

**State of Alaska
FY2016 Governor Amended Operating
Budget**

**Department of Administration
Elected Public Officers Retirement System Benefits
Component Budget Summary**

Component: Elected Public Officers Retirement System Benefits

Contribution to Department's Mission

To assure benefits for members of the Elected Public Officers Retirement System.

Core Services

- Provide Benefit payments to members of the Elected Public Officers Retirement System (EPORS).

Major Component Accomplishments in 2014

Benefits were issued to 35 eligible participants; 20 retirees and 15 survivors in calendar year 2014.

Key Component Challenges

No key component challenges.

Significant Changes in Results to be Delivered in FY2016

No significant changes in results to be delivered in FY2016.

Statutory and Regulatory Authority

The Elected Public Officers Retirement System (EPORS) became effective with CH 205, SLA 1975. Subsequent to the enactment of this legislation, a referendum on the EPORS legislation was submitted to a vote of the people; they voted to repeal the legislation. In the case State v. Allen, the Alaska Supreme Court held that all elected public officers who were participating in EPORS at the time of repeal (10/14/76) are entitled to the benefits provided by EPORS upon retirement.

AS 39.35.389 Alternate benefits for EPORS members
AS 39.70 (This repealed statute is still printed in the bound volumes of the Alaska Statutes)

Contact Information

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**Elected Public Officers Retirement System Benefits
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	2.6	20.0	20.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	1,949.1	2,078.1	1,960.3
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,951.7	2,098.1	1,980.3
Funding Sources:			
1004 General Fund Receipts	1,951.7	2,098.1	1,980.3
Funding Totals	1,951.7	2,098.1	1,980.3

**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	2,098.1	0.0	0.0	0.0	2,098.1
Proposed budget decreases:					
-Reduce Funding for Benefit Payments	-117.8	0.0	0.0	0.0	-117.8
FY2016 Governor Amended	1,980.3	0.0	0.0	0.0	1,980.3

Component Detail All Funds
Department of Administration

Component: Elected Public Officers Retirement System Benefits (AR11813) (964)
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	2.6	20.0	20.0	20.0	20.0	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	1,949.1	2,078.1	2,078.1	2,078.1	1,960.3	-117.8	-5.7%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,951.7	2,098.1	2,098.1	2,098.1	1,980.3	-117.8	-5.6%
Fund Sources:							
1004Gen Fund (UGF)	1,951.7	2,098.1	2,098.1	2,098.1	1,980.3	-117.8	-5.6%
Unrestricted General (UGF)	1,951.7	2,098.1	2,098.1	2,098.1	1,980.3	-117.8	-5.6%
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: Elected Public Officers Retirement System Benefits (964)

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	2,098.1	0.0	0.0	20.0	0.0	0.0	2,078.1	0.0	0	0	0
		2,098.1										
	Subtotal	2,098.1	0.0	0.0	20.0	0.0	0.0	2,078.1	0.0	0	0	0
***** Changes From FY2015 Authorized To FY2015 Management Plan *****												
	Subtotal	2,098.1	0.0	0.0	20.0	0.0	0.0	2,078.1	0.0	0	0	0
***** Changes From FY2015 Management Plan To FY2016 Governor Amended *****												
Reduce Funding for Benefit Payments												
1004 Gen Fund	Dec	-117.8	0.0	0.0	0.0	0.0	0.0	-117.8	0.0	0	0	0
		-117.8										
	Totals	1,980.3	0.0	0.0	20.0	0.0	0.0	1,960.3	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.

Due to a reduction in members, in FY2015 a general fund reduction of \$150.0 was taken in this component which aligned the projected expenditure with the budget authorization therefore leaving a small amount available for reduction in FY2016. For FY2016, Retirements and Benefits does not believe it to be prudent to decrease the EPORS authorization beyond this level as the benefit payments are mandatory and are subject to the following changes which are out of our control.

- Increases to the monthly amount the State pays for the health Insurance premiums of members and qualified dependents.
- Members/beneficiary monthly benefits are based on the last position held by the member. If that position gets an increase, the member's monthly benefit will reflect that change as well.
- The death of a member or beneficiary will reduce the total amount of EPORS benefits paid. When a member dies, the beneficiary normally is entitled to half the member's monthly benefit. When the beneficiary dies or there is no beneficiary, then the monthly benefit will end.
- A member rehiring with a PERS, TRS, or JRS employer will result in their benefit payment being temporarily suspended. This will reduce the monthly total of benefits paid. (We currently have one EPORS member that became active in PERS. When this member retires again, the amount of their monthly benefit will increase reflecting the additional service time earned.

Line Item Detail
Department of Administration
Services

Component: Elected Public Officers Retirement System Benefits (964)
RDU: Special Systems (299)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000	Services		2.6	20.0	20.0
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000 Services Detail Totals			2.6	20.0	20.0
73050	Financial Services	Actuarial consulting services	1.3	16.5	18.5
73812	Legal		0.0	2.0	0.0
73979	Mgmt/Consulting (IA Svcs)	Retirement and Benefits Management and consulting services	1.3	1.5	1.5

Line Item Detail
Department of Administration
Grants, Benefits

Component: Elected Public Officers Retirement System Benefits (964)

RDU: Special Systems (299)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
77000	Grants, Benefits		1,949.1	2,078.1	1,960.3
			FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Expenditure Account	Servicing Agency	Explanation			
77000 Grants, Benefits Detail Totals			1,949.1	2,078.1	1,960.3
78400	Retirement Benefits	Retirement, base adjustments, post retirement adjustments and health insurance premium for benefit recipients	1,949.1	2,078.1	1,960.3

**Interagency Services
Department of Administration**

Component: Elected Public Officers Retirement System Benefits (964)
RDU: Special Systems (299)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended	
73979	Mgmt/Consulting (IA Svcs)	Management and consulting services	Intra-dept	Retirement and Benefits	1.3	1.5	1.5
73979 Mgmt/Consulting (IA Svcs) subtotal:				1.3	1.5	1.5	
Elected Public Officers Retirement System Benefits total:				1.3	1.5	1.5	
Grand Total:				1.3	1.5	1.5	