Montana's Public Employees' Retirement Plans: Summary Tables

TABLE 1
BENEFIT ELIGIBILITY AND BASIC BENEFIT FORMULA

	PERS DEFINED BENEFIT (DB) PLAN (1945)	TEACHERS' RETIREMENT SYSTEM (TRS) (1937)	SHERIFFS' (SRS) (1974)	MUNICIPAL POLICE (MPORS) (1974)	FIREFIGHTERS' UNIFIED (FURS) (1981)	HIGHWAY PATROL (HPORS) (1971)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS) (1963)	JUDGES' (JRS) (1967)
Minimum service and age requirements to receive full (unreduced) normal retirement benefit	30 yrs service, any age or 5 yrs srvc and age 60 or age 65 regardless of service	25 yrs service, any age or 5 yrs srvc and age 60	20 yrs service, any age	20 yrs service, any age	20 yrs service, any age, or age 50 with 5 yrs service	20 yrs service, any age	20 yrs service and age 50 or age 55 with 5 yrs	5 yrs service and age 60
Minimum service requirement before being vested	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Service retirement benefit formula	1/56 x HAC[1] x yrs of service (1/56 = 1.78571%) -with 25 or more years of membership service 1/50 X HAC X yrs of service (1/50 = 2.0%)	1/60 x FAS x yrs of service (1/60 = 1.6666%)	2.5% x HAC x yrs of service	2.5% x FAC[2] x yrs of service <u>Pre-7/1/77:</u> FAC = monthly compensation of last year	2.5% x FAC x yrs of service <u>Pre-7/1/81 who did not elect GABA:</u> - with less than 20 yrs, greater of: 2.5% x FAC x yrs or 2% x FMC[3] x yrs - with more than 20 yrs: 50% x FMC plus 2% of FMC for each year over 20	2.5% x HAC x years of service	2.5% x HAC x years of service	3.33% x HAC x yrs of service to 15 yrs + 1.785% x HAC x years of service over 15 yrs <u>Pre 7/1/97:</u> HAC = current salary <u>Post 1/7/97and those who elected GABA:</u> HAC = highest 36 months
Benefit formula is actuarially reduced for early retirement	Yes Actuarially reduced benefit at 25 years service any age or age 50	Yes Actuarially reduced benefit at as early as age 50 with 5 yrs service	Yes Actuarially reduced benefit at age 50 with 5 yrs service	No	No	No	No	Yes: Actuarially reduced benefit at any age with 5 yrs service, if involuntarily terminated

<u>Source:</u> Title 19, Montana Code Annotated, 2005

[1] HAC = highest average compensation = average compensation of the 3 highest consecutive years of service.
[2] FAC = final average compensation = average salary over the last 36 consecutive months of service.
[3] FMC = final monthly compensation = monthly salary last received by member.
*** GABA = An automatic annual Guaranteed Annual Benefit Adjustment; an annual increase in a recipient's monthly benefit amount.**

STATE ADMINISTRATION
Exhibit No. 10
1-5-07
Committee Meeting

TABLE 2

DISABILITY BENEFITS

	PERS DEFINED BENEFIT PLAN	TEACHERS' RETIREMENT SYSTEM (TRS)	SHERIFFS' (SRS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)	HIGHWAY PATROL (HPORS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	JUDGES' (JRS)
Eligibility criteria for disability benefit	- at least 5 yrs of service - totally unable to perform essential tasks of covered position - permanent or of uncertain duration	-at least 5 yrs of service -incapacitated for the further performance of duties -likely to be permanent	same as in PERS DB plan	same as in PERS DB plan	same as in PERS DB plan	same as in PERS DB plan	same as in PERS DB plan	same as in PERS DB plan
Non-duty-related disability benefit	Pre-2/24/91: greater of 90% of normal (1.786%) formula, or 25% of HAC Post-2/24/91 or election: normal retirement formula (based on age 60, no actuarial reduction)	Greater of: - normal (1.6667%) retirement formula or - 25% of Avg. Final Compensation (same as HAC)	Actuarial equivalent of normal (2.5%) retirement formula	Pre-7/1/77: Normal (2.5%) retirement formula, but minimum of 50% of FMC Post-7/1/77: 50% FAC for 20 yrs or less and 2.5% FAC for each year over 20	50% FAC for 20 yrs or less and 2.5% FAC for each year over 20	Actuarial equivalent of normal (2.5%) retirement formula	Actuarial equivalent of normal (2.0%) retirement formula	Actuarial equivalent of normal retirement formula (3.33% for first 15 yrs service and 1.785% after 15 years)
Duty-related disability benefit	Same as non-duty related	Same as non-duty-related	50% of HAC	Same as non-duty-related	Same as non-duty-related	50% of HAC	50% of HAC with at least 5 yrs of service	Non-GABA: 50% of current salary of sitting judge With GABA: 50% of HAC
Actuarial cost to plan (reported in June 30, 2006, actuarial valuation)	0.32%	0.16%	0.78%	1.66%	1.98%	0.77%	0.71%	0.68%

