



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL AUDIT

Public Employees' Retirement Board

For the Fiscal Year Ended June 30, 2009

JANUARY 2010

08-08B

REPORT SUMMARY

The nine retirement plans administered by the Public Employees' Retirement Board (PERB) had 36,873 active retirees or their beneficiaries receiving benefits and 20,249 active members not receiving benefits as of July 1, 2009. The contributions and investment income of three of the eight Defined Benefit Retirement Plans administered by PERB are not sufficient to fund benefits earned by members of the plans.

Context

The PERB is an independent, seven-member board, appointed by the Governor to administer ten retirement systems consisting of eight defined benefit plans and two defined contribution plans. The Defined Benefit Pension Trust Funds include the Public Employees' Retirement System-Defined Benefit Retirement Plan, Judges' Retirement System, Highway Patrol Officers' Retirement System, Sheriffs' Retirement System, Game Wardens' and Peace Officers' Retirement System, Municipal Police Officers' Retirement System, Firefighters' Unified Retirement System, and the Volunteer Firefighters' Compensation Act. The Defined Contribution Pension Trust Funds include the Public Employees' Retirement System-Defined Contribution Retirement Plan and the Section 457 Deferred Compensation Plan. PERB's revenues consist of employee contributions, employer contributions, and investment income. PERB's expenses consist mainly of distributions to retirees. The retirement systems have approximately 36,183 active retirees currently drawing funds from the system.

Results

The Public Employees' Retirement System-Defined Benefit Retirement Plan, Sheriffs' Retirement System, and Game Wardens' and Peace Officers' Retirement System do not have sufficient resources to fund benefits earned by members of these systems as required by the Montana Constitution.

Recommendation Concurrence	
Concur	1
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	