

ALASKA DEPARTMENT OF REVENUE
News Release

Frank H. Murkowski, Governor
William A. Corbus, Commissioner

www.revenue.state.ak.us

P.O. Box 110400
Juneau, Alaska 99811-0400
Telephone: 907.465.2300
Fax: 907.465.2389

Date: March 24, 2006
No: 06-05

FOR IMMEDIATE RELEASE

Media Contact: Gary Bader, Chief Investment Officer, 465-3702

PERS TRS Unfunded Liability Grows

Alaska Retirement Management Board Chair Gail Schubert announced this morning that the trustees received an actuarial report from Buck Consultants, the state's actuary, on Thursday afternoon, March 23rd. The report includes a review of the 2004 actuarial valuation prepared by the previous actuary, and the 2005 actuarial valuation results.

The actuary report shows that the unfunded liability of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) have increased to \$4.4 billion and \$2.5 billion respectively, for a combined unfunded liability of \$6.9 billion. The 2004 unfunded liability was \$5.7 billion. The increase in the unfunded liability results in the assets to liability ratio, also called the funded ratio, declining from 70.2% to 65.7% for PERS, and from 62.8% to 60.9% for TRS.

"The board is very disappointed that the funded status has declined further," said Mrs. Schubert. "We are working very hard to craft appropriate measures that will halt further erosion of the system. The legislature is also taking an active role in offering solutions for consideration, and the trustees appreciate the efforts being made by individual legislators and through the committees."

Buck Consultants will present its report to the House Ways & Means Committee on Friday, March 24th, at 9:00 am. The board will continue its meeting at Centennial Hall at the conclusion of the committee hearing.

For further information contact Gary Bader, Chief Investment Officer, Department of Revenue (907)465-3702

* * * * *