



Five of Montana's eight public pension systems face significant funding shortfalls. The Montana Constitution requires the state's public retirement systems to be funded on an "actuarially sound basis". This means that contributions to each plan must be sufficient to amortize (pay off) unfunded liabilities over a scheduled period of no more than 30 years. As of June 30, 2012, the actuarially-determined Annual Required Contribution (ARC) to amortize the unfunded liabilities for all five systems over a 30 year period is approximately \$112 million per year higher than the current level of contributions to the systems. This annual shortfall is projected to increase to over \$121 million by the beginning of the next biennium.