Borough School District	742	5,626	0.13343
Southeast Regional Resource Center	743	4,682	0.11104
Dillingham City School District	744	28,296	0.67107
Kenai Peninsula Borough School District	746	262,679	6.22969
Saint Mary's School District	748	9,168	0.21743
Northwest Arctic Borough School District	751	117,077	2.77660
Bering Strait School District	752	131,681	3.12294
Lower Yukon School District	753	89,828	2.13037
Lower Kuskokwim School District	754	170,037	4.03259
Kuspuk School District	755	19,569	0.46409
Southwest Region School District	756	43,968	1.04274
Lake And Peninsula Borough School District	757	37,667	0.89332
Aleutian Region School District	758	4,120	0.09770
Pribilof School District	759	3,914	0.09284
Iditarod Area School District	761	14,497	0.34380
Yukon / Koyukuk School District	762	43,149	1.02333
Yukon Flats School District	763	16,360	0.38800
Denali Borough School District	764	13,814	0.32761
Delta/Greely School District	765	18,464	0.43789
Alaska Gateway School District	766	24,517	0.58145
Copper River School District	767	14,267	0.33836
Chatham School District	768	10,454	0.24793
Southeast Island School District	769	13,130	0.31140
Annette Island School District	770	24,430	0.57937
Chugach School District	771	6,020	0.14276
Tanana School District	775	3,014	0.07148
Kashunamiut School District	777	11,382	0.26993
Yupit School District	778	25,447	0.60351
Special Education Service Agency	779	8,866	0.21027
Aleutians East Borough School District	780	15,541	0.36857
Total contributions		<u>\$ 4,216,563</u>	<u>100.00000 %</u>

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer.

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**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2021

