



A REPORT
TO THE
MONTANA
LEGISLATURE

FINANCIAL AUDIT

*Public Employees'
Retirement Board*

*For the Fiscal Year Ended
June 30, 2025*

JANUARY 2026

LEGISLATIVE AUDIT
DIVISION

25-08

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FINANCIAL AUDITS

Financial audits are conducted by the Legislative Audit Division to determine if the financial statements included in this report are presented fairly and the agency has complied with laws and regulations having a direct and material effect on the financial statements. In performing the audit work, the audit staff uses standards set forth by the American Institute of Certified Public Accountants and the United States Government Accountability Office. Financial audit staff members hold degrees with an emphasis in accounting and many staff members hold Certified Public Accountant (CPA) certificates.

The Single Audit Act Amendments of 1996 and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards require the auditor to issue certain financial, internal control, and compliance reports in addition to those reports required by *Government Auditing Standards*. This individual agency audit report is not intended to comply with these reporting requirements and is therefore not intended for distribution to federal grantor agencies. The Legislative Audit Division issues a statewide biennial Single Audit Report which complies with the above reporting requirements. The Single Audit Report for the two fiscal years ended June 30, 2023, was issued August 19, 2024. The submission deadline for the Single Audit Report for the two fiscal years ended June 30, 2025, is March 31, 2026.

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Kenneth E. Varns, Legal Counsel



Deputy Legislative Auditors:
Alexa O'Dell
William Soller
Miki Cestnik

January 2026

The Legislative Audit Committee
of the Montana State Legislature:

It is a pleasure to provide our financial audit report on the Public Employees' Retirement Board (board), a fiduciary component unit of the State of Montana, for the fiscal year ended June 30, 2025. The board administers the state's public employee retirement systems, which includes:

- Eight defined benefit pension plans,
- A defined contribution pension plan,
- An other post-employment benefit plan, and
- An other employee benefit plan, which is a deferred compensation 457 plan.

The report includes the board-prepared financial statements and related notes. The required supplementary information provides details on each retirement plan's total and net pension liability, investments, contributions, and expense data. The required supplementary information also includes detailed information on investment returns and the other post-employment benefit plan. The Public Employees' Retirement defined benefit, defined contribution, and deferred compensation plans also have detailed administrative expenses, investment expenses, assets, liabilities, and related information included in the supplementary information. This report contains no recommendations, and our Independent Auditor's Report includes an unmodified opinion, meaning the reader can rely on the information presented.

The board's written response to the audit is included in the audit report on page C-1. We thank the Executive Director and his staff for their cooperation and assistance throughout the audit.

Respectfully submitted,

/s/ Angus Maciver

Angus Maciver
Legislative Auditor

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APPOINTED AND ADMINISTRATIVE OFFICIALS

	<u>Name</u>	<u>Position</u>	<u>City</u>	<u>Term Expires</u>
Public Employees' Retirement Board	Maggie Peterson	President, Experience in Investment Management, Counseling, or Financial Planning or Other Similar Experience	Anaconda	April 1, 2024*
	Richard Hickel	Vice President, Member At-Large	Kalispell	March 31, 2026
	Dave Galt	Retired Public Employee, Member of Public Employees' Retirement System	Helena	April 1, 2028
	Terry Halpin	Active Member of Public Retirement System	Billings	March 31, 2025
	Doug Kary	Member At-Large	Billings	April 1, 2028
	Jason Strouf	Active Member of Public Retirement System	Miles City	March 31, 2024*
	Sonja Woods	Active Member of Public Retirement System, Defined Contribution Plan	Miles City	April 1, 2027

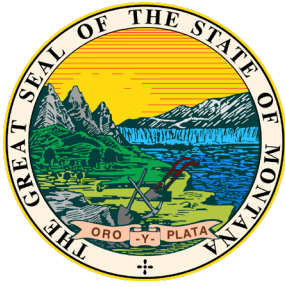
*Members whose term has expired continue until new appointments are made per MCA, 2-15-124(2).

Administrative Officials	Bill Holahan, Executive Director
	Hollie Resler, Deputy Director/Fiscal Services Bureau Chief
	David Swenson, Information Technology Bureau Officer
	Jessie Herbert-Meny, Education & Communication Bureau Chief
	Nick Domitrovich, Chief Legal Counsel
	Sophie Green, Compliance Auditor

For additional information concerning the Public Employees' Retirement Board, contact:

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MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL AUDIT Public Employees' Retirement Board FOR THE FISCAL YEAR ENDED JUNE 30, 2025

A report to the Montana Legislature

BACKGROUND

The Public Employees' Retirement Board (board), a fiduciary component unit of the State of Montana, administers eight defined benefit pension plans, one defined contribution pension plan, one other post-employment benefit plan, and one deferred compensation 457 plan.

The Montana Constitution requires funding the defined benefit pension plans on an actuarially sound basis. Generally, state law considers a defined benefit pension plan actuarially sound when contributions are sufficient to pay benefit obligations as they come due in the future, and the unfunded liability can be amortized over 30 years.

For the third straight year, all retirement plans managed by the board currently amortize within 30 years, with two plans fully funded. Market assets for all retirement plans had a net investment rate of returns ranging from 8.49 percent to 9.43 percent, all above the expected rate of return of 7.30 percent. Additionally, legislation passed in 2025 revised contribution laws. Contributions are now set by statute rather than calculated actuarially, allowing participating employers to better budget for pension contributions.

AUDITOR'S OPINION (page A-1): UNMODIFIED

We found the board's financial statements and note disclosures presents fairly the activity of the plans in all material respects. This means the reader can rely on the information presented and the underlying financial records.

For the full context of the department's financial activity, see the financial statements and notes beginning on page A-24.

RECOMMENDATIONS:

In this report, we issued no recommendations and there were no prior audit recommendations to consider.

SUMMARY OF AUDIT WORK:

Objectives

The objectives of this financial audit were to determine if the board's financial statements are presented fairly and if the board has complied with certain laws and regulations. To achieve this, we reviewed support for contributions revenue, benefit payments, and the accuracy of investment balances and net investment income. Further, we hired an independent actuary to review the work conducted by the board's actuary. We also evaluated the board's control systems, including the information system used for processing contributions and benefits.

(continued on back)

For the full report or more information, contact the Legislative Audit Division.

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Additionally, we reviewed the financial statements and note disclosures to determine if they were supported by underlying accounting records and actuarial valuations. Finally, we performed procedures over the required supplemental and supplemental information to determine if the information is fairly stated, in all material respects, in relation to the board's financial statements.

Member Information

To accomplish our objectives, we tested data to determine the accuracy of the retiree and active member information, referred to as census information, and whether it was supported. Material errors in census information can lead to inaccurate actuarial calculations. We completed a sample of new active employees of the Firefighters' United Retirement System (FURS), the Game Wardens' and Peace Officers' Retirement System (GWPORS), the Highway Patrol Officers' Retirement System (HPORS), the Municipal Police Officers' Retirement System (MPORS), the Public Employees' Retirement System (PERS), and the Sheriffs' Retirement System (SRS). This encompassed 107 employers. Census information reviewed as part of our sample included gender, hire date, and birth date. Additionally, we performed separate audit procedures over the census information for the Judges' Retirement System (JRS), as the state is the only contributing employer. We intend to use this approach for the HPORS for the next audit cycle.

Internal Auditor

Over the last several years, we have reduced the scope of our audit work on census information, contribution revenues, and benefit payments by recognizing the work completed by the board's internal compliance auditor. This is an efficiency permitted under auditing standards. The board's internal compliance auditor position was vacant for three quarters of fiscal year 2025, which reduced our ability to rely on their work. We performed audit procedures over four of the seven employer audits completed by the compliance auditor during the last quarter of fiscal year 2025. As required by auditing standards, we reperformed the compliance auditor's procedures. This included tracing employer contributions to supporting documentation, reviewing the reasonableness of the pensionable/nonpensionable analysis, reconciling employee census information to employer records, and considering compliance auditor reports to the board's audit subcommittee. These procedures formed the basis for our reliance on the compliance auditor, and we identified no errors.

Late in fiscal year 2025, the board approved two additional internal compliance auditor positions. These positions were not yet filled during the audit period. However, they are expected to be filled during fiscal year 2026. In future audits of the board, we will use a similar approach to consider whether the work of these additional internal auditors allows us to further reduce our audit effort.

Actuary

We hired an independent actuary to provide expertise during the audit. This included reviewing each plan’s actuarial valuations and the assumptions underlying the calculation of the total pension liability. Our actuary determined that the methodology used by the board’s actuary was reasonable and consistent with actuarial standards. Further, our actuary recalculated the amortization periods of the pension liabilities, and concluded that the board’s actuary followed the standards and the reported status of the pension plans were reasonable.

Status of Pension Plans

The Montana State Legislature passed HB 85 during the 2025 session to revise contribution rates and consideration of the unfunded liabilities for the HPORS, the SRS and the GWPORS. The bill repealed the portions of the 2023 legislative session’s HB 569 related to the legacy unfunded liability and contemporary unfunded liability for the HPORS, the SRS, and the GWPORS. Further, the bill set employer and state contribution percentages, removing the actuarially calculated contribution rates for these retirement systems. Portions of the bill were retroactive to July 1, 2023, while other sections were either effective at passage and approval or effective July 1, 2025. The following table highlights the changes from this bill.

Table 1
Impact of HB 85 on 2025 Contribution Rates and Revenues

Retirement Plan	Prior Law Contribution		HB 85	
	Actuarially Calculated	Contribution Revenue*	Rate	Contribution Revenue*
SRS	12.07%	\$14.3 M	13.12%	\$15.6 M
GWPORS	9.62%	\$6.8 M	10.56%	\$7.5 M
HPORS	34.40%	\$6.4 M	38.33%	\$7.1 M

*Rate applied to covered payroll from FY25.
Source: Compiled by the Legislative Audit Division.

The prior law contribution rates would have been actuarially calculated, with fluctuations, while the revision from the 2025 legislation results in fewer changes in future years.

The Legislature also passed HB 924 during the 2025 session. The bill revised the Public Employees’ Retirement System (PERS) employer contribution rates, increasing them by 0.1 percent each year starting in fiscal year 2028. Further, the bill established a permanent fund, called the Montana Growth and Opportunity Trust (GO Trust). The law sets aside a portion of the GO Trust for PERS and the Teachers’ Retirement System, with a cap of \$1 billion dollars. Up to a quarter of the pension portion can be transferred to PERS when the board certifies that two consecutive years of investment returns are less than the assumed rate of return. While the bill was effective in FY25, there is currently no related activity required to be reported on the board’s financial statements.

Recent changes to the law were made to help ensure funding stability in the retirement systems. Table 1 summarizes each plan’s total and net pension liability or asset, which are financial reporting measures. The total pension liability represents the present value of future benefit payments the plan is projected to make to participants over its lifetime, as estimated by an actuary. This estimate, based on member service and other census information, is calculated as of June 30, 2025.

Table 2
Total and Net Pension Liability
 Fiscal Year Ended June 30, 2025

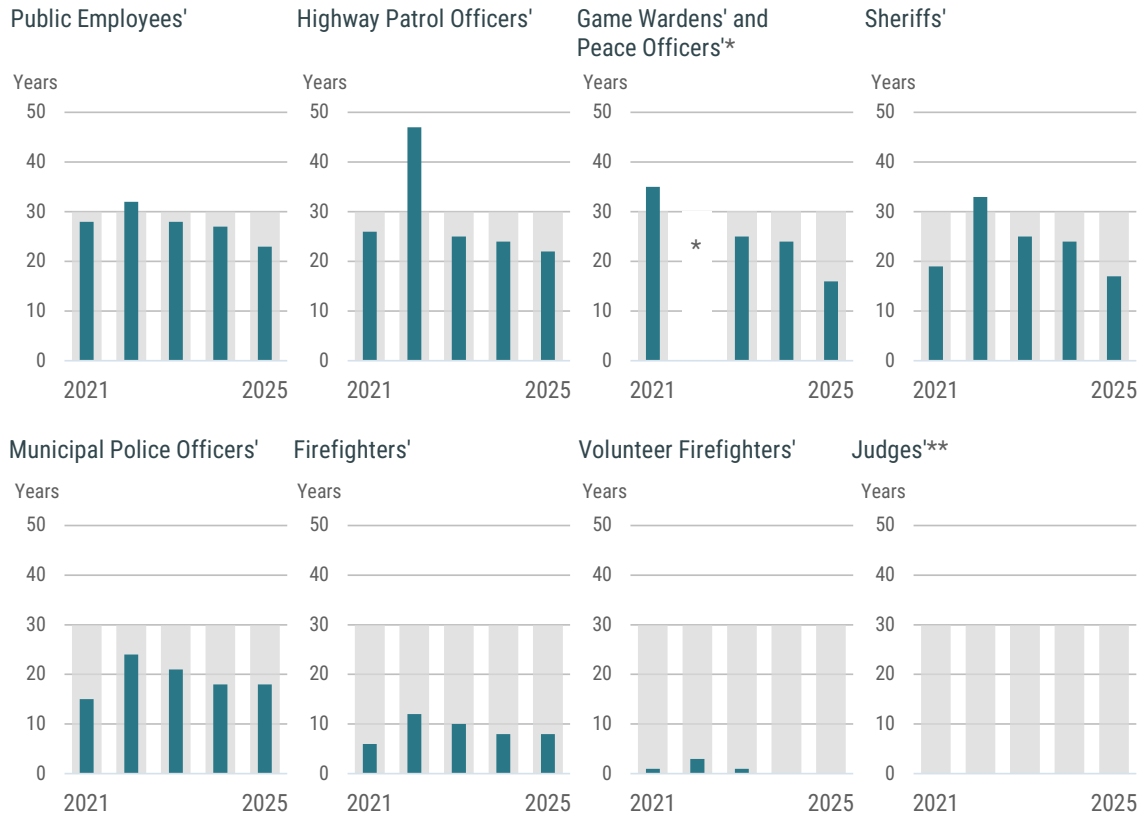
Defined Benefit Retirement Plan	Total Pension Liability	Net Pension Liability (Asset)
Public Employees'	\$9,998 M	\$2,367 M
Firefighters' United	\$915 M	\$787 M
Municipal Police Officers'	\$905 M	\$215 M
Sheriffs'	\$728 M	\$117 M
Highway Patrol Officers'	\$305 M	\$67 M
Game Wardens' and Peace Officers	\$406 M	\$22 M
Volunteer Firefighters' Compensation Act	\$59 M	(\$2 M)
Judges'	\$78 M	(\$69 M)

Source: Compiled by the Legislative Audit Division.

The net pension liability, or asset, comes from comparing the plan’s net position with the actuarially calculated total pension liability. When the plan’s net position is higher, the plan ends up with a net pension asset. When the plan’s net position is lower, the plan shows a net pension liability. Those net amounts are then allocated among the participating employers and any nonemployer entities that contribute, since they need to include the figures in their own financial statements.

The Montana Constitution requires the defined benefit pension plans to be funded on an actuarially sound basis. The plan is considered funded on an actuarially sound basis if plan revenues are expected to cover the plan’s net pension liability over a 30-year amortization period. The most recent actuarial valuations, as of June 30, 2025, found that all defined benefit retirement plans amortize within 30 years (See Figure 1 on page S-5 for the amortization periods). Favorable investment conditions contributed to the reduced amortization periods.

Figure 1
Amortization Period Changes Over Five Years



*In 2022, the Game Wardens' and Peace Officers' plan did not amortize.

**The Judges' plan was fully funded all five years.

Source: Compiled by the Legislative Audit Division from Public Employees' Retirement Board actuarial information.

Together, these measures reflect the board's ongoing commitment to responsibly and transparently managing the retirement systems. By working closely with the legislature and addressing concerns from participating employers and leadership, the board helps maintain funding practices that meet constitutional standards and support the long-term health of the plans.

REPORT ON INTERNAL CONTROL AND COMPLIANCE

(page B-1):

In this report, we did not identify any internal control, compliance or other matters that rose to the level of reporting. For the full context of this information, including the distinction between the types of items reported, see the report beginning on page B-1.

Independent Auditor's Report and Board Financial Statements

Angus Maciver, Legislative Auditor
Kenneth E. Varns, Legal Counsel



Deputy Legislative Auditors:
Alexa O'Dell
William Soller
Miki Cestnik

INDEPENDENT AUDITOR'S REPORT

The Legislative Audit Committee
of the Montana State Legislature:

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of the Public Employees' Retirement Board, a fiduciary component unit of the State of Montana, which are comprised of the Statement of Fiduciary Net Position - Pension (And Other Employee Benefit) Trust Funds as of June 30, 2025, and the related Statement of Changes in Fiduciary Net Position - Pension (And Other Employee Benefit) Trust Funds for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Public Employees' Retirement Board (board) as of June 30, 2025, and the changes in fiduciary net position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following required supplementary information be presented to supplement the basic financial statements:

- Management's Discussion and Analysis
- Schedule of Changes in Multiple-Employer Plans Net Pension Liability/(Asset)
- Schedule of Changes in Single-Employer Plans Net Pension Liability/(Asset)

- Schedule of Net Pension Liability/(Asset) for Multiple-Employer Plans
- Schedule of Net Pension Liability/(Asset) for Single-Employer Plans
- Schedule of Employer and Non-Employer (State) Contributions for Cost-Sharing Multiple-Employer Plans
- Schedule of Employer Contributions for Single-Employer Plans
- Schedule of Investment Returns for Multiple-Employer Plans
- Schedule of Investment Returns for Single-Employer Plans
- Schedule of Total OPEB (Healthcare) Liability and Related Ratios, Last Ten Fiscal Years
- Related Notes

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consists of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The following supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements:

- Schedule of Administrative Expenses
- Schedule of Investment Expenses
- Detail of Fiduciary Net Position (PERS-DBRP and PERS-DBEd)
- Detail of Changes in Fiduciary Net Position (PERS-DBRP and PERS-DBEd)
- Detail of Fiduciary Net Position (PERS-DCRP, PERS-DCEd)
- Detail of Changes in Fiduciary Net Position (PERS-DCRP, PERS-DCEd)

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2025, on our consideration of the board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the board's internal control over financial reporting and compliance.

Respectfully submitted,

/s/ Alexa O'Dell

Alexa O'Dell, CPA
Deputy Legislative Auditor
Helena, MT

December 16, 2025

Public Employees' Retirement Board

A Component Unit of the State of Montana

Management's Discussion and Analysis

This section presents management's discussion and analysis of the Montana Public Employees' Retirement Board's (PERB) financial presentation and performance of the plans administered by the PERB for the fiscal year ending June 30, 2025. Throughout this discussion and analysis, the units of measure are approximate, being rounded up or down to the nearest thousand.

Financial Highlights

Summary Statement of Fiduciary Net Position - ALL PERB Pension Plans						
(in thousands)	Defined Benefit Total		Percent Change	Defined Contribution Total		Percent Change
	2025	2024		2025	2024	
Total Assets	\$ 11,086,932	\$ 10,291,907	7.7 %	\$ 580,288	\$ 506,198	14.6 %
Deferred Outflow of Resources	271	270	0.4 %	53	38	39.5 %
Total Liabilities	523,788	353,074	48.4 %	1,347	787	71.2 %
Deferred Inflow of Resources	336	370	(9.2) %	66	52	26.9 %
Total Fiduciary Net Position Restricted	\$ 10,563,079	\$ 9,938,733	6.3 %	\$ 578,928	\$ 505,397	14.5 %

The Public Employees' Retirement Board's (PERB's) defined benefit plans combined total fiduciary net position increase of \$624.3 million in fiscal year 2025 was primarily attributed to an increase in the value of the investments of \$612.0 million.

The PERB's defined contribution plan combined total fiduciary net position increase of \$73.5 million in fiscal year 2025 was primarily attributed to the increase in the value of the investments of \$75.9 million. Investments in members' defined contribution assets are self-directed, participant investment allocations, utilizing the various investment options. Therefore, the impact to net investment earnings is a result of the members' investment choices with varying degrees of risk and return potential and the change in the investment values due to investment performance.

