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**OFFICE OF THE LIEUTENANT GOVERNOR
ALASKA**

MEMORANDUM

TO: Megan Collie, Department of Administration
FROM: Scott Meriwether, Office of the Lieutenant Governor, 465-4081 
DATE: January 24, 2017
RE: Filed Permanent Regulations: Department of Administration

Non APA Regulations re: Compliance Auditing of State Pension Plans (2 AAC 05.100-125; 2 AAC 35.220; 2 AAC 36.021; 2 AAC 37.033; 2 AAC 37.180)

Attorney General File:	JU2015200985
Regulation Filed:	January 23, 2017
Effective Date:	January 31, 2017
Print:	221, April 2017

cc with enclosures: Linda Miller, Department of Law
Dianne Blumer, Administrative Regulation Review Committee
Judy Herndon, LexisNexis

ORDER ADOPTING CHANGES TO REGULATIONS
OF ALASKA DIVISION OF RETIREMENT AND BENEFITS

The attached 10 pages of regulations, dealing with the duties of the State Social Security Administrator (2 AAC 05), PERS and TRS employers, and the court system submitting records to the PERS, TRS, and JRS administrator (2 AAC 35, 36, and 37), operation of the SBS annuity plan (2 AAC 37.180), are adopted and certified to be a correct copy of the regulation changes that the Commissioner of Administration adopts under the authority of Alaska Statutes 14.25.003, 14.25.004, 14.25.005, 22.25.025, 22.25.027, 37.05.020, 39.30.010, 39.30.030, 39.30.040, 39.30.060, 39.30.154, 39.30.155, 39.30.160, 39.35.003, 39.35.004, 39.35.005, 39.35.070, and after compliance with Alaska Statutes 14.25.005, 22.25.027, and 39.35.005, specifically including notice and opportunity for public comment.

This action is not expected to require an increased appropriation.

Although no public comments were received, the Alaska Division of Retirement and Benefits paid special attention to the cost to private persons of the regulatory action being taken.

The attached regulations are exempt from the adoption procedures of the Administrative Procedure Act and, under AS 14.25.005(g), 22.25.027(f), 39.30.003(g), 39.35.005(g), and 39.30.154 take effect on the 30th day after their adoption by the Commissioner of Administration.

Date: 4/1/17


Sheldon Fisher, Commissioner

FILING CERTIFICATION

I, Byron Mallott, Lieutenant Governor for the State of Alaska, certify that on

January 31, 2017, at 1150 a.m., I filed the attached regulations.


Lieutenant Governor

Effective: January 31, 2017

Register: 221, April 2017

Note to Publisher: Please change the article heading for Article 2 in 2 AAC 05 to read:

Article 2. State Social Security Administrator.

2 AAC 05.100 is repealed:

2 AAC 05.100. Duties. Repealed. (Eff. 4/1/74, Register 50; repealed 1 / 31 / 2017, Register 221)

2 AAC 05.110 is repealed:









2 AAC 05.110. Use of Agency Records. Repealed. (Eff. 4/1/74, Register 50; repealed 1 / 31 / 2017, Register 221)

2 AAC 05.120 is repealed:

2 AAC 05.120. General Provisions. Repealed. (Eff. 4/1/74, Register 50; repealed 1 / 31 / 2017, Register 221)

2 AAC 05 is amended by adding a new section to Article 2 to read:

2 AAC 05.125. Duties of the State Social Security Administrator. (a) The state social security administrator, under the general supervision of the commissioner of administration or designee, as required by 20 CFR 404.1204 is designated to act for the state in administering the state's section 218 of the Social Security Act (42 USC 418) coverage agreement. The state social security administrator will:

- (1) maintain physical custody, in a secure location, of the state's section 218 of
 the Social Security Act (42 USC 418) coverage agreement, any modifications
and all intrastate agreements;
- (2) provide copies of all modifications and intrastate agreements to active
 political subdivisions with an explanation of any changes that have been
overridden by subsequent changes to federal law;
- (3) take appropriate steps to execute modifications to the original state's section
 218 of the Social Security Act (42 USC 418) coverage agreement that include
additional coverage groups, correct errors in modifications or identify
additional political subdivisions that join a covered retirement system;
- (4) conduct referenda on the coverage of services of individuals in positions
 under a retirement system;
- (5) serve as an information liaison for federal, state and local agencies in the
 education and training of public employers;
- (6) draft and publish rules, policies, procedures and standards for operation of the
 state social security administrator's office;
- (7) provide the Federal Office of the Social Security Administration with notice
 and evidence of the legal dissolution of a covered state or political subdivision
entity;
- (8) provide guidance to the state's governmental employers on issues related to
 the state's section 218 of the Social Security Act (42 USC 418) coverage
agreement;
- (9) work with the Federal Office of the Social Security Administration and the

1 TAB { Internal Revenue Service to address coverage and taxation questions related to
the state's section 218 of the Social Security Act (42 USC 418) coverage
agreement and any modifications to that agreement; and

(10) assess the state's covered political subdivisions, under existing state statutes, to determine the administrative costs for operation of the state's section 218 of the Social Security Act (42 USC 418) coverage agreement.