Employer	Employer number	Net OPEB asset	Difference between expected and actual experience	Change in assumptions	Deferred outflows of resources	
					Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
Anchorage School District	701	\$ 6,194,608	1,188,740	420,781	39,688	1,649,209
Cordova City School District	704	47,480	9,111	3,225	1,492	13,828
Craig City School District	705	55,291	10,610	3,756	1,115	15,481
Fairbanks North Star Borough School District	706	1,831,808	351,522	124,429	—	475,951
Haines Borough School District	707	50,369	9,666	3,421	4,115	17,202
Hoonah City School District	708	48,926	9,005	3,188	360	12,553
Hydaburg City School District	709	36,994	7,099	2,513	1,654	11,266
Juneau Borough School District	710	632,334	121,344	42,953	9,872	174,169
Kake City School District	712	33,516	6,432	2,277	1,249	9,958
Ketchikan Gateway Borough School District	714	392,468	75,314	26,659	764	102,737
Klawock City School District	717	16,373	3,142	1,112	1,939	6,193
Kodiak Island Borough School District	718	441,853	84,791	30,014	14,123	128,928
Nenana City School District	719	58,521	11,230	3,975	1,681	16,886
Nome City School District	720	124,930	23,974	8,486	5,074	37,534
Matanuska-Susitna Borough School District	722	2,425,879	465,524	164,783	1,464	631,771
Pelican City School District	723	4,920	944	334	45	1,323
Petersburg City School District	724	76,651	14,709	5,207	1,390	21,306
Sitka Borough School District	727	200,011	38,382	13,586	2,795	54,763
Skagway City School District	728	35,471	6,807	2,409	472	9,688
Unalaska City School District	729	84,169	16,152	5,717	1,433	23,302
Valdez City School District	730	105,048	20,159	7,136	2,212	29,507
Wrangell Public School District	731	53,441	10,255	3,630	689	14,574
Yakutat School District	732	22,899	4,394	1,555	316	6,265
University of Alaska	733	495,626	95,110	33,666	4,878	133,654
Galena City School District	735	183,799	35,271	12,485	—	47,756
North Slope Borough School District	736	650,701	124,869	44,200	9,539	178,608
State of Alaska	737	102,998	19,769	6,996	440	27,205
Bristol Bay Borough School District	742	28,793	5,141	1,820	1,750	8,711
Southeast Regional Resource Center	743	22,298	4,279	1,515	1,251	7,045
Dillingham City School District	744	134,751	25,859	9,153	2,791	37,803
Kenai Peninsula Borough School District	746	1,250,921	240,051	84,971	10,337	335,359
Saint Mary's School District	748	43,661	8,378	2,966	1,643	12,987
Northwest Arctic Borough School District	751	557,541	106,992	37,872	26,672	171,536
Bering Strait School District	752	627,087	120,337	42,596	19,189	182,122
Lower Yukon School District	753	427,779	82,090	29,058	21,170	132,318
Lower Kuskokwim School District	754	809,745	155,389	55,004	33,960	244,353
Kuspuk School District	755	93,190	17,883	6,330	3,678	27,891
Southwest Region School District	756	209,383	40,180	14,223	5,332	59,735
Lake And Peninsula Borough School District	757	179,379	34,423	12,185	8,849	55,457
Aleutian Region School District	758	19,618	3,765	1,333	780	5,878
Pribilof School District	759	18,641	3,577	1,266	1,234	6,077
Iditarod Area School District	761	69,035	13,248	4,689	3,535	21,472
Yukon / Koyukuk School District	762	205,484	39,432	13,958	2,554	55,944
Yukon Flats School District	763	77,911	14,951	5,292	3,848	24,091
Denali Borough School District	764	65,784	12,624	4,469	796	17,889
Delta/Greely School District	765	87,929	16,873	5,973	2,739	25,585
Alaska Gateway School District	766	116,755	22,405	7,931	1,206	31,542
Copper River School District	767	67,942	13,038	4,615	1,161	18,814
Chatham School District	768	49,784	9,554	3,382	617	13,553
Southeast Island School District	769	62,530	11,999	4,247	3,747	19,993
Annette Island School District	770	116,338	22,325	7,902	188	30,415
Chugach School District	771	28,667	5,501	1,947	510	7,958
Tanana School District	775	14,353	2,754	975	563	4,292
Kashunamiut School District	777	54,201	10,401	3,682	5,865	19,948
Yupitit School District	778	121,184	23,255	8,232	11,273	42,760
Special Education Service Agency	779	42,223	8,103	2,868	708	11,679
Aleutians East Borough School District	780	74,009	14,202	5,027	2,202	21,431
Total of all participating entities		\$ 20,080,000	3,853,334	1,363,974	288,947	5,506,255

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer.