Summary Statement of Changes in Fiduciary Net Position - ALL PERB Pension Plans						
(in thousands)	Defined Benefit Total		Percent Change	Defined Contribution Total		Percent Change
	2025	2024		2025	2024	
Additions (by major source)						
Contributions	\$ 471,543	\$ 535,157	(11.9) %	\$ 44,438	\$ 42,544	4.5 %
Net Investment Earnings	923,296	835,757	10.5 %	64,332	69,396	(7.3) %
Total Additions	1,394,839	1,370,914	1.7 %	108,770	111,940	(2.8) %
Deductions (by type)						
Benefits, Refunds and Transfers	762,938	728,003	4.8 %	33,593	31,578	6.4 %
Administrative Expenses and Other Expenses	7,546	7,546	0.0 %	1,664	1,286	29.4 %
Total Deductions	770,484	735,549	4.7 %	35,257	32,864	7.3 %
Increase / (Decrease) in Net Position	624,355	635,365	(1.7) %	73,513	79,076	(7.0) %
Beginning of Year Net Position	\$ 9,938,733	\$ 9,303,470	6.8 %	\$ 505,397	\$ 426,321	18.5 %
Adjustment & Restatement	(9)	(102)	(91.2) %	18		
Beginning of Year Net Position, adjusted or restated	\$ 9,938,724	\$ 9,303,368	6.8 %	\$ 505,415	\$ 426,321	18.6 %
End of Year Net Position	\$ 10,563,079	\$ 9,938,733	6.3 %	\$ 578,928	\$ 505,397	14.5 %

The defined benefit plans combined revenues (additions to the plan net position) and expenses (deductions to plan net position) for fiscal year 2025 increased the net position \$624.3 million, which can be attributed to increases in investment earnings of \$87.5 million.

In analyzing the contributions for all defined benefit systems, overall, the contributions had a decrease of \$63.6 million or 11.9%. The primary reason for the decrease is the one-time appropriation that was received in fiscal year 2024 for Highway Patrol Officers' Retirement System (HPORS), Sheriffs' Retirement System (SRS), and Game Wardens' and Peace Officers' Retirement System (GWORS). Further information on contributions of each of the Plans may be found in their individual analysis.

The defined contribution plan combined revenues and expenses for fiscal year 2025 increased the net position \$73.5 million or 14.5%. The net position of the plan is impacted by contributions paid into the plans, investment performance and benefits paid out of the system. Contributions received exceeded benefits & expenses for the fiscal year. The increase in net position was attributable to both increased contributions and investment performance overall.

In analyzing the administrative expense for the defined contribution plan, the administrative expenses had an increase of \$324.6 thousand or 25.1%. This increase is a result of the increase of the allocation of administrative expenses to the plan. Further information on administrative expenses of the defined benefit plans and the defined contribution plan may be found in the supplementary information schedules.

Financial Analysis of the Systems – Defined Benefit Plans

Investments

The State of Montana Board of Investments (BOI), as authorized by state law, invests the defined benefit plans' assets in the *Consolidated Asset Pension Pool (CAPP)* and the *Short-Term Investment Pool (STIP)*. Each plan owns an equity position in the pools and receives proportionate investment income from the pools in accordance with respective ownership. Each plan's allocated share of the investment in the pool is shown in the *Statement of Fiduciary Net Position* of the plan. Investment gains and losses are reported in the *Statement of Changes in Fiduciary Net Position*.

Investment Performance

As reported by the Montana Board of Investments (BOI) Chief Investment Officer, Jon Putnam, the Public Employees' Retirement System (PERS) realized a 9.46% net return during the 2025 fiscal year. Since inception, the plan has delivered a 7.81% annualized net return, exceeding the current actuarial assumed rate of return of 7.30%. Ten-year returns rank in the top quartile among public plans greater than \$5 billion in assets under management. Similar returns were realized for all other MPERA retirement systems.

Asset Class	FY2025 Return (%)
International Equity	18.66%
Domestic Equity	14.50%
Non-Core Fixed Income	10.25%
Real Assets	7.73%
Cash	5.70%
Core Fixed Income	5.51%
Private Investments	3.96%
Real Estate	1.47%

Returns across all asset classes were positive in fiscal year 2025. Returns in public equities remained robust with enthusiasm around AI, technology, and the infrastructure to support this wave of innovation. International equity was aided by a lower starting valuation and a decline in the US dollar versus major currencies. Fixed income and real estate benefited from the Federal Reserve cutting interest rates in the 2nd half of 2024.

The asset allocation approved by the Montana Board of Investments (BOI) is designed to achieve the pension funds strategic objectives while minimizing risk. It provides a framework to capture gains over the long-term while mitigating unmanageable losses during economic downturns.

Going forward, the market faces multiple obstacles including persistent inflation, elevated global debt, trade tensions, slower growth, and aging demographics. The Board continues to prioritize prudent diversification as a critical pillar of the portfolio.

BOI believes that disciplined execution of our investment process will help us achieve the long-term objectives of the pension plans. We expect periods of extreme market volatility and continually mitigate risks to meet the liquidity needs of the pension plans.

Analysis of the Individual Defined Benefit Plans

In analyzing the Summary Statements for the individual Defined Benefit Plans, the following PERB expectations are used based on historical data:

- Contributions to increase by 3.5% based on increasing membership and potential pay increases.
- Benefits to increase by 7% based on an increase in benefit recipients and the increase in the average recipient's benefit resulting from the guaranteed annual benefit adjustment (GABA) or the minimum benefit adjustment for non-GABA recipients.
- Administrative expenses to increase by 6%.
- Actuarial rate of return on investments of 7.30%.

For investment earnings refer to the previous page for discussion on the *Investment Performance* for fiscal year 2025.

The administrative expenses and other expense totals for each plan includes administrative, healthcare other post-employment benefits (OPEB), lease principal, and lease interest expenses. These expenses are accounted for within PERS-DBRP and allocated to the other defined benefit funds at year-end. The allocation percentages are derived from the active and retiree membership at the end of the fiscal year for each defined benefit, the defined contribution, and the deferred compensation plan. An increase in membership correlates to an increase of costs to administer the Plan and an increase in the allocation percentage for each Plan.

The total liability increases on the basic and summary *Statement of Fiduciary Net Position* for all PERB plans is primarily a result of Securities Lending Liability increases. The Montana Board of Investments (MBOI) operates a formal Securities Lending Program as an investment strategy to generate additional income for the Consolidated Asset Pension Pool (CAPP). The program is authorized by state law (§ 17-1-113, MCA) and is a standard practice for institutional investors. During fiscal year 2025, the Montana Board of Investments increased securities lending through this program to generate extra incremental income on otherwise idle securities, helping to offset management fees and boosting overall returns for the Consolidated Asset Pension Pool (CAPP). The total Securities Lending Liability for all PERB plans for fiscal year 2025 was \$517.7 million compared to \$346.6 million in fiscal year 2024, an increase of \$171.1 million or 49.4%. For more information on Securities Lending Collateral and Liability, refer to *Note A5. Method Used to Value Investments*.

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PERS-Defined Benefit Retirement Plan (PERS-DBRP) and Education

The PERS-DBRP fiduciary net position restricted for pension benefits as of June 30, 2025, the largest PERB defined benefit retirement fund, increased \$381.1 million from the prior fiscal year, a result of a net investment rate of return of 9.46%. Below is an individual analysis of significant changes to the PERS-DBRP:

Summary of Fiduciary Net Position - PERS-DBRP			
(dollars in thousands)	2025	2024	% Change
Total Assets	\$ 8,013,630	\$ 7,510,027	6.7 %
Deferred Outflow of Resources	232	234	(0.9)%
Total Liabilities	382,021	259,474	47.2 %
Deferred Inflow of Resources	288	320	(10.0)%
Total Net Position - restricted for pension benefits	\$ 7,631,553	\$ 7,250,467	5.3 %

Summary of Changes in Fiduciary Net Position - PERS-DBRP			
(dollars in thousands)	2025	2024	% Change
Additions (by major source)			
Contributions	\$ 323,867	\$ 304,865	6.2 %
Investment Earnings	673,007	612,046	10.0 %
Total Additions	996,874	916,911	8.7 %
Deductions (by type)			
Benefits, Refunds and Transfers	609,591	581,725	4.8 %
Administrative Expenses and Other Expenses	6,189	6,125	1.0 %
Total Deductions	615,780	587,850	4.8 %
Increase/(Decrease) in Net Position	381,094	\$ 329,061	15.8 %
Beginning of Year Net Position	\$ 7,250,467	\$ 6,921,502	4.8 %
Adjustment and Restatement	(8)	(96)	(91.7)%
Beginning of Year Net Position, adjusted or restated	\$ 7,250,459	\$ 6,921,406	4.8 %
End of Year Net Position	\$ 7,631,553	\$ 7,250,467	5.3 %

- Contributions are anticipated to grow by 3.5% yearly per our actuarial assumption as a result of raises members receive, the increase in contributions in the current fiscal year was 6.2%. In addition to the anticipated yearly increase, there was a slight increase of 207, or 0.7%, of active members in the plan.

PERS-Defined Contribution Retirement Plan (PERS-DBRP) DISABILITY OPEB

The DCRP Disability OPEB net position restricted for pension benefits as of June 30, 2025 increased from the prior fiscal year by \$2.0 million, a result of a net investment rate of return of 12.83%. Below is an individual analysis of the PERS-DCRP Disability OPEB:

Summary of Fiduciary Net Position - DCRP Disability OPEB			
(dollars in thousands)	2025	2024	% Change
Total Assets	\$ 12,508	\$ 10,476	19.4 %
Total Liabilities	28	33	(15.2)%
Total Net Position - restricted for pension benefits	\$ 12,480	\$ 10,443	19.5 %

Summary of Changes in Fiduciary Net Position - DCRP Disability OPEB			
(dollars in thousands)	2025	2024	% Change
Additions (by major source):			
Contributions	\$ 772	\$ 710	8.7 %
Investment Earnings	1,377	1,228	12.1 %
Total Additions	2,149	1,938	10.9 %
Deductions (by type):			
Benefits, Refunds and Transfers	112	99	13.1 %
Total Deductions	112	99	13.1 %
Increase/(Decrease) in Net Position	\$ 2,037	\$ 1,839	10.8 %
Beginning of Year Net Position	\$ 10,443	\$ 8,604	21.4 %
End of Year Net Position	\$ 12,480	\$ 10,443	19.5 %

- The employer contributions are 0.30% of the member's compensation, therefore, the increase is attributed to an increase of 74 active members contributing, as well as member compensation increases.
- The benefits increased due to an increase of four retirees receiving benefits. There were ten retirees receiving benefits at June 30, 2025.

Judges Retirement System (JRS)

The JRS net position restricted for pension benefits as of June 30, 2025, increased \$8.7 million from the prior fiscal year, a result of a net investment rate of return of 9.46%. Below is an individual analysis of the JRS:

Summary of Fiduciary Net Position - JRS			
(dollars in thousands)	<u>2025</u>	<u>2024</u>	<u>% Change</u>
Total Assets	\$ 154,507	\$ 143,415	7.7 %
Total Liabilities	7,272	4,862	49.6 %
Total Net Position - restricted for pension benefits	\$ 147,235	\$ 138,553	6.3 %

Summary of Changes in Fiduciary Net Position - JRS			
(dollars in thousands)	<u>2025</u>	<u>2024</u>	<u>% Change</u>
Additions (by major source):			
Contributions	\$ 784	\$ 630	24.4 %
Investment Earnings	12,923	11,643	11.0 %
Total Additions	13,707	12,273	11.7 %
Deductions (by type):			
Benefits, Refunds and Transfers	4,971	4,522	9.9 %
Administrative Expenses and Other Expenses	54	55	(1.8)%
Total Deductions	5,025	4,577	9.8 %
Increase/(Decrease) in Net Position	\$ 8,682	\$ 7,696	12.8 %
Beginning of Year Net Position	\$ 138,553	\$ 130,857	5.9 %
End of Year Net Position	\$ 147,235	\$ 138,553	6.3 %

- Contributions increased from the prior fiscal year by \$153.5 thousand. The increase can be attributed to one employee purchasing a service purchase, which increased the employee and employer contributions.
- Benefits increased from the prior fiscal year by \$448.4 thousand. The increase is a result of an increase of seven benefit recipients, a 9.3% increase from the prior fiscal year.

Highway Patrol Officers' Retirement System (HPORS)

The HPORS net position restricted for pension benefits as of June 30, 2025, increased \$14.0 million from the prior fiscal year, a result of a net investment rate of return of 9.46%. Below is an individual analysis of the HPORS:

Summary of Fiduciary Net Position - HPORS			
(dollars in thousands)	2025	2024	% Change
Total Assets	\$ 250,699	\$ 233,221	7.5 %
Deferred Outflow of Resources	2	1	100.0 %
Total Liabilities	11,813	8,344	41.6 %
Deferred Inflow of Resources	2	2	
Total Net Position - restricted for pension benefits	\$ 238,886	\$ 224,876	6.2 %

Summary of Changes in Fiduciary Net Position - HPORS			
(dollars in thousands)	2025	2024	% Change
Additions (by major source):			
Contributions	\$ 10,343	\$ 37,513	(72.4)%
Investment Earnings	20,937	19,083	9.7 %
Total Additions	31,280	56,596	(44.7)%
Deductions (by type):			
Benefits, Refunds and Transfers	17,189	18,223	(5.7)%
Administrative Expenses and Other Expenses	81	85	(4.7)%
Total Deductions	17,270	18,308	(5.7)%
Increase/(Decrease) in Net Position	\$ 14,010	\$ 38,288	(63.4)%
Beginning of Year Net Position	\$ 224,876	\$ 186,588	20.5 %
End of Year Net Position	\$ 238,886	\$ 224,876	6.2 %

- The \$27.2 million decrease in contributions is primarily due to a one-time general fund state appropriation of \$27.6 million received in fiscal year 2024.
- There was a decrease in refunds of \$1.8 million, a result of a decrease of Deferred Retirement Option Program (DROP) benefit rollovers.

Sheriffs' Retirement System (SRS)

The SRS net position restricted for pension benefits as of June 30, 2025, increased \$47.8 million from the prior fiscal year, a result of a net investment rate of return of 9.46%. Below is an individual analysis of the SRS:

Summary of Fiduciary Net Position - SRS			
(dollars in thousands)	2025	2024	% Change
Total Assets	\$ 641,457	\$ 583,394	10.0 %
Deferred Outflow of Resources	9	9	
Total Liabilities	30,122	19,897	51.4 %
Deferred Inflow of Resources	11	12	(8.3)%
Total Net Position-restricted for pension benefits	\$ 611,333	\$ 563,494	8.5 %

Summary of Changes in Fiduciary Net Position - SRS			
(dollars in thousands)	2025	2024	% Change
Additions (by major source):			
Contributions	\$ 28,656	\$ 53,832	(46.8)%
Investment Earnings	53,029	47,182	12.4 %
Total Additions	81,685	101,014	(19.1)%
Deductions (by type):			
Benefits, Refunds and Transfers	33,554	31,884	5.2 %
Administrative Expenses and Other Expenses	292	305	(4.3)%
Total Deductions	33,846	32,189	5.1 %
Increase/(Decrease) in Net Position	\$ 47,839	\$ 68,825	(30.5)%
Beginning of Year Net Position	\$ 563,494	\$ 494,669	13.9 %
End of Year Net Position	\$ 611,333	\$ 563,494	8.5 %

- The \$25.2 million decrease in contributions from the prior fiscal year, is primarily due to a one-time general fund state appropriation of \$26.8 million received in fiscal year 2024. There was also a decrease of ten active members contributing to the plan, a 0.63% decrease from the prior fiscal year.
- The \$1.7 million increase in benefits from the prior fiscal year is due to a 3.6% increase in benefit recipients, in addition to an increase in the average recipient's benefit resulting from the guaranteed annual benefit adjustment (GABA).

Game Wardens' and Peace Officers' Retirement System (GWPORS)

The GWPORS net position restricted for pension benefits as of June 30, 2025, increased \$32.4 million from the prior fiscal year, a result of a net investment rate of return of 9.46%. Below is an individual analysis of the GWPORS:

Summary of Fiduciary Net Position - GWPORS			
(dollars in thousands)	2025	2024	% Change
Total Assets	\$ 402,722	\$ 363,819	10.7 %
Deferred Outflow of Resources	6	5	20.0 %
Total Liabilities	18,862	12,384	52.3 %
Deferred Inflow of Resources	7	7	
Total Net Position-restricted for pension benefits	\$ 383,859	\$ 351,433	9.2 %

Summary of Changes in Fiduciary Net Position - GWPORS			
(dollars in thousands)	2025	2024	% Change
Additions (by major source):			
Contributions	\$ 15,306	\$ 55,504	(72.4)%
Investment Earnings	33,187	29,471	12.6 %
Total Additions	48,493	84,975	(42.9)%
Deductions (by type):			
Benefits, Refunds and Transfers	15,861	14,412	10.1 %
Administrative Expenses and Other Expenses	206	210	(1.9)%
Total Deductions	16,067	14,622	9.9 %
Increase/(Decrease) in Net Position	\$ 32,426	\$ 70,353	(53.9)%
Beginning of Year Net Position	\$ 351,433	\$ 281,081	25.0 %
Adjustment and Restatement		(1)	(100.0)%
Beginning of Year Net Position, adjusted or restated	\$ 351,433	\$ 281,080	25.0 %
End of Year Net Position	\$ 383,859	\$ 351,433	9.2 %

- The \$40.2 million decrease in contributions is primarily due to a one-time general fund state appropriation of \$41.2 million received in fiscal year 2024. There was an increase of 16 active members contributing to the plan, a 1.5% increase from the prior fiscal year.
- The \$1.5 million increase in benefits is a result of an increase of 33 benefit recipients, a 6.2% increase from the prior fiscal year.

Montana Police Officers' Retirement System (MPORS)

The MPORS net position restricted for pension benefits as of June 30, 2025, increased by \$55.1 million from the prior fiscal year, a result of a net investment rate of return of 9.46%. Below is an individual analysis of the MPORS:

Summary of Fiduciary Net Position - MPORS			
(dollars in thousands)	2025	2024	% Change
Total Assets	\$ 723,492	\$ 656,924	10.1 %
Deferred Outflow of Resources	6	5	20.0 %
Total Liabilities	\$ 33,312	21,821	52.7 %
Deferred Inflow of Resources	7	7	
Total Net Position - restricted for pension benefits	\$ 690,179	\$ 635,101	8.7 %

Summary of Changes in Fiduciary Net Position - MPORS			
(dollars in thousands)	2025	2024	% Change
Additions (by major source):			
Contributions	\$ 39,555	\$ 36,870	7.3 %
Investment Earnings	58,223	52,494	10.9 %
Total Additions	97,778	89,364	9.4 %
Deductions (by type):			
Benefits, Refunds and Transfers	42,512	39,922	6.5 %
Administrative Expenses and Other Expenses	187	198	(5.6)%
Total Deductions	42,699	40,120	6.4 %
Increase/(Decrease) in Net Position	\$ 55,079	\$ 49,244	11.8 %
Beginning of Year Net Position	\$ 635,101	\$ 585,859	8.4 %
Adjustment and Restatement	(1)	(2)	(50.0)%
Beginning of Year Net Position, adjusted or restated	\$ 635,100	\$ 585,857	8.4 %
End of Year Net Position	\$ 690,179	\$ 635,101	8.7 %

- Contributions increased from the prior fiscal year as a result of an increase of 28 active members contributing to the plan. In addition to the employer and member contributions, there is a statutorily appropriated contribution from the State's general fund and is reported as *State Appropriations* on the financial statements. This contribution increased by \$1.4 million from the prior fiscal year.
- The increase in refunds from the prior year is a result of an increase in the Deferred Retirement Option Program (DROP) benefit rollovers.

Firefighters' Unified Retirement System (FURS)

The FURS net position restricted for pension benefits as of June 30, 2025, increased by \$77.8 million, from the prior fiscal year, a result of a net investment rate of return of 9.46%. Below is an individual analysis of the FURS:

Summary of Fiduciary Net Position - FURS			
(dollars in thousands)	2025	2024	% Change
Total Assets	\$ 824,199	\$ 733,299	12.4 %
Deferred Outflow of Resources	4	4	
Total Liabilities	37,042	23,915	54.9 %
Deferred Inflow of Resources	6	6	
Total Net Position - restricted for pension benefits	\$ 787,155	\$ 709,382	11.0 %

Summary of Changes in Fiduciary Net Position - FURS			
(dollars in thousands)	2025	2024	% Change
Additions:			
Contributions	\$ 48,350	\$ 41,714	15.9 %
Investment Earnings	65,546	58,185	12.7 %
Total Additions	113,896	99,899	14.0 %
Deductions:			
Benefits, Refunds and Transfers	35,966	34,059	5.6 %
Administrative Expenses and Other Expenses	157	160	(1.9)%
Total Deductions	36,123	34,219	5.6 %
Increase/(Decrease) in Net Position	77,773	\$ 65,680	18.4 %
Beginning of Year Net Position	\$ 709,382	\$ 643,702	10.2 %
End of Year Net Position	\$ 787,155	\$ 709,382	11.0 %

- Contributions increased from the prior fiscal year because of an increase of 111 active members contributing to the plan. In addition to the employer and member contributions, there is a statutorily appropriated contribution from the State's general fund and is reported as *State Appropriations* on the financial statements. This appropriation increased by \$3.7 million from the prior fiscal year.
- The \$1.9 million increase in benefits from the prior fiscal year is due to a 1.7% increase in benefit recipients, in addition to an increase in the average recipient's benefit resulting from the guaranteed annual benefit adjustment (GABA) or the minimum benefit adjustment for non-GABA recipients.

