

GAME WARDENS' & PEACE OFFICERS' RETIREMENT SYSTEM OVERVIEW

BACKGROUND

HJ 8 (2021) calls for an interim study of the financial stability of Montana's defined benefit public employee retirement systems and the development of a long-term strategic approach to funding the systems. During discussion of the amortization trends of Montana's eight defined benefit pension systems at the November 4, 2021 SAVA meeting, committee members decided to focus on the Game Wardens' and Peace Officers' Retirement System during their December 16, 2021 meeting. In preparation for the December 16th meeting, members requested information about the history of the system, the membership, amortization trends, and models of the impact of changing the contribution rates for members and employers. This briefing paper, along with the MPERA presentation, are designed to address the committee's requests.

PLAN OVERVIEW

The Game Wardens' and Peace Officers' Retirement System (GWPORS) is a defined benefit plan, part of the MPERA system, and administered by the Public Employees' Retirement Board.

MEMBERS

As of June 30, 2021, there are 1,023 active members and 420 retirees and beneficiaries in GWPORS. Members include:

- Game Wardens
- Correctional Officers
- Probation and Parole Officers
- Drill Instructors
- Wardens and Deputy Wardens
- Motor Carrier Officers
- Livestock Inspectors
- Campus Security Officers

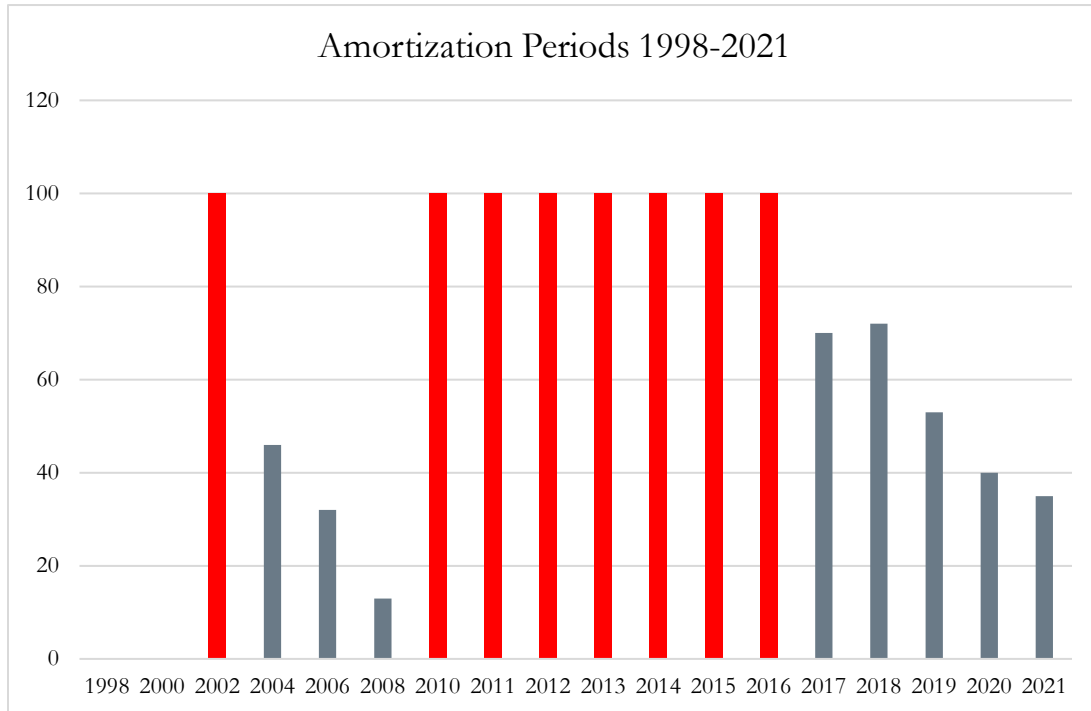
EMPLOYERS

GWPORS employers include:

- Department of Fish, Wildlife, and Parks
- Department of Corrections
- Department of Transportation
- Department of Livestock
- Montana University System (UM Missoula, MSU Bozeman, MSU Billings)

AMORTIZATION HISTORY

As of June 30, 2021, the amortization period for GWPORS is 35 years. It is currently the only defined benefit plan with an amortization period greater than 30 years. Montana statute sets the maximum amortization period at 30 years (19-2-409, MCA). The chart below begins with 1998, the year after Peace Officers were moved from the Public Employees' Retirement System (PERS-DB) to GWPORS.



