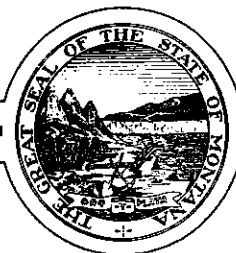


# TEACHERS' RETIREMENT SYSTEM



STEVE BULLOCK, GOVERNOR

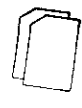
www.trs.mt.gov

STATE OF MONTANA

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August 21, 2014

 COPY

Senator Dave Lewis  
5871 Collins Rd.  
Helena, MT 59602

RE: Information Request

Dear Senator Lewis:

Unfortunately I was unable to attend the August 19<sup>th</sup> Board of Investments meeting. It is my understanding that you asked Sheri Scurr, Legislative Services Division - Research Analyst, to inquire about FY 2014 deductions versus FY 2014 additions to the Teachers' Retirement System (TRS). As you know, when contributions plus investment income is higher than benefits plus expenses of the system, the additional funds are available to pay down any unfunded liability of the system or to build a surplus. I am happy to report that the preliminary TRS Statement of Changes in Fiduciary Net Position indicates a \$467 Million net increase for FY 2014.

As requested, I have provided some specific information regarding FY 2014 contributions, investment income, benefit payments and administrative expenses of TRS on the following page. Contributions plus net investment income was 2.64 times higher than benefit payments plus administrative expenses of the system in FY 2014. This means we are making progress on paying down the unfunded liability of the system as was expected with the passage and approval of House Bill 377 during the 2013 Legislative Session.

Senator Dave Lewis  
August 21, 2014  
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Teachers' Retirement System

FY 2014 Contributions	\$ 218,831,287
FY 2014 Net Investment Income	\$ 540,277,362
<b>Total</b>	<b>\$ 759,108,649</b>
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FY 2014 Benefit Payments	\$ 285,182,358
FY 2014 Administrative Expense	\$ 2,061,717
<b>Total</b>	<b>\$ 287,244,075</b>

Please don't hesitate to contact me if you have additional questions or if you need further clarification.

Sincerely,



Shawn Graham  
Executive Director  
406-444-3376

SG/mjo

Cc: Dore Schwinden, MPERA  
Sheri Scurr, LSD