Volunteer Firefighters' Compensation Act (VFCA)

The VFCA net position restricted for pension benefits as of June 30, 2025, had an increase of \$5.4 million from the prior fiscal year, a result of a net investment rate of return of 9.46%. Below is an individual analysis of the VFCA:

Summary of Fiduciary Net Position - VFCA			
(dollars in thousands)	2025	2024	% Change
Total Assets	\$ 63,718	\$ 57,332	11.1 %
Deferred Outflow of Resources	12	12	
Total Liabilities	3,316	2,344	41.5 %
Deferred Inflow of Resources	15	16	(6.3)%
Total Net Position-restricted for pension benefits	\$ 60,399	\$ 54,984	9.8 %

Summary of Changes in Fiduciary Net Position - VFCA			
(dollars in thousands)	2025	2024	% Change
Additions (by major source):			
Contributions	\$ 3,910	\$ 3,519	11.1 %
Investment Earnings	5,067	4,426	14.5 %
Total Additions	8,977	7,945	13.0 %
Deductions (by type):			
Benefits, Refunds and Transfers	3,182	3,157	0.8 %
Administrative Expenses and Other Expenses	380	408	(6.9)%
Total Deductions	3,562	3,565	(0.1)%
Increase/(Decrease) in Net Position	5,415	\$ 4,380	23.6 %
Beginning of Year Net Position	\$ 54,984	\$ 50,607	8.6 %
Adjustment and Restatement		(3)	(100.0)%
Beginning of the Year Net Position, adjusted or restated	\$ 54,984	\$ 50,604	8.7 %
End of Year Net Position	\$ 60,399	\$ 54,984	9.8 %

- Contributions increased from the prior fiscal year due to increased fire insurance premium taxes distributed to the VFCA from the general fund. This is a statutorily appropriated contribution from the State's general fund and is reported as a *Statutory Appropriation* on the financial statements.

Analysis of the Defined Contribution Plan

The PERB administers a defined contribution plan the *Public Employees' Retirement System-Defined Contribution Retirement Plan (PERS-DCRP)*.

The PERS-DCRP net position restricted for pension benefits as of June 30, 2025, increased by \$73.5 million from the prior fiscal year. A defined contribution plan's net position will change annually based on individual participant's decisions on contributions, claims, and the investment mix that derives the investment return. Below is an individual analysis of the PERS-DCRP:

Summary of Fiduciary Net Position - PERS- DCRP			
(in thousands)	2025	2024	% Change
Total Assets	\$ 580,288	\$ 506,198	14.6 %
Deferred Outflow of Resources	53	38	39.5 %
Total Liabilities	1,347	787	71.2 %
Deferred Inflow of Resources	66	52	26.9 %
Total Net Position - restricted for pension benefits	\$ 578,928	\$ 505,397	14.5 %

Summary of Changes in Fiduciary Net Position - PERS-DCRP			
(in thousands)	2025	2024	% Change
Additions (by major source):			
Contributions	\$ 44,438	\$ 42,544	4.5 %
Investment Earnings	64,332	69,396	(7.3)%
Total Additions	108,770	111,940	(2.8)%
Deductions (by type):			
Refunds/Distributions	33,593	31,578	6.4 %
Administrative Expenses and Other Expenses	1,664	1,286	29.4 %
Total Deductions	35,257	32,864	7.3 %
Increase/(Decrease) in Net Position	\$ 73,513	\$ 79,076	(7.0)%
Beginning of Year Net Position	\$ 505,397	\$ 426,321	18.5 %
Adjustment and Restatement	18		
Beginning of the Year Net Position, adjusted or restated	\$ 505,415	\$ 426,321	18.6 %
End of Year Net Position	\$ 578,928	\$ 505,397	14.5 %

- Total liabilities had a 71.2% increase from fiscal year 2024 to fiscal year 2025, which was attributable to an increase in credit memos of \$564 thousand. Due to excess fund balance in the defined contribution plan's administrative expense fund, the PERB approved issuance of credit memos back to employers for the forfeitures that occurred during a 3-year look back period from fiscal year 2022 to fiscal year 2024.
- Contributions increased \$1.9 million from the previous fiscal year due to an increase of 74 active members contributing to the plan and salary raises members received.
- The plan reported a net investment earnings this fiscal year of \$64.3 million as opposed to net investment earnings of \$69.4 million in the previous fiscal year. This decrease is

reflective of a decrease in investment returns from member contributions and an increase in distributions in fiscal year 2025.

- The number of recipients receiving distributions increased by 67 from the prior fiscal year. The increase in distributions was due to an increase in defined contribution members taking IRS permitted rollovers and periodic or lump sum distributions.
- The costs of administering the plan increased from the prior fiscal year by \$324.6 thousand. This increase is a result of a reallocation of budget items directed to the plan.

Analysis of the Deferred Compensation (457(b)) Plan

The *Deferred Compensation (457(b))* plan is presented as an other employee benefit not a pension benefit.

The Deferred Compensation (457(b)) Plan net position available for plan benefits as of June 30, 2025, increased by \$48.8 million from the prior fiscal year. Below is an individual analysis of the 457(b) Plan:

Summary of Fiduciary Net Position - 457(b) Plan			
(dollars in thousands)	2025	2024	% Change
Total Assets	\$ 692,677	\$ 643,950	7.6 %
Deferred Outflow of Resources	10	10	
Total Liabilities	418	443	(5.6)%
Deferred Inflow of Resources	13	13	
Total Net Position - restricted for other employee benefits	\$ 692,256	\$ 643,504	7.6 %

Summary of Changes in Fiduciary Net Position - 457(b) Plan			
(dollars in thousands)	2025	2024	% Change
Additions:			
Contributions	\$ 29,123	\$ 29,911	(2.6)%
Investment Earnings	76,248	82,115	(7.1)%
Total Additions	105,371	112,026	(5.9)%
Deductions:			
Refunds/Distributions	55,570	67,708	(17.9)%
Administrative Expenses and Other Expenses	1,244	1,236	0.6 %
Total Deductions	56,814	68,944	(17.6)%
Increase/(Decrease) in Net Position	\$ 48,557	\$ 43,082	12.7 %
Beginning of the Year Net Position	\$ 643,504	\$ 600,417	7.2 %
Adjustment and Restatement	195	5	3,800.0 %
Beginning of Year Net Position, adjusted or restated	643,699	600,422	7.2 %
End of Year Net Position	\$ 692,256	\$ 643,504	7.6 %

- Total assets increased by 7.6% (\$48.7 million) due to positive net inflows into the portfolio even though the overall portfolio earned less investment income during the fiscal year than it did last year.
- Total investment earnings decreased by 7.1% (\$5.7 million) due to members not earning as high of interest/dividends as they were in fiscal year 2024.
- The decrease of \$12.1 million in distributions is a result of less participants taking distributions.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the PERB's financial reporting which is comprised of the following components:

- (1) Basic Financial Statements,
- (2) Notes to the Basic Financial Statements,
- (3) Required Supplementary Information, and
- (4) Other Supplementary Information.

Collectively, this information presents the combined net position restricted for pension and other employee benefits for each of the plans administered by the PERB as of June 30, 2025. This financial information also summarizes the combined changes in net position restricted for pension and other employee benefits for the year then ended. The information in each of these components is briefly summarized as follows:

(1) Basic Financial Statements

For the fiscal year ended June 30, 2025, basic financial statements are presented for the fiduciary funds administered by Montana Public Employee Retirement Administration, staff of the PERB. Fiduciary funds are used to pay for pension and other employee benefits and expenses. The fiduciary funds are comprised of eleven trust funds that consist of nine pension, one other post-employment benefit (OPEB), and one other employee benefit (457(b)).

- The Statement of Fiduciary Net Position is a point-in-time snapshot of the assets, liabilities, deferred outflows/inflows of resources, and the resulting restricted fiduciary net position. This financial statement reflects the resources available to pay benefits to retirees and beneficiaries at the end of the reported fiscal year.
- The Statement of Changes in Fiduciary Net Position presents the changes in the restricted fiduciary net position during the fiscal year. Additions are mainly contributions from employers, members, and a non-employer contributing entity, including state appropriations and net investment earnings. Deductions include pension, disability, survivor and death benefit disbursements, distributions of contributions and interest, and administrative expenses.

(2) Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements are an integral part of the financial statements and provide additional information that is essential for a comprehensive understanding of the data provided in the financial statements.

(3) Required Supplementary Information

The required supplementary information (RSI) consists of schedules intended to show information for the most recent ten years.

The RSI also contains related notes concerning actuarial information of the defined benefit pension plans; Other Post-Employment Benefits (OPEB) for the state healthcare benefits and related notes to the OPEB plan, which is administered by the State of Montana and where PERB is an employer. Finally, this discussion and analysis is also RSI in accordance with Governmental Accounting Standards Board (GASB) standards.

(4) Other Supplementary Information

The supplementary information (SI) consists of schedules including more detailed presentations of information included in the basic financial statements. These consist of the schedules of the Administrative Expenses and the Investment Expenses.

Actuarial Valuations and Funding Progress

The PERB's consulting actuary conducts two actuarial valuations on an annual basis for each of the PERB defined benefit retirement plans and the DC Disability OPEB plan: one for GASB-compliant "financial reporting" purposes, and the other for "management" purposes. Results of each are highlighted in the following paragraphs.

GASB Statements No. 67 and No. 68 Actuarial Valuations

To comply with Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pensions, an amendment of GASB Statement No. 25*, the PERB relied upon its consulting actuary to compute the total pension liability, net pension liability, pension income or expense, and deferred outflows and deferred inflows of resources for each of its defined benefit retirement funds as of June 30, 2025. The PERB's participating governmental employers are required to report their respective shares of these amounts in their financial statements in compliance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*.

For PERB's largest cost-sharing, multiple-employer defined benefit plan, the Public Employees Retirement System (PERS), the June 30, 2025 actuarial valuation report in accordance with GASB-67 revealed a net pension liability of \$2.37 billion. This is a decrease of \$78.3 million from the fiscal year 2024 net pension liability of \$2.45 billion. As a result of this June 30, 2025

actuarial valuation, the plan's fiduciary net position as a percentage of the total pension liability was 76.32%, increasing 1.55% from the ratio of 74.77% reported as of June 30, 2024.

Additional information on the actuarial valuation results for PERB's defined benefit retirement plans may be found in: *Note A3. Net Pension Liability of Employers* and in the *Required Supplementary Information (RSI)*.

Funding Actuarial Valuations

An actuarial valuation for management purposes of each of the defined benefit plans and the DCRP Disability OPEB plan is performed annually. The purpose of this particular actuarial valuation is to measure funding progress, and to ascertain the actuarial determined contribution, contribution sufficiency or deficiency, and other actuarial information necessary for monitoring funding position. The most recent actuarial valuation was performed for the fiscal year ending June 30, 2025.

The experience study performed during fiscal year 2022 for the five-year period of July 1, 2016 to June 30, 2021, resulted in changes to the demographic and economic actuarial assumptions and implementation of new actuarial factors. These were used in the June 30, 2025 actuarial valuation.

The PERB's funding objective is to meet long-term benefit obligations through investment income and contributions. Employer and member contributions and other contributions for some systems, and the income from investments provide the cash flow needed to finance future retirement benefits. The Actuarial Determined Contribution (ADC) is a critical component of funding for defined benefit plans. The ADC, as defined by GASB, is a target or recommended contribution to a defined benefit pension plan for the reporting period.

Investment earnings are also critical to the defined benefit plans' funding; investment losses deteriorate the plans' funding. The asset smoothing methods utilized by the plans limits the impacts to four years. The funding status in the latest valuation, decreased for all plans.

As required by Article VIII, section 15, of the Montana Constitution and section 19-2-409, MCA, the public retirement plans are to be funded on an actuarially sound basis. Public pension plans are considered actuarially sound if the unfunded actuarial accrued liability amortization period is 30 years or less. According to the PERB's June 30, 2025 actuarial valuations, the unfunded liability of all plans amortize within the 30 years, with JRS and VFCA being fully funded.

Currently Known Facts, Conditions, or Decisions

The following are currently known facts, conditions, or decisions that are expected to have a significant effect on the System's financial position or results of operations.

During the 2025 Legislative Session, House Bill 85 repealed the modified layered amortization policy put in place for JRS, HPORS, SRS, and GWPORS systems under HB 569 passed during the 2023 legislative session and restored the employer contribution rates in each system to the fiscal year 2023 employer rates that existed before HB 569 was passed. The 2023 employer contribution

rates were 0% for JRS, 38.33% for HPORS, 13.115% for SRS, and 10.56% for GWPORS. For JRS, the effective date of this change is July 1, 2025 and for HPORS, SRS, and GWPORS, the effective date of this bill applies retroactively to employer contribution rates on or after July 1, 2023.

The passage of House Bill 358 during the 2025 Legislative Session, increased the base pension monthly benefit in the Volunteer Firefighters' Compensation Act plan from \$175.00 per month to \$200.00 per month. This became effective July 1, 2025 (fiscal year 2026).

Senate Bill 56 passed during the 2025 Legislative Session, provides for a 0.1% employer contribution increase for HPORS, SRS, and GWPORS systems beginning fiscal year 2026 (July 1, 2025) and continuing for 10 years bringing each systems employer contribution rate up by a full 1%.

House Bill 924 passed during the 2025 Legislative Session, creates the Montana Growth and Opportunity Trust (MGOT) as a permanent fund to support long-term state priorities. Within the MGOT, a pension fund account is created. The MGOT is funded by annual transfers of "volatile revenues" starting in fiscal year 2028. A cap is created on the pension fund within MGOT of \$1 billion. This bill also increases the employer supplemental contribution to PERS by 0.1% per year for 20 years beginning July 1, 2027. At July 1, 2047, the total employer supplemental contribution would be 4.27%.

Subsequent Events

MPERA has performed an evaluation of subsequent events and there are no material events identified.

Request for Information

This financial report is intended to provide a general overview of the PERB's financial position as of June 30, 2025, and the results of the financial activities for fiscal year 2025. If you have any questions or comments concerning the contents of this report, please contact Montana Public Employee Retirement Administration:

- By mail at 100 N. Park, Suite 200, PO Box 200131, Helena, Montana 59620-0131,
- By telephone 1-406-444-3154 or toll-free 1-877-275-7372, or
- Via e-mail at mpera@mt.gov

Public Employees' Retirement Board

A Component Unit of the State of Montana

Statement of Fiduciary Net Position - Pension (And Other Employee Benefit) Trust Funds

as of June 30, 2025

(in thousands)

	PERS-DBRP	PERS-DCRP DISABILITY OPEB	JRS	HPORS	SRS	GWPORS
Assets						
Cash and Short-term Investments	\$ 86,279	\$ 751	\$ 1,539	\$ 2,802	\$ 6,825	\$ 4,509
Securities Lending Collateral (Note A5)	377,801	28	7,258	11,751	29,736	18,604
Receivables						
Interest Receivable	287	2	5	9	25	14
Receivable Due from Other Systems (Note A1)	1,000					
Receivable Due from Primary Government						
Accounts Receivable	3,033	6		665	1,366	551
<i>Total Receivables</i>	4,320	8	5	674	1,391	565
Investments (Note A5)						
Commingled Equity Securities		11,721				
CAPP Investment Pool	7,542,352		145,635	235,399	603,353	378,923
Defined Contributions Fixed Investments						
Defined Contributions Variable Investments						
Deferred Compensation Life Insurance						
<i>Total Investments</i>	7,542,352	11,721	145,635	235,399	603,353	378,923
Capital Assets - Net of Accumulated Depreciation and Amortization						
Property and Equipment	15					
Intangible Assets	229		67	57	67	67
Intangible Right-to-use Assets	2,634		3	16	85	54
<i>Total Capital Assets</i>	2,878		70	73	152	121
Total Assets	8,013,630	12,508	154,507	250,699	641,457	402,722
Deferred Outflow of Resources - OPEB	232			2	9	6
Liabilities						
Securities Lending Liability	377,801	28	7,258	11,751	29,736	18,604
Payable Due to Other Systems (Note A1)			9	40	235	153
Accounts Payable	755		1		36	32
Contributions Received in Advance	39				1	
Other Liabilities	544		1	4	21	14
Lease Liability	2,882		3	18	93	59
Total Liabilities	382,021	28	7,272	11,813	30,122	18,862
Deferred Inflow of Resources - OPEB	288			2	11	7
<i>Net Position - Restricted for Pensions</i>	\$ 7,631,553	\$ 12,480	\$ 147,235	\$ 238,886	\$ 611,333	\$ 383,859
<i>Net Position - Restricted for Benefits</i>						
Total Fiduciary Net Position	\$ 7,631,553	\$ 12,480	\$ 147,235	\$ 238,886	\$ 611,333	\$ 383,859

The notes to the financial statements are an integral part of this statement.

Defined Benefit and Disability OPEB Pension Plans				Defined Contribution Plan	Other Employee Benefit		Total Pension (and Other Employee Benefit) Trust Funds
MPORS	FURS	VFCA	Total Defined Benefit and Disability OPEB Pension Plans	PERS-DCRP	Deferred Compensation (457(b)) Plan		
\$ 7,089	\$ 8,035	\$ 703	\$ 118,532	\$ 4,283	\$ 1,034	\$	\$ 123,849
32,763	36,845	2,833	517,619	68	31		517,718
25	29	4	400	6	3		409
			1,000				1,000
21,871	27,249		49,120				49,120
264	244		6,129	347	205		6,681
22,160	27,522	4	56,649	353	208		57,210
			11,721				11,721
661,368	751,698	59,993	10,378,721				10,378,721
				28,212	178,125		206,337
				547,004	513,071		1,060,075
					4		4
661,368	751,698	59,993	10,390,442	575,216	691,200		11,656,858
			15	1	1		17
60	60	55	662	55	64		781
52	39	130	3,013	312	139		3,464
112	99	185	3,690	368	204		4,262
723,492	824,199	63,718	11,086,932	580,288	692,677		12,359,897
6	4	12	271	53	10		334
32,763	36,845	2,833	517,619	68	31		517,718
139	111	313	1,000				1,000
340			1,164	249	212		1,625
	32		72	564			636
13	11	28	636	125	23		784
57	43	142	3,297	341	152		3,790
33,312	37,042	3,316	523,788	1,347	418		525,553
7	6	15	336	66	13		415
\$ 690,179	\$ 787,155	\$ 60,399	\$ 10,563,079	\$ 578,928	\$	\$	\$ 11,142,007
					\$ 692,256		692,256
\$ 690,179	\$ 787,155	\$ 60,399	\$ 10,563,079	\$ 578,928	\$ 692,256	\$	\$ 11,834,263

Public Employees' Retirement Board

A Component Unit of the State of Montana

Statement of Changes in Fiduciary Net Position - Pension (And Other Employee Benefit) Trust Funds

for the year ended June 30, 2025

(in thousands)

	PERS-DBRP	PERS-DCRP DISABILITY OPEB	JRS	HPORS	SRS	GWPORS
Additions						
Contributions (Note C)						
Employer	\$ 152,641	\$ 772	60	\$ 7,125	\$ 15,815	\$ 7,559
Plan Member	134,177		724	2,509	12,832	7,738
Miscellaneous Revenue	61			4	9	9
State Contributions	1,304			205		
State Appropriations	35,684			500		
Non-Vested Member Forfeitures						
<i>Total Contributions</i>	323,867	772	784	10,343	28,656	15,306
Investments (Note A5)						
Net Appreciation (Depreciation)						
in Fair Value of Investments	708,466	1,343	13,615	22,045	55,818	34,942
Interest, Dividends and Other	4,267	40	71	129	346	209
Investment Expenses	(41,990)	(6)	(807)	(1,307)	(3,314)	(2,075)
<i>Net Investment Earnings</i>	670,743	1,377	12,879	20,867	52,850	33,076
Securities Lending Income						
Securities Lending Income	17,297		333	538	1,362	852
Securities Lending Rebate and Fees	(15,033)		(289)	(468)	(1,183)	(741)
<i>Net Securities Lending Income</i>	2,264		44	70	179	111
Total Net Investment Earnings	673,007	1,377	12,923	20,937	53,029	33,187
Total Additions	996,874	2,149	13,707	31,280	81,685	48,493
Deductions (Note C)						
Benefits, Refunds and Distributions	609,591	112	4,971	17,189	33,554	15,861
Supplemental Insurance Payments						
Administrative Expenses	6,189		54	81	292	206
Miscellaneous Expenses						
Total Deductions	615,780	112	5,025	17,270	33,846	16,067
Net Increase (Decrease)	381,094	2,037	8,682	14,010	47,839	32,426
Beginning of Year Net Position	7,250,467	10,443	138,553	224,876	563,494	351,433
Adjustments and Restatements (Note A1)	(8)					
Beginning of Year Net Position, adjusted or restated	7,250,459	10,443	138,553	224,876	563,494	351,433
End of Year Net Position	\$ 7,631,553	\$ 12,480	\$ 147,235	\$ 238,886	\$ 611,333	\$ 383,859

The notes to the financial statements are an integral part of this statement.

