

Agency Overview - Highlights

For the State Administration and Veterans' Affairs Interim Committee

Public Employees' Retirement Board

The [Public Employees' Retirement Board](#) consists of 7 members appointed by the governor to 5-year staggered terms. By law, membership must include:

- 3 active members of a public retirement system -- not more than 1 of the 3 may be from the same department and at least 1 of the 3 must be a member of the defined contribution plan;
- 1 retired member of the public employees' retirement system;
- 2 members at large; and
- 1 member with experience in investment management, financial counseling, or financial planning (or a person with other similar experience).

The board hires its own staff, including an executive director, which are organized into an agency called the Montana Public Employees' Retirement Administration (MPERA).

Executive Director: Dore Schwinden, 444-5459, dschwinden@mt.gov

Website: <http://mpera.mt.gov/index.shtml>

Responsibilities

- | | |
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| <ul style="list-style-type: none">• Constitutionally responsible for administering the:<ul style="list-style-type: none">- Public Employees' Retirement System (PERS) DB and DC plans- Judges' Retirement System (JRS)- Highway Patrol Officers' Retirement System (HPORS)- Sheriffs' Retirement System (SRS)- Game Wardens' and Peace Officers' Retirement System (GWORS)- Municipal Police Officers' Retirement System (MPORS)- Firefighters' Unified Retirement System (FURS) | <ul style="list-style-type: none">- Volunteer Firefighters' Compensation Act (VFCA)• Contracts with Great-West Retirement Services for administration of the state's deferred compensation (457) plan.• Contracts with Cherion for actuarial services.• Contracts with various investment funds for the PERS-DC plan.• Provides informational material to employers and members, including retirement planning seminars.• Additional information available from MPERA |
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Programs, FTE, and Budgeted Funding - FY 2018:

Source: MPERA

Programs	FTE	General Fund	State Special	Federal Revenue	Proprietary	Trust Funds	Total Funding	% General Fund
457 Plan Admin		\$0	\$0	\$0	\$0	\$398,752	\$398,752	0%
DB Plan Admin		\$0	\$0	\$0	\$0	\$4,964,310	\$4,964,310	0%
PERS-DC Admin		\$0	\$0	\$0	\$0	\$568,668	\$568,668	0%
MPERAtiv		\$0	\$0	\$0	\$0	\$1,835,466	\$1,835,466	0%
DB - Education		\$0	\$0	\$0	\$0	\$1,034,715	\$1,034,715	0%
DC - Education		\$0	\$0	\$0	\$0	\$116,223	\$116,223	0%
TOTALS	49.5	\$0	\$0	\$0	\$0	\$8,918,134	\$8,918,134	0%

Budget Summary

The PER Board adopts a budget on an annual rather than biennial basis. Funding for plan administration comes from the retirement plan trust funds themselves. Section 19-2-408, MCA, specifies that total administrative expenses for the Defined Benefit (DB) plans administered by MPERA must be paid from investment earnings and may not exceed 1.5% of the benefits paid.

Section 19-3-2105, MCA, deals with administrative expenses for the PERS-DC plan. Administrative costs are paid from fees assessed on assets in member accounts. These fees must be fully disclosed to plan participants. The cost for administration of the 457 deferred compensation plans are handled in a similar manner pursuant to section 19-50-102, MCA.

Statutory Advisory Council

- [Employee Investment Advisory Council](#)

Statutorily Required Reports

- [Comprehensive Annual Financial Report](#) - 19-2-407, MCA
- [Annual actuarial reports](#) - 19-2-405(2) and (7), MCA
- [Experience studies](#) - 5-11-210 and 19-2-405(5), MCA
- Special actuarial report on PERS progress toward 100% funding, required by HB 454 (2013) - included in annual actuarial report

Most Recent Legislative Audits

- [Financial-Compliance Audit For Fiscal Year Ended June 30, 2016: January 2017 - 16-08A](#)
No recommendations

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Related Retirement Bills That **PASSED** - 2017 Session

* By Request of PER Board

- [HB 101](#) - McKamey - Generally revise MPERA retirement systems
- [HB 383](#) - Provide actuarial funding from SRS
- [HB 648](#) - Glimm - authorize transfers to implement general appropriations act, including allocation of coal severance tax to PERS