(b) In this section, "state's section 218 of the Social Security Act (42 USC 418) coverage agreement" means the agreement between the state and the Federal Office of the Social Security Administration under 42 U.S.C. 418. (Eff. 1/31/2017, Register 221)

Authority: AS 39.30.010 AS 39.30.040 AS 39.30.060
AS 39.30.030

Note to Publisher: Please change the article heading for Article 2 in 2 AAC 35 to read:

Article 2. Submission and audit of employer records.

2 AAC 35.220 is repealed and readopted to read:

2 AAC 35.220. Submission and audit of employer records. (a) The employer shall transmit to the administrator records concerning an employee's period of service, date of birth, compensation, entrance into service, death, withdrawal and other data necessary for the proper and effective operation of the system not later than 10 days of the date of occurrence or the first day of the payroll period occurring closest to the event, whichever is earlier.

(b) The administrator may perform an audit, review or assessment of the records of the

employer to ensure compliance with the statutes and regulations of the public employees' retirement system and to confirm the accuracy of the information reported by the employer to the plan.

(c) An audit, review or assessment of the employer records to determine an employer's compliance with the plan provisions shall include a desk audit, a field audit, or both.

(d) In conducting an audit, review or assessment of the employer records, the employer shall allow the administrator or administrator's designee access to original records that document personnel hiring and employment practices.

(e) Following the audit, review or assessment of the employer records, the employer will be provided with written preliminary findings. The preliminary findings will identify inaccuracies and issues to be resolved to maintain compliance with plan provisions. Not later than 30 days of the date of the receipt of the preliminary findings the employer shall submit additional documentation for consideration or to respond to the preliminary findings.

(f) The final audit will include audit or review findings and will be provided to the employer not later than 60 days after consideration of any documentation or response submitted under (e) of this section.

(g) In this section, unless the context otherwise requires,

(1) "audit" means the process of obtaining competent evidentiary material about employer records through inspection, observation, inquiry, and confirmation sufficient to support a reasonable basis for determining the employer's compliance with the legal requirements of the public employees' retirement system.

(2) “desk audit” means an audit of an employer’s records conducted by the administrator or designee based upon an examination of an employer’s records without an on-site visit to the location of the employer’s business records;

(3) “field audit” means an audit of an employer conducted by the administrator or designee based upon an examination of an employer’s records with an on-site visit to the location of the employer’s business records. (In effect before 10/21/83, Register 93; am/readopt 7/20/2006, Register 179; am 1/13/2010, Register 193; am 1 / 31 / 2017, Register 221)

Authority: AS 39.35.003

AS 39.35.005

AS 39.35.070

AS 39.35.004

2 AAC 36.021 is repealed and readopted to read:

2 AAC 36.021 Employers to supply employment records. (a) The employer shall transmit to the administrator records concerning an employee’s period of service, date of birth, compensation, entrance into service, death, withdrawal and other data necessary for the proper and effective operation of the system not later than 10 days of the date of occurrence or the first day of the payroll period occurring closest to the event, whichever is earlier.

(b) The administrator may perform an audit, review or assessment of the records of the employer to ensure compliance with the statutes and regulations of the public employees’ retirement system and to confirm the accuracy of the information reported by the employer to the plan.

(c) An audit, review or assessment of the employer records to determine an employer’s compliance with the plan provisions shall include a desk audit, a field audit or both.

(d) In conducting an audit, review or assessment of the employer records, the employer

shall allow the administrator or administrator's designee access to original records documenting personnel hiring and employment practices.

(e) Following the audit, review or assessment of the employer records, the employer will be provided with written preliminary findings. The preliminary findings will identify inaccuracies and issues to be resolved to maintain compliance with plan provisions. Not later than 30 days of the date of the receipt of the preliminary findings the employer shall submit additional documentation for consideration or to respond to the preliminary findings.

(f) The final audit will include audit or review findings and will be provided to the employer not later than 60 days after consideration of any documentation or response submitted under (e) of this section.

(g) In this section, unless the context otherwise requires,

(1) "audit" means the process of obtaining competent evidentiary material about employer records through inspection, observation, inquiry, and confirmation sufficient to support a reasonable basis for determining the employer's compliance with the legal requirements of the teachers' retirement system.