Defined Benefit and Disability OPEB Pension Plans				Defined Contribution Plan	Other Employee Benefit		Total Pension (and Other Employee Benefit) Trust Funds
MPORS	FURS	VFCA	Total Defined Benefit and Disability OPEB Pension Plans	PERS-DCRP	Deferred Compensation 457(b) Plan		
\$ 10,796	\$ 12,024		\$ 206,792	\$ 19,633	\$ 242	\$ 226,667	
6,886	9,075		173,941	22,753	28,585	225,279	
2	2		87	44	296	427	
			1,509	140		1,649	
21,871	27,249	3,910	89,214			89,214	
				1,868		1,868	
39,555	48,350	3,910	471,543	44,438	29,123	545,104	
61,328	69,030	5,337	971,924	61,363	68,096	1,101,383	
350	408	30	5,850	3,073	8,811	17,734	
(3,651)	(4,113)	(317)	(57,580)	(104)	(659)	(58,343)	
58,027	65,325	5,050	920,194	64,332	76,248	1,060,774	
1,500	1,687	130	23,699			23,699	
(1,304)	(1,466)	(113)	(20,597)			(20,597)	
196	221	17	3,102			3,102	
58,223	65,546	5,067	923,296	64,332	76,248	1,063,876	
97,778	113,896	8,977	1,394,839	108,770	105,371	1,608,980	
42,512	35,966	3,182	762,938	33,593	55,570	852,101	
		13	13			13	
187	157	367	7,533	1,618	383	9,534	
				46	861	907	
42,699	36,123	3,562	770,484	35,257	56,814	862,555	
55,079	77,773	5,415	624,355	73,513	48,557	746,425	
635,101	709,382	54,984	9,938,733	505,397	643,504	11,087,634	
(1)			(9)	18	195	204	
635,100	709,382	54,984	9,938,724	505,415	643,699	11,087,838	
\$ 690,179	\$ 787,155	\$ 60,399	\$ 10,563,079	\$ 578,928	\$ 692,256	\$ 11,834,263	

Public Employees' Retirement Board

A Component Unit of the State of Montana

Notes to the Basic Financial Statements

for the Fiscal Year Ended June 30, 2025

The Public Employees' Retirement Board (PERB) is an independent, seven-member board, appointed by the Governor. The members are assigned five-year, staggered terms. The PERB consists of:

- two members at large,
- two active public employees,
- one active defined contribution public employee,
- one member experienced in investments, and
- one retired public employee.

The PERB approves the annual operating budget, developed by the Montana Public Employee Retirement Administration (MPERA) management, before the beginning of the fiscal year. As governed by statute, the PERB's defined benefit administrative expenses may not exceed 1.5% of total defined benefit plan retirement benefits paid. In addition, the PERB decides its legislative priorities, hires the executive director, establishes the policies and procedures that govern operations at MPERA, and hears and rules on appeal matters of disabilities, retirees, and members. Board members that are not compensated by their employers for their time served, receive a stipend amount from MPERA. Board members are also reimbursed for necessary expenses incurred while serving.

The PERB oversees nine retirement plans, an OPEB, the related member education funds, and an other employee benefit plan. The Public Employees' Retirement System Defined Contribution Disability Other Post-Employment Benefit (PERS-DCRP Disability OPEB) is a trust fund providing a defined benefit for disabled members of the PERS-DCRP. The retirement plans are eight defined benefit plans and a defined contribution plan. The defined benefit retirement plans are:

- Public Employees' Retirement System (PERS-DBRP),
- Judges' Retirement System (JRS),
- Highway Patrol Officers' Retirement System (HPORS),
- Sheriffs' Retirement System (SRS),
- Game Wardens' and Peace Officers' Retirement System (GWPORS),
- Municipal Police Officers' Retirement System (MPORS),
- Firefighters' Unified Retirement System (FURS), and
- Volunteer Firefighters' Compensation Act (VFCA).

The defined contribution retirement plan is:

- Public Employees' Retirement System (PERS- DCRP).

The other employee benefit plan is:

- Deferred Compensation (457(b)) Plan

The PERS-DCRP was implemented July 1, 2002. All new PERS members have a 12-month window to file an irrevocable plan choice election. PERS members are provided education regarding their decision to participate in the Defined Benefit Retirement Plan (PERS-DBRP) or the Defined Contribution Retirement Plan (PERS-DCRP). If members are employees of the university system they have a third choice, the Montana University System Retirement Program (MUS-RP). Further education is provided for the members who choose the PERS-DCRP, including information on investment choices.

The PERB began oversight of the Deferred Compensation (457(b)) Plan on July 1, 1999. The Deferred Compensation Plan is available to all employees of the State of Montana, the Montana University System and contracting political subdivisions. This is an other employee benefit plan.

The MPERA, as a state agency, participates as an employer in the PERS-DBRP, PERS-DCRP and the Deferred Compensation Plan.

The assets of each plan are maintained separately, including member education funds. The assets may be used only for the payment of benefits to the members and administrative expenses of the appropriate plan, in accordance with the terms of each plan as prescribed in Title 19 of the Montana Code Annotated (MCA). The financial statements are presented by combining the PERS-DBRP and the DBRP Education Fund and by combining the PERS-DCRP and the DCRP Education Fund. A presentation of the individual funds is shown following the RSI and Supplementary Information (SI).

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A1. BASIS OF PRESENTATION AND BASIS OF ACCOUNTING

Basis of Presentation

The PERB is a fiduciary component unit Pension and Other Employee Benefit Trust Fund of the State of Montana. The accompanying financial statements, in thousands beginning in fiscal year 2025, were prepared by MPERA, staff of the PERB, in accordance with generally accepted accounting principles (GAAP). In doing so, MPERA adheres to accounting and financial reporting standards established by the Governmental Accounting Standards Board (GASB). GASB is the independent, not-for-profit, standards-setting organization and the official source of GAAP for state and local governmental entities in the United States of America.

PERB's accounts are organized and presented as separate fiduciary funds. These funds are classified as pension and other employee benefit trust funds and are maintained for the exclusive benefit of the members and their beneficiaries.

Basis of Accounting

The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The PERB's financial statements are reported using fund accounting principles and the accrual basis of accounting. Plan member contributions, employer contributions, and related receivables are recognized as revenues in the accounting period in which they are earned and become measurable, pursuant to formal commitments and statutory requirements. Benefit payments and refunds/distributions are recognized in the accounting period in which they are due and payable in accordance with the terms of each plan. Administrative and other expenses, and the associated liabilities, are recognized in the period the liability is incurred. Administrative expenses are financed through investment earnings on the pension trust fund for the defined benefit plans. Interfund receivables and payables exist at year-end for defined benefit administrative expenses that are accounted for within PERS-DBRP and allocated to the other defined benefit funds at year-end.

Compensated Absences

The compensated absences liability for MPERA's employees as of June 30, 2025, amounted to \$610,717, a net increase of \$59,688 from the June 30, 2024 amount of \$551,029. This represents unused leave expected to be paid to employees. The amount estimated to be due within one year is \$317,280.

Significant Accounting Changes

Significant accounting policies are specific accounting principles and methods used and considered to be the most appropriate to use in current circumstances to fairly present the financial statements.

During fiscal year 2025, MPERA implemented an accounting change, consolidating the Compensated Absences with the OPEB Liability into Other Liabilities. This streamlined approach to presentation may be found on the basic *Statement of Fiduciary Net Position*. The aggregated amount of the OPEB liability and compensated absences as of June 30, 2025 are presented in the table below.

Accounting Change											
(in thousands)	PERS-DBRP	JRS	HPORS	SRS	GWPORS	MPORS	FURS	VFCA	PERS-DCRP	457(b)	Totals
Compensated Absences	\$ 425	\$ 1	\$ 3	\$ 16	\$ 11	\$ 10	\$ 9	\$ 22	\$ 97	\$ 18	\$ 612
OPEB Liability	119		1	5	3	3	2	6	28	5	172
Other Liabilities	\$ 544	\$ 1	\$ 4	\$ 21	\$ 14	\$ 13	\$ 11	\$ 28	\$ 125	\$ 23	\$ 784

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MPERA streamlined the presentation of the basic *Statement of Changes in Fiduciary Net Position* by consolidating:

- Retirement Incentive Program into the Employer Contributions for the defined benefit plans. The amount was \$163 to the PERS-DBRP.
- The aggregate amount of \$119,944 in the Interest Reserve Buyback into the Plan Member Contributions for the defined benefit plans.

Contributions Accounting Change								
(in thousands)	PERS-DBRP	JRS	HPORS	SRS	GWPORS	MPORS	FURS	Totals
Plan Member Contributions	\$ 134,080	\$ 717	\$ 2,508	\$ 12,825	\$ 7,733	\$ 6,883	\$ 9,075	\$173,821
Interest Reserve Buyback	97	7	1	7	5	3		120
Plan Member Contributions	\$ 134,177	\$ 724	\$ 2,509	\$ 12,832	\$ 7,738	\$ 6,886	\$ 9,075	\$173,941

- The separate line items of *Benefits, Refunds/Distributions, and Transfers* have been consolidated into one line item *Benefits, Refunds, and Distributions*. The aggregated amount for the *Benefits* as of June 30, 2025 was \$732,309, *Refunds/Distributions* was \$116,021, and *Transfers to Other Systems* was \$3,771.

Benefits, Refunds and Transfers Accounting Change											
(in thousands)	PERS-DBRP	PERS-DC Disability	JRS	HPORS	SRS	GWPORS	MPORS	FURS	VFCA	PERS-DCRP	457(b)
Benefits	\$588,013	\$ 111	\$ 4,971	\$ 16,254	\$ 31,270	\$ 14,671	\$ 38,006	\$35,831	\$ 3,182		
Refunds / DC Distribution	17,984			889	2,221	1,184	4,506	135		\$ 33,531	\$ 55,570
Transfers to Other Systems	3,594	1		46	63	6				62	
Benefits, Refunds/ Distribution	\$609,591	\$ 112	\$ 4,971	\$ 17,189	\$ 33,554	\$ 15,861	\$ 42,512	\$ 35,966	\$ 3,182	\$ 33,593	\$ 55,570

MPERA reviews the requirements of all new Governmental Accounting Standards Board (GASB) pronouncements and their impact on the financial statements. For the fiscal year ending June 30, 2025, there was no material impact to the financial statements resulting from the implementation of new accounting standards below.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

A2. CAPITAL ASSETS

- **Tangible Capital Assets**—MPERA has adopted a capitalization threshold used to identify whether assets purchased by MPERA are classified as capital assets or operating expenses that are expensed in the year purchased. Furniture and equipment with a cost equal to or greater than \$5,000, \$25,000 for building improvements, are recorded as tangible capital assets and depreciated based on the useful life of the asset. Building improvements consist of a remodel of the front office area. The equipment of old servers are no longer in use and were disposed of during fiscal year 2025.

Depreciation for tangible capital assets is computed using the straight-line method over the estimated useful life of the related assets according to the following schedule below:

Useful Lives of Tangible Capital Assets	
	<u>Years</u>
Building Improvements	7-20
Furniture and Equipment	3-10

Assets (other intangibles) valued at \$100,000 or more are recorded at cost less straight-line amortization over the estimated useful life of five to ten years. The \$781 thousand *Intangible Assets* in the *Total Pension (and Other Employee Benefit) Trust Funds* column on the *Statement of Fiduciary Net Position*, consists of the PERIS, ERIC and MSS computer system. This intangible asset is amortized over 10 years.

- **Intangible Right-to-use Lease Assets**—Lease liabilities represent MPERA's obligation to make lease payments arising from the contractual relationship. Lease liabilities are recognized at the lease commencement date based on the present value of the lease payments expected to be made during the lease term. The present value of the lease payments are discounted based on a borrowing rate determined by Montana Board of Investments.

MPERA has a right-to-use asset representing the building lease for MPERA's offices at the location of 100 North Park Avenue, Helena, MT. The lease is payable monthly and includes inflationary adjustments over the period of the lease. MPERA is required to make principal and interest payments through June 30, 2030. The agreement has a discount rate of 1.65%. The net right-to-use asset and related accumulated amortization for the building contract are \$3,464,559 and \$1,385,824, respectively as of June 30, 2025. The building lease allows for a renewal option of one to five years, that MPERA is reasonably certain to exercise. MPERA has recognized the additional five years in the measurement of the lease liability. The lease provides for increases in future minimum annual rental payments based on an escalation scale of 3% per year.

Remaining principal and interest payments on the lease agreement are as follows on the top of the next page, assuming exercising of the extension:

Fiscal Year	Principal	Interest	Total Amount
July 1, 2025 - June 30, 2026	\$300,105	\$60,783	\$360,888
July 1, 2026 - June 30, 2027	\$315,989	\$55,726	\$371,715
July 1, 2027 - June 30, 2028	\$332,463	\$50,403	\$382,866
July 1, 2028 - June 30, 2029	\$349,547	\$44,805	\$394,352
July 1, 2029 - June 30, 2030	\$367,263	\$38,920	\$406,182
July 1, 2030 - June 30, 2035	\$2,125,622	\$95,551	\$2,221,173

A3. NET PENSION LIABILITY OF EMPLOYERS

The net pension liability (the retirement systems’ total pension liability determined in accordance with GASB Statement No. 67 less the fiduciary net position at fair value) as of June 30, 2025, is shown below in the *Schedule of Employers’ Net Pension Liability (NPL)*.

Employers’ Net Pension Liability / (Asset) as of June 30, 2025 (dollar amounts are in thousands) ¹						
System	Total Pension Liability (a)	Plan Fiduciary Net Position ² (b)	Employers’ Net Pension Liability / (Asset) ¹ (a-b)	Plan Fiduciary Net Position as a % of the Total Pension Liability (b/a)	Covered Payroll (c)	Net Pension Liability / (Asset) as a % of Covered Payroll ((a-b)/c)
PERS-DBRP ²	\$ 9,998,116	\$ 7,630,686	\$ 2,367,430	76.32 %	\$ 1,665,060	142.18 %
JRS	78,160	147,235	(69,075)	188.38 %	8,949	(771.88)%
HPORS	305,446	238,886	66,560	78.21 %	18,564	358.54 %
SRS	728,078	611,333	116,744	83.97 %	118,828	98.25 %
GWPORS	405,878	383,859	22,019	94.58 %	71,269	30.90 %
MPORS	905,281	690,179	215,103	76.24 %	74,997	286.82 %
FURS	915,318	787,155	128,163	86.00 %	83,372	153.72 %
VFCA	58,879	60,399	(1,519)	102.58 %	N/A ³	N/A ³

¹The dollar amounts in this schedule are all rounded numbers from the GASB 67 reporting. Therefore, the dollar amounts in the Employers Net Pension Liability / (Asset) column may not equal the use of the (a-b) formula.

²The PERS-DBRP Education Fund balance is not included in the Fiduciary Net Position in the GASB 67 reporting, this is a not a pension fund.

³Covered payroll is not applicable to VFCA because members are unpaid volunteers.

Actuarial valuations of the ongoing systems involve estimates of the reported amounts and assumptions about probability of occurrence of events far into the future. The information used includes, but is not limited to, the plan provisions, employee data, and financial information provided by the PERB. Amounts determined regarding the NPL are subject to revision with each valuation as actual results are compared with past expectations and new estimates are made about the future. The most recent experience study was performed in 2022 using June 30, 2021 valuation data.

The reporting date for the retirement systems is June 30, 2025. Measurements as of the reporting date are based on the fair value of assets as of June 30, 2025 and the Total Pension Liability (TPL) is based on the results of an actuarial valuation date of June 30, 2025. No roll forward procedures were used.

The *Schedule of Employers' Net Pension Liability*, presented as Required Supplementary Information (RSI) following the Notes to the basic financial statements, displays multi-year trend information about whether the plan fiduciary net positions are increasing or decreasing over time relative to the TPL.

Below are the changes to the benefit terms used in the measurement of the TPL for June 30, 2025 as a result of the 2025 Legislative Session.

1. House Bill (HB) 85 reestablished the fixed rate employer contribution funding policy for JRS (0%), HPORS (38.33%), SRS (13.115%), and GWPORS (10.56%), repealing the Actuarially Determined Employer Contribution (ADEC) funding policy passed with HB 569 during the 2023 legislative session. For JRS, the effective date of this change is July 1, 2025 and for HPORS, SRS, and GWPORS, the effective date of this bill applies retroactively to employer contribution rates on or after July 1, 2023.
2. The JRS employer contribution rate has been permanently reduced to 0%. If in the most recently available actuarial study for the JRS, the funded ratio drops below 120%, the employer contribution rate must be increased to 25.81%.
3. Beginning July 1, 2025, HB 358 increased the VFCA monthly base pension benefit from \$175 per month to \$200 per month for current and future retirees.
4. Beginning July 1, 2025, Senate Bill 56 provides for a 0.1% employer contribution increase for the HPORS, SRS, and GWPORS systems and continuing for ten years bringing each systems employer contribution rate up by a full 1.0%. This additional contribution rate terminates on the July 1 following the actuarial valuation if the actuarial valuation determines that terminating the additional employer contribution would not cause the amortization period to exceed 25 years.
5. Beginning July 1, 2027, HB 924 increases the employer supplemental contribution to PERS by 0.1% per year for 20 years. For fiscal years beginning after June 30, 2047, the total employer supplemental contribution will equal 4.27% of compensation. The additional employer contribution terminates on January 1 following the actuarial valuation if the actuarial valuation determines that terminating the additional employer contribution would not cause the amortization period to exceed 25 years.

There are no changes to the actuarial assumptions used in the measurement of the TPL for June 30, 2025.

A summary of the actuarial assumptions for the retirement plan's GASB No. 67 reporting as of the latest actuarial valuation on June 30, 2025 is shown in the *Notes to the RSI*. The assumptions and methods used in the latest actuarial valuation are based on the most recent actuarial experience study for the five-year period July 1, 2016 to June 30, 2021.

Long-Term Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the plans about every five years. The current long-term rate of return is based on analysis in the experience study report dated May 2, 2022, without consideration of the administrative expenses analysis shown in the experience study. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of June 30, 2025, are summarized in the following Target Allocations table. While not relied on to develop the long-term expected rate of return, the actuary believes that if more recent arithmetic real rates of return were used, the current long-term expected rate of return would still be reasonable.

Target Allocations as of June 30, 2025		
Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash	3.0 %	(0.33)%
Domestic equities	30.0 %	5.90%
International equities	17.0 %	7.14%
Private investments	15.0 %	9.13%
Real assets	5.0 %	4.03%
Core fixed income	15.0 %	1.14%
Non-core fixed income	6.0 %	3.02%
Real estate	9.0 %	5.41%
Totals	100.0 %	

Single Discount Rate

The discount rate used to measure the TPL for all Plans was 7.30%, which is the assumed long-term expected rate of return on investments. To determine the discount rate, the fiduciary net pension must be projected into the future for as long as there are anticipated benefits payable under the plan's provisions applicable to the members and beneficiaries of the Plans on the measurement date. If the fiduciary net position is projected to not be depleted at any point in the future, the long-term expected rate of return on plan investments expected to be used to finance the benefit payments may be used as the discount rate. Based on the assumptions, the fiduciary net position of all the Plans, was projected to be available to make all the projected future benefit payments of the

current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

If, however, the fiduciary net position is projected to be depleted, the discount rate is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by discounting all projected benefit payments through the date of depletion by the long term expected rate of return, and the present value determined by discounting those benefits after the date of depletion by a 20-year tax-exempt municipal bond (rating AA/Aa or higher) rate. The rate used, if necessary, for this purpose is the monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate (formerly published monthly by the Board of Governors of the Federal Reserve System). The Municipal Bond Index Rate as of the measurement date is 5.25%. The discount rate determined does not use the municipal bond rate for any of the Plans.

Sensitivity Analysis

In accordance with GASB No. 67 regarding the disclosure of the sensitivity of the NPL to changes in the discount rate, the NPL of the participating employers is presented as using the discount rate of 7.30%, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00% lower (6.30%) or 1.00% higher (8.30%) than the current rate. The table that follows presents the sensitivity disclosures for each plan.