1998	2000	2002	2004	2006	2008	2010	2011	2012
0 yrs.	0 yrs.	does not amortize	46 yrs.	32 yrs.	13 yrs.	does not amortize	does not amortize	does not amortize

2013	2014	2015	2016	2017	2018	2019	2020	2021
does not amortize	does not amortize	does not amortize	does not amortize	70 yrs.	72 yrs.	53 yrs.	40 yrs.	35 yrs.

CONTRIBUTION RATES & MODELS

Currently, the employer contribution is set at 9.00% and the member contribution is set at 10.56%. GWPORS is the only pension plan with a higher contribution rate for the member. In all other defined benefit plans, the employer contribution higher than the member contribution. During the November 4, 2021 SAVA Meeting, members asked for three models showing the impact of changes to contribution rates on the amortization period.

MODEL #1

Increase the employer contribution to 12.00% and decrease the member contribution to 10.00%.

Current Amortization Period	New Amortization Period	Employer Contribution Increase as a Dollar Amount
35 years	16 years	\$1,816,770

MODEL #2

Increase the employer contribution to 10.56% and keep the member contribution at 10.56%.

Current Amortization Period	New Amortization Period	Employer Contribution Increase as a Dollar Amount
35 years	20 years	\$944,721

MODEL #3

Increase the employer contribution to 11.00% and decrease the member contribution to 10.00%.

Current Amortization Period	New Amortization Period	Employer Contribution Increase as a Dollar Amount
35 years	20 years	\$1,244,180

BRIEF LEGISLATIVE TIMELINE

- 1963** Game Wardens' Retirement System established
- 1979** **HB 356** passes, transferring all fines and forfeited bonds collected in Justice Court under 3-10-601, MCA, and fines collected for violations of fish and game laws under 87-1-601, MCA, to the Game Wardens' Retirement System trust fund.
- 1995** **SB 83** passes, removing the transfer of all fines and forfeited bonds under 3-10-601 and 87-1-1601, MCA to the Game Wardens' Retirement System trust fund.
- 1997** **HB 174** passes, transferring Peace Officers from PERS and changing name to Game Wardens' and Peace Officers' Retirement System (GWPORS).

HB 170 passes, establishing 1.5% GABA for GWPORS (and all other MPERA systems), setting the amortization rate for all public pension systems at 30 years, increasing GWPORS member contribution from 7.5% to 8.5%, and increasing GWPORS employer contribution from 8.15% to 9.0%.

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- 2001** **HB 472** passes, giving Peace Officers an additional opportunity to transfer from PERS to GWPORS.
- HB 294** passes, increasing the GABA amount from 1.5% to 3% for GWPORS
- HB 74** passes, increasing retirement benefit formula factor from 2% to 2.5% for GWPORS members and increasing employee contribution rate from 8.5% to 10.56% for GWPORS
- 2007** **HB 131** passes, reducing GABA to 1.5% for new hires in GWPORS (and all MPERA systems)
- 2011** **HB 134** passes, adjusting the period used to calculate highest average compensation from 36 months to 60 months for new GWPORS members hired after July 1, 2011

SOURCES

- Montana Public Employee Retirement Administration Staff
- Montana Public Employee Retirement Administration Presentation
- <https://mpera.mt.gov/docs/Handbooks/GWPORS.pdf>
- <https://mpera.mt.gov/members/GWPORS>
- [https://mpera.mt.gov/docs/actuarial info/2021/Valuations-2021/09.30.21 FYE 2021 MT GWPORS.pdf](https://mpera.mt.gov/docs/actuarial%20info/2021/Valuations-2021/09.30.21%20FYE%202021%20MT%20GWPORS.pdf)
- 2011-2020 GWPORS Actuarial Valuation Reports
- 2011-2020 Green Sheets