

**State of Alaska**  
**Estimated EGWP Savings**  
**\$ in millions**

**Reduction in AAL as of Valuation Date<sup>1</sup>**

PERS	\$714.8
TRS	248.8
JRS	<u>1.7</u>
Total	\$965.3

**Projected FY21 State Assistance Contributions Savings<sup>2</sup>**

PERS	\$62.1
TRS	8.7
JRS	<u>0.0</u>
Total	\$70.8

<sup>1</sup> Measured as of June 30, 2018 and includes the impact for both the DB and DCR plans for PERS and TRS

<sup>2</sup> EGWP savings were reflected in the FY21 contribution rates. These amounts are illustrative contribution savings estimates assuming the EGWP savings had not been reflected in calculating the FY21 contribution rates. For purposes of this estimate, we did not re-calculate the DCR contribution rates without EGWP since the impact on the FY21 State Assistance Contributions would be relatively small. There is no impact for JRS because the health care portion of the plan is overfunded and there are no contributions.

**2019 EGWP Savings Estimates Provided by Segal<sup>3</sup>**

	<b>February</b>	<b>July</b>
1. Base subsidy	\$8.02	\$7.09
2. Coverage gap discount	56.39	57.76
3. Catastrophic reinsurance	44.30	42.56
4. Administration	(10.47)	(10.54)
5. IRMAA	(1.61)	(1.62)
6. Low income subsidy	<u>0.00</u>	<u>2.03</u>
7. Monthly total	\$96.63	\$97.28
8. Annual total (7) x 12	\$1,160	\$1,167

<sup>3</sup> The February 2019 EGWP savings estimates were used in calculating the reduction in AAL and projected State Assistance Contributions savings. The July 2019 EGWP savings were not used because they would not have produced a material difference.

All of the data, assumptions, methods and plan provisions used in the above calculations are documented in the valuation reports for the 2019 fiscal year (valuation date of June 30, 2018).