

Montana Pension Systems

Understanding the Role of the Legislature

Legislature does not control previous benefits, but must find funding if short

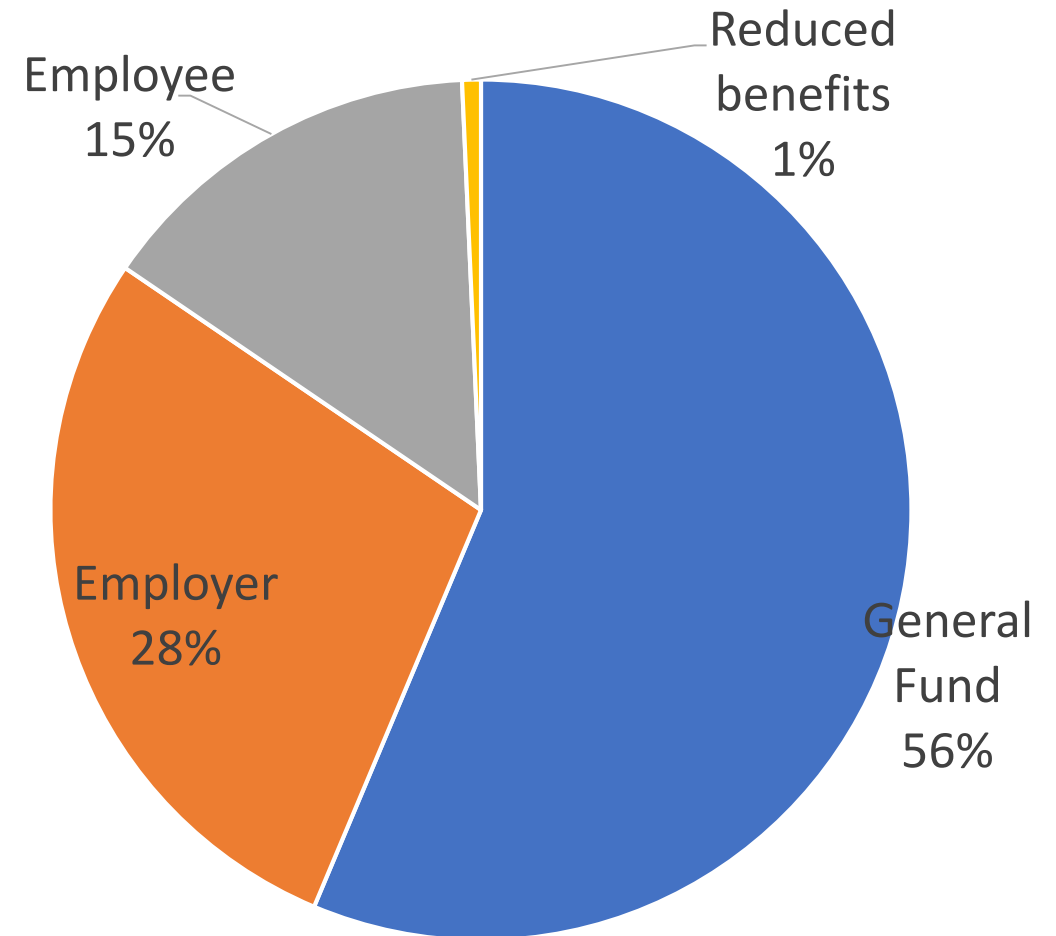
Pension Boards have
Constitutional
responsibility for
setting actuarial
assumptions

Courts have limited
Legislative choices in
resolving a short fall
in assets current
employees and
retirees benefits

The
Legislature
must
understand
risk

Previous PERS/TRS Pension Solutions: \$140 million per year

- Direct additional general fund pension contributions \$80 million per year or over 3% of annual spending
- Employer contributions 1-2% increases will cap out at \$40 million per year
- Employee 1% contributions cap out at \$21 million per year
- Reduced benefits for future employees impact small so far