(2) "desk audit" means an audit of an employer's records conducted by the administrator or designee based upon an examination of an employer's records without an on-site visit to the location of the employer's business records;

(3) "field audit" means an audit of an employer conducted by the administrator or designee based upon an examination of an employer's records with an on-site visit to the location of the employer's business records. (Effective 7/20/2006, Register 179; am 1/13/2010, Register 193; am 1/31/2017, Register 221)

Authority: AS 14.25.003 AS 14.25.004 AS 14.25.005

Article 1

33. Court System to Supply Employment Records

2 AAC 37 is amended by adding a new section to read:

2 AAC 37.033 Court system to supply employment records. (a) The court system shall transmit to the administrator records concerning a justice or judge's period of service, date of birth, compensation, entrance into service, death, withdrawal and other data necessary for the proper and effective operation of the system not later than 10 days of the date of occurrence or the first day of the payroll period occurring closest to the event, whichever is earlier.

(b) The administrator may perform an audit, review or assessment of the records of the court system to ensure compliance with the statutes and regulations of the public employees' retirement system and to confirm the accuracy of the information reported by the court system to the plan.

(c) An audit, review, or assessment of the court system records to determine the court system's compliance with the plan provisions shall include a desk audit, a field audit, or both.

(d) In conducting an audit, review or assessment of the records, the court system shall allow the administrator or administrator's designee access to original records documenting personnel hiring and employment practices.

(e) Following the audit, review or assessment of the court system records, the court system will be provided with written preliminary findings. The preliminary findings will identify inaccuracies and issues to be resolved to maintain compliance with plan provisions. Not later than 30 days of the date of the receipt of the preliminary findings the court system shall submit additional documentation for consideration or to respond to the preliminary findings.

(f) The final audit will include audit or review findings and will be provided to the court

system not later than 60 days after consideration of any documentation or response submitted under (e) of this section.

(g) In this section, unless the context otherwise requires,

(1) “audit” means the process of obtaining competent evidentiary material about court system records through inspection, observation, inquiry, and confirmation sufficient to support a reasonable basis for determining the court system’s compliance with the legal requirements of the judicial retirement system.

(2) “desk audit” means an audit of the court system’s records conducted by the administrator or designee based upon an examination of the court system’s records without an on-site visit to the location of the court system’s business records;

(3) “field audit” means an audit of the court system’s records conducted by the administrator or designee based upon an examination of the court system’s records with an on-site visit to the location of the court system’s business records. (Effective 1/31/2017, am 1/31/2017, Register 221)

Authority: AS 22.25.025 AS 22.25.027

2 AAC 37.180 is amended by adding new subsections to read:

(g) The employer shall transmit to the administrator records concerning an employee’s period of service, date of birth, compensation, entrance into service, death, withdrawal and other data necessary for the proper and effective operation of the system not later than 10 days of the date of occurrence or the first day of the payroll period occurring closest to the event, whichever is earlier.

(h) The administrator may perform an audit, review, or assessment of the records of the

employer to ensure compliance with the statutes and regulations of the public employees' retirement system and to confirm the accuracy of the information reported by the employer to the plan.

(i) An audit, review or assessment of the employer records to determine an employer's compliance with the plan provisions shall include a desk audit, a field audit, or both.

(j) In conducting an audit, review or assessment of the employer records, the employer shall allow the administrator or designee access to original records documenting personnel hiring and employment practices.

(k) Following the audit, review or assessment of the employer records, the employer will be provided with written preliminary findings. The preliminary findings will identify inaccuracies and issues to be resolved to maintain compliance with plan provisions. Not later than 30 days of the date of the receipt of the preliminary findings the employer shall submit additional documentation for consideration or to respond to the preliminary findings.

(l) The final audit will include audit or review findings and will be provided to the employer not later than 60 days after consideration of any documentation or response submitted under (k) of this section.

(m) In this section, unless the context otherwise requires,

(1) "audit" means the process of obtaining competent evidentiary material about employer records through inspection, observation, inquiry, and confirmation sufficient to support a reasonable basis for determining the employer's compliance with the legal requirements of the supplemental benefits system.

(2) “desk audit” means an audit of an employer’s records conducted by the administrator or designee based upon an examination of an employer’s records without an on-site visit to the location of the employer’s business records;

(3) “field audit” means an audit of an employer conducted by the administrator or designee based upon an examination of an employer’s records with an on-site visit to the location of the employer’s business records. (In effect before 11/7/85, Register 99; am 11/16/90, Register 118; am 5/3/91, Register 118; am 5/3/91-10/28/91, Register 118; am ^{em} 1/31/2017, Register 221)

Authority: AS 39.30.154

AS 39.30.155

AS 39.30.160

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MEMORANDUM

State of Alaska Department of Law

To: The Honorable Byron Mallott
Lieutenant Governor

Date: January 19, 2017

File No.: JU2015200985

Tel. No.: 465-3600

From: Susan R. Pollard *SRP*
Chief Assistant Attorney General
and Regulations Attorney
Legislation and Regulations Section

Re: Department of Administration
Regulation: 2 AAC 05.100-125,
2 AAC 35.220, 36.021, 37.033,
37.180; Non-APA: Compliance
Auditing of State Pension Plans

We have reviewed the attached Department of Administration changes to these regulations. The regulations are ready for filing and sending to the publisher for printing in the Alaska Administrative Code. Under AS 14.25.005(g), AS 22.25.027(f), AS 39.30.154 and 39.35.005(g), the regulations take effect 30 days after adoption by the commissioner. The commissioner adopted these regulations January 1, 2017.

