

**STATE ADMINISTRATION AND VETERANS AFFAIRS (SAVA) REQUEST**

**Proposer: Dore Schwinden, Executive Director**

**Organization: Montana Public Employees' Retirement Board**

| EPP #       | Short Title   | Rationale   | MCA  | SAVA ACTION |
|-------------|---|---|--|-------------|
|             |   | <b>What do you want legislation to do?</b>  | <b>What sections would need to be amended?</b>     |             |
| Priority #1 | Federal Qualifications Bill   | Ensure retirement plans remain tax qualified by adopting requirements related to rollovers, retirement options, 415 limits, and the HEART Act   | Title 19, chapter 2, part 10; Title 19, chapter 50 |             |
| Priority #2 | Sheriffs' Retirement System (SRS) Funding   | Make SRS actuarially sound for the first time in many years. On June 30, 2004 the shortfall was 2.15% of payroll. On June 30, 2013 the shortfall was 5% or \$3.05 million.  | 19-7-402, - 403 and -404, MCA                      |             |
| Priority #3 | Game Wardens' and Peace Officers' Retirement System (GWPORS) Funding  | Make GWPORS actuarially sound for the first time in many years. On June 30, 2004 the shortfall was 0.23% of payroll. On June 30, 2013 the shortfall was 2.95% or \$1.15 million.  | 19-8-501, -502 and -504, MCA                       |             |
| Priority #4 | Pay-off the DCRP's Plan Choice Rate-Unfunded Actuarial Liability (PCR-UAL)                                    | The PCR-UAL is the actuarial cost to the PERS DB plan created when the PERS DC plan was adopted. The PCR-UAL has steadily decreased and is now estimated at an amount (approximately \$3.6 million on June 30, 2015) that the State should consider paying off. Employer contributions can then be reallocated.   | 19-3-2117 and -2121, MCA                           |             |
| Priority #5 | Allocate additional PERS employer contributions in the Montana University System -Retirement Program (MUS-RP) | Additional PERS employer contributions were adopted in 2013. For PERS-DCRP members, the additional contributions were directed to the PERS-DBRP UAL. The Bill inadvertently omitted treatment of the additional contributions for members of the MUS-RP. The Board adopted ARM 2.43.3601 directing the MUS-RP contributions to the PERS – DBRP UAL as well, with the guarantee of legislation to address the issue in 2015. | 19-21-214, MCA                                     |             |

|             |                                       |   |   |  |
|-------------|---------------------------------------|---|---|--|
| Priority #6 | Transfer dispatchers from PERS to SRS | This is the 4 <sup>th</sup> session for this proposal. The Board believes including dispatchers in a 20 year system, similar to other public safety officers, is an issue of fairness and equity. | Title 19, Chapter 7 (19-7-101, -301 and -302 at a minimum)                      |  |
| Priority #7 | General Revisions                     | Clarification of statutes related to all MPERA-administered systems. The design of MPERA's new information technology system has unearthed several statutes that require clarification            | Title 19, chapters 2, 3, 5, 6, 7, 8, 9 and 13; Title 19, chapter 50. See chart. |  |