Related Retirement Bills That **FAILED** - 2017 Session

- [HB 85](#)* - Karjala - Provide actuarial funding for SRS
- [HB 136](#)* - Custer - Actuarial funding for GWPORS
- [HB 436](#) - Burnett - Constitutional referendum to require voter approval for employer contribution increases in retirement systems
- [HB 499](#) - Burnett - Require actuarial report using alternative assumption for investment earnings
- [HB 578](#) - Galt - legalize blackjack and allocate portion of proceeds to various accounts including to SRS
- [SB 263](#) - Brown - revise laws on public retirement system investments

SAVA Activities Since 2013

- 2013-14 Interim:
 - Monitored actuarial funding status of all retirement systems, special attention to GWPORS and SRS.
 - Monitored actuarial funding status of all retirement systems, special attention to GWPORS and SRS.
 - Examined the allocation of employer contributions in PERS-DC plan and MUS-DC plan, which resulted in a SAVA committee bill, [SB 42](#), which was passed and approved.
 - Monitored lawsuit filed with respect to HB 454 (2013) reducing the Guaranteed Annual Benefit Adjustment (GABA) in PERS. [MPERA summary and related links](#).

Hot Topics of 2017 Session

- Actuarial Funding for SRS and GWPORS - both systems actuarially unsound.
- HB 383, providing actuarial funding for SRS, passed. However, HB 136, providing actuarial funding for GWPORS, failed.

Agency Overview - Highlights*For the State Administration and Veterans' Affairs Interim Committee***Actuarial Assumptions - Changes Based on Latest Experience Study**

Assumption	Current	Proposed/ Adopted
Price Inflation	3.00%	2.75%
Wage Inflation	4.00%	3.50%
Investment Return	7.75%	7.65%

Impact of Changes on the Funding Ratio

Retirement Plan	Before Changes	After Changes	Change
Public Employees' Retirement System	77.3%	73.6%	(3.7%)
Public Employees' Retirement System Long-Term Disability Plan	86.8%	85.3%	(1.5%)
Judges' Retirement System	166.5%	156.2%	(10.3%)
Sheriffs' Retirement System	83.2%	80.4%	(2.8%)
Game Wardens' and Peace Officers' Retirement System	84.1%	81.3%	(2.8%)
Highway Patrol Officers' Retirement System	65.8%	63.5%	(2.3%)
Municipal Police Officers' Retirement System	68.8%	66.7%	(2.1%)
Firefighters' United Retirement System	78.3%	75.6%	(2.7%)
Volunteer Firefighters' Compensation Act	80.2%	76.5%	(3.7%)

Agency Overview - Highlights*For the State Administration and Veterans' Affairs Interim Committee***Impact of Changes on the Amortization Periods**