Sensitivity of NPL / (Asset) based on Changes in Discount Rate as of June 30, 2025 (dollar amounts are in thousands)			
System	1% Decrease 6.30%	Current Discount Rate 7.30%	1% Increase 8.30%
PERS-DBRP	\$ 3,515,546	\$ 2,367,430	\$ 1,404,537
JRS	(61,726)	(69,075)	(75,424)
HPORS	109,114	66,560	32,343
SRS	220,385	116,744	32,422
GWPORS	82,212	22,019	(27,048)
MPORS	355,164	215,103	103,843
FURS	272,472	128,163	13,040
VFCA	4,735	(1,519)	(6,785)

The NPL is determined by subtracting the Fiduciary Net Position (FNP) from the TPL. As can be seen from the table, changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate.

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Annual Money-Weighted Rate of Return

The annual money-weighted rate of return on plan investments shows investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. A schedule of the annual money-weighted rate of return for all Plans is presented below and in the RSI.

Annual Money-Weighted Rate of Return as of June 30, 2025			
PERS-DBRP	9.45 %	GWPORS	9.46 %
JRS	9.46 %	MPORS	9.41 %
HPORS	9.45 %	FURS	9.42 %
SRS	9.46 %	VFCA	9.47 %

A4. OTHER POST-EMPLOYMENT BENEFITS (OPEB FOR HEALTHCARE)

General Information Non-Trust Plan

The State of Montana provides optional post-employment health care benefits in accordance with Section 2-18-704, MCA to the following employees and dependents who elect to continue coverage and pay administratively established contributions: (1) employees and dependents who retire under applicable retirement provisions and (2) surviving dependents of deceased employees. Medical, dental, and vision benefits are available through this plan. The State of Montana offers an OPEB plan that is not administered through a trust; as such, there are no plan assets accumulated to offset the total OPEB liability.

The State of Montana pays for post-employment healthcare benefits on a pay-as-you-go basis. Section 2-18-812, MCA gives the Department of Administration authority to establish and amend the funding policy for the State group health insurance plan.

Plan Description

The State of Montana Employee Group Benefits Plan, administered by the Montana Department of Administration, is considered a single-employer plan and MPERA is considered to be a participating employer in the plan. In accordance with GASB Statement No. 75, MPERA is required to recognize and report certain amounts associated with their employees and dependents that are eligible to receive health care through the State of Montana Employee Group Benefits Plan. This includes requirements to record and report each employers’ proportionate share of the collective Total OPEB Liability, OPEB Expense, and Deferred Outflows and Deferred Inflows of Resources associated to OPEB.

In addition to the employee benefits, the following post-employment benefits are provided. The Montana Department of Administration established retiree medical premiums varying between \$524 and \$2,555 per month for calendar year 2025, depending on the medical plan selected, family coverage, and Medicare eligibility. Retirees pay 100% of the premiums for medical, dental, and vision. Depending on the coverage selected, administratively-established dental premiums vary between \$42.37 and \$71.27 per month and vision hardware premiums vary between \$7.64 and \$22.26. The plan provides different coinsurance amounts and deductibles depending on whether

members use participating or non-participating providers. Once retiree members become Medicare eligible, the plan automatically processes claim reimbursement as the secondary insurer, even if the member is not enrolled in Medicare. A basic life insurance plan on the life of the retiree is also included with a retiree's core benefits until the retiree reaches age 65 or is eligible for Medicare.

Employees covered by benefit terms

At December 31, 2024, MPERA had 48 active employees and no retired employee/spouse/surviving spouse covered by the benefit terms.

The estimates were prepared based on an actuarial valuation as of the year ending December 31, 2024, rolled forward to the measurement date of March 31, 2025, for the Department of Administration. The resulting State of Montana Actuarial Valuation of Other Post-Employment Benefits (OPEB) contains the MPERA data and is available through the following address: Montana Department of Administration, State Accounting Division, Room 255, Mitchell Bldg, 125 N Roberts Street, PO Box 200102, Helena, MT 59620-0102.

Schedule of Changes in Total OPEB Liability

At June 30, 2025, MPERA reported a liability of \$171,884 for its 0.3681612% proportionate share of the total OPEB Liability. At June 30, 2024, MPERA reported a liability of \$129,817, for its 0.4104539% proportionate share of the total OPEB Liability. MPERA's proportion of the total OPEB liability measurement is based upon MPERA's actuarially determined OPEB liability in comparison to the collective OPEB liability for the State's healthcare plan. MPERA's change in proportion is (0.0422926)%.

The following table presents the Other Items Related to and Changes in the Total OPEB Liability.

Schedule of Changes in Total OPEB Liability	
Balances at 6/30/2024	\$ 129,817
Changes for the year:	
Service Cost	3,369
Interest	5,468
Differences in experience	3,799
Changes of assumptions or other inputs	30,384
Benefit Payments (Contributions)	(953)
Net Changes	42,067
Balances as of 6/30/2025	\$ 171,884

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Actuarial assumptions and other inputs

The total OPEB liability in the December 31, 2024 actuarial valuation, rolled forward to March 31, 2025, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Contributions:	\$ (953)
Actuarial valuation date	December 31, 2024
Actuarial measurement date ⁽¹⁾	March 31, 2025
Experience study period	January 1, 2024 through December 31, 2024
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll, open basis
Remaining amortization period	20 years
Asset valuation method	Not applicable since no assets meet the definition of plan assets under GASB 75
Actuarial Assumptions:	
Discount rate	4.57%
Healthcare cost trend rate	7.6% / 9.6%
Projected payroll increases	3.50%
Participation:	
Future retirees	40.00%
Future eligible spouses	70.00%
Marital status at retirement	70.00
⁽¹⁾ Updated procedures were used to roll forward the total OPEB liability to the measurement date.	

Mortality - Contributing Members: For general members, mortality follows the PUB-2010 General Employee table, projected generationally using MP-2021. For Safety members, healthy mortality follows the PUB-2010 Safety table, projected generationally using MP-2021.

Mortality - Retired: For general retirees, mortality follows the PUB-2010 General Retiree table set forward for one year and adjusted 104% for males, or adjusted 103% for females, projected generationally using MP-2021. For safety retirees, mortality follows the PUB-2010 Safety Retiree table set forward one year and adjusted 105% for males, or adjusted 100% for females, projected generationally using MP-2021.

Mortality - Surviving Beneficiaries: For general survivors, mortality follows the PUB-2010 Contingent Survivor table set forward one year for males and females, projected generationally using MP-2021. For safety survivors, mortality follows the PUB-2010 Contingent Survivor table set forward one year for males, project generationally using MP-2021.

Mortality - Disabled: For general retirees, disabled mortality follows the PUB-2010 General Disabled table set forward one year for males and females, projected generationally using MP-2021. For safety retirees, disabled mortality follows the PUB-2010 Safety Disabled table set forward one year for males, projected generationally using MP-2021.

Changes in actuarial assumptions and methods since last measurement date

- The discount rate increased from 4.12% to 4.57%.
- Projected Payroll increase based on 2024 pension report assumptions.
- Decrement tables updated per the October 2024 pension actuarial reports.
- Updated trend projections based on short-term industry expectations and long-term on the 2025 Getzen model.
- Due to Inflation Reduction Act, applied separate healthcare and contribution trend rates for Medical, Pre-65 Med/Rx, and Post-65 Med/Rx.

Changes in benefit terms since last measurement date

- There were no changes in benefit terms since the last measurement date.

Sensitivity Analysis

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of MPERA, as well as MPERA's total OPEB liability calculated using a discount rate that is 1.00% lower (3.57%) or 1.00% higher (5.57%) than the current discount rate:

Discount Rate 3/31/2025	1% Decrease (3.57%)	Discount Rate (4.57%)	1% Increase (5.57%)
Total OPEB Liability	\$ 242,585	\$ 171,884	\$ 120,755

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:

The following presents the total OPEB liability of MPERA, as well as MPERA's total OPEB liability calculated using healthcare cost trend rates that are 1.00% lower (6.6%) or 1.00% higher (8.6%) than the current healthcare cost trend rates on:

Healthcare Rate 3/31/2025	Decrease (6.6% / 8.6%)	Current Rate (7.6% / 9.6%)	Increase (8.6% / 10.6%)
Total OPEB Liability	\$ 122,073	\$ 171,884	\$ 242,433

OPEB Expense

For the year ended June 30, 2025, MPERA recognized OPEB expense of \$4,082. This expense has been consolidated with the administrative expenses on the *Statement of Changes in Fiduciary Net Position*.

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Deferred Outflows and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, MPERA recorded deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 55,072	\$ 145,862
Changes of assumptions or other inputs	277,851	268,861
*Benefit Payments associated with transactions subsequent to the measurement date of the total OPEB liability	0	
Total	\$ 332,923	\$ 414,723
*Amounts reported as deferred outflows of resources related to OPEB resulting from MPERA's benefit payments in FY2025 (April 1, 2025 through June 30, 2025) subsequent to the measurement date.		

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in future years as an increase or (decrease) to OPEB expense as follows:

Year ended June 30,	Amount recognized as an Increase or (Decrease) to OPEB Expense
2026	\$ (4,755)
2027	\$ (4,755)
2028	\$ (4,755)
2029	\$ (4,755)
2030	\$ (3,712)
Thereafter	\$ (59,068)

A5. METHOD USED TO VALUE INVESTMENTS

According to Article VIII, section 13 of the Montana Constitution and section 19-2-504, MCA, the Montana Board of Investments (MBOI) has a fiduciary responsibility for investing the defined benefit plan assets on behalf of the defined benefit plan members. Investments are determined in accordance with the statutorily and constitutionally mandated "prudent expert principle." Pursuant to Article VIII, section 15 of the Montana Constitution and sections 19-2-502 and 19-2-503, MCA, the PERB has a fiduciary responsibility for the administration of the pension trust funds. For the defined benefit pools, the PERB relies on the Investment Policy Statements (IPS) that are drafted and approved by the MBOI. Investments administered by the MBOI for the PERB are subject to MBOI's investment risk policies. The PERB does not have an investment policy of its own to address risks. MBOI's stand-alone financial statements and information on investment policies, investment activity, investment management fees, investment risks, and a listing of specific investments owned by the pooled asset accounts can be obtained from the Montana Board of Investments, 2401 Colonial Drive, 3rd Floor, P.O. Box 200126, Helena, MT 59620-0126 or MBOI's website <http://investmentmt.com>.

Investments are reported on the PERB's financial statements at fair value as of June 30, 2025, using quoted market prices, unless as otherwise indicated in this section.

The PERS-DCRP and Deferred Compensation plan's Montana Fixed Fund is a stable value investment option administered and monitored by the PERB with input from the Employee Investment Advisory Committee and an investment consultant. The PERB has established an investment policy for the Montana Fixed Fund to identify objectives, investment guidelines, and outline the responsibility of the outside vendors; Pacific Investment Management Company, LLC (PIMCO) the stable value manager, State Street Bank and Trust Company (State Street) the custodial bank, and third party synthetic Guaranteed Interest Contract (GIC) providers, Transamerica Life Insurance Company (Transamerica), Prudential Insurance Company of America (Prudential), and Voya Retirement Insurance and Annuity Company (Voya). All money invested in the Montana Fixed Fund investment option of the PERS-DCRP, and deferred compensation plan money is in a Pooled Trust.

For both the PERS-DCRP and deferred compensation plan, the third party recordkeeper, Empower Retirement™, tracks and reports the daily trading and valuations of all investment options including the assets held by the individual mutual fund companies.

In addition to the laws cited previously, the PERS-DCRP investments are also governed by section 19-3-2122, MCA and the deferred compensation plan investments are governed by section 19-50-102, MCA.

The PERB has a separate investment policy statement for the PERS-DCRP and deferred compensation plans. The investment policies are reviewed and revised, if necessary, by the PERB annually. The investment options are reviewed quarterly for compliance with the established investment policy statement. The PERS-DCRP and deferred compensation plan investments are reported at fair value as of June 30, 2025.

MBOI Pooled Investments

As of June 30, 2025, MBOI managed two major diversified pools for the investments of the retirement funds, Montana Short-Term Investment Pool (STIP) and Montana Consolidated Asset Pension Pool (CAPP). The MBOI also manages the investments of the PERS-DCRP Disability OPEB trust fund. The PERS-DCRP Disability OPEB has investments in STIP and under the Separately Managed Accounts (SMA) portion of the Unified Investment Program within the MBOI, which consists of a portfolio of commingled funds that are recorded under *Commingled Equity Securities* in the financial statements.

Short-Term Investment Pool (STIP)

The Montana Public Retirement Plans investment in the Short-Term Investment Pool (STIP) will provide the Plans with exposure to cash related investments. STIP will be managed internally by MBOI utilizing an active investment strategy. STIP invests primarily in short-term, high quality, fixed income securities with a maximum maturity of 397 days or less. Variable securities shall have a maximum maturity of 2 years. STIP shall maintain a dollar-weighted average portfolio maturity of 120 days or less. This Pool is managed to preserve principal while providing daily liquidity for state agency and local government participants.

Consolidated Asset Pension Pool (CAPP) – The Consolidated Asset Pension Pool (CAPP) invests directly in the underlying Pension Asset Classes (PACs) on behalf of the Montana Public

Retirement Plans within the MBOI Board-approved asset allocation ranges. Each PAC has an underlying set of MBOI Board-approved investment objectives and investment guidelines. Below is a short description of each PAC within the CAPP. For liquidity purposes, each PAC and external manager has a limited amount of cash/cash equivalents. Except for the Cash PAC, it is invested in the State Street Short-Term Investment Fund (STIF), which invests in high quality short-term securities. For external managers, it is invested per MBOI established guidelines.

CAPP's Underlying Asset Classes

Domestic Equities	Real Estate
International Equities	Core Fixed Income
Private Investments	Non-Core Fixed Income
Real Assets	Cash

Domestic Equities PAC – Invests primarily in U.S. traded equity securities such as common stock. The type of portfolio structures utilized are separately managed accounts, commingled accounts, limited partnerships, or limited liability companies, and exchange traded funds.

International Equities PAC – Invests primarily in international equity securities that trade on foreign exchanges in developed and emerging markets. The type of portfolio structures utilized are separately managed accounts, commingled accounts, limited partnerships, or limited liability companies, and exchange traded funds.

Private Investments PAC – Invests in the entire capital structure of private companies. The type of portfolio structures includes private partnership interests, separate accounts, commingled funds and exchange traded funds. The investments typically have well-defined strategies such as buyout, venture, or distressed debt. Private investments are considered long-term. Exchange traded funds are utilized to minimize the cash position.

Real Assets PAC – Invests in inflation linked bonds, infrastructure, energy, timber, agriculture investments or other commodity related assets. The type of portfolio structure includes private partnership interests, separate accounts, commingled funds and exchange traded funds. Real Assets investments generally require a long-time horizon to realize the value of the asset.

Real Estate PAC – Invests primarily in real estate properties. The type of portfolio structures includes private investment partnership interests, real estate investment trusts (REITs), separate accounts, commingled funds and exchange traded funds. The funds typically have well-defined strategies such as core, value-add, or opportunistic. Real Estate investments generally require long-time horizon to realize the value of the assets. Exchange traded funds are utilized to minimize the cash position.

Core Fixed Income PAC - Invests primarily in marketable, publicly traded, investment grade fixed income securities denominated in U.S. dollars. The type of portfolio structures includes internally managed portfolios or externally managed separate accounts, commingled funds and limited partnerships.

Non-Core Fixed Income PAC – Invests primarily in marketable, publicly traded, high yield corporate debt, emerging market debt, convertible debt and preferred securities. The type of portfolio structures includes separately managed accounts, commingled accounts, and limited partnerships.

Cash PAC – Invests primarily in highly liquid, money-market type securities. The type of portfolio structures includes the internally managed Short Term Investment Pool (STIP) or cash vehicles managed through MBOI's custodian or other Security Exchange Commission registered U.S. government money market funds.

PERB Cash Equivalent and Investment Portfolio		
June 30, 2025		
(in thousands)		
<u>Investment Pools</u>	<u>Fair Value</u>	<u>Net Asset Value (NAV)</u>
Short-Term Investment Pool	\$ 106,382	\$ 106,382
CAPP Investment Pool	10,378,721	10,378,721
Commingled Equity Securities ¹	11,721	
Total	<u>\$ 10,496,824</u>	<u>\$ 10,485,103</u>

¹ DC Disability OPEB is invested in commingled equity index funds.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical method are not classified in the fair value hierarchy. This is the case of the Consolidated Asset Pension Pool (CAPP), the Short-Term Investment Pool (STIP) and SMA investments.

The Consolidated Asset Pension Pool, CAPP, is a commingled internal investment pool managed and administered under the direction of MBOI as statutorily authorized by the Unified Investment Program. Only the retirement systems can participate in CAPP. On a monthly basis, redemptions are processed by MBOI to maintain required asset allocations and to provide liquidity for retirement benefits. The fair values of the investments in this category have been determined using the Net Asset Value (NAV) per share (or its equivalent) of the investment.

STIP is an external investment pool managed and administered under the direction of MBOI as statutorily authorized by the Unified Investment Program. It is a commingled pool for investment purposes and participant requested redemptions from the pool are redeemed the next business day. The fair values of the investments in this category have been determined using the NAV per share (or its equivalent) of the investment.

Accounts within *SMA* are invested primarily in investment grade, U.S. dollar denominated fixed income securities and custodial bank interest bearing demand deposit accounts.

As of June 30, 2025, the PERB's portion of the defined benefit investment pools is presented in thousands in the table below:

PERB Portions of MBOI Pools at June 30, 2025 (in thousands)		
<u>Investment</u>	<u>Fair Value</u> <u>June 30, 2025</u>	<u>PERB Portion</u> <u>June 30, 2025</u>
STIP	\$ 106,382	0.67%
CAPP	\$ 10,378,721	66.09%
SMA	\$ 11,721	0.66%

Fair Value Measurement

The MBOI categorizes their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Level 1: Quoted prices for identical assets or liabilities in active markets that MBOI can access as of June 30.

Level 2: Prices are determined using inputs, other than quoted prices included within Level 1, which are observable for an asset or liability, either directly or indirectly. These inputs can include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs.

Level 3: Prices determined using unobservable inputs, which generally results in MBOI using the best information available and may include the MBOI's own data.

MBOI has cash and cash equivalents measured at cost. Other investments are measured at cost or net asset value (NAV) by MBOI.

Within SMA, the *PERS-DCRP Disability OPEB* trust fund invests in commingled equity index funds, recorded under *Commingled Equity Securities* in the financial statements. These SMA investment returns vary depending on the account specific investment allocations and the cash flows in and out of the account during the period.

The **Investment Risks** for the pooled investments and the SMA investments, in which the PERB participates in, are described in the following paragraphs. Investments are administered by MBOI, for the PERB, as part of the State of Montana's Unified Investment Program. The MBOI Board approves all Investment Policy Statements (IPS) and is responsible for setting investment risk policies. MBOI's stand-alone financial statements detail the investment risks associated with the securities held by the pools.

The CAPP as an internal investment pool, STIP as an external investment pool, and participant SMA investments, are subject to an element of risk in all risk categories, with the exception of CAPP having the only risk in foreign currency.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the MBOI will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Per policy, the Board's custodial bank must be rated at a minimum at the sixth highest investment grade rating by at least two Nationally Recognized Rating Organizations (NRSROs) on an annual basis. As of June 30, 2025, all investments were recorded under the MBOI's name at their custodial bank. Therefore, MBOI is not subject to custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributable to the magnitude of any single investment per issuer name. Investments explicitly guaranteed by the U.S. Government are excluded from the concentration of credit risk requirement. Concentration of credit risk is addressed within all IPS's as set by the MBOI.

The STIP IPS limits concentration of credit risk exposure by limiting portfolio investment types to 3% in any issuer except for U.S. Treasury and U.S. Agency securities as well as any repurchase agreements with a financial institution.

Credit Risk - Credit risk is defined as the risk that an issuer or other counter-party to a debt investment will not fulfill its obligation. With the exception of U.S. Government securities, the fixed income instruments in the investment pools and SMA have credit risk as measured by NRSRO ratings. Credit risk is contemplated for each individual portfolio in the IPS.

Foreign Currency Risk - Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair value of an investment. Per MBOI policy, there are maximum restrictions that can be held on non-U.S. securities in a foreign currency and only CAPP is allowed to have foreign currency exposure.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a debt investment. The MBOI uses for CAPP and SMA the effective duration as a measure of interest rate risk for all fixed income portfolios and STIP uses the weighted average maturity (WAM).

According to the STIP investment policy the STIP portfolio will minimize interest rate risk by:

- structuring the investment portfolio so securities mature to meet cash requirements for ongoing operations thereby normally avoiding the need to sell securities on the open market prior to maturity;
- maintaining a dollar-weighted average portfolio maturity (WAM) of 120 days or less (for this purpose, the date to the next coupon reset date will be used for all floating or variable rate securities), and
- STIP will maintain a reserve account.

The PERB's investments subject to credit and interest rate risk at June 30, 2025 are categorized in the table on the top of the next page with amounts in thousands. Credit risk is disclosed using the weighted credit quality rating by investment type. Interest rate risk is disclosed using weighted effective duration.

