

Montana Public Employee Retirement Administration

**Governance and Oversight Presentation
State Administration and Veteran Affairs'
November 4, 2021**

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Introduction

- Ten of Montana's retirement plans (8 DB plans and 2 DC plans) are governed by the seven-member, governor-appointed Public Employees' Retirement Board (PERB Board).
- Administrative staff for the PERB Board are organized as the Montana Public Employee Retirement Administration (MPERA).
- The retirement plans governed by the board are often referred to as MPERA systems.



Governance

- 7 Members
- Governor Appointed
- Senate Approved
- 5-year Staggered Terms
 - **3 public employees** who are active members of a public retirement system; **1** of which must be a member of the **Defined Contribution Plan**; and
 - **1 retired public employee** who is a member of the public employees' retirement system; and
 - **2 members at large**; and
 - **1 member who has experience in investment management, counseling, or financial planning** or who has other similar experience.



Governance

➤ Article VIII Section 15 (Montana Constitution)

- Public retirement systems shall be **funded on an actuarially sound basis**. Public retirement system assets, including income and actuarially required contributions, **shall not be encumbered, diverted, reduced, or terminated** and shall be held in trust to provide benefits to participants and their beneficiaries and to defray administrative expenses.
- The governing boards of public retirement systems **shall administer the system, including actuarial determinations, as fiduciaries of system participants and their beneficiaries.**

➤ Federal Tax Law

- Section 401(a) of the United States Internal Revenue Code (IRC)

➤ State Law

- Title 19, Chapters 2, 3, 5, 6, 7, 8, 9, 13, 17, 50 of Montana Code Annotated

➤ Administrative Rule

- Title 2, Chapter 43 of Administrative Rules of Montana (ARM)



Governance - Benefit Plan Statutes

8 Defined Benefit Plans (Public Employees' Retirement Act – 19-2-301, MCA *et seq.*)

- **Public Employees' Retirement System** (19-3-101, MCA *et seq.*)
- **Judges' Retirement System** (19-5-101, MCA *et seq.*)
- **Highway Patrol Officers' Retirement System** (19-6-101, MCA *et seq.*)
- **Sheriffs' Retirement System** (19-7-101, MCA *et seq.*)
- **Game Wardens' Retirement System** (19-8-101, MCA *et seq.*)
- **Municipal Police Officers' Retirement System** (19-9-101, MCA *et seq.*)
- **Firefighters' Unified Retirement System** (19-13-101, MCA *et seq.*)
- **Volunteer Firefighters' Compensation Act** (19-17-101, MCA *et seq.*)

2 Defined Contribution Plans

- **Public Employees' Retirement System DC Plan** (19-3-2101, MCA *et seq.*)
- **457(b) Deferred Compensation Plan** (19-50-101, MCA *et seq.*)



Board Duties

- Fiduciaries of the System
- Ensure Actuarial Funding (Annual Valuations, Experience Studies, Actuarial Audits, Set Actuarial Assumptions and Propose Legislation)
- Bi-monthly Board Meetings
- Employ Accredited Actuary
- Employ Executive Director
- Promulgate Administrative Rules, Board Policy and Strategic Objectives
- Maintain Qualified Plan Status
- Make Determinations – Eligibility for Membership and Benefits
- Approve and Monitor Annual Budget