Deferred inflows of resources					OPEB expense			
Difference between expected and actual experience	Change in assumptions	Net difference between projected and actual earnings on OPEB plan investments	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions		Total OPEB expense (benefit)
						Proportionate share of contributions	Total OPEB expense (benefit)	
200,598	2,291,572	2,436,011	20,392	4,948,573	72,744	2,275	75,019	
1,538	17,564	18,671	2,997	40,770	558	(208)	350	
1,790	20,454	21,743	1,209	45,196	649	32	681	
59,319	677,641	720,353	18,737	1,476,050	21,511	(2,815)	18,696	
1,631	18,633	19,807	865	40,936	591	478	1,069	
1,520	17,359	18,453	3,765	41,097	551	(493)	58	
1,198	13,685	14,548	3,592	33,023	434	(242)	192	
20,477	233,920	248,664	7,384	510,445	7,426	314	7,740	
1,085	12,399	13,180	654	27,318	394	98	492	
12,709	145,186	154,337	10,750	322,982	4,609	(1,482)	3,127	
530	6,057	6,439	407	13,433	192	223	415	
14,308	163,455	173,757	4,815	356,335	5,189	1,501	6,690	
1,895	21,649	23,013	2,721	49,278	687	(155)	532	
4,046	46,215	49,128	1,687	101,076	1,467	447	1,914	
78,556	897,406	953,969	51,697	1,981,628	28,488	(6,931)	21,557	
159	1,820	1,935	237	4,151	58	(27)	31	
2,482	28,356	30,143	5,762	66,743	900	(575)	325	
6,477	73,990	78,654	662	159,783	2,349	273	2,622	
1,149	13,122	13,949	1,736	29,956	417	(193)	224	
2,726	31,136	33,099	2,695	69,656	988	(169)	819	
3,402	38,861	41,310	7,498	91,071	1,234	(842)	392	
1,731	19,770	21,016	1,047	43,564	628	(41)	587	
742	8,471	9,005	2,760	20,978	269	(332)	(63)	
16,050	183,347	194,903	13,341	407,641	5,820	(1,197)	4,623	
5,952	67,993	72,278	8,018	154,241	2,158	(1,185)	973	
21,071	240,714	255,886	15,600	533,271	7,641	(802)	6,839	
3,334	38,099	40,505	4,966	86,904	1,208	(640)	568	
868	9,911	10,536	1,558	22,873	315	35	350	
722	8,249	8,768	657	18,396	262	107	369	
4,364	49,848	52,990	2,704	109,906	1,582	31	1,613	
40,508	462,753	491,921	1,391	996,573	14,690	1,351	16,041	
1,414	16,151	17,169	2,777	37,511	513	(178)	335	
18,055	206,251	219,251	7,552	451,109	6,547	2,251	8,798	
20,307	231,978	246,600	—	498,885	7,364	2,813	10,177	
13,853	158,248	168,223	10,094	350,418	5,023	2,102	7,125	
26,222	299,549	318,430	1,559	645,760	9,509	4,449	13,958	
3,018	34,474	36,647	146	74,285	1,094	490	1,584	
6,780	77,457	82,339	2,334	168,910	2,459	277	2,736	
5,809	66,358	70,540	15,790	158,497	2,106	(576)	1,530	
635	7,257	7,715	1,442	17,049	230	(56)	174	
604	6,896	7,331	211	15,042	219	177	396	
2,236	25,538	27,148	5,679	60,601	811	(300)	511	
6,654	76,015	80,806	8,301	171,776	2,413	(855)	1,558	
2,523	28,821	30,638	1,031	63,013	915	411	1,326	
2,130	24,336	25,870	1,437	53,773	773	(93)	680	
2,847	32,528	34,578	136	70,089	1,033	358	1,391	
3,781	43,191	45,914	7,258	100,144	1,371	(919)	452	
2,200	25,134	26,718	3,309	57,361	798	(367)	431	
1,612	18,417	19,577	1,089	40,695	585	(81)	504	
2,025	23,132	24,590	1,403	51,150	734	322	1,056	
3,767	43,037	45,750	3,895	96,449	1,366	(516)	850	
928	10,605	11,273	1,365	24,171	337	(148)	189	
465	5,310	5,644	823	12,242	169	(29)	140	
1,755	20,051	21,315	3,110	46,231	636	455	1,091	
3,924	44,830	47,655	3,487	99,896	1,423	1,131	2,554	
1,367	15,620	16,604	1,861	35,452	496	(199)	297	
2,397	27,378	29,104	554	59,433	869	245	1,114	
650,245	7,428,197	7,896,400	288,947	16,263,789	235,802	—	235,802	

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2021

(1) Plan Description

The State of Alaska Teachers' Retirement System (System) Retiree Medical Plan (Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefits (OPEB) plan that provides health benefits for teachers and other eligible members.

The Plan is established under Alaska Statute 14.25, which defines the benefit and contribution provisions, and may be amended only by the State of Alaska (State) legislature. The self-insured Plan provides major medical coverage to eligible employees who participate in the System's Defined Contribution Retirement (DCR) Plan. Members are not eligible to use this Plan until they have at least 10 years of service, and are Medicare age eligible.

The medical benefits available to eligible persons means that an eligible person may not be denied medical coverage except for failure to pay the required premium. Major medical insurance coverage takes effect on the first day of the month following the date of the Plan administrator's approval of the election and stops when the person who elects coverage dies or fails to make the required premium payment. The coverage for persons 65 years of age or older is the same as that available for persons under 65 years of age. The benefits payable to those persons 65 years of age or older supplement any benefits provided under the federal old age, survivors and disability insurance program. The medical and optional insurance premiums owed by the person who elects coverage may be deducted from the health reimbursement arrangement until the balance becomes insufficient to pay the premiums, at which point the person who elects coverage shall pay the premiums directly.