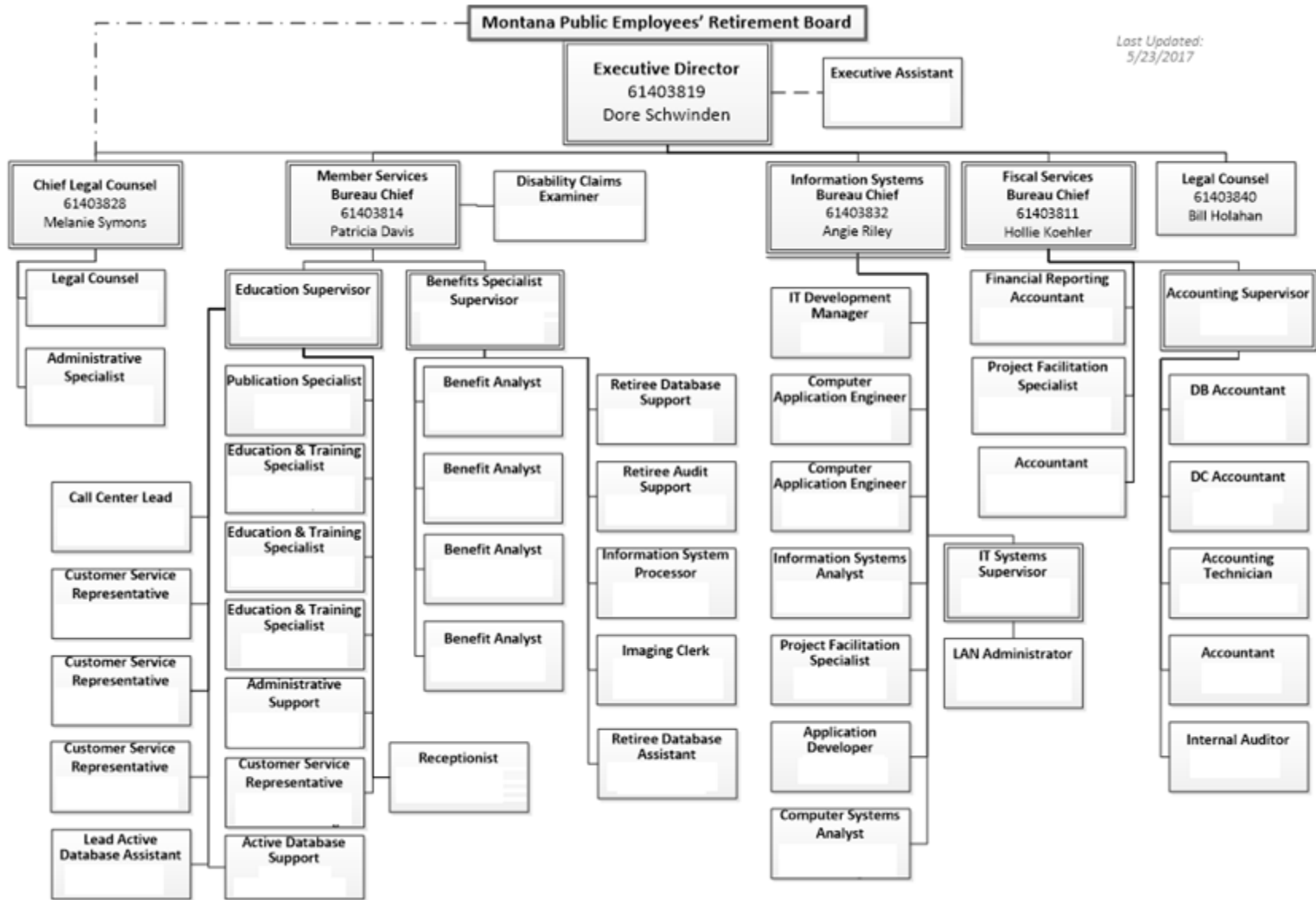
Retirement Plan	Before Changes	After Changes	Change
Public Employees' Retirement System	26	35	9
Public Employees' Retirement System Long-Term Disability Plan	Infinite	15	N/A
Judges' Retirement System	0	0	No Change
Sheriffs' Retirement System	Infinite	Infinite	No Change
Game Wardens' and Peace Officers' Retirement System	Infinite	Infinite	No Change
Highway Patrol Officers' Retirement System	28	36	8
Municipal Police Officers' Retirement System	18	20	2
Firefighters' United Retirement System	9	10	1
Volunteer Firefighters' Compensation Act	7	8	1

ATTACHMENTS

MPERA Organizational Chart and Directory

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Montana Public Employee Retirement Administration



Points of Contact – Staff Directory

Montana Public Employees' Retirement Administration (MPERA)

(PERS, SRS, MPORS, GWPORS, FURS, HPORS, JRS, VFCA, PERS-DC Plan, 457 deferred comp)

Position	Name	Contact Info.
Executive Director	Dore Schwinden	444-5459 DSchwinden@mt.gov
Chief Legal Counsel	Melanie Symons	444-9174 msymons@mt.gov
Member Services Chief <ul style="list-style-type: none">- Benefits- Education	Patricia Davis	444-5449 PJdavis@mt.gov
Fiscal Services <ul style="list-style-type: none">- Accounting- Internal Auditing	Hollie Koehler	444-0177 HKoehler@mt.gov
Executive Assistant	Cynthia Pearson	444-3155 CPearson@mt.gov