



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Pension Fund Fiscal Note 2025 Biennium

**Bill information:**

HB0180 - Revise municipal police officers retirement laws (Duram, Neil )

**Status:** As Introduced

**Retirement Systems Affected:**    Teachers                       Public Employees                       Highway Patrol                       Police  
 Sheriffs                                       Firefighters                       Volunteer Firefighters                       Game Wardens                       Judges

Check the box if "Yes".

- Has this legislation been reviewed by the legislative interim committee?
- Has the cost of this legislation been calculated by the system's actuary?
- Does this legislation include full funding for any benefit revisions?

|                                              | July 1, 2022<br>Current System | July 1, 2022<br>With Changes | Increase/<br>(Decrease) |
|----------------------------------------------|--------------------------------|------------------------------|-------------------------|
| Present Value of Actuarial Accrued Liability | \$778,865,103                  | \$778,865,103                | \$0                     |
| Present Value of Actuarial Assets            | \$555,005,479                  | \$555,005,479                | \$0                     |
| Unfunded Actuarial Accrued Liability (UAAL)  | \$223,859,624                  | \$223,859,624                | \$0                     |
| Amortization Period (years) of UAAL          | 24.00                          | 24.00                        | 0.00                    |
| Change in normal costs                       | 0.00%                          | 0.00%                        | 0.00%                   |

|                            | FY 2023<br>July 1, 2022 | FY 2024<br>July 1, 2023 | FY 2025<br>July 1, 2024 | FY 2026<br>July 1, 2025 | FY 2027<br>July 1, 2026 |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Employee Contribution Rate | 9.00%                   | 9.00%                   | 9.00%                   | 9.00%                   | 9.00%                   |
| Employer Contribution Rate | 14.41%                  | 14.41%                  | 14.41%                  | 14.41%                  | 14.41%                  |
| State Contribution Rate    | 29.37%                  | 29.37%                  | 29.37%                  | 29.37%                  | 29.37%                  |
| TOTAL Contribution Rate    | 52.78%                  | 52.78%                  | 52.78%                  | 52.78%                  | 52.78%                  |

### FISCAL SUMMARY

|                                         | FY 2024<br>Difference | FY 2025<br>Difference | FY 2026<br>Difference | FY 2027<br>Difference |
|-----------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Expenditures:</b>                    |                       |                       |                       |                       |
| General Fund                            | \$428,356             | \$442,277             | \$456,651             | \$471,492             |
| Other                                   | \$0                   | \$0                   | \$0                   | \$0                   |
| <b>Revenue:</b>                         |                       |                       |                       |                       |
| General Fund                            | \$0                   | \$0                   | \$0                   | \$0                   |
| MPORS Trust Fund                        | \$428,356             | \$442,277             | \$456,651             | \$471,492             |
| <b>Net Impact-General Fund Balance:</b> | <u>(\$428,356)</u>    | <u>(\$442,277)</u>    | <u>(\$456,651)</u>    | <u>(\$471,492)</u>    |

**Description of fiscal impact:** This bill revises employer eligibility into the Municipal Police Officers' Retirement system (MPORS) adding towns as an eligible participating employer.

### FISCAL ANALYSIS

**Assumptions:**

1. There are currently 1,336 chiefs, assistant chiefs, and police officers in Montana.
2. 841 police officers currently participate in the MPORS retirement system.
3. Under 19-9-702, MCA the state shall make contributions from the general fund annually each fiscal year to the MPORS system in the amount of 29.37% of compensation paid to members.
4. The average salary of an active member in the MPORS from the 6/30/2022 valuation was \$72,924.
5. This fiscal note assumes 20 more police officers will join. Should more police officers join the impact to the general fund would increase.

|                                                                            | FY 2024<br>Difference | FY 2025<br>Difference | FY 2026<br>Difference | FY 2027<br>Difference |
|----------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Fiscal Impact:</b>                                                      |                       |                       |                       |                       |
| <b>Funding of Expenditures:</b>                                            |                       |                       |                       |                       |
| General Fund (01)                                                          | \$428,356             | \$442,277             | \$456,651             | \$471,492             |
| <b>TOTAL Funding of Exp.</b>                                               | <u>\$428,356</u>      | <u>\$442,277</u>      | <u>\$456,651</u>      | <u>\$471,492</u>      |
| <b>Revenues:</b>                                                           |                       |                       |                       |                       |
| General Fund (01)                                                          | \$0                   | \$0                   | \$0                   | \$0                   |
| MPORS Trust Fund                                                           | \$428,356             | \$442,277             | \$456,651             | \$471,492             |
| <b>TOTAL Revenues</b>                                                      | <u>\$428,356</u>      | <u>\$442,277</u>      | <u>\$456,651</u>      | <u>\$471,492</u>      |
| <b>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</b> |                       |                       |                       |                       |
| General Fund (01)                                                          | (428,356)             | (442,277)             | (456,651)             | (471,492)             |
| MPORS Trust Fund                                                           | 428,356               | 442,277               | 456,651               | 471,492               |

*Justin A. Owan*  
Sponsor's Initials

Jan 23 - 2023  
Date

*[Signature]*  
Budget Director's Initials

1-19-23  
Date