TABLE 3

RETIREE AND BENEFIT RECIPIENT DATA
(Based on June 30, 2006, Actuarial Valuations)

	PERS DEFINED BENEFIT (DB) PLAN	TEACHERS' RETIREMENT SYSTEM (TRS) *2000 Valuation	SHERIFFS' (SRS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)	HIGHWAY PATROL (HPORS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	JUDGES' (JRS)
Number of benefit recipients	15,654	11,019	361	580	509	282	106	51
Average age of current retirees	72.07 yrs	69.3 yrs	61.95 yrs	66.04 yrs	67.57 yrs	67.34 yrs	68.23 yrs	79.69 yrs
Average retirement age	59.64 yrs	56.5 yrs	52.61 yrs	47.32 yrs	50.69 yrs	49.95 yrs	55.47 yrs	67.25 yrs
Average years of service at retirement	19.08 yrs	26 yrs	18.95 yrs	19.54 yrs	23.52 yrs	23.97 yrs	23.96 yrs	15.63 yrs
Average monthly benefit (service retirement)	$875	$1,454	$1,642	$1,938	$2,080	$1,957	$1,680	$3,196
Post-retirement benefit adjustments	3.0% GABA* (after 1 years)	1.5% (after 3 year)	3.0% (after 1 years)	Pre-7/1/97 who did not elect GABA: ½ monthly salary of new officer All post- 7/1/97 or who elected GABA: 3.0% (after 1 year)	Pre-7/1/97 who did not elect GABA: ½ monthly salary of new firefighter All post- 7/1/97 or who elected GABA: 3.0% (after 1 year)	Pre-7/1/97 who did not elect GABA: 2% of base salary of probationary officer All post- 7/1/97 or who elected GABA: 3.0% (after 1 year) Pre-7/1/91: supplemental lump sum to certain eligible recipients, paid from motor vehicle registration fees	3.0% (after 1 year)	Pre-7/1/97: benefits increased same as salary of sitting judge All post-7/1/97 **or who elected GABA**: 3.0% GABA (after 1 year)
Social security coverage	Yes	Yes	Yes	No	No	No	Yes	Yes

* GABA = An automatic annual Guaranteed Annual Benefit Adjustment, **an annual** increase in a recipient's monthly benefit amount.

TABLE 4

ACTIVE MEMBERSHIP DATA

(NOT including retirees and other benefit recipients)

(Based on June 30, 2006, Actuarial Valuations)

	PERS DEFINED BENEFIT (DB) PLAN	TEACHERS' RETIREMENT SYSTEM (TRS)	SHERIFFS' (SRS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)	HIGHWAY PATROL (HPORS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	JUDGES' (JRS)
Total active members	27.962	18,099	1006	617	467	197	793	50
Average age of actives	48.0 yrs	46.0 yrs	39.7 yrs	39.1 yrs	39.7 yrs	39.7 yrs	39.9 yrs	56 yrs
Average years of service of actives	9.9 yrs	12.5 yrs	6.2 yrs	10.2 yrs	11.8 yrs	9.6 yrs	5.6 yrs	10.8 yrs
Average annual salary of actives	$31,930	$43,198	$39,325	$44,779	$48,605	$39,582	$33,255	$94,792
Number of participating employers	524	379	57	22	17	1	7	1
Employers' annualized payroll (2004 Valuation)	$880.7 million	$636.0 million	$34.2 million	$27.6 million	$22.9 million	$7.8 million	$25.8 million	$4.7 million

TABLE 5

CONTRIBUTIONS, COSTS, AND ACTUARIAL DATA

(Based on June 30, 2006, Actuarial Valuations)

