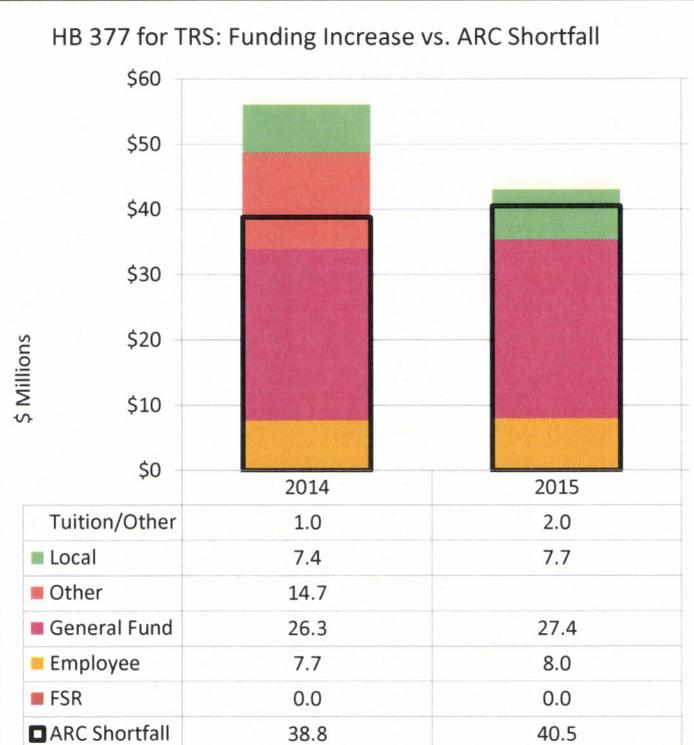




HB 377: Provide Funding for TRS Defined Benefit Plan

www.leg.mt.gov/css/fiscal

Primary Sponsor: Tom Woods

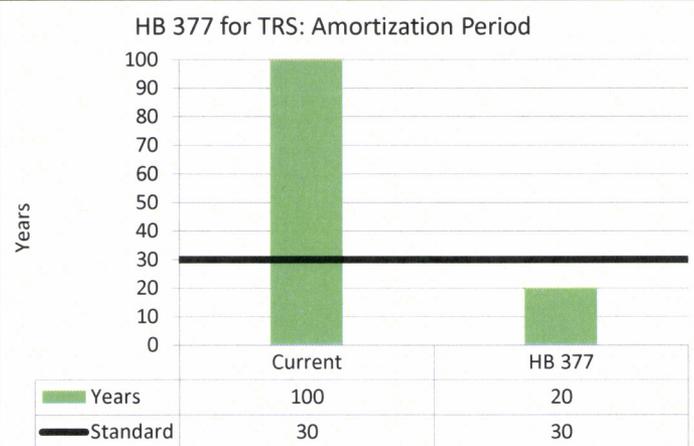


Annual Required Contribution (ARC)

HB377 provides for additional funding of \$25 million annually to TRS from state land revenues. Since these revenues would otherwise go to the Guarantee Account which is the first source of funding for K-12 Base Aid, this reduction in Guarantee Account revenue will be offset by General Fund revenue.

HB 377 also provides for \$14.7 million in FY 2014 from school district retirement reserves and requires 1% supplemental employee and employer contributions.

The increased funding provided by HB 377 for TRS fully funds the ARC shortfall.

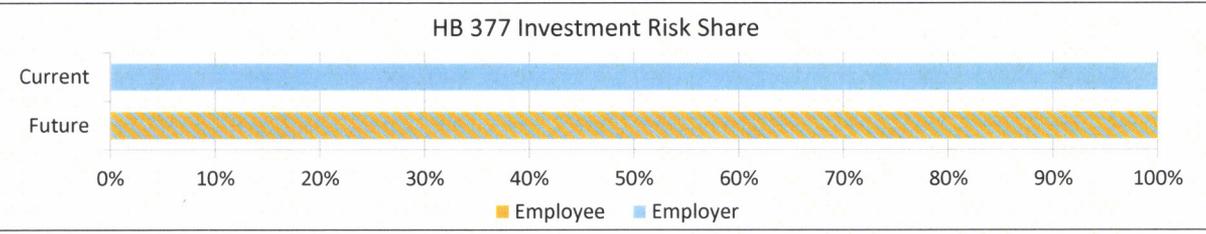


Amortization Period

The goal is to have the amortization period for the TRS unfunded liability less than or equal to 30 years.

The funding increase proposed by HB 377 and plan changes for new employees reduce the amortization period to 20 years.

The unfunded TRS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.



Other comments: