

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal	1
GFOA Certificate of Achievement for Excellence in Financial Reporting	7
Public Pension Coordinating Council Standards Award For Funding and Administration.	8
Organization Chart.	9
Section Responsibilities and Professional Consultants	10
Alaska Retirement Management Board	11

FINANCIAL SECTION

Independent Auditors' Report.	13
Management's Discussion and Analysis	15

Basic Financial Statements

Combining Statement of Fiduciary Net Position	25
Combining Statement of Changes in Fiduciary Net Position	26

Notes To Financial Statements – An Integral Part of the Basic Financial Statements

Note 1 – Description.	27
Note 2 – Summary of Significant Accounting Policies.	34
Note 3 – Investments	36
Note 4 – Net Pension Liability – Defined Benefit Pension Plan.	37
Note 5 – Defined Benefit OPEB Funding Status	39
Note 6 – Claims Payable	42
Note 7 – Commitments and Contingencies	43
Note 8 – Medicare Part D Retiree Drug Subsidy	43

Required Supplementary Information (Unaudited)

Schedule of Changes in Employer Net Pension Liability and Related Ratios – Defined Benefit Pension Plan	45
Schedule of Employer and Nonemployer Contributions – Defined Benefit Pension Plan	46
Schedule of Investment Returns	48
Schedule of Funding Progress – Defined Benefit OPEB Plans	49
Schedule of Contributions from Employers and the State of Alaska – Defined Benefit OPEB Plans	50

Notes to Required Supplementary Information

Note 1 – Description of Schedule of Funding Progress.	51
Note 2 – Actuarial Assumptions and Methods	51

Supplemental Schedules

Schedule of Administrative and Investment Deductions	63
Schedule of Payments to Consultants Other than Investment Advisors	64

INVESTMENT SECTION

Investment Consultant's Report	70
Treasury Division Staff and External Money Managers and Consultants	72
Investment Report	74
Schedule of Investment Results	75
Asset Allocation.	76
Top Ten Holdings by Asset Type	80
Schedule of Investment Management Fees	81
Investment Summary Schedule	83
Recaptured Commission Fees	89

Table of Contents

ACTUARIAL SECTION

Public Employees' Retirement System Defined Benefit Retirement Plan

Actuarial Certification	89
Description of Actuarial Methods and Valuation Procedures	92
Summary of Actuarial Assumptions and Changes in Assumptions	103
Funding Excess/(Unfunded Liability)	117
Employer Contribution Rates	118
Schedule of Active Member Valuation Data	119
Schedule of Pension Benefit Recipients Added to and Removed From Rolls	120
Pension Solvency Test	121
Postemployment Healthcare Solvency Test	122
Analysis of Financial Experience	123
Summary of Plan Provisions and Changes in Plan Provisions	125

Public Employees' Retirement System Defined Contribution Retirement Plan

Actuarial Certification	133
Description of Actuarial Assumptions and Valuation Procedures	136
Summary of Actuarial Assumptions and Changes in Assumptions	140
Funding Excess/(Unfunded Liability)	151
Employer Contribution Rates	152
Schedule of Active Member Valuation Data	153
Occupational Death and Disability Solvency Test	154
Retiree Medical Solvency Test	155
Summary of Plan Provisions and Changes in Plan Provisions	156

STATISTICAL SECTION

Statistical Section Overview	159
Changes in Fiduciary Net Position	160
Additions by Source	167
Deductions by Type	174
Schedule of Average Pension Benefit Payments – New Benefit Recipients	181
Schedule of Pension and Healthcare Benefit Deductions by Type	182
Schedule of Benefit Recipients by Type of Pension Benefit and Option Selected	183
System Membership by Status	184
Principal Participating Employers	185
Participating Employers	186