



ALASKA STATE LEGISLATURE

News from the House Majority

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Legislative Council Calls for Contract to Study PERS Issue

(JUNEAU) – Chairman of Legislative Council, Representative Pete Kott (R-Eagle River) held a press conference earlier today to announce a contract to study the Alaska Public Employees Retirement System (PERS).

A Michigan firm, Actuarial Service Company, P.C., has been hired by the Legislative Council to conduct an actuarial evaluation of the PERS. Representative Kott was joined by Vice-Chair Senator Gene Therriault (R-North Pole) and Representative Mike Hawker (R-Anchorage) to announce the contract.

“With the information from this contract, the legislature will be able to make more informed decisions regarding Alaska’s Retirement System,” said Representative Kott. He continued, “I hope to have a preliminary report by the Legislative Council meeting scheduled for April 21, 2005 in order that we might be able to share this information with the entire Legislature prior to adjournment.”

“Any problem that starts with a “B,” as in billion, is of serious concern to the members of the Senate and the citizens we represent,” said Senator Therriault. “And this study will shed light on the problem.

Joseph Esuchanko, with Actuarial Services Company, P.C., who will be conducting the study, joined the press conference via telephone from Michigan to answer questions. “Trends continue to call for double-digit health care costs. The state’s assumption is for a 12% increase over the next couple of years then dropping to 5%. Neither history, nor projections, bears this out. If these assumptions are wrong, the state’s unfunded liability will be much larger than anticipated.”

Final results of the study are expected by May 31, 2005.

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