

Fiscal Note Request HB0611, As Introduced
(continued)

FISCAL IMPACT:

Teachers Retirement System	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
<u>Expenditures:</u>		
Personal Services	\$4,158,502	\$4,366,427
<u>Funding of Expenditures:</u>		
General Fund (01)	\$4,158,502	\$4,366,427
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$4,158,502)	(\$4,366,427)

LONG-RANGE IMPACTS:

1. If total compensation reported to TRS increases each year at the actuarially assumed rate of 5.0 percent per year; the general fund contributions to TRS required under this bill will also increase each year at an annual rate of approximately 5.0 percent.
2. In the future, the sufficiency of the optional retirement program supplemental contribution rate of 4.04 percent required under 19-20-621, MCA, will depend upon the actual experience of the system. Differences between actual experience and the experience predicted by the actuarial assumptions will have an impact on the funding of the university system's past service liability and may require that the contribution rate be adjusted to amortize the past service liability of the MUS members by July 1, 2033. Future improvements to the MUS member's benefits will also have an impact on funding and required contribution rate.