The cost of premiums for retiree major medical insurance coverage for an eligible member or surviving spouse who is:

- (1) not eligible for Medicare is an amount equal to the full monthly group premium for retiree major medical insurance coverage,
- (2) eligible for Medicare is the following percentage of the premium amounts established for retirees who are eligible for Medicare:
 - (a) 30 percent if the member had 10 or more, but less than 15, years of service;
 - (b) 25 percent if the member had 15 or more, but less than 20, years of service;
 - (c) 20 percent if the member had 20 or more, but less than 25, years of service;
 - (d) 15 percent if the member had 25 or more, but less than 30, years of service; and
 - (e) 10 percent if the member had 30 or more years of service.

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Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2021

(2) Basis of Presentation

The schedule of employer allocations and the schedule of OPEB amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the Plan and its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan or its participating employers. The amounts presented in the Schedules are prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

(3) Allocation Methodology

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB asset, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of OPEB amounts by employer are based on the ratio of contributions made for each employer to total contributions made to the Plan during the year ended June 30, 2021. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer may result in immaterial differences.

(4) Contributions

Employer contribution rates are actuarially determined and adopted by the Alaska Retirement Management Board (Board). The 2021 employer effective contribution rate is 0.93% of annual payroll.

(5) Collective Net OPEB Asset

(a) Components of the Collective Net OPEB Asset

The components of the collective net OPEB asset of the Plan as of June 30, 2021 are as follows:

Total OPEB liability	\$ 47,198,000
Plan fiduciary net position	<u>(67,278,000)</u>
Net OPEB asset	<u>\$ (20,080,000)</u>

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Notes to Schedule of Employer Allocations and
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June 30, 2021

The total OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial valuation used the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	Graded by service, from 6.75% to 2.75%
Investment rate of return	7.38%, net of postretirement healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Healthcare cost trend rates	Pre-65 medical: 6.5% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drugs: 7.5% grading down to 4.5% Employer Group Waiver Plan (EGWP): 7.5% grading down to 4.5%
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 white-collar employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 93% of male and 90% of female rates of the RP-2014 white-collar healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.

Participation rates reflect the expected plan election rate that varies by reason for decrement, duration that a member may pay full cost prior to Medicare eligibility and availability of alternative and/or lower cost options, particularly in the Medicare market. This assumption is based on observed trends in

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June 30, 2021

participation from a range of other plans. The following participation rates were used to measure the collective net OPEB liability of the Plan as of June 30, 2021:

Decrement due to disability		Decrement due to retirement		
Age	Percent participation	Age	Percent participation	
<56	75.0 %	55	50.0 %	
56	77.5	56	55.0	
57	80.0	57	60.0	
58	82.5	58	65.0	
59	85.0	59	70.0	
60	87.5	60	75.0	
61	90.0	61	80.0	
62	92.5	62	85.0	
63	95.0	63	90.0	
64	97.5	64	95.0	
65+	100.0	65+		
			Years of service	
			<15	75.0 %
			15-19	80.0
			20-24	85.0
			25-29	90.0
			30+	95.0

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. Retired member contributions were updated to reflect the 5% decrease from calendar year (CY) 20 to CY 21.
3. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

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(b) Long-Term Expected Rate of Return

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation are summarized in the following table (note that the rates shown below exclude an inflation component of 2.50%):

<u>Asset class</u>	<u>Target asset allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	28.0 %	6.63 %
Global equity (non-U.S.)	19.0	5.41
Aggregate bonds	22.0	0.76
Opportunistic	6.0	4.39
Real assets	13.0	3.16
Private equity	12.0	9.29
Cash equivalents	—	0.13

(c) Discount Rate

The discount rate used to measure the total OPEB liability was 7.38%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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(d) Sensitivity of the Collective Net OPEB Asset to Changes in the Discount Rate