The regulations were adopted after close of the public comment period by the commissioner of administration, as the individual with authority to adopt regulations to govern the operations of state retirement systems including clarification of the liaison nature of the state Social Security Administration position and employer responsibilities for supplying employee records to the administrator of the retirement systems. We have made some technical corrections. The corrections are shown on the attached copy of the regulations.

SRP:ads

cc w/enc: (*via email*)

Honorable Sheldon Fisher, Commissioner
Department of Administration

Kathy Lea, Chief Pension Officer
Division of Retirement and Benefits
Department of Administration

Kevin Worley, Chief Finance Officer
Division of Retirement and Benefits
Department of Administration

Joan Wilkerson, Assistant Attorney General
Labor and State Affairs Section

NOTICE OF PROPOSED CHANGES ON THE OPERATION OF STATE RETIREMENT
SYSTEMS IN THE REGULATIONS OF THE DEPARTMENT OF ADMINISTRATION,
DIVISION OF RETIREMENT AND BENEFITS

The Division of Retirement and Benefits proposes to change regulations in Title 2, Chapters 5, 35, 36, and 37 of the Alaska Administrative Code, dealing with records kept, transmitted, and audited in the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), Judicial Retirement System (JRS), and Supplemental Benefits System (SBS) including the following:

- (1) 2 AAC 05.100, 2 AAC 05.110, and 2 AAC 05.120, relating to the existence, powers, and duties of the State Internal Auditor are proposed to be repealed. The intended effect of this repeal is to eliminate the State Internal Auditor, and replace that position with the State Social Security Administrator.
- (2) 2 AAC 05 is proposed to be amended by adding a new section, 2 AAC 05.125, describing the duties of the State Social Security Administrator, who will be tasked with administering the State's Section 218 federal coverage agreement and will be generally supervised by the commissioner of administration.
- (3) 2 AAC 35.220 is proposed to be repealed and readopted to explain the submission and audit of employer records under PERS. The proposed regulation will provide greater detail regarding the employer's duties in submitting employee records to the PERS administrator, and the administrator's role in performing audits. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."
- (4) 2 AAC 36.021 is proposed to be repealed and readopted to describe in greater detail the submission of employment records by employers in TRS, and the TRS administrator's role in performing audits. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."
- (5) 2 AAC 37 is proposed to be amended by adding a new section, 2 AAC 37.033, requiring the court system to supply certain employment records of judges to the administrator of JRS and the JRS administrator's role performing audits. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."
- (6) 2 AAC 37.180 is proposed to be repealed and readopted to clarify the operation of the SBS annuity plan, including details regarding the management of individual contributions and audits of employee records by the administrator of SBS. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Jim Puckett at PO Box 110203, 333 Willoughby Avenue, Juneau, Alaska 99811-0203 and jim.puckett@alaska.gov. Additionally, the Division of Retirement and Benefits will accept comments by facsimile at 907-465-3086 and by electronic mail at jim.puckett@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System by accessing this notice on the system and using the comment link. The comments must be received no later than 5:00p.m. on October 7, 2016.

Oral or written comments also may be submitted at a hearing to be held on September 22, 2016 in the Atwood Conference Center, Room 104, Robert Atwood Building, 550 West 7th Avenue, Anchorage. The hearing will be held from 3:30 p.m. to 5:00 p.m. and might be extended to accommodate those present before 4:00 p.m. who did not have an opportunity to comment. You may also call the hearing on a conference line at 1-800-315-6338, access code: 82190.

You may submit written questions relevant to the proposed action to Jim Puckett by email at jim.puckett@alaska.gov and at 333 Willoughby Avenue, Juneau, AK. The questions must be received at least 10 days before the end of the public comment period. The Division of Retirement and Benefits will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and the Division of Retirement and Benefits website.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Jim Puckett at (907) 465-4471 no later than Friday, September 30, 2016 to ensure that any necessary accommodations can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System on the Division of Retirement and Benefits web site at http://doa.alaska.gov/drj and by contacting Jim Puckett at PO Box 110203, 333 Willoughby Avenue, Juneau, Alaska 99811-0203 or jim.puckett@alaska.gov.

