



Department of Administration

DIVISION OF RETIREMENT AND BENEFITS

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June 01, 2020

BRANDI R HARBAUGH, FINANCE DIRECTOR KENAI PENINSULA BOROUGH 144 N BINKLEY ST SOLDOTNA AK 99669-7520

Sent via email to: BHARBAUGH@BOROUGH.KENAI.AK.US

RE: FY2020 Employer On-Behalf Funding - PERS ER 180

During the 2019 legislative session, House Bill HB39 (HB39) passed providing on-behalf funding for PERS employer contributions for Fiscal Year 2020 (FY2020). HB39, Section 35 reads as follows:

(b) The sum of **\$159,055,000** is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the **public employees'** retirement system as an additional state Contribution under AS 39.35.280 for the fiscal year ending June 30, 2020.

HB39 at http://www.akleg.gov/PDF/31/Bills/HB0039Z.PDF (Section 35, page 83).

The Alaska Retirement Management Board approved the actuarially determined rate of 28.62% for FY2020, with HB39 providing an on-behalf rate of 6.62% for each FY2020 employer payroll. On-behalf funding is applied with the processing of each employer payroll with payroll end dates between July 1, 2019 and June 30, 2020 and fully received by the Division by July 15, 2020. A fully received and processable payroll must include payment, an employer summary, and any other required documentation (WIRE and ACH payments must have a corresponding Memo). Once all such payrolls have been processed we will true-up your account and make an adjusting entry, then send a final statement via email in early August 2020.

Included is a report detailing the Employer On-Behalf Funding allocated for fiscal year 2020 payrolls. Please work with your accountant or auditor to determine where to show this funding on your financial statements. Feel free to contact me via telephone at (907) 465-2279 or email at <u>tamara.criddle@alaska.gov</u> if you have questions or need additional information regarding HB39.

Sincerely,

Tamara Criddo

Tamara Criddle, Accountant III

DISCLAIMER: The information contained in this letter is based on the specific facts and circumstances presented and cannot be applied to other facts and circumstances. This letter may contain a summary description of benefits, costs, rates, valuations, other calculations, policies or procedures for one or more pension or benefit plans administered by the Division of Retirement and Benefits, including but not limited to, the Public Employees' Retirement System, the Teachers' Retirement System, the Judicial Retirement System, the Supplemental Annuity Plan, the Deferred Compensation Plan, the AlaskaCare Employee Health Plan, or the AlaskaCare Retiree Benefit Plan. The Division of Retirement and Benefits has made every effort to ensure, but does not guarantee, that the information provided is accurate and up to date. Where this letter conflicts with the relevant Plan Document, the Plan Document controls.