Investment	Fair Value 6/30/2025 (in thousands)	Credit Quality Rating ¹ 6/30/2025	Effective Duration 6/30/2025
CAPP	\$ 10,378,721	N/R	N/A
STIP	\$ 106,382	N/R	58 days WAM ²
SMA ³	\$ 11,721	N/R	N/A

¹CAPP and SMA have security investment types that are rated for credit and interest rate risk as of June 30, 2025, refer to MBOI's UIP Financial Statements and IPSs for the investment types that are involved.

²Weighted Average Maturity (WAM).

³PERS-DCRP Disability OPEB is invested in the Separately Managed Accounts (SMA).

Although CAPP and STIP investments have been rated by investment security type, CAPP, as an internal investment pool, and STIP, as an external investment pool, have not been rated. The SMA investment is in a mutual fund as of June 30, 2025, as such, MBOI does not calculate a credit quality nor duration on mutual funds.

Securities Lending Collateral, governed under the provisions of state statutes, MBOI authorized the custodial bank, State Street Bank, to lend MBOI's securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The custodial bank is required to maintain minimum collateral requirements based on contractual requirements. On any day, including June 30th, the markets may move in a positive or negative direction resulting in under or over collateralization. The custodial bank compensates for market movement by recalculating on the following business day to meet the collateralization requirements. MBOI and the custodial bank split the earnings, 85% and 15% respectively, on security lending activities. MBOI retains all rights and risks of ownership during the loan period. The custodial bank indemnifies the MBOI's credit risk exposures to the borrowers. The custodial bank cannot sell collateral securities unless the borrower defaults. For PERB, CAPP and SMA participate in the security lending.

The custodial bank loaned the MBOI's public securities and received as collateral the following instruments of cash (U.S. and foreign currency), securities issued or guaranteed by the United States government, debt, bonds, U.S. and non-U.S. equities and certificates of deposit.

There were no restrictions imposed on the number of securities available to lend during the fiscal year. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the period that result in a declaration and note of default of the borrower. There were no losses during the fiscal year resulting from a borrower default. As of June 30, 2025, no securities were recalled and not yet returned.

The collateral received under securities lending agreements where the pools and SMA can spend, pledge, or sell collateral without borrower default and the resulting liabilities from these transactions are included in the *Statement of Fiduciary Net Position*. Costs associated with the securities lending transactions, including broker commissions, and lending fees paid to custodians are reported in the *Statement of Changes in Fiduciary Net Position*. Securities lending income reported for the fiscal year was \$23.7 million, and expenses were \$20.6 million.

Stable Value - Montana Fixed Fund

The Montana Fixed Fund is a stable value investment option of the PERS-DCRP and the deferred compensation plan. It is administered through outside vendors, the stable value manager Pacific Investment Management Company LLC (PIMCO); the custodial bank, State Street Bank and Trust Company (State Street); and third-party synthetic Guaranteed Interest Contract (GIC) providers - Transamerica Life Insurance Company (Transamerica), Prudential Insurance Company of America (Prudential) and Voya Retirement Insurance and Annuity Company (Voya). The Montana Fixed Fund (the "Fund") employs a synthetic stable value strategy in which the stable value manager, PIMCO, manages a diversified bond portfolio and third-party insurers, Transamerica, Prudential, and Voya ("GIC Providers") promise to repay participants' principal investments, plus earnings in accordance with terms of the respective synthetic GIC contracts issued to the PERS-DCRP and deferred compensation plan for the Fund. Transamerica, Prudential, and Voya calculate a rate of interest to be applied to the contract value of the synthetic GIC for each calendar quarter called the "crediting rate", which helps smooth participants' earnings over time. The crediting rates are based on the investment manager's portfolio market value, yield, and duration in accordance with the terms of the respective contracts with the GIC providers. In addition to the synthetic GICs, the Fund's structure incorporates a money market-like liquidity strategy, and the custodial bank calculates a blended return of the individual crediting rates and the liquidity strategy for member investments. The custodial bank also calculates a Net Asset Value (NAV) that is based on the value invested in the GIC contracts, plus earning, and the liquidity strategy.

The PERS-DCRP and deferred compensation plans' stable value investments are determined by the plan accountant to be fully benefit responsive and measured at contract value. They do not participate in fair value changes.

All money invested in the Montana Fixed Fund of the PERS-DCRP and deferred compensation plan are held in a Pooled Trust. The Pooled Trust qualifies as a group trust under sections 401(a), including section 401(a)(24) and 501(a) of the Internal Revenue Code (IRC) of 1986, as amended. The Pooled Trust assets are invested by PIMCO and are held under a custodial agreement with State Street. The Pooled Trust assets are invested by PIMCO based on an investment guideline schedule described in the Montana Fixed Fund investment policy established by the PERB. Additional investment constraints are contained in the investment management agreement between PERB and PIMCO, and within the respective contracts issued by each GIC provider to the Pooled Trust. PERB's stand-alone investment policies for the Defined Contribution and Deferred Compensation (457(b)) plan, as well as the stable value options offered within each plan, may be obtained from the Public Employees' Retirement Board, 100 N. Park Avenue, 2nd Floor, P.O. Box 200131, Helena, MT 59620-0131 or PERB's website <https://mpera.mt.gov/Board/boardpolicies>.

The Montana Fixed Fund is subject to investment risks associated with synthetic GIC contracts and with the bond portfolio managed by PIMCO. These risks may include, but are not limited to, the following:

Credit Risk: Credit risk is the chance that bond issuer will fail to pay interest and principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of the bond to decline. Except for the U.S. Government securities, fixed income instruments have credit risk as measured by major credit rating services. Obligations of the U.S.

Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality. The total investments credit quality rating for Montana Fixed Fund is AA.

Interest Rate Risk: Interest rate risk is the chance that bond prices overall will decline because of rising interest rates. The bond account has low to moderate interest rate risk as it invests primarily in short-term and intermediate-term bonds, whose prices are less sensitive to interest rate changes than are the prices of long-term bonds. In accordance with GASB Statement No. 40, PIMCO has selected the effective duration method to disclose interest rate risk. The total effective duration for Montana Fixed Funds fixed income investments, as of June 30, 2025, is 3.98.

Foreign Currency Risk: Currency risk is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. The Montana Fixed Fund may include securities subject to foreign currency risk.

Default Risk: Default risk is the chance that companies, or individuals will be unable to make the required payments on their debt obligations. With the Montana Fixed Fund being a separately managed account for the benefit of MPERA participants, means that all risks in the account as well as gains and losses related to assets in the account are borne by individual participants.

Derivative Risk: Derivative risk arises when the underlying fund invests in derivatives, which may involve risks different from, and possibly greater than, those of investments directly in the underlying securities or assets. The Montana Fixed Fund may include derivatives subject to derivative risk.

GIC Contract Risk: GICs are issued by insurance companies, banks, and other financial institutions and are intended to help reduce the volatility of any associated fixed income investments. These investment contracts include terms and conditions that can cause withdrawals or transfers from the investment contracts to occur at the lower of the contract's value or the value of the associated fixed income investments. Examples of these terms include, but are not limited to: (1) a withdrawal from the contract or plan not in accordance with its stated withdrawal provisions; (2) the plan fails to be administered in accordance with the plan documents; (3) an event or condition such as the plan's change of control, termination, insolvency, loss of its tax-exempt status, change in laws or accounting rules applicable to plan; or (4) other events resulting in a material and adverse financial impact on the contract issuer as may be set out in the specific contract, such as changes in the tax code or applicable laws or regulations. Also, the contract counterparty could default, become insolvent, file for bankruptcy protection, or otherwise be deemed by the plan's auditor to no longer be financially responsible. There are a limited number of investment contract providers and, due to market conditions or other factors, enough contracts may not be available to obtain the desired amount of coverage.

Variable Investments for the PERS-DCRP and deferred compensation plan are held and managed in a selection of retail and institutional mutual funds, which cover all standard asset classes and categories. The selection of offered mutual funds is designed to provide participants with the ability to diversify investments and meet their individual investment goals and strategies. With advice from an independent investment analyst and assistance from the statutorily created

Employee Investment Advisory Council (EIAC), the PERB conducts annual reviews of the offered mutual funds. The goal of the reviews is to ensure that the offered mutual funds meet standards established in the Investment Policy Statements adopted by the PERB. Each investment alternative is compared to its peers and an appropriate benchmark.

Life Insurance Investment Option

Deferred Compensation plan participants previously had the option to direct a portion of their deferrals to a term life insurance policy provided through Allianz Life Insurance. The ability to invest in life insurance is allowed under the IRC and was offered to plan participants prior to life insurance being offered as a standard component of health insurance benefit packages. This investment option has been discontinued; however, plan participants who had previously elected this option may continue.

Available investment options in the PERS-DCRP and deferred compensation plan are listed in this section. A current listing may also be obtained by contacting MPERA.

The defined benefit investments, the defined contribution investments, and the deferred compensation plan investments are valued as follows and on the next two pages as of June 30, 2025.

PERB Defined Benefit Investments Measured at Fair Value

(in thousands)

	Fair Value Measurements Using			
	June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable (Level 3)
Investments by fair value level				
Commingled Equity Securities ¹	\$ 11,721	\$ 11,721		
Total Investments by fair value level	\$ 11,721	\$ 11,721		
Investments measured at the net asset value (NAV)				
CAPP Investment Pool	\$ 10,378,721			
Short-Term Investment Pool (STIP)	106,382			
Total investments measured at the NAV	10,485,103			
Total investments measured at fair value	\$ 10,496,824			

¹ The DC Disability OPEB trust fund is invested in commingled equity index funds measured at the Level 1 category in the fair value hierarchy.

PERB Defined Benefit Investments Measured at Net Asset Value (NAV)

(in thousands)

	June 30, 2025			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
CAPP Investment Pool	\$ 10,378,721		Monthly, quarterly	45-90 days
Short-Term Investment Pool (STIP)	106,382		Daily	1 - 3 days
Total investments measured at the NAV	\$ 10,485,103			

PERB Defined Contribution Investments

(in thousands)

Investments measured at the net asset value (NAV) ¹	June 30, 2025
Montana Fixed Fund (Stable Value Pool) ²	\$ 28,212
Variable Pooled Investments ³	547,004
Short-Term Investment Pool ⁴	1,722
Total investments measured at the NAV	\$ 576,938
Total investments measured at fair value	\$ 576,938

¹ All investments are pooled and measured at net asset value (NAV) and not within the fair value level hierarchy.

² The Montana Fixed Fund is a stable value option that invests in cash, other liquid investments, and synthetic Guaranteed Investment Contract (GICs) that are fully benefit-responsive and is reported at contract value.

³ The Variable Pooled Investments are all mutual funds measured at Net Asset Value (NAV).

⁴ Short-Term Investment Pool (STIP) is an external investment pool managed and administered through Montana Board of Investments (MBOI) and fair values are determined using the Net Asset Value (NAV) per share for the investment. STIP is not an investment option for individual participants in the PERS-DCRP.

PERB Defined Contribution Investments Measured at Net Asset Value

(in thousands)

	June 30, 2025			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Montana Fixed Fund (Stable Value Pool) ¹	\$ 28,212		Daily	None
Variable Pooled Investments ²	547,004		Daily	None
Short-Term Investment Pool ³	1,722		Daily	1 - 3 days
Total investments measured at the NAV	\$ 576,938			

¹ The Montana Fixed Fund is a stable value option that invests in cash, other liquid investments, and synthetic Guaranteed Investment Contracts (GICs) that are fully benefit-responsive and are reported at contract value.

² The Variable Pooled Investments are all mutual funds measured at Net Asset Value (NAV).

³ Short-Term Investment Pool (STIP) is an external investment pool managed and administered through Montana Board of Investments (MBOI). STIP is not an investment option for individual participants in the PERS-DCRP.

The fair values are determined using the Net Asset Value (NAV) per share for the investment.

PERB Deferred Compensation (457(b)) Plan Investments

(in thousands)

Investments measured at the net asset value (NAV) ¹	June 30, 2025
Montana Fixed Fund (Stable Value Pool) ²	\$ 178,125
Variable Pooled Investments ³	513,071
Short-Term Investment Pool ⁴	796
Allianz Life Insurance Investment ⁵	4
Total investments measured at the NAV	\$ 691,996
Total investments measured at fair value	<u>\$ 691,996</u>

¹ All investments are pooled and measured at net asset value (NAV) and not within the fair value level hierarchy.

² The Montana Fixed Fund is a stable value option that invests in cash, other liquid investments, and synthetic Guaranteed Investment Contract (GICs) that are fully benefit-responsive and is reported at contract value.

³ The Variable Pooled Investments are all mutual funds measured at Net Asset Value (NAV).

⁴ Short-Term Investment Pool (STIP) is an external investment pool managed and administered through Montana Board of Investments (MBOI) and fair values are determined using the Net Asset Value (NAV) per share for the investment. STIP is not an investment option for individual participants in the 457(b) plan.

⁵ Term life insurance policy investment option provided through Allianz Life Insurance. This option was offered to deferred compensation plan participants prior to life insurance being offered as a standard component of health insurance benefit packages. This investment option has been discontinued; however, plan participants who had previously elected this option may continue.

PERB Deferred Compensation (457(b)) Plan Investments

Measured at Net Asset Value

(in thousands)

	June 30, 2025			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Montana Fixed Fund (Stable Value Pool) ¹	\$ 178,125		Daily	None
Variable Pooled Investments ²	513,071		Daily	None
Short-Term Investment Pool ³	796		Daily	1 - 3 days
Allianz Life Insurance Investment ⁴	4			
Total investments measured at the NAV	<u>\$ 691,996</u>			

¹ The Montana Fixed Fund is a stable value option that invests in cash, other liquid investments, and synthetic Guaranteed Investment Contracts (GICs) that are fully benefit-responsive and are reported at contract value.

² The Variable Pooled Investments are all mutual funds measured at Net Asset Value (NAV).

³ Short-Term Investment Pool (STIP) is an external investment pool managed and administered through Montana Board of Investments (MBOI). STIP is not an investment option for individual participants in the 457(b) plan.

⁴ Term life insurance policy investment option provided through Allianz Life Insurance. This option was offered to deferred compensation plan participants prior to life insurance being offered as a standard component of health insurance benefit packages. This investment option has been discontinued; however, plan participants who had previously elected this option may continue.

The fair values are determined using the Net Asset Value (NAV) per share for the investment.

NOTE B. LITIGATION

Each of the plans administered by the PERB may be involved in various claims and legal actions arising in the ordinary course of business.

Consolidated MPERB v. Lewis and Clark County and Montana Association of Counties (MACo), Lewis and Clark County, and Cascade County V. MPERB and MPERA. On May 1, 2020, the PERB filed a Complaint for Declaratory Relief in the First Judicial District Court (Court) against Lewis and Clark County. This complaint asked the District Court to rule that Article VIII, § 15 of the Montana Constitution vests the PERB with the authority to: 1) actuarially determine the amount of the unfunded pension liabilities attributable to a component unit of the Lewis and Clark County that has terminated its participation in a PERB-administered defined benefit plan; and 2) compel the payment of this unfunded pension liability upon this component unit's termination. On June 1, the PERB filed its First Amended Complaint amending its original pleading to add a claim for breach of contract.

In response, the MACo filed a Complaint for Declaratory Judgment, Injunctive Relief, and a Writ of Prohibition against the PERB and MPERA regarding the same underlying scenario that caused MPERA to initiate its action against Lewis and Clark County. This Complaint asked the Court to: 1) rule that Article VIII, § 15 of the Montana Constitution does not vest the PERB with the authority to determine and collect unfunded pension liabilities owed to the PERS trust as a result of component unit terminations or reductions in force; 2) rule that the 1947 Contract between the PERB and Lewis and Clark County and Cascade County, as well as other similar agreements between the PERB and all other Montana counties, does not vest the PERB with the authority to determine and collect unfunded pension liabilities owed to the PERS trust as a result of component unit terminations or reductions in force; 3) enjoin the PERB from assessing withdrawal penalties against participating county employers; and 4) issue a Writ of Prohibition barring the PERB from assessing withdrawal penalties against participating county employers. On May 15, 2020, MACo filed a First Amended Complaint and added the additional parties of Lewis and Clark County and Cascade County to this action as plaintiffs and lodged additional claims for breach of express and implied contract.

Both cases were subsequently consolidated into a single action in 2021. In February of 2022, the Court ruled on competing dispositive motions of the parties. Citing a statute providing that the State cannot be held liable under theories of implied contract, the Court dismissed the claim against the PERB for breach of the covenant of good faith and fair dealing. The parties filed their respective answers that same month and are now conducting discovery.

In the opinion of management and legal counsel, the inability to collect unfunded actuarial accrued liabilities owed to PERS resulting from the component unit terminations underlying this case would have a material adverse effect on the PERS' financial position should the Court rule against MPERA and the PERB. However, an estimate of this unfunded actuarially liability cannot presently be made.

NOTE C. PLAN DESCRIPTIONS, MEMBERSHIP CONTRIBUTION INFORMATION

The plans are established and amended statutorily by the Legislature. In all defined benefit plans (except VFCA), if a member leaves covered employment before retirement, the member contributions plus accrued interest (accumulated contributions) may be refunded to the member. If a member returns to service and repays the withdrawn accumulated contributions plus the interest the accumulated contributions would have earned had they remained on deposit, service credit is restored.

DEFINED BENEFIT RETIREMENT PLANS

PLAN DESCRIPTIONS

Public Employees' Retirement System-DBRP (PERS-DBRP)

The PERS-Defined Benefit Retirement Plan (DBRP) is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan covers the State, local governments, certain employees of the Montana University System and school districts.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be members of both the defined benefit and defined contribution retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the Legislature. Benefits are based on eligibility, years of service, and highest average compensation. Member rights are vested after five years of service.

Public Employees' Retirement System-DBRP Education Fund: Education is provided to all members of the PERS regardless of plan choice as governed by section 19-3-112, MCA. The education must be presented with impartial and balanced information about plan choices, investments, and retirement planning.

The education program consists of ongoing transfer education for new members and investment/retirement planning education for all active members.

Plan Membership Elections: MPERA has included in the financial statements under *Benefits, Refunds and Distributions*, \$2.7 million in *Transfers to Defined Contribution Retirement Plan (DCRP)* and \$395 thousand in *Transfers to Montana University System - Retirement Plan (MUS-RP)*. These transfers reflect the DCRP and MUS-RP contributions of participants that filed elections during fiscal year 2025.

Public Employees' Retirement System - DCRP Disability OPEB (DCRP Disability OPEB)

The DCRP Disability OPEB is considered a cost-sharing multiple-employer plan that provides an other post-employment defined benefit for the PERS-DCRP members.

All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be members of both the defined benefit and defined contribution retirement plans. The PERS-DCRP provides disability benefits to eligible members who elect the PERS-DCRP.

The DCRP Disability OPEB Trust Fund was established on July 1, 2002, and is governed by section 19-3-2141, MCA. Benefits of this long-term disability plan are established by state law and can only be amended by the Legislature. This benefit is based on eligibility, years of service, and compensation. Member rights are vested after five years of service.

As of June 30, 2025, there are ten members receiving a benefit from the disability plan, four more than as of June 30, 2024.

Judges' Retirement System (JRS)

The JRS is a single-employer defined benefit plan established in 1967, and governed by Title 19, chapters 2 & 5 of the MCA. This plan provides benefits for all Montana judges of the district courts, justices of the Supreme Court, the Chief Water Judge and the Associate Water Judge. Benefits are established by state law and can only be amended by the Legislature. The JRS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and compensation. Member rights are vested after five years of service.

Highway Patrol Officers' Retirement System (HPORS)

The HPORS is a single-employer, defined benefit plan established July 1, 1945, and governed by Title 19, chapters 2 & 6 of the MCA. This plan provides retirement benefits to all members of the Montana Highway Patrol, including supervisory personnel. Benefits are established by state law and can only be amended by the Legislature. The HPORS provides retirement, disability, and death benefits to plan members and their statutory beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation. Member rights for death and disability are vested immediately. All other rights are vested after five or ten years of service.

HPORS Deferred Retirement Option Program (DROP): Eligible members of HPORS can participate in the DROP by filing a one-time irrevocable election with the PERB. The DROP is governed by Title 19, chapter 6, part 10. A member must have completed at least twenty years of membership service to be eligible. The member may elect to participate in the DROP for a minimum of one month and a maximum of 60 months and may participate in the DROP only once. A participant remains a member of the HPORS but will not receive membership service or service

credit in the system for the duration of the member's DROP period. During participation in the DROP, all mandatory contributions continue to the retirement system, except the member contribution which goes to the member's DROP account. A monthly benefit is calculated based on salary and years of service to date as of the beginning of the DROP period. The monthly benefit is paid into the member's DROP account until the end of the DROP period. At the end of the DROP period, the participant may receive the balance of the DROP account in a lump-sum payment or in a direct rollover to another eligible plan, as allowed by the IRS. If the participant continues employment after the DROP period ends, they will again accrue membership service and service credit. The DROP account cannot be distributed until the employment is formally terminated. As of June 30, 2025, there were 9 DROP participants. Since program inception, a total of 44 members have participated in the DROP. The balance of the DROP accounts is \$1.4 million.