After the public comment period ends, the Division of Retirement and Benefits will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.**

Statutory Authority: AS 14.25.003, AS 14.25.004, AS 14.25.005, AS 22.25.025, AS 22.25.027, AS 37.05.020, AS 39.30.010, AS 39.30.030, AS 39.30.040, AS 39.30.060, AS 39.30.154, AS 39.30.155, AS 39.30.160, AS 39.35.003, AS 39.35.004, AS 39.35.005, AS 39.35.070,

Statutes being Implemented, Interpreted, or Made Specific: AS 14.25.003, AS 14.25.004, AS 14.25.005, AS 22.25.025, AS 22.25.027, AS 37.05.020, AS 39.30.010, AS 39.30.030, AS 39.30.040, AS 39.30.060, AS 39.30.154, AS 39.30.155, AS 39.30.160,

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

DATE: _____

Jim Puckett, Chief Operations Officer

AFFIDAVIT OF NOTICE OF PROPOSED REGULATION
AND FURNISHING OF ADDITIONAL INFORMATION

I, Jim Puckett, Chief Operations Officer, of Alaska Division of Retirement and Benefits, being sworn, state the following:

As required by AS 39.35.005, AS 14.25.005, and AS 22.25.027, notice of the proposed adoption of changes to 2 AAC 35.220; 2 AAC 36.201; 2 AAC 37.033; and 2 AAC 37.180, Retirement System Audits has been given by being

- (1) posted in public buildings throughout the state;
- (2) published in one or more newspapers of general circulation in each judicial district of the state;
- (3) mailed to each person or group that has filed a request for notice of proposed action with the commissioner; and,
- (4) furnished to each member of the legislature and to the Legislative Affairs Agency.

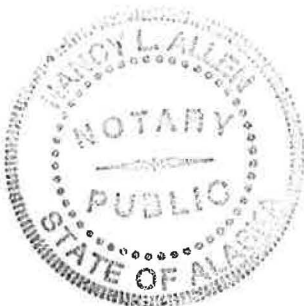
As required by AS 39.35.005, AS 14.25.005, and AS 22.25.027, additional regulation notice information regarding the proposed adoption of the regulation changes described above has been furnished to interested persons and those in (3) and (4) of the list above. The additional regulation notice information also has been posted on the Alaska Online Public Notice system.

Date: 10/3/16



Jim Puckett, Chief Operations Officer

Subscribed and sworn to before me at Juneau, Alaska on October 3, 2016.



Notary Public in and for the State of Alaska

AFFIDAVIT OF ORAL HEARING

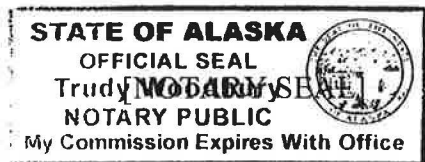
I, Jim Puckett, Chief Operations Officer of the Alaska Division of Retirement and Benefits, being sworn, state the following:

On September 22, 2016, at 3:30 p.m., in Room 102, 550 W. 7th Ave, Atwood Building, Anchorage AK and by teleconferencing at 333 Willoughby Ave, Juneau, AK, I presided over a public hearing held under AS 44.62.210 for the purpose of taking testimony in connection with the adoption of changes to regulations in Title 2, Chapters 5, 35, 36, and 37 of the Alaska Administrative Code, dealing with records kept, transmitted, and audited in the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), Judicial Retirement System (JRS), and Supplemental Benefits System (SBS).

Date: November 14, 2016

Jim Puckett
Jim Puckett, Chief Operations Officer

Subscribed and sworn to before me at Retirement and Benefits on
November 14, 2016
(date)



Duane Woodbury
Notary Public in and for the State of Alaska

AFFIDAVIT OF AGENCY RECORD OF PUBLIC COMMENT

I, Jim Puckett for the Alaska Division of Retirement and Benefits, being duly sworn, state the following:

In compliance with AS 44.62.215, the Alaska Division of Retirement and Benefits did not receive any factual or other substantive information that was submitted in writing or orally as public comment and that was relevant to the accuracy, coverage, or other aspect of the Alaska Division of Retirement and Benefits regulation on Changes On The Operations Of The State Retirement Systems.

Date: 9/30/16

Jim Puckett

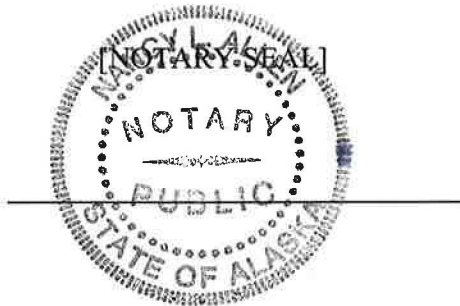
Jim Puckett, Chief Operations Officer

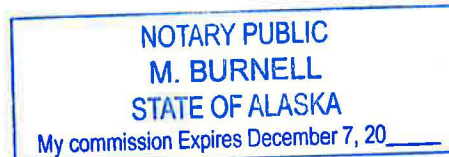
Subscribed and sworn to before me at Juneau, Alaska on

September 30, 2016

Nancy A. Allen

Notary Public in and for the State of Alaska





AFFP

AO-17-0280-006

Affidavit of Publication

UNITED STATES OF AMERICA
STATE OF ALASKA
FOURTH DISTRICT } SS.

