

State of Alaska
FY2016 Governor Amended Operating
Budget

Department of Administration
Unlicensed Vessel Participant Annuity Retirement Plan
Component Budget Summary

Component: Unlicensed Vessel Participant Annuity Retirement Plan

Contribution to Department's Mission

To assure access to benefits for public employees and retirees.

Core Services

- The Unlicensed Vessel Personnel Annuity Retirement Plan (UVPARP) was a union-sponsored retirement plan offered to state DOT/PF employees who were working aboard the vessels of the Alaska Marine Highway System and were members of the Inland Boatmen's Union of the Pacific (IBUP) in the 1960's. Most members of this small retirement system converted their service and contributions to the PERS in 1992.
- The Division of Retirement and Benefits assumed the role of plan administrator for the 57 members who elected to remain in the UVPARP.
- Members of the UVPARP are eligible to receive an early retirement benefit at age 55 and a normal benefit at age 65. Members may choose either a 5-year certain annuity or joint/survivor lifetime benefit.

Major Component Accomplishments in 2014

- As of the end of calendar year 2014, eight UVPARP members remain eligible to receive a retirement benefit under provisions of the plan.
- Seven members are currently eligible for normal retirement. Division staff are working to locate and notify these members. Projected annuities will cost between \$19,000 and \$25,000 each to purchase.

Key Component Challenges

The division continues to attempt to locate survivors of members who are deceased.

Significant Changes in Results to be Delivered in FY2016

No significant changes in results to be delivered in FY2016.

Statutory and Regulatory Authority

Not applicable.

Contact Information

Contact: Kathy Lea, Chief Pension Officer, Retirement and Benefits
Phone: (907) 465-3226
Fax: (907) 465-3086
E-mail: kathy.lea@alaska.gov

**Unlicensed Vessel Participant Annuity Retirement Plan
Component Financial Summary**

All dollars shown in thousands

| | FY2014 Actuals | FY2015 Management Plan | FY2016 Governor Amended |
|--------------------------------|-----------------------|-----------------------------------|------------------------------------|
| Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 0.0 | 0.0 | 0.0 |
| 72000 Travel | 0.0 | 0.0 | 0.0 |
| 73000 Services | 0.0 | 0.0 | 0.0 |
| 74000 Commodities | 0.0 | 0.0 | 0.0 |
| 75000 Capital Outlay | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Benefits | 0.0 | 50.0 | 46.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 0.0 | 50.0 | 46.0 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 0.0 | 50.0 | 46.0 |
| Funding Totals | 0.0 | 50.0 | 46.0 |

**Summary of Component Budget Changes
From FY2015 Management Plan to FY2016 Governor Amended**

All dollars shown in thousands

| | <u>Unrestricted Gen (UGF)</u> | <u>Designated Gen (DGF)</u> | <u>Other Funds</u> | <u>Federal Funds</u> | <u>Total Funds</u> |
|---|-----------------------------------|---------------------------------|--------------------|--------------------------|--------------------|
| FY2015 Management Plan | 50.0 | 0.0 | 0.0 | 0.0 | 50.0 |
| Proposed budget decreases: | | | | | |
| -Reduce Funding for Benefit Payments | -4.0 | 0.0 | 0.0 | 0.0 | -4.0 |
| FY2016 Governor Amended | 46.0 | 0.0 | 0.0 | 0.0 | 46.0 |

Component Detail All Funds
Department of Administration

Component: Unlicensed Vessel Participant Annuity Retirement Plan (AR11812) (2557)
RDU: Special Systems (299)