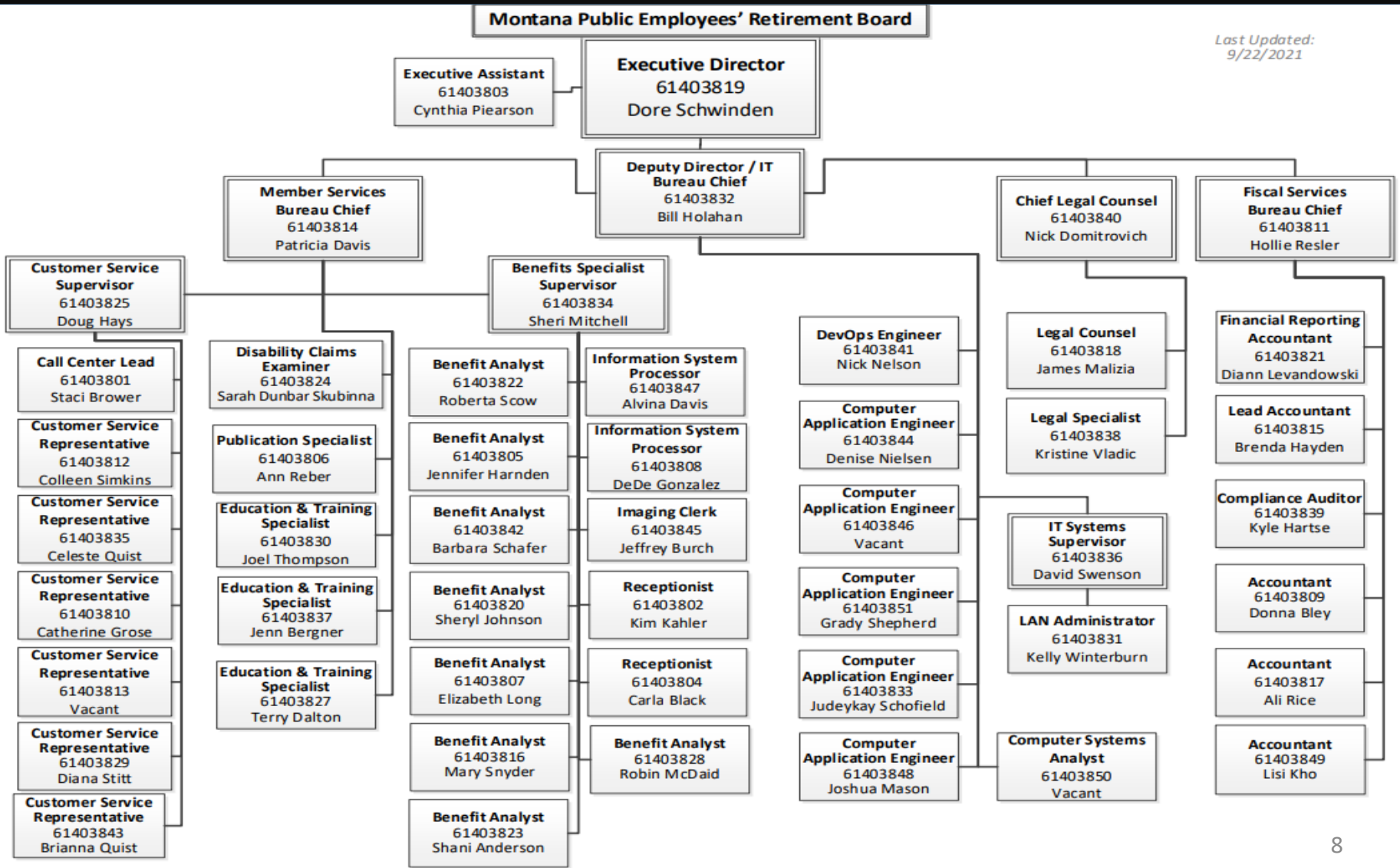
Board Staff

- 46 FTE
- Weekly, Bi-weekly, and Monthly Wage & Contribution Reporting for 556 Employers
- Collect over \$442M in Annual Contributions for 50,096 Active Members
- Conduct Service Audits and Calculate Benefits
- Paid \$645M in annual benefits to over 29,000 Benefit Recipients
- Annual statements, Retirement and Disability Estimates and Applications, Service Purchases, Educational Services, 1099's, RMD Letters, CAFR, Actuarial Extracts
- Manage Cashflow - \$10B in Assets