Before me, the undersigned, a notary public, this day personally appeared Tameka Ambersley, who, being first duly sworn, according to law, says that he/she is an Advertising Clerk of the Fairbanks Daily News-Miner, a newspaper (i) published in newspaper format, (ii) distributed daily more than 50 weeks per year, (iii) with a total circulation of more than 500 and more than 10% of the population of the Fourth Judicial District, (iv) holding a second class mailing permit from the United States Postal Service, (v) not published primarily to distribute advertising, and (vi) not intended for a particular professional or occupational group. The advertisement which is attached is a true copy of the advertisement published in said paper on the following day(s):

September 07, 2016

and that the rate charged thereon is not excess of the rate charged private individuals, with the usual discounts.



Advertising Clerk

Subscribed to and sworn to me this 7th day of September 2016.



Marena Burnell, Notary Public in and for the State Alaska.

My commission expires: December 07, 2017

00007757 00037339 90746563086

ST OF AK/DIVISION OF RETIREMENT & BENEFITS
PO BOX 110203
JUNEAU, AK 99811

37339

NOTICE OF PROPOSED CHANGES ON THE OPERATION OF STATE RETIREMENT SYSTEMS IN THE REGULATIONS OF THE DEPARTMENT OF ADMINISTRATION, DIVISION OF RETIREMENT AND BENEFITS

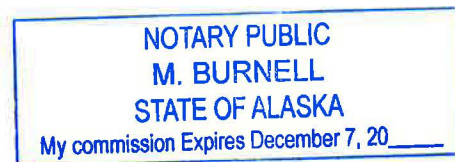
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(1) 2 AAC 05.100, 2 AAC 05.110, and 2 AAC 05.120, relating to the existence, powers, and duties of the State Internal Auditor are proposed to be repealed. The intended effect of this repeal is to eliminate the State Internal Auditor, and replace that position with the State Social Security Administrator.

(2) 2 AAC 05 is proposed to be amended by adding a new section, 2 AAC 05.125, describing the duties of the State Social Security Administrator, who will be tasked with administering the State's Section 218 federal coverage agreement and will be generally supervised by the commissioner of administration.

(3) 2 AAC 35.220 is proposed to be repealed and readopted to explain the submission and audit of employer records under PERS. The proposed regulation will provide greater detail regarding the employer's duties in submitting employee records to the PERS administrator, and the administrator's role in performing audits. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."

(4) 2 AAC 36.021 is proposed to be repealed and readopted to describe in greater detail the submission of employment records by employers in TRS, and the TRS administrator's



role in performing audits. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."

(5) 2 AAC 37 is proposed to be amended by adding a new section, 2 AAC 37.033, requiring the court system to supply certain employment records of judges to the administrator of JRS and the JRS administrator's role performing audits. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."

(6) 2 AAC 37.180 is proposed to be repealed and readopted to clarify the operation of the SBS annuity plan, including details regarding the management of individual contributions and audits of employee records by the administrator of SBS. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Jim Puckett at PO Box 110203, 333 Willoughby Avenue, Juneau, Alaska 99811-0203 and jim.puckett@alaska.gov. Additionally, the Division of Retirement and Benefits will accept comments by facsimile at 907-465-3086 and by electronic mail at jim.puckett@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System by accessing this notice on the system and using the comment link. The comments must be received no later than 5:00p.m. on October 7, 2016.

Oral or written comments also may be submitted at a hearing to be held on September 22, 2016 in the Atwood Conference Center, Room 104, Robert Atwood Building, 550 West 7th Avenue, Anchorage. The hearing will be held from 3:30 p.m. to 5:00 p.m. and might be extended to accommodate those present before 4:00 p.m. who did not have an opportunity to comment. You may also call the hearing on a conference line at 1-800-315-6338, access code: 82190.

You may submit written questions relevant to the proposed action to Jim Puckett by email at



jim.puckett@alaska.gov and at 333 Willoughby Avenue, Juneau, AK. The questions must be received at least 10 days before the end of the public comment period. The Division of Retirement and Benefits will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and the Division of Retirement and Benefits website.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Jim Puckett at (907) 465-4471 no later than Friday, September 30, 2016 to ensure that any necessary accommodations can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System on the Division of Retirement and Benefits web site at <http://doa.alaska.gov/drb> and by contacting Jim Puckett at PO Box 110203, 333 Willoughby Avenue, Juneau, Alaska 99811-0203 or jim.puckett@alaska.gov.

After the public comment period ends, the Division of Retirement and Benefits will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulations may be different from that of the proposed regulations. YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.

