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Press Release

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Alaska Retirement Management Board Supports Governor's Proposal

Anchorage – The Alaska Retirement Management Board (ARMB) applauded Governor Parnell's proposal to deposit \$3 billion into the retirement trust funds from the Constitutional Budget Reserve Fund.

At the Trustees Meeting of ARMB today in Anchorage, Office of Management & Budget Director Karen Rehfeld stated that this deposit alleviates pressure on the state operating budget by reducing annual payments to \$500 million annually, rather than allowing payments to rise to over \$1 billion annually. She also noted that this action improves the health of the retirement systems and tackles a problem of this generation rather than leaving it for Alaska's children and grandchildren. By capping the state assistance payments at \$500 million annually, an average of \$374-\$424 million is saved per fiscal year.

Gail Schubert, Chair of the Board, expressed her support for the Governor's proposal, noting that the rising contribution and assistance payments to the retirement system become unsustainable when looking at the entirety of the state budget and the needs of all Alaskans. She said that the Board has struggled with the unfunded liability and sustainability issues over the last several years, and has in the past proposed such direct appropriations into the trust funds. "The Board looks forward to working with the Governor's Office and the Legislature to put the state's retirement systems on a sound footing and provide relief to the state budget," said Chair Schubert.

Trustee Tom Brice also expressed support for the proposal: "This is a substantial step forward in ensuring that the state's fiscal house is in order and makes the state's financial future stable, predictable and affordable."

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