

EXHIBIT 1
DATE 3/22/13
HB 338

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JAN 24 2013

MONTANA LEGISLATIVE
SERVICES DIVISION

LC 655

Requester Comments:

I recognize that the raising of active member contributions 1% and suspending the GABA will raise questions of impairing a contract.

With the pension systems' unfunded liability of around \$4 billion and growing, the need for solutions is imperative. It is the retired and active members that have the most to lose should the retirement systems run out of funds. LC 655 provides for a substantial commitment from the people of Montana through a General Fund appropriation. A small adjustment in active member's contributions and suspension of the GABA is not unreasonable. The increased contribution is temporary and will be eliminated when the systems are fully funded. The GABA may be resumed by future legislatures once the systems are financially sound.

I feel that LC 655 does not substantially impair a contract, and the minor impairments are reasonable and necessary to preserve the pension system. The need for these adjustments is significant, and they are legitimate pieces to the unfunded liability solution.

Representative Keith Regier



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