Statutory Authority: AS 14.25.003, AS 14.25.004, AS 14.25.005, AS 22.25.025, AS 22.25.027, AS 37.05.020, AS 39.30.010, AS 39.30.030, AS 39.30.040, AS 39.30.060, AS 39.30.154, AS 39.30.155, AS 39.30.160, AS 39.35.003, AS 39.35.004, AS 39.35.005, AS 39.35.070,

Statutes being Implemented, Interpreted, or Made Specific: AS 14.25.003, AS 14.25.004, AS 14.25.005, AS 22.25.025, AS 22.25.027, AS 37.05.020, AS 39.30.010, AS 39.30.030, AS 39.30.040, AS 39.30.060, AS 39.30.154, AS 39.30.155, AS 39.30.160,

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

NOTARY PUBLIC
M. BURNELL
STATE OF ALASKA

My commission Expires December 7, 20____

Jim-Puckett, Chief Operations Manager

Publish: September 7, 2016

Affidavit of Publication

NOTICE OF PROPOSED CHANGES ON THE REGULATION OF THE DEPARTMENT OF RETIREMENT AND BENEFITS

#: 7000069678

The Division of Retirement and Benefits proposes to change regulations in Title 2, Chapters 5, 35, 36, and 37 of the Alaska Administrative Code, dealing with records kept, transmitted, and audited in the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), Judicial Retirement System (JRS), and Supplemental Benefits System (SBS) including the following:

File#: AO-17-0280-005

(1) 2 AAC 05.100, 2 AAC 05.110, and 2 AAC 05.120, relating to the existence, powers, and duties of the State Internal Auditor are proposed to be repealed. The intended effect of this repeal is to eliminate the State Internal Auditor, and replace that position with the State Social Security Administrator.

(2) 2 AAC 05 is proposed to be amended by adding a new section, 2 AAC 05.125, describing the duties of the State Social Security Administrator, who will be tasked with administering the State's Section 218 federal coverage agreement and will be generally supervised by the commissioner of administration.

(3) 2 AAC 35.220 is proposed to be repealed and readopted to explain the submission and audit of employer records under PERS. The proposed regulation will provide greater detail regarding the employer's duties in submitting employee records to the PERS administrator, and the administrator's role in performing audits. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."

(4) 2 AAC 36.021 is proposed to be repealed and readopted to describe in greater detail the submission of employment records by employers in TRS, and the TRS administrator's role in performing audits. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."

(5) 2 AAC 37 is proposed to be amended by adding a new section, 2 AAC 37.033, requiring the court system to supply certain employment records of judges to the administrator of JRS and the JRS administrator's role performing audits. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."

(6) 2 AAC 37.180 is proposed to be repealed and readopted to clarify the operation of the SBS annuity plan, including details regarding the management of individual contributions and audits of employee records by the administrator of SBS. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."

You may Comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Jim Puckett at PO Box 110203, 333 Willoughby Avenue, Juneau, Alaska 99811-0203 and jim.puckett@alaska.gov. Additionally, the Division of Retirement and Benefits will accept comments by facsimile at 907-465-3086 and by electronic mail at jim.puckett@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System by accessing this notice on the system and using the comment link. The comments must be received no later than 5:00 p.m. on October 7, 2016.

Oral or written comments also may be submitted at a hearing to be held on September 22, 2016 in the Wood Conference Center, Room 104, Robert Atwood Building, 550 West 7th Avenue, Anchorage. The hearing will be held from 3:30 p.m. to 5:00 p.m. and might be extended to accommodate those present before 4:00 p.m. who did not have an opportunity to comment. You may also call the hearing at a conference line at 1-800-315-6338, access code: 82190.

You may submit written questions relevant to the proposed action to Jim Puckett by email at jim.puckett@alaska.gov and at 333 Willoughby Avenue, Juneau, AK. The questions must be received at least 10 days before the end of the public comment period. The Division of Retirement and Benefits will relegate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and the Division of Retirement and Benefits website.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Jim Puckett at (907) 465-4471 no later than Friday, September 30, 2016 to ensure that any necessary accommodations can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System on the Division of Retirement and Benefits web site at <http://doa.alaska.gov/drb> and by contacting Jim Puckett at PO Box 110203, 333 Willoughby Avenue, Juneau, Alaska 99811-0203 or jim.puckett@alaska.gov.

When the public comment period ends, the Division of Retirement and Benefits will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulations may be different from that of the proposed regulations. YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.