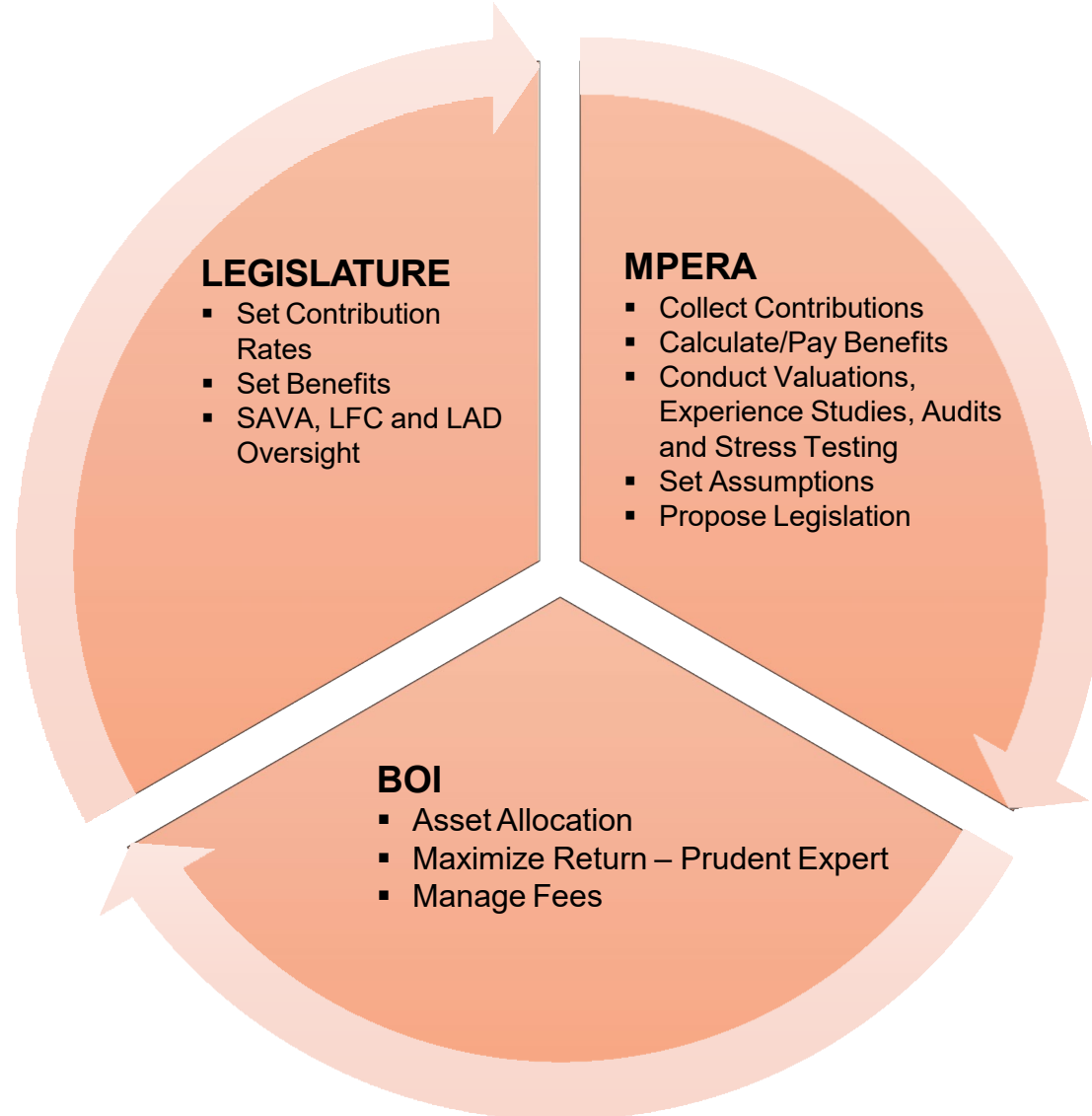


Organizational Chart

Last Updated:
9/22/2021



Roles





MPERA Resources

- Website: mpera.mt.gov
 - Board and Committee Meetings and Minutes
 - Board Policies
 - 2021 Legislative Tracking Reports
 - Actuarial Valuations, Experience Studies, Actuarial Audits, Annual Comprehensive Financial Reports
 - Educational Videos, Employer Education and Webinar Schedules
 - Organizational Chart
 - Active Member Handbook for each System

Questions