	PERS DEFINED BENEFIT (DB) PLAN	TEACHERS' RETIREMENT SYSTEM (TRS)	SHERIFFS' (SRS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)	HIGHWAY PATROL (HPORS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	JUDGES' (JRS)
Employer contribution as percentage of payroll	6.9% Political subdivisions: 6.8% State: 0.1% (to fund GABA)	7.47%	9.535%	14.41%	14.36%	26.15%	9.0%	25.81%
Employee contribution as percentage of salary	6.9%	7.15%	9.245%	Non-GABA: Pre-7/1/75: 5.8% Pre-7/1/79: 7.0% Pre-7/1/97: 8.5% With GABA: 9%	Pre-7/1/97 not electing GABA: 9.5% Post-7/1/97 or electing GABA: 10.7%	Pre-7/1/97 not electing GABA: 9.0% Post-7/1/97 or electing GABA: 9.05%	10.56%	7%
Additional funding from other sources as a percentage of payroll	None	State General Fund: 0.11%[1] For ORP: 4.04%	None	State General Fund: 29.37%	State General Fund: 32.61%	Driver's license fees: 10.18%	None	None
Total available contributions as percentage of payroll	13.80%	14.73%	18.78%	52.78%	57.65%	45.38%	19.56%	32.81%
Normal costs as percentage of payroll	12.17%	10.37%	19.45%	25.45%	25.99%	22.12%	18.54%	25.74%
Percentage used to fund unfunded liabilities	1.59% (.04% transferred to education fund)	4.36%	0	27.33%	31.67%	23.26%	1.02%	7.07%

(TABLE 5 continued on next page)

[1] This amount was enacted by the 1999 Legislature as part of the funding for the current 1.5% GABA. This terminates when amortization schedule is 10 years or less, based on the most recent actuarial valuation.

	PERS DEFINED BENEFIT (DB) PLAN	TEACHERS' RETIREMENT SYSTEM (TRS)	SHERIFFS' (SRS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)	HIGHWAY PATROL (HPORS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	JUDGES' (JRS)
Actuarial liabilities (rounded)	$3.9 billion	$3.6 billion	$172 million	$291 million	$255 million	$112 million	$64 million	$37 million
Actuarial Value Funded ratio (rounded) (percentage of liabilities covered by reported assets)	88%	76%	95%	60%	65%	78%	92%	139%
Unfunded liability (surplus) (rounded)	$460.2 million	$863.1 million	$9 million	$115 million	$88 million	$25 million	$5 million	($15 million)
Years to amortize unfunded liability	>30 yrs	>30 yrs	>30 yrs	21.4 yrs	15.5 yrs	18.0yrs	>30 yrs	0 (surplus)
Market value of assets (rounded)	$3.5 billion	$2.7 billion	$166 million	$178 million	$169 million	$89 million	$59 million	$53 million
Market Value Funded ratio (rounded) (percentage of liabilities covered by reported assets)	90%	76%	96%	61%	66%	79%	93%	142%
Contribution rate increase required to amortize unfunded liabilities over 30 years		3.38%		0	0	0		0

Sources: June 30, 2006, Actuarial Valuations

TABLE 6

INVESTMENT DATA

* Investment objective: Meet or beat the actuarial return assumption of 7.75% (TRS) 8% for others, while outperforming the market indices for each asset class over any current 5-year period.

	PERS DEFINED BENEFIT RETIREMENT PLAN (DBRP)	TEACHERS' RETIREMENT SYSTEM (TRS)	SHERIFFS' (SRS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)	HIGHWAY PATROL (HPORS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	JUDGES' (JRS)
Amount invested, rounded (market value, on 6/30/2006)	$3.5 billion	$2.7 billion	$165 million	$169.4 million	$161.4 million	$88.6 million	$59.3 million	$52.5 million
Market rate of return for composite index, FY 2004	8.82%	8.81%	8.69%	8.68%	8.68%	8.72%	8.39%	8.69%
Market rate of return on the fund in 2004, all assets	9.07%	9.05%	8.96%	8.95%	8.94%	8.99%	8.67%	8.96%
Market rate of return for composite index, 5-year period	5.71%	5.65%	5.56%	5.58%	5.46%	5.56%	5.47%	5.59%
Rate of return on the fund, 5-year period	5.76%	5.76%	5.76%	5.68%	5.67%	5.73%	5.65%	5.75%
Objective relative to actuarial investment assumption met in FY 2006?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Objective relative to actuarial investment assumption met in 5-year period?	No	No	No	No	No	No	No	No
Asset allocation objectives: Fixed Income Real Estate Equity	 25 - 35% 4 - 8% 60 - 70%	 25 - 35% 4 - 8% 60 - 70%	 25 - 35% 4 - 8% 60 - 70%	 25 - 35% 4 - 8% 60 - 70%	 25 - 35% 4 - 8% 60 - 70%	 25 - 35% 4 - 8% 60 - 70%	 25 - 35% 4 - 8% 60 - 70%	 25 - 35% 4 - 8% 60 - 70%
Actual Asset allocation: Fixed Income Real Estate Equity	 30.38% 0.07% 69.62%	 30.25% 0.07% 69.75%	 30.89% 0.04% 69.11%	 30.27% 0.04% 69.73%	 30.27% 0.04% 69.73%	 30.50% 0.04% 69.50%	 31.29% 0.04% 68.71%	 30.82% 0.04% 69.18%
Percentage growth in total liabilities between 2004 valuation and 2006 valuation	11.53%	10.37%	15.63%	11.92%	12.26%	7.62%	27.58%	7.01%
Percentage growth in total assets between 2004 valuation and 2006 valuation	13.51%	10.46%	15.59%	17.66%	17.76%	10.22	30.09%	14.79%

