

EXHIBIT 4
DATE 2-16-05
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Testimony in Opposition of
HB586 – Revise Police Retirement DROP
House State Administration Committee

By
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February 16, 2005

The Public Employees' Retirement Board has analyzed the changes HB586 is attempting to make to the MPORS DROP benefit and are in opposition to these changes. Allow me to explain the reasons why.

First, I bet you thought there couldn't be any more acronyms in the retirement industry that you haven't heard. Well, not quite. What is this DROP?

- DROP Explanation from testimony when the bill was passed in 2001
- DROP pamphlet
- DROP/ No DROP Value Comparison
- No Magic Money Formula
- "Actuarial Impact Statement"
- Fiscal Note

The Board's Actuary Impact Statement states, "Based on the most recent funded status of the Municipal Police Officers' Retirement System, and the expectation of emerging investment losses in the future, we recommend that all new legislative proposals include a provision for financing the entire cost of the proposal".

In simple terms there is No magic money.

I urge you not to support HB 546.