Sheriffs' Retirement System (SRS)

The SRS is a multiple-employer, cost-sharing defined benefit plan established July 1, 1974, and governed by Title 19, chapters 2 & 7, MCA. This plan provides retirement benefits to all Department of Justice criminal and gambling investigators hired after July 1, 1993, all detention officers hired after July 1, 2005, and to all Montana sheriffs. Benefits are established by state law and can only be amended by the Legislature. The SRS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation. Member rights are vested after five years of service.

Game Wardens' and Peace Officers' Retirement System (GWPORS)

The GWPORS is a multiple-employer, cost-sharing defined benefit plan established in 1963 and governed by Title 19, chapters 2 & 8, MCA. This plan provides retirement benefits to all persons employed as a game warden, warden supervisory personnel, or state peace officer. Benefits are established by state law and can only be amended by the Legislature. The GWPORS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation. Member rights are vested after five years of service.

Municipal Police Officers' Retirement System (MPORS)

The MPORS is a multiple-employer, cost-sharing defined benefit plan established in 1974 and is governed by Title 19, chapters 2 & 9 of the MCA. This plan covers all municipal police officers employed by first- and second-class cities and other cities that adopt the plan. Benefits are established by state law and can only be amended by the Legislature. The MPORS provides retirement, disability, and death benefits to plan members and their statutory beneficiaries. Benefits are based on eligibility, years of service, and compensation. Member rights for death and disability are vested immediately. All other rights are vested after five years of service.

MPORS Deferred Retirement Option Plan (DROP): Eligible members of MPORS can participate in the DROP by filing a one-time irrevocable election with the PERB. The DROP is governed by Title 19, chapter 9, part 12, MCA. A member must have completed at least twenty years of membership service to be eligible. They may elect to participate in the DROP for a

minimum of one month up to a maximum of 60 months and may participate in the DROP only once. A participant remains a member of the MPORS but will not receive membership service or service credit in the system for the duration of the member's DROP period. During participation in the DROP, all mandatory contributions continue to the retirement system. A monthly benefit is calculated based on salary and years of service as of the beginning of the DROP period. The monthly benefit is paid into the member's DROP account until the end of the DROP period. At the end of the DROP period, the participant may receive the balance of the DROP account in a lump-sum payment or in a direct rollover to another eligible plan, as allowed by the IRS. If the participant continues employment after the DROP period ends, they will again accrue membership service and service credit. The DROP account cannot be distributed until employment is formally terminated. As of June 30, 2025, there were 34 DROP participants. Since program inception, a total of 229 members have participated in the DROP. The balance of the DROP accounts is \$8.1 million.

Firefighters' Unified Retirement System (FURS)

The FURS is a multiple-employer, cost-sharing defined benefit plan established in 1981, and governed by Title 19, chapters 2 & 13, MCA. This plan provides retirement benefits to firefighters employed by first- and second-class cities or by other cities and rural fire district departments that adopt the plan; and to firefighters hired by the Montana Air National Guard (MANG) on or after October 1, 2001. Benefits are established by state law and can only be amended by the Legislature. The FURS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and compensation. Member rights for death and disability are vested immediately. All other member rights are vested after five years of service.

Volunteer Firefighters' Compensation Act (VFCA)

The VFCA is a multiple-employer, cost-sharing defined benefit plan. This compensation plan was established in 1965 and is governed by Title 19, chapter 17, MCA. All members are unpaid volunteers, and the State of Montana is the only contributor to the plan. Benefits are established by state law and can only be amended by the Legislature. The VFCA provides pension, disability, and survivorship benefits for all eligible volunteer firefighters who are members of qualified volunteer fire companies in unincorporated areas, towns or villages and includes volunteer fire departments, fire districts, and fire service areas under the laws of the State of Montana. Benefits are based on eligibility and years of service. Member rights are vested after ten years of credited service. VFCA also provides limited benefits for death or injuries incurred in the line of duty.

A member who chooses to retire and draw a pension benefit may return to service with a volunteer fire department without loss of benefits. However, a returning retired member may not be considered an active member accruing credit for service.

VFCA is a qualified Length of Service Award Plan (LOSAP) under 457(e)(11)(B) of the Internal Revenue Service tax code. This is only for tax reporting purposes. This does not change any requirements of the program.

MEMBERS AND EMPLOYERS

Membership in each plan as of June 30, 2025 is detailed in the following table. DROPs are included in plans as applicable. For PERS-DBRP and VFCA, inactive non-vested accounts are included. Only a Guaranteed Annual Benefit Adjustment (GABA) is included for defined benefit plans that have more than one employer and do not have a minimum benefit adjustment for retirees. Retirees are eligible for a GABA or a minimum benefit adjustment, depending on their election of GABA or Non-GABA at the time of hire.

Plan Membership as of Fiscal Year End June 30, 2025								
Type of Plan for Reporting Purposes as of Fiscal Year End June 30, 2025	Single-Employer Defined Benefit		Multi-Employer Defined Benefit					
	JRS	HPORS	PERS-DBRP	SRS	GWPORS	MPORS	FURS	VFCA
Classification of Member								
Active	61	222	30,811	1,566	1,061	914	944	2,936
Inactive: entitled to, but not yet receiving benefits or a refund:								
Vested	1	27	5,222	249	193	135	63	830
Non-Vested	2	49	27,916	1,221	778	296	136	8,571
Inactive members and beneficiaries currently receiving benefits:								
Service Retirements	78	371	25,596	906	547	964	710	1,539
Disability Retirements		5	64	32	2	26	12	1
Survivor benefits	4	9	573	22	13	27	14	2
Total Membership	146	683	90,182	3,996	2,594	2,362	1,879	13,879

Active Defined Benefit Membership by Employer Type						
Employer Type	PERS-DBRP		SRS		GWPORS	
	2025	2024	2025	2024	2025	2024
As of Fiscal Year End June 30,						
State Agencies	10,347	10,222				
Department of Justice			76	75		
Department of Corrections					786	755
Department Fish, Wildlife & Parks					112	116
Department of Livestock					44	45
Department of Transportation					77	84
Counties	5,801	5,772	1,490	1,501		
Cities and Towns	4,024	3,960				
Colleges and Universities	3,156	3,127			42	45
School Districts	6,096	6,114				
High Schools	70	72				
Other Agencies	1,317	1,337				
Total	30,811	30,604	1,566	1,576	1,061	1,045

Active Defined Benefit Membership by Employee Type								
Employee Type	JRS		HPORS		MPORS		FURS	
	2025	2024	2025	2024	2025	2024	2025	2024
As of Fiscal Year End June 30,								
GABA	60	58	222	225	912	884	944	831
Non-GABA	1	2			2	2		2
Total	61	60	222	225	914	886	944	833

Participating Defined Benefit Employers										
Employer Type	PERS-DBRP		SRS		GWPORS		MPORS		FURS	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
As of Fiscal Year End June 30,										
State Agencies	33	33	1	1	4	4			1	1
Counties	55	55	56	56						
Cities and Towns	100	100					36	36	15	15
Colleges and Universities	5	5			3	3				
School Districts	244	242								
High Schools	4	4								
Other Agencies	116	111							14	12
Total	557	550	57	57	7	7	36	36	30	28

In the above table, the State Agency for SRS is the Department of Justice. The State Agencies for GWPORS are Department of Corrections, Department of Fish, Wildlife & Parks, Department of Livestock, and Department of Transportation. The State Agency for FURS is the Department of Military Affairs. JRS and HPORS are not listed as they have one employer each. JRS includes the State Agency - Supreme Court and HPORS includes the State Agency - Department of Justice.

HPORS DROP Participation		
As of June 30,	2025	2024
Participants Beginning of Year	10	16
Participants Added	2	3
Completed DROP	3	9
Participants End of Year	9	10
DROP Distributions	\$761,998	\$1,844,039

MPORS DROP Participation		
As of June 30,	2025	2024
Participants Beginning of Year	42	50
Participants Added	3	8
Completed DROP	11	16
Participants End of Year	34	42
DROP Distributions	\$3,651,865	\$3,532,922

The active membership and participating employers for PERS-DCRP Disability OPEB are represented in the following tables:

PERS-DCRP PARTICIPATING EMPLOYERS		
Employers	June 30, 2025	June 30, 2024
State Agencies	33	33
Counties	55	53
Cities and Towns	63	63
Universities	5	5
School Districts	146	139
High Schools	3	3
Other Agencies	59	55
Total	364	351

PERS-DCRP Active Membership by Employer Type		
Employer Type	June 30, 2025	June 30, 2024
State Agencies	1,709	1,668
Counties	583	586
Cities and Towns	461	457
Universities	206	190
High Schools	4	5
School Districts	436	424
Other Agencies	252	247
Total	3,651	3,577

FY 2025 Schedule of Contribution Rates			
System	Member	Employer	State
PERS-DBRP	7.9% [19-3-315(1)(a), MCA]	9.17% State & University 9.07% Local Governments 8.8% School Districts (K-12) [19-3-316, MCA]	0.1% of Local Government payroll – paid from the General Fund 0.37% School Districts (K-12) payroll – paid from the General Fund [19-3-319, MCA]
PERS-DCRP	7.9% [19-3-315(1)(a), MCA]	9.17% State & University 9.07% Local Governments 8.8% School Districts (K-12) [19-3-316, MCA]	0.1% of Local government payroll – paid from the General Fund 0.37% School Districts (K-12) payroll – paid from the General Fund [19-3-319, MCA]
PERS-DCRP Disability OPEB		0.3% - an allocation of the DCRP employer contribution [19-3-2117, MCA]	
JRS¹	7.0% [19-5-402, MCA]	0% [19-5-404, MCA]	
HPORS^{1,2}	13.0% - hired prior to 7/01/97 & not electing GABA 13.05% - hired after 6/30/97 & members electing GABA [19-6-402, MCA]	38.33% [19-6-404(1), MCA]	
SRS^{1,2}	10.495% [19-7-403, MCA]	13.115% [19-7-404, MCA]	
GWPORS^{1,2}	10.56% [19-8-502, MCA]	10.56% [19-8-504, MCA]	
MPORS	7.0% - hired after 6/30/75 & prior to 7/1/79 & not electing GABA [19-9-710(1)(a), MCA] 8.5% - hired after 6/30/79 and prior to 7/1/97 & not electing GABA [19-9-710(1)(b), MCA] 9.0% - hired after 6/30/97 & members electing GABA [19-9-710(1)(c), MCA & 19-9-710(2), MCA]	14.41% [19-9-703, MCA]	29.37% of salaries – paid from the General Fund [19-9-702, MCA]
FURS	9.5% - hired prior to 7/1/97 & not electing GABA [19-13-601(2)(a), MCA] 10.7% - hired after 06/30/97 & members electing GABA [19-13-601(2)(b), MCA]	14.36% [19-13-605, MCA]	32.61% of salaries – paid from the General Fund [19-13-604, MCA]
VFCA			5.0% of fire insurance premium tax, paid from the General Fund [19-17-301, MCA]

¹ During the 2025 Legislative Session, House Bill 85 repealed the actuarially determined employer contribution (ADEC) put in place for JRS, HPORS, SRS and GWPORS systems that were established by House Bill 569 during the 2023 Session. House Bill 85 reverts the employer contribution rates in each system to the flat percentage amounts that existed during Fiscal Year 2023 before House Bill 569 was passed. For JRS, the effective date of this change is July 1, 2025 and for HPORS, SRS, and GWPORS, the effective date of this bill applies retroactively to employer contribution rates on or after July 1, 2023.

² Effective July 1, 2025 (FY2026) employer contributions will increase 0.1% for HPORS, SRS and GWPORS and will continue for 10 years bringing each systems employer contribution rate up by a full 1%.

CONTRIBUTIONS

Member and employer contribution rates are established by state law and may be amended only by the Legislature.

Member contributions are deducted from each member's salary and remitted by participating employers. An individual account is established for each member's contributions and interest allocations until a request for retirement or refund is processed.

- For **PERS-DBRP**, the 7.9% member contributions will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates. Based on the June 30, 2025 actuarial valuation, the additional contributions will not be terminated on January 1, 2026.
- The **PERS-DBRP** employee education program is funded by 0.04% of the employer's contributions.
- For **HPORS, MPORS and FURS**, member contribution rates are dependent upon date of hire as a highway patrol officer, police officer, and firefighter, respectively.

Employer contributions for **PERS-DBRP** temporarily increased 1.0%, effective July 1, 2013. Further, employer contributions increase an additional 0.1% a year over 10 years beginning July 1, 2014, through 2024. For fiscal years beginning after June 30, 2024, the additional employer contribution base amount remains 2.27%. During the 2025 Legislative Session, the passing of House Bill 924 increases the employer supplemental contribution to PERS by 0.1% per year for 20 years beginning July 1, 2027. Under the terms of this bill, once July 1, 2047 is reached, the total employer supplemental contribution would be 4.27%. These additional contributions, including the 0.27% added in 2007 and 2009, terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and member contribution rates. Based on the June 30, 2025 actuarial valuation, the additional contributions will not be terminated on January 1, 2026.

- For **PERS-DBRP** (§19-3-1106, MCA), **HPORS** (§19-6-1101, MCA), **GWPORS** (§19-8-1201, MCA), **SRS** (§19-7-1101, MCA), **MPORS** (§19-9-1301), and **FURS** (§19-13-1101, MCA), working retiree members do not pay contributions but employer contributions are still required to be paid on all working retiree compensation.
- Under §19-3-2117, MCA only employers contribute to the **DCRP Disability OPEB**. The employer contribution rate is 0.30% of a DCRP member's compensation, which is allocated to the long-term disability plan trust fund to provide disability benefits to eligible DCRP members.
- House Bill 85 during the 2025 Legislative Session repealed the actuarially determined employer contribution (ADEC) rate in the **JRS, HPORS, SRS, and GWPORS** systems. The

bill repeals the variable ADEC contribution rates and restores flat statutory employer contribution rates as follows: 0.00% for JRS, 38.33% for HPORS, 13.115% for SRS, and 10.56% for GWPORS.

- For the **SRS**, during the 2017 Legislative Session, House Bill 383 was passed temporarily increasing both the employee and employer contributions. Effective July 1, 2017, the employee contributions increased from 9.245% to 10.495%. Effective July 1, 2017, the employer had an additional contribution increase of 3%, from 0.58% to 3.58%, for a total employer contribution rate of 13.115%. These rates continued through June 30, 2025.

Summary of changes in contribution rates for fiscal year 2025 and beyond:

- Effective July 1, 2025, Senate Bill 56, 2025 Legislative Session, provides for a 0.1% employer contribution increase for **HPORS**, **SRS**, and **GWPORS** systems and continues for 10 years, eventually increasing the employer contribution rate in each system by a full 1.0%. This additional contribution terminates on the July 1 following the actuarial valuation if the actuarial valuation determines that terminating the additional employer contribution would not cause the amortization period to exceed 25 years.
- House Bill (HB) 924 from the 2025 Legislative Session, increases the PERS employer supplemental contribution by 0.1% per year for 20 years starting July 1, 2027. Under the terms of HB 924, the total employer supplemental contribution would remain at 4.27% once 20 annual increases have been applied as of July 1, 2047. The additional employer contribution terminates on January 1 following the actuarial valuation if the actuarial valuation determines that terminating the additional employer contribution would not cause the amortization period to exceed 25 years.

State contributions and appropriations

- **PERS-DBRP** receives a supplemental state appropriation from the general fund of the State of Montana. The total amount received for fiscal year 2025 was \$35.7 million. These are recorded as *State Appropriations* on the financial statements.
- House Bill 72 from the 2021 Legislative Session established an additional funding source for the **HPORS** system from the Highway Patrol state special revenue account for recruitment and retention of HPORS members. The legislation initially made lump sum transfers to HPORS in 2021 and 2022, and now transfers \$500 thousand by August 15 for each fiscal year until the system is 100% funded. The total amount received for fiscal year 2025 was \$500 thousand. This is recorded as *State Appropriations* on the financial statements.
- The State contributions for **MPORS** and **FURS**, are requested at the beginning of the fiscal year based on the previous fiscal year compensation and are due no later than November 1. The total amount received for fiscal year 2025 was \$21.9 million for MPORS and \$27.2 million for FURS. These are recorded as *State Appropriations* on the financial statements.
- The State is the only contributor to the **VFCA**. Contributions are 5% of fire insurance premium taxes collected on certain fire risks. The State Auditor makes annual payments

from the general fund to the VFCA fund. The total amount received for fiscal year 2025 was \$3.9 million and is recorded as *State Appropriations* on the financial statements.

Summary of changes in State appropriations in Fiscal Year 2027:

The 2025 Montana Legislature passed House Bill 924, which creates the Montana Growth and Opportunity Trust ("MGOT") as a permanent fund to support long-term state priorities. The MGOT is initially funded with over \$1 billion in general fund transfers and then additionally funded by annual transfers of "volatile revenues" starting in fiscal year 2028. Volatile revenues are derived by a formula that is applied to fluctuating tax revenue from capital gains; rent, royalty and partnerships; and state treasury cash account interest earnings. House Bill 924 establishes a pension fund within the MGOT as one of the long-term state priorities.

- In fiscal year 2025, this bill appropriates \$250 million from the general fund to the pension fund account within the MGOT, with up to 25% of the pension fund balance available to be used to offset market volatility should the PERB certify that the retirement systems' long-term inception to date (July 1, 1994 to present) market rate of return as of June 30 in two consecutive fiscal years is less than the actuarially assumed rate of return in effect at that time.
- The bill includes two additional transfers to the pension fund account in amounts of \$24.1 million by November 1, 2025, and May 1, 2026 (totaling \$48.2 million), and additional \$18.4 million transfers by November 1, 2026 and May 1, 2027 (totaling \$36.8 million). Total transfers into this fund amount to \$335 million by fiscal year 2027.
- Under the bill 80% of transfers into the reinvestment portion of the MGOT and 50% of interest earnings from the distribution portion of the MGOT are allocated to the pension fund within MGOT.
- Transfers into the pension fund pause when the fund balance reaches \$1 billion.

ADDITIONAL SERVICE PURCHASE DUE TO A REDUCTION IN FORCE

Section 19-2-706, MCA allows state and university system active employees of **PERS-DBRP**, **HPORS**, **SRS**, **GWPORS**, and **FURS** who are eligible for a service retirement and whose positions have been eliminated due to a reduction in force, to have their employer pay a portion of the total cost of purchasing up to three years of "1-for-5" additional service. The employer has up to ten years to complete payment for the service purchases and is charged the actuarially required rate of return as established by the PERB on the unpaid balance.

- The **PERS-DBRP** employees that have participated under § 19-2-706, MCA increased from 308 in fiscal year 2024 to 310 in fiscal year 2025. The contributions received (including interest) during fiscal year 2025 totaled \$62,733. These are recorded in the *Employer Contributions* on the financial statements.
- Three **SRS** employees have taken advantage of this provision to date. All purchases are paid in full.
- No **HPORS**, **GWPORS**, or **FURS** employees have taken advantage of this provision to date.

SUPPLEMENTAL PAYMENTS

- *Supplemental Benefit for Retirees:* Section 19-6-709, MCA provides eligible **Montana highway patrol officers** retired prior to July 1, 1991, or their survivors, an annual supplemental lump-sum payment distributed each September. This lump-sum payment is funded by a statutory appropriation requested by the PERB from the general fund. Factors impacting eligibility include the number of years the recipient has received a service retirement benefit or disability benefit, the recipient's age, and whether the recipient is employed in a position covered by a retirement system under Title 19.
- *VFCA Group Insurance Payments:* Supplemental payments are available to qualified volunteer fire companies that provide additional group medical insurance for their members in case of death or injury incurred while in the line of duty. The payment is made to the volunteer fire companies and is equal to \$75 per year for each mobile firefighting unit owned by the volunteer fire company, up to a maximum of two units.