Sources: Public Employees' Retirement Board, Teachers' Retirement Board, Financial and Actuarial Reports, and Title 19, Montana Code Annotated, 2003; the 2006 Annual Report of the Montana Board of Investments; the U.S. Census Bureau, Statistical Abstract of the United States.

*Includes a $100.0 million legislative appropriation

**Includes a $25.0 million legislative appropriation

TABLE 7

VOLUNTEER FIREFIGHTERS' COMPENSATION ACT
(Based on June 30, 2006, Actuarial Valuation)

PENSION PLAN FEATURES	VOLUNTEER FIREFIGHTERS' PENSION FUND (1965)
Minimum service and age for normal (unreduced) retirement	Age 55 and 20 years of service; or Age 60 and 10 years of service
Vested	10 years
Basic benefit formula	$7.50 per year of service, up to maximum of $225 per month
Disability	$7.50 per year of service, with a minimum of $75 per month up to a maximum of $150 per month
Death benefit	$7.50 per year of service(maximum of 40 months including any amounts retiree received)
Membership	1,001 retirees and beneficiaries 2,733 active members 687 vested inactive (terminated) members 4,421 total members
Average age of active members	44.3 years old
Average years of service of active members	8.7 years
Average benefit for service retirees	$132 per month
Contributions	5% of insurance premium taxes collected (See Section 19-17-301, MCA)
Actuarial liabilities	$31.8 million
Actuarial value of assets	$23.2 million
Unfunded liability	$8.6 million
Years to Amortize	20yrs
Funded ratio	73%

TABLE 8

PERS DEFINED CONTRIBUTION RETIREMENT PLAN (DCRP)

Operational July 1, 2002.

Membership	All active PERS members will have 12 months to make a one-time, irrevocable choice between the DBRP and DCRP plans.
Employee Contributions	6.9% of salary
Employer Contributions	6.9% of salary allocated as follows: -- 0.4% to an educational fund -- 2.37% to PERS DB plan as plan choice rate -- 4.49% to member accounts --0.30% to disability trust fund
Total contributions to member accounts	11.09% of salary
Investment choices	17 funds
Vesting	5 years for employer contributions and investment earnings on those contributions, but members have immediate control over how employer and employee contributions are invested
Benefits	Contributions plus investment earnings, minus administrative expenses; payable at any time after termination, with a possible federal tax penalty for withdrawal before age 59 1/2.
Disability benefit	A defined disability benefit based on a 1/56 x FAS x years of service formula, similar to what is provided in the PERS DBRP.
Death/survivorship benefit	Member's account balance
Plan administration	- PERB is the plan's board of trustees - Great West is the plan's recordkeeper

TABLE 9

UNIVERSITY SYSTEM OPTIONAL RETIREMENT PLAN
(As of June 30, 2000)

PLAN FEATURES	OPTIONAL RETIREMENT PROGRAM (ORP) (A Defined Contribution Retirement Plan)
Membership	All administrative, scientific, and instructional staff of the University System. (When PERS DC plan is operational, University System employees in PERS will have option of joining PERS DC plan ***or*** the ORP.) Active membership: 2,500
Retirement eligibility	A plan member may "retire" (i.e., access the ORP account) any time after service is terminated. There are federal tax penalties for withdrawal prior to age 59 1/2.
Benefit	An ORP member's benefit depends on total contributions to the member's individual account, plus investment earnings, minus administrative expenses. The ORP is administered by TIAA-CREF, which offers eight investment options.
Disability benefits	All University System employees are covered under a long-term disability insurance plan. The basic plan is entirely employer-paid and provides disability payments up to 60% of monthly earnings, offset against other income, such as pension benefits, social security, workers' compensation insurance, etc.
Death and survivor benefits	The full current value in a member's annuity account is payable to the beneficiary before retirement. The benefit can be paid in a single sum, as an annuity income to the beneficiary for life, or as an annuity income for a fixed period of years. The annuity may also be deferred as federal law permits.
Total payroll covered	$136,446,708
Employer contribution as a percentage of payroll	4.956%
Employee contribution as a percentage of salary	7.044%
Total contributions to member accounts	12%
Contribution to TRS for unfunded liability	4.04% on 7/1/01 (will terminate on 7/1/2033)