Primary Authority: AS 14.25.003, AS 14.25.004, AS 14.25.005, AS 22.25.025, AS 22.25.027, AS 22.25.029, AS 22.25.030, AS 22.25.031, AS 22.25.032, AS 22.25.033, AS 22.25.034, AS 22.25.035, AS 22.25.036, AS 22.25.037, AS 22.25.038, AS 22.25.039, AS 22.25.040, AS 22.25.041, AS 22.25.042, AS 22.25.043, AS 22.25.044, AS 22.25.045, AS 22.25.046, AS 22.25.047, AS 22.25.048, AS 22.25.049, AS 22.25.050, AS 22.25.051, AS 22.25.052, AS 22.25.053, AS 22.25.054, AS 22.25.055, AS 22.25.056, AS 22.25.057, AS 22.25.058, AS 22.25.059, AS 22.25.060, AS 22.25.061, AS 22.25.062, AS 22.25.063, AS 22.25.064, AS 22.25.065, AS 22.25.066, AS 22.25.067, AS 22.25.068, AS 22.25.069, AS 22.25.070, AS 22.25.071, AS 22.25.072, AS 22.25.073, AS 22.25.074, AS 22.25.075, AS 22.25.076, AS 22.25.077, AS 22.25.078, AS 22.25.079, AS 22.25.080, AS 22.25.081, AS 22.25.082, AS 22.25.083, AS 22.25.084, AS 22.25.085, AS 22.25.086, AS 22.25.087, AS 22.25.088, AS 22.25.089, AS 22.25.090, AS 22.25.091, AS 22.25.092, AS 22.25.093, 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STATE OF ALASKA

THIRD JUDICIAL DISTRICT

Emma Dunlap

being first duly sworn on oath deposes and says that he/she is a representative of the Alaska Dispatch News, a daily newspaper. That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on

September 07, 2016

and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed

Subscribed and sworn to before me
this 7th day of September, 2016

Britney Thompson

Notary Public in and for
The State of Alaska.
Third Division
Anchorage, Alaska

MY COMMISSION EXPIRES

2/23/2019
Notary Public
BRITNEY L. THOMPSON
State of Alaska
My Commission Expires Feb 23, 2019

NOTICE OF PROPOSED CHANGES ON THE OPERATION OF STATE RETIREMENT SYSTEMS IN THE REGULATIONS OF THE DEPARTMENT OF ADMINISTRATION, DIVISION OF RETIREMENT AND BENEFITS

The Division of Retirement and Benefits proposes to change regulations in Title 2, Chapters 5, 35, 36, and 37 of the Alaska Administrative Code, dealing with records kept, transmitted, and audited in the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), Judicial Retirement System (JRS), and Supplemental Benefits System (SBS) including the following:

- (1) 2 AAC 05.100, 2 AAC 05.110, and 2 AAC 05.120, relating to the existence, powers, and duties of the State Internal Auditor are proposed to be repealed. The intended effect of this repeal is to eliminate the State Internal Auditor, and replace that position with the State Social Security Administrator.
- (2) 2 AAC 05 is proposed to be amended by adding a new section, 2 AAC 05.125, describing the duties of the State Social Security Administrator, who will be tasked with administering the State's Section 218 federal coverage agreement and will be generally supervised by the commissioner of administration.
- (3) 2 AAC 35.220 is proposed to be repealed and readopted to explain the submission and audit of employer records under PERS. The proposed regulation will provide greater detail regarding the employer's duties in submitting employee records to the PERS administrator, and the administrator's role in performing audits. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."
- (4) 2 AAC 36.021 is proposed to be repealed and readopted to describe in greater detail the submission of employment records by employers in TRS, and the TRS administrator's role in performing audits. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."
- (5) 2 AAC 37 is proposed to be amended by adding a new section, 2 AAC 37.033, requiring the court system to supply certain employment records of judges to the administrator of JRS and the JRS administrator's role performing audits. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."
- (6) 2 AAC 37.180 is proposed to be repealed and readopted to clarify the operation of the SBS annuity plan, including details regarding the management of individual contributions and audits of employee records by the administrator of SBS. The proposed regulation also contains definitions of "audit," "desk audit," and "field audit."

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Jim Puckett at PO Box 110203, 333 Willoughby Avenue, Juneau, Alaska 99811-0203 and jim.puckett@alaska.gov. Additionally, the Division of Retirement and Benefits will accept comments by facsimile at 907-465-3086 and by electronic mail at jim.puckett@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System by accessing this notice on the system and using the comment link. The comments must be received no later than 5:00p.m. on October 7, 2016.

Oral or written comments also may be submitted at a hearing to be held on September 22, 2016 in the Atwood Conference Center, Room 104, Robert Atwood Building, 550 West 7th Avenue, Anchorage. The hearing will be held from 3:30 p.m. to 5:00 p.m. and might be extended to accommodate those present before 4:00 p.m. who did not have an opportunity to comment. You may also call the hearing on a conference line at 1-800-315-6338, access code: 82190.

You may submit written questions relevant to the proposed action to Jim Puckett by email at jim.puckett@alaska.gov and at 333 Willoughby Avenue, Juneau, AK. The questions must be received at least 10 days before the end of the public comment period. The Division of Retirement and Benefits will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and the Division of Retirement and Benefits website.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Jim Puckett at (907) 465-4471 no later than Friday, September 30, 2016 to ensure that any necessary accommodations can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System on the Division of Retirement and Benefits website.