General Fund Statutory Appropriations to Pension Systems

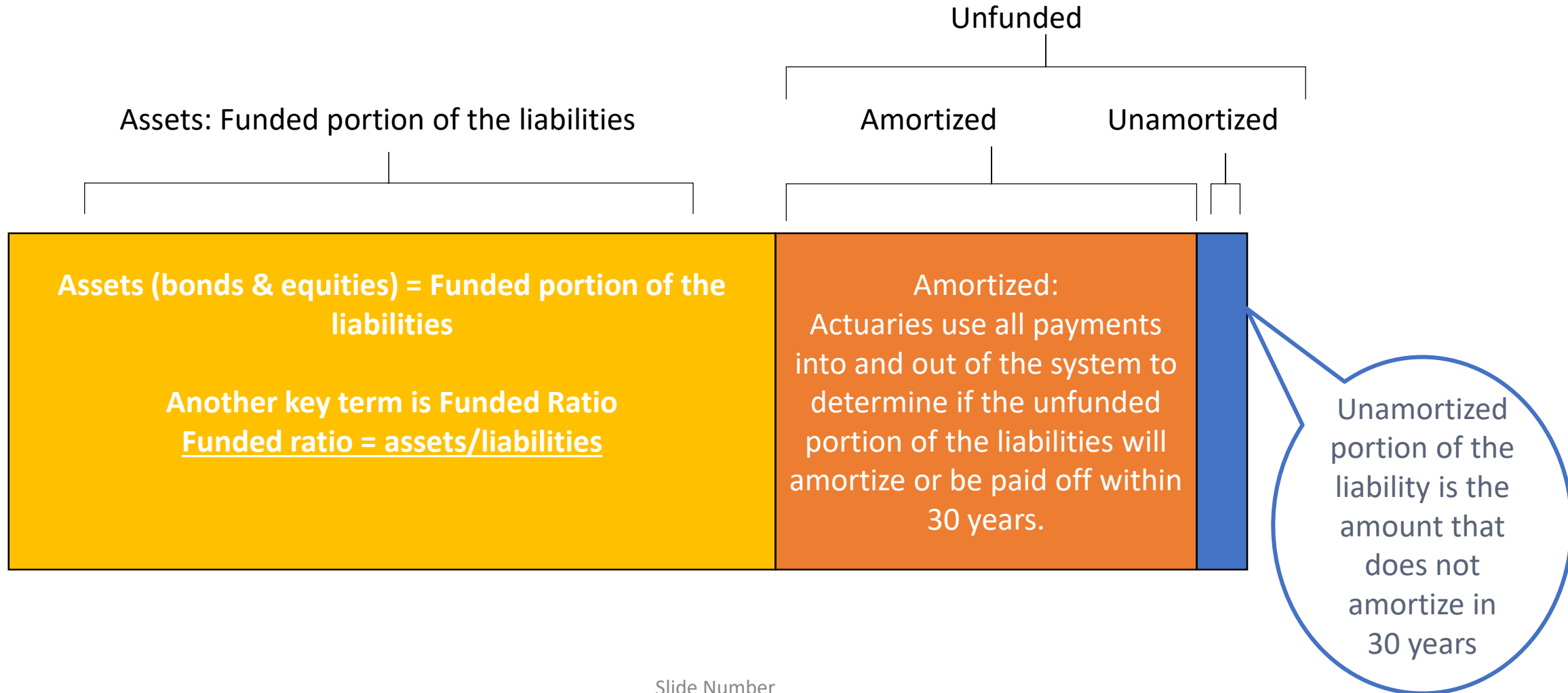
General Fund (\$Millions)	2021 Actual
Retirement	
<u>19-3-320 Statutory Appropriation to PERS</u>	\$34.291
<u>19-3-319 Local Gov. Retirement Contribution</u>	1.204
<u>19-6-404 MHP Retirement Transfer</u>	1.837
<u>19-6-410 MHP Supplemental Retirement Transfer</u>	-
<u>19-9-702 Police Retirement Contribution</u>	17.387
<u>19-13-604 Firefighters' Association Contribution</u>	18.438
<u>19-17-301 Volunteer Firefighter Fund Contribution</u>	2.592
<u>19-18-512 Fire Department Relief Association Contribution</u>	0.394
<u>19-19-305 Police (Non-PERS) Retirement Contribution</u>	0.184
<u>19-19-506 Police Officer Pension Supplemental Contribution</u>	-
<u>19-20-604 Teacher's Retirement Supplemental Contribution</u>	0.996
<u>19-20-607 Teachers' Retirement System Contribution</u>	46.025
<u>19-21-203 MUS Retirement Contribution</u>	1.802
Total	\$125.148

Where does employer contribution funding come from?

PERS State Agency Employer Contribution Funding (~FY 2020 \$ Millions)	
Fund Type	
General Fund	\$20.1
State Special Funds	16.7
Federal Funds	11.6
Proprietary	7.7
Total	\$56.1

Employer Contributions to PERS (FY 2020 \$ Millions)	
Employer Type	Contributions
City	\$15.1
Consolidated Government Total	2.0
County Total	22.6
Other Local Government Total	5.9
School District Total	14.1
State	56.1
University	9.9
Total	\$125.7

Whole area of 3 color box are the liabilities: Discounted Cost of future pension benefits



\$17.5 billion in discounted benefits owed with about 75% funded with assets