| | FY2014 Actuals | FY2015 Conference Committee | FY2015 Authorized | FY2015 Management Plan | FY2016 Governor Amended | FY2015 Management Plan vs FY2016 Governor Amended | |
|-----------------------------------|-----------------------|------------------------------------|--------------------------|-------------------------------|--------------------------------|--|--------------|
| 71000 Personal Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| 72000 Travel | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| 73000 Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| 74000 Commodities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| 75000 Capital Outlay | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| 77000 Grants, Benefits | 0.0 | 50.0 | 50.0 | 50.0 | 46.0 | -4.0 | -8.0% |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Totals | 0.0 | 50.0 | 50.0 | 50.0 | 46.0 | -4.0 | -8.0% |
| Fund Sources: | | | | | | | |
| 1004Gen Fund (UGF) | 0.0 | 50.0 | 50.0 | 50.0 | 46.0 | -4.0 | -8.0% |
| Unrestricted General (UGF) | 0.0 | 50.0 | 50.0 | 50.0 | 46.0 | -4.0 | -8.0% |
| Designated General (DGF) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Other Funds | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Federal Funds | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Positions: | | | | | | | |
| Permanent Full Time | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Permanent Part Time | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Non Permanent | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |

Change Record Detail - Multiple Scenarios with Descriptions
Department of Administration

Component: Unlicensed Vessel Participant Annuity Retirement Plan (2557)

RDU: Special Systems (299)

| Scenario/Change Record Title | Trans Type | Totals | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants, Benefits | Miscellaneous | Positions | | NP |
|--|------------|-------------|-------------------|------------|------------|-------------|----------------|------------------|---------------|-----------|----------|----------|
| | | | | | | | | | | PFT | PPT | |
| ***** Changes From FY2015 Conference Committee To FY2015 Authorized ***** | | | | | | | | | | | | |
| FY2015 Conference Committee | | | | | | | | | | | | |
| 1004 Gen Fund | ConfCom | 50.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 50.0 | 0.0 | 0 | 0 | 0 |
| Subtotal | | 50.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 50.0 | 0.0 | 0 | 0 | 0 |
| ***** Changes From FY2015 Authorized To FY2015 Management Plan ***** | | | | | | | | | | | | |
| Subtotal | | 50.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 50.0 | 0.0 | 0 | 0 | 0 |
| ***** Changes From FY2015 Management Plan To FY2016 Governor Amended ***** | | | | | | | | | | | | |
| Reduce Funding for Benefit Payments | | | | | | | | | | | | |
| 1004 Gen Fund | Dec | -4.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -4.0 | 0.0 | 0 | 0 | 0 |
| Totals | | 46.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 46.0 | 0.0 | 0 | 0 | 0 |

The Special Systems component consists of the Elected Public Official Retirement System (EPORS) and the Unlicensed Vessel Participant Annuity Retirement Plan (UVPARP). Both of these programs are closed and cannot accept new members. The court settlement closing EPORS required that EPORS benefits be paid by the State of Alaska. The UVPARP fund was underfunded and has been depleted for some time. The benefits of both programs are protected and mandated in Section 12, Article 7, of the State of Alaska Constitution.

The spend of our fiscal year UVPARP general fund authorization is directly related to the purchase of annuities for members as they are located. This will result in fewer funds being available for annuities as members are located. Status of those are noted below.

- Each of the ten remaining eligible members are entitled to a small lifetime annuity purchased with GF.
- One of the ten will become eligible for normal retirement November 2017.
- Nine of the ten are deceased. Of the deceased UVPARP members;
 - o Four have no known survivors, and
 - o Of the other five, the DRB Member Benefits Section is trying to make contact with the survivors.

Line Item Detail
Department of Administration
Grants, Benefits

Component: Unlicensed Vessel Participant Annuity Retirement Plan (2557)
RDU: Special Systems (299)

| Line Number | Line Name | | FY2014 Actuals | FY2015 Management Plan | FY2016 Governor Amended |
|---|-------------------------|--------------------|-----------------------|-------------------------------|--------------------------------|
| 77000 | Grants, Benefits | | 0.0 | 50.0 | 46.0 |
| Expenditure Account | | | FY2014 Actuals | FY2015 Management Plan | FY2016 Governor Amended |
| | Servicing Agency | Explanation | | | |
| 77000 Grants, Benefits Detail Totals | | | 0.0 | 50.0 | 46.0 |
| 77489 | Other Benefits Notax | Annuity payments | 0.0 | 50.0 | 46.0 |