

**State of Alaska**  
**FY2007 Governor's Operating Budget**

**Department of Military and Veterans Affairs**  
**Retirement Benefits**  
**Component Budget Summary**

## Component: Retirement Benefits

### Contribution to Department's Mission

Provides the department funding to pay the actuarial estimated amount required to maintain the State of Alaska's National Guard and Naval Militia Retirement System in accordance with AS 26.05.222-229.

- To attract and retain members of the Alaska National Guard by providing a retirement system based on the number of years of membership in the Alaska Guard.
- Maintain the retirement system for those members who are retired and/or vested.

### Core Services

- Members of the Alaska National Guard are eligible for this retirement program if they have served a total of 20 years in the U.S. Armed Forces with at least five years in the Alaska National Guard or Naval Militia. Instead of receiving a monthly stipend of \$100, members may opt for a lump-sum distribution. The \$100 a month is received for as many months as the participant performed satisfactorily in the Guard or the Militia.

### Major Activities to Advance Strategies

- Payment into the State of Alaska National Guard and Naval Militia Retirement System

### FY2007 Resources Allocated to Achieve Results

<b>FY2007 Component Budget: \$1,737,400</b>	<b>Personnel:</b>	
	Full time	0
	Part time	0
	<b>Total</b>	<b>0</b>

### Key Component Challenges

None

### Significant Changes in Results to be Delivered in FY2007

- A decrease in the required annual funding of \$316,400 has been projected. This reduction is made in accordance with the recently issued State of Alaska National Guard and Naval Militia Retirement system Actuarial Valuation Report as of June 30, 2004 issued on September 23, 2005 by Mercer Human Resource Consulting. The actuarial estimate reduction is due to the non-vested active participant turnover for the period being higher than estimated in the previous actuarial reports.
- No changes to results in FY2007 are occurring, only funding level requirements.

### Major Component Accomplishments in 2005

- Payment of the required contributions to the State of Alaska, Department of Retirement and Benefits.

## Statutory and Regulatory Authority

AS 26.05.222-229

Alaska National Guard and Alaska Naval Militia Retirement System

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**Retirement Benefits  
Component Financial Summary**

*All dollars shown in thousands*

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	1,996.8	2,053.8	1,737.4
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,996.8</b>	<b>2,053.8</b>	<b>1,737.4</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	1,996.8	2,053.8	1,737.4
<b>Funding Totals</b>	<b>1,996.8</b>	<b>2,053.8</b>	<b>1,737.4</b>

**Summary of Component Budget Changes  
From FY2006 Management Plan to FY2007 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2006 Management Plan</b>	<b>2,053.8</b>	<b>0.0</b>	<b>0.0</b>	<b>2,053.8</b>
<b>Proposed budget decreases:</b>				
-Reduce National Guard Naval Militia Retirement System Contribution Based on New Actuarial Estimate	-316.4	0.0	0.0	-316.4
<b>FY2007 Governor</b>	<b>1,737.4</b>	<b>0.0</b>	<b>0.0</b>	<b>1,737.4</b>