The following presents the collective net OPEB asset of the Plan as of June 30, 2021, calculated using the discount rate of 7.38%, as well as what the Plan's collective net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	Current discount rate	
1% decrease (6.38%)	(7.38%)	1% increase (8.38%)
\$ (7,415,000)	(20,080,000)	(29,553,000)

(e) Sensitivity of the Collective Net OPEB Asset to Changes in the Healthcare Cost Trend Rates

The following presents the collective net OPEB asset of the Plan as of June 30, 2021 calculated using the current healthcare cost trend rates, as well as what the Plan's net OPEB asset would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	Current healthcare cost trend rate	
1% decrease	1% increase	1% increase
\$ (30,830,000)	(20,080,000)	(5,307,000)

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(6) Collective Deferred Outflows of Resources and Deferred Inflows of Resources

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ending June 30, 2021:

	Year of deferral	Amortization period	Beginning of year balance	Additions	Deductions	End of year balance
Deferred outflows of resources:						
Difference between expected and actual experience	2019	9 years	\$ 2,096,889	—	299,555	1,797,334
	2021	9 years	—	2,313,000	257,000	2,056,000
			<u>2,096,889</u>	<u>2,313,000</u>	<u>556,555</u>	<u>3,853,334</u>
Change in assumptions	2018	10.2 years	1,541,647	—	214,117	1,327,530
	2021	9 years	—	41,000	4,556	36,444
			<u>1,541,647</u>	<u>41,000</u>	<u>218,673</u>	<u>1,363,974</u>
Total deferred outflows of resources			<u>\$ 3,638,536</u>	<u>2,354,000</u>	<u>775,228</u>	<u>5,217,308</u>
Deferred inflows of resources:						
Difference between expected and actual experience	2017	10.6 years	\$ 1,244	—	189	1,055
	2018	10.2 years	274,589	—	38,137	236,452
	2020	9.1 years	470,870	—	58,132	412,738
			<u>746,703</u>	<u>—</u>	<u>96,458</u>	<u>650,245</u>
Change in assumptions	2019	9 years	3,539,666	—	505,667	3,033,999
	2020	9.1 years	5,013,099	—	618,901	4,394,198
			<u>8,552,765</u>	<u>—</u>	<u>1,124,568</u>	<u>7,428,197</u>
Difference between projected and actual earnings on OPEB plan investments	2017	5 years	239,200	—	239,200	—
	2018	5 years	(6,800)	—	(3,400)	(3,400)
	2019	5 years	(276,000)	—	(92,000)	(184,000)
	2020	5 years	(1,093,600)	—	(273,400)	(820,200)
	2021	5 years	—	11,130,000	2,226,000	8,904,000
			<u>(1,137,200)</u>	<u>11,130,000</u>	<u>2,096,400</u>	<u>7,896,400</u>
Total deferred inflows of resources			<u>\$ 8,162,268</u>	<u>11,130,000</u>	<u>3,317,426</u>	<u>15,974,842</u>

The previous amounts do not include employer and nonemployer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer and nonemployer over the average of the expected remaining service lives of all plan members, which is 9 years, 9.1 years, 9 years, 10.2 years and 10.6 years for the 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

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Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:		
2022	\$	(2,302,997)
2023		(2,306,397)
2024		(2,398,397)
2025		(2,671,797)
2026		(445,797)
Thereafter		<u>(632,149)</u>
Total	\$	<u><u>(10,757,534)</u></u>

(7) Collective OPEB Expense

The components of the collective OPEB expense (excluding employer specific amounts) for the year ending June 30, 2021 are as follows:

Service cost	\$	3,376,000
Interest on total OPEB liability		3,088,000
Administrative expense		34,000
Other		(2,000)
Expected investment return net of investment expenses		(3,718,000)
Recognition (amortization) of deferred outflows/inflows of resources:		
Difference between expected and actual experience		460,097
Change in assumptions		(905,895)
Difference between projected and actual investment earnings on OPEB plan investments		<u>(2,096,400)</u>
Total OPEB expense	\$	<u><u>235,802</u></u>