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DEFINED BENEFIT PLAN PROVISIONS

System	Common provisions and terms			
	Compensation period for benefit calculation	Vesting	Eligibility	Benefit Multiplier
PERS-DBRP	Member's highest average compensation (HAC): * Pre-7/01/2011 - consecutive 36 months; * 7/01/2011 - consecutive 60 months; * 7/01/2013 - 110% annual cap on HAC compensation.	5 years	Pre-7/01/2011 * 30 years service, any age or * 5 years, age 60 or * any years, age 65 7/01/2011 * 5 years, age 65, or * any years, age 70	Pre-7/01/2011 * < 25 years: 1.78571% * 25 years or more: 2% 7/01/11 * < 10 years: 1.5% * 10-29 years: 1.78571% * 30 years or more: 2%
JRS	Member's current salary or highest average compensation (HAC): * Pre-7/01/1997 and non-GABA - monthly compensation at retirement; * 7/01/1997 or electing GABA - consecutive 36 months; * 7/01/2013 - 110% annual cap on HAC compensation.	5 years	5 years, age 60	* Up to 15 years: 3.33% * 15 years or more: 1.785% for each year > 15 years
HPORS	Member's highest average compensation (HAC): * Consecutive 36 months; * 7/01/2013 - 110% annual cap on HAC compensation.	Pre-7/01/2013 5 years 7/01/2013 10 years	Pre-7/01/2023 Hires 20 years, any age New Hires after 7/01/2023 20 years, age 50	2.6% per year
SRS	Member's highest average compensation (HAC): * Pre-7/01/2011 - consecutive 36 months; * 7/01/2011 - consecutive 60 months; * 7/01/2013 - 110% annual cap on HAC compensation.	5 years	Pre-7/01/2023 Hires 20 years, any age New Hires after 7/01/2023 20 years, age 50	2.5% per year
GWPORS	Member's highest average compensation (HAC): * Pre-7/01/2011 - consecutive 36 months; * 7/01/2011 - consecutive 60 months; * 7/01/2013 - 110% annual cap on HAC compensation.	5 years	* 20 years, age 50 or * 5 years, age 55	2.5% per year

System	Compensation period for benefit calculation	Vesting	Eligibility	Benefit Multiplier
MPORS	Member's final average compensation (FAC): * Pre-7/01/1977 - average monthly compensation at retirement. * 7/01/1977 - FAC last consecutive 36 months. * 7/1/2013 - 110% annual cap on FAC compensation.	5 years	* 20 years, any age or * 5 years, age 50	2.5% per year
FURS	Member's compensation: * Pre-7/01/1981 and no GABA - highest monthly compensation (HMC); * 7/01/1981 and GABA - HAC instead of HMC consecutive 36 months. * 7/1/2013 - 110% annual cap on HAC compensation.	5 years	* 20 years, any age or * 5 years, age 50	* Pre-7/1/1981 and no GABA: 2% per year if less than 20 years, and * 50% of HAC + 2% per additional year over 20 years * Post 7/1/1981 and GABA: 2.5% per year
VFCA	No compensation	10 years	* 20 years, age 55 or * 10 years, age 60	* 10 - 20 years: \$8.75 per credited year * 20 years or more: \$7.50 per credited year * Post 7/01/2011, actuarially sound, and 30 years or more: \$7.50 per credited year

Changes since last valuation: Effective July 1, 2025, the base pension monthly benefit in the Volunteer Firefighters' Compensation Act (VFCA) plan increases from \$175 per month to \$200 per month.

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Common provisions and terms		
System	Working Retiree Limitations	Retirement Benefits - Form of Payment
PERS-DBRP	<p>(1) Pre-7/1/2011 and < 65 years of age * \$1 reduced for \$1 earned over 960 hours</p> <p>(2) > 65 years of age and less than 70 1/2 retiree \$1 reduced for \$1 earned in excess of: * 960 hour limit above; or * sum of benefit + PERS earnings that exceeds HAC adjusted for inflation.</p>	<ul style="list-style-type: none"> • Option 1, single life annuity, balance to beneficiary • Option 2, 100% joint and survivor benefit • Option 3, 50% joint and survivor benefit • Option 4, a life annuity with period certain. <p>Within 18 months of the death of or divorce from the contingent annuitant (CA), retiree can revert to Option 1, select a new form of optional benefit, and/or designate a new CA.</p> <p>* Trusts, estates, and charitable organizations as beneficiaries can only receive a lump-sum payment.</p>
JRS	N/A	
HPORS		<p>* Life annuity, 100% continuation to surviving spouse or dependent children.</p>
GWPORS	<p>Return on or after 7/1/2017:</p> <p>(1) < 480 hours in a calendar year: • \$1 reduced for each \$3 > \$5 thousand in year.</p>	<ul style="list-style-type: none"> • Option 1, single life annuity, balance to beneficiary • Option 2, 100% joint and survivor benefit • Option 3, 50% joint and survivor benefit • Option 4, a life annuity with period certain.
SRS	<p>(2) 480 or more hours in a calendar year: • become active member of the system; • retirement benefit stops.</p>	<p>Within 18 months of the death of or divorce from the contingent annuitant (CA), retiree can revert to Option 1, select a new form of optional benefit, and/or designate a new CA.</p> <p>* Trusts, estates, and charitable organizations as beneficiaries can only receive a lump-sum payment.</p>
MPORS	<p>* Employer and state contributions are paid on working retirees.</p>	<p>* Life annuity, 100% continuation to surviving spouse or dependent children.</p>
FURS		<p>* Life annuity, 100% continuation to surviving spouse or dependent children.</p>
VFCA	N/A	N/A

System	Working Retiree Limitations	Retirement Benefits - Form of Payment
HPORS DROP	N/A	<p>During DROP employment:</p> <ul style="list-style-type: none"> * MPORS receives monthly DROP accruals, including GABA; plus * interest at assumed rate of return. * HPORS receives monthly DROP accruals, including contributions; plus * interest at assumed rate of return. <p>Post DROP employment:</p> <ul style="list-style-type: none"> * no retirement or DROP payment; * DROP account accrues interest. <p>Termination of Post DROP employment:</p> <ul style="list-style-type: none"> * retirement benefit; * Additional benefit based on member's service credit and HAC after DROP; * DROP benefit.
MPORS DROP	N/A	<p>Termination of Post DROP employment:</p> <ul style="list-style-type: none"> * retirement benefit; * Additional benefit based on member's service credit and HAC after DROP; * DROP benefit.

System	Common provisions and terms	
	Service Credit	Membership Service
PERS-DBRP	<p>* Service credit determines benefit.</p> <p>* 1 month of service credit = 160 compensated hours (240 hours in 3-paycheck months). This includes certain transferred and purchased service.</p> <p>* Eligible active members may purchase 1 for 5 service credit.</p>	<p>* Membership service determines vesting and benefits.</p> <p>* 1 month of membership service = any month any service reported by employer.</p> <p>* Eligible member may purchase membership service.</p>
JRS		
HPORS		
SRS		
GWPORS		
MPORS		
FURS		
VFCA	<p>1 year of credit for service:</p> <ul style="list-style-type: none"> • serve with same fire company entire fiscal year, and • minimum 30 hours training. <p>* Fractional years are not credited.</p>	N/A

Common provisions and terms		
System	Compensation	Withdrawal of member contributions
PERS-DBRP	<p>Compensation generally means:</p> <ul style="list-style-type: none"> * all remuneration paid; * excluding certain allowances, benefits, and lump sum payments; * specifically defined in law and differs amongst the systems. * 7/1/2013 - Bonuses paid are not compensation or pensionable. 	<p>Upon termination, a member is eligible to:</p> <ul style="list-style-type: none"> * forfeit right to monthly benefit. * withdraw member contributions + interest. * rollover >\$200 refunds within 90 days.
JRS		
HPORS		
SRS		
GWPORS		
MPORS		
FURS		
VFCA	N/A	N/A

Common provisions and terms		
System	Contributions	Member contributions interest credited
PERS-DBRP	<ul style="list-style-type: none"> * Member contributions are made through an "employer pickup" pretax arrangement. 	<ul style="list-style-type: none"> * Interest is credited to member accounts at the rates determined by the Board. * The fiscal year 2025 interest rate credited to member accounts was 5.39% from July 1, 2024 through December 31, 2024, and 2.5% from January 1, 2025 through June 30, 2025.
JRS		
HPORS		
SRS		
GWPORS		
MPORS		
FURS	<ul style="list-style-type: none"> * Member contributions: None * Employer contributions: 0.30% of member compensation 	
PERS-DCRP		
Disability OPEB		
VFCA	N/A	N/A

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System	Early Retirement Benefit	Second Retirement Benefit
PERS-DBRP	<p>Actuarially reduced:</p> <ul style="list-style-type: none"> * Pre-7/01/2011: <ul style="list-style-type: none"> • 5 years membership service, age 50 or • 25 years membership service, any age * 7/01/2011: <ul style="list-style-type: none"> • 5 years membership service, age 55 	<p>Requires returning to PERS-covered employment:</p> <p>Retire before 1/01/2016</p> <p>< 2 years additional service credit:</p> <ul style="list-style-type: none"> * refunded member contributions plus interest; * no service credit; * same benefit previously paid to the member; and * GABA immediately in January. <p>At least 2 years additional service credit:</p> <ul style="list-style-type: none"> * recalculated retirement benefit based only on additional service credit earned and plan provisions in effect at second retirement; and * GABA on the recalculated benefit in January after receipt of new benefit for 12 months. <p>Retire on or after 1/01/2016:</p> <p>< 5 years additional service credit</p> <ul style="list-style-type: none"> * refunded member contributions plus interest; * no service credit; * same benefit previously paid to the member; and * GABA immediately in January. <p>At least 5 years of additional service credit:</p> <ul style="list-style-type: none"> * same retirement benefit prior to the return; * second retirement benefit for period of reemployment and based on laws in effect on rehire date; and * GABA starts on both benefits in January after receipt for 12 months.
JRS	N/A	N/A
MPORS	<ul style="list-style-type: none"> * 5 years membership service, age 50 	<p>MPORS Initial Second Retirement: Age 50, re-employed in a MPORS position.</p> <p>Return prior to 7/01/2017:</p> <ul style="list-style-type: none"> * < 20 years of membership service: <ul style="list-style-type: none"> • repay benefits; and • new benefit based on total service. * > 20 years of membership service: <ul style="list-style-type: none"> • receives initial benefit; and • new retirement benefit based on new service credit and FAC.

Continued on next page

System	Early Retirement Benefit	Second Retirement Benefit
HPORS	<p>Actuarially reduced from age 60 when discontinued from service other than for cause:</p> <p>* Pre-7/01/2013 - 5 years of membership service</p> <p>* 7/01/2013 - 10 years of membership service</p>	<p>Return on or after July 1, 2017:</p> <p>* > 480 hours in a calendar year and < 5 years service credit:</p> <ul style="list-style-type: none"> • no service credit; • refunded member contributions; • same retirement benefit previously paid, and • GABA immediately in January. <p>* > 480 hours in a calendar year and at least 5 years of service credit:</p> <ul style="list-style-type: none"> • is awarded service credit for period of reemployment; • same retirement benefit previously paid; • a second retirement benefit for post return calculated based on rehired date laws in effect; • GABA starts on the initial benefit in January and second one 12 months later. <p>* No eligibility for a disability benefit.</p>
SRS	<p>Actuarially reduced from age 60 or 20 years of membership service:</p> <p>* 5 years membership service, age 50</p>	
GWPORS	<p>* 5 years of membership service, age 55</p>	
MPORS	<p>* 5 years membership service, age 50</p>	
FURS	<p>* 5 years of membership service, age 50</p>	
VFCA	N/A	N/A

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System	Post Retirement Benefit Increases		
	Guaranteed Annual Benefit Adjustment (GABA)	GABA Waiting Period	Minimum Benefit Adjustment
PERS-DBRP	<ul style="list-style-type: none"> • Pre-7/01/2007 - 3.0% • 7/01/2007 through 6/30/2013 - 1.5% • 7/01/2013 - <ul style="list-style-type: none"> (a) 1.5% for each year if PERS is funded at or above 90%; (b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and, (c) 0% whenever the amortization period for PERS is 40 years or more. 	1 year	N/A
JRS	7/01/1997 or elected GABA - 3%	1 year	Pre-7/01/1997 and did not elect GABA: Benefits adjusted biennially based upon base salary of sitting judge.
HPORS	7/01/1997 or elected GABA - 3.0% 7/01/2013 - 1.5%	Pre-7/01/2013 - 1 year 7/01/2013 - 3 years	Pre-7/01/1997 and did not elect GABA: 2% x service credits x base salary of probationary officer. Limited to 5.0% over current benefit and may not exceed 60% of base salary of probationary officer.
SRS	Pre-7/01/2007 - 3% 7/01/2007 - 1.5%	1 year	N/A
GWPORS	Pre-7/01/2007 - 3.0% 7/01/2007 - 1.5%	1 year	N/A
MPORS	7/01/1997 or elected GABA - 3.0%	1 year	Pre-7/01/1997 and did not elect GABA - 1/2 of monthly salary of new officer
FURS	7/01/1997 or elected GABA - 3.0%	1 year	Pre-7/01/1997 and did not elect GABA - 1/2 of monthly salary of new firefighter
VFCA	N/A	N/A	N/A

System	Disability	Survivor
	Eligibility & Benefit Formula	Eligibility & Benefit Formula
PERS-DBRP	<p>* 5 years of membership service</p> <p>Pre-2/24/1991 and did not make a contrary election - Greater of:</p> <ul style="list-style-type: none"> • (90% of 1.785% of HAC) x service credit, or • 25% of HAC <p>2/24/1991 to 7/01/2011 -</p> <ul style="list-style-type: none"> • < 25 years membership service: 1.758% of HAC x service credit, or • At least 25 years membership service: 2% of HAC x service credit <p>7/01/2011 -</p> <ul style="list-style-type: none"> • < 10 years membership service: 1.5% of HAC x years of service credit • Between 10 and 30 years membership service: 1.785% of HAC x service credit • > 30 years membership service: 2% of HAC x service credit 	<p>Vested member's status at time of death:</p> <ul style="list-style-type: none"> • active; • receiving disability benefit for less than six months; • continuously disabled without receiving a disability benefit; or • inactive. <p>Hired prior to 7/01/2011 -</p> <p>Age 50 or 25 years membership service</p> <ul style="list-style-type: none"> • actuarial equivalent of accrued benefit at death; or, <p>< Age 50 and < 25 years membership service</p> <ul style="list-style-type: none"> • actuarial equivalent of the accrued early benefit paid at age 50. <p>Hired on or after 7/01/2011 -</p> <p>Age 55</p> <ul style="list-style-type: none"> • actuarial equivalent of accrued benefit at death; or <p>< Age 55</p> <ul style="list-style-type: none"> • actuarial equivalent of accrued early benefit paid at age 55.
PERS-DCRP Disability OPEB	<p>* Any age 5 years of membership service</p> <p>Hired prior to 7/1/2011, or hired prior to 2/24/1991 -</p> <ul style="list-style-type: none"> • < 25 years membership service: 1.785% of HAC x service credit, or • Least 25 years of membership service: 2% of HAC x service credit; and • Benefit payable to later of age 65 or for five years. <p>Hired on or after July 1, 2011 -</p> <ul style="list-style-type: none"> • Between 5 and 10 years membership service: 1.5% of HAC x years of service credit; • Between 10 and 30 years membership service: 1.785% of HAC x years service credit; • 30 or more years membership service: 2% of HAC x years of service credit; <ul style="list-style-type: none"> • Benefit payable to age 70 for disabilities occurring prior to age 65, or < five years for disabilities occurring after age 65. • No distributions from individual defined contribution account while being paid from the PERS-DCRP Disability OPEB. • Participants may choose to receive a distribution from their individual account instead of applying for and receiving a disability benefit. 	<p>Survivor's benefit: Disability benefits cease after death of a member, and their beneficiary is entitled to the member's vested defined contribution account balance.</p> <p>Form of payment:</p> <ul style="list-style-type: none"> • Normal form of payment is an annuity. • No other forms of payment are available

	Disability	Survivor
System	Eligibility & Benefit Formula	Eligibility & Benefit Formula
JRS	<p>Duty-related disability:</p> <ul style="list-style-type: none"> Any amount of membership service Greater of 50% of salary or 50% of HAC <p>Non-duty-related disability:</p> <ul style="list-style-type: none"> 5 years membership service Actuarial equivalent of normal retirement at disability 	<p>Duty-related death:</p> <ul style="list-style-type: none"> service retirement benefit on date of death. <p>Non-duty-related death:</p> <ul style="list-style-type: none"> vested member; refund of member's contributions, or actuarial equivalent of service retirement at death. <ul style="list-style-type: none"> Retired members without contingent annuitant, payment made to member's designated beneficiary = accumulated contributions reduced by any retirement benefits already paid.
HPORS	<p>Duty-related disability:</p> <ul style="list-style-type: none"> Any active member < 20 years membership service: 50% of HAC, or > 20 years membership service: 2.6% of HAC x years of service credit <p>Regular disability:</p> <ul style="list-style-type: none"> Any vested member Actuarial equivalent of service retirement benefit at age 60. 	<p>Duty-related deaths:</p> <ul style="list-style-type: none"> active member; 50% HAC to spouse or dependent child. <p>Non-duty-related death:</p> <ul style="list-style-type: none"> active or inactive member; actuarial equivalent of early retirement benefit to spouse or dependent child. <p>* Retired members without spouse or dependent child: payment made to member's designated beneficiary = accumulated contributions reduced by any retirement benefits already paid.</p>
HPORS DROP	N/A	<p>Death Before the End of DROP Period:</p> <ul style="list-style-type: none"> * DROP and regular benefit to spouse or dependent child. * If no surviving spouse or dependent children, member's designated beneficiary receives balance of member's retirement account and a lump-sum payment of the member's DROP Benefit.

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System	Disability	Survivor
	Eligibility & Benefit Formula	Eligibility & Benefit Formula
SRS	<p>Duty-related disability:</p> <ul style="list-style-type: none"> Any active member with any membership service < 20 years membership service: 50% of HAC, or > 20 years membership service: 2.5% of HAC x years of service credit <p>Non-duty-related disability:</p> <ul style="list-style-type: none"> Any vested member with 5 years membership service Actuarial equivalent of the normal retirement benefit at disability. 	<p>Duty-related death:</p> <ul style="list-style-type: none"> any active member lump-sum payment of member contributions; or benefit to the designated beneficiary that is greater of: <ul style="list-style-type: none"> 50% of HAC; or > 20 years = 2.5% x HAC x service credit <p>Non-duty-related death:</p> <ul style="list-style-type: none"> any member lump-sum refund of member contributions; or benefit = 2.5% of HAC x service credit; actuarially reduced from age 60 or 20 years membership service, whichever provides the greater benefit. <ul style="list-style-type: none"> Retired members without contingent annuitant: payment made to designated beneficiary = accumulated contributions reduced by any retirement benefits already paid.
GWPORS	<p>Duty-related disability:</p> <ul style="list-style-type: none"> Vested active member < 20 years of membership service 50% of HAC; or > 20 years of membership service: 2.5% of HAC x years of service credit <p>Regular disability:</p> <ul style="list-style-type: none"> vested member actuarial equivalent of normal retirement benefit disability. 	<p>Duty-related death:</p> <ul style="list-style-type: none"> * active member * benefit to designated beneficiary < 25 years membership service: 50% of HAC, or > 25 years membership service: 2.5% x HAC x service credit <p>Non-duty-related death:</p> <ul style="list-style-type: none"> any member lump-sum refund of member contributions; or actuarial equivalent of service benefit at death. <ul style="list-style-type: none"> Effective July 1, 2017, beneficiaries of GWPORS members who die prior to retirement are eligible for either a lump-sum benefit or a monthly survivor benefit. The monthly survivor benefit may be paid out as an option 1, 2, 3, or 4, at the survivor's discretion. Previously, statute provided for lump-sum payments only.

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System	Disability	Survivor
	Eligibility & Benefit Formula	Eligibility & Benefit Formula
MPORS	<p>Duty-related disability:</p> <ul style="list-style-type: none"> < 20 years of membership service: 50 % of FAC > 20 years of membership service: 2.5% of FAC x years of service credit <p>Regular disability:</p> <ul style="list-style-type: none"> < 20 years of membership service: 50 % of FAC > 20 years of membership service: 2.5% of FAC x years of service credit 	<ul style="list-style-type: none"> Any active member; benefit to spouse or dependent child: <ul style="list-style-type: none"> < 20 years of membership service: 50 % of FAC > 20 years of membership service: 2.5% of member's FAC x years of service credit In absence of a spouse or child, accumulated contributions minus any benefits already paid will be paid to member's designated beneficiary.
MPORS DROP	<ul style="list-style-type: none"> If a member becomes disabled during DROP Period, member will not be eligible for MPORS disability benefits. 	<p>Death Before the End of DROP Period:</p> <ul style="list-style-type: none"> DROP and regular benefit to spouse or dependent child. In absence of surviving spouse or dependent children, then member's designated beneficiary receives balance of member's retirement account and a lump-sum payment of the member's DROP Benefit.
FURS	<p>Duty-related disability:</p> <ul style="list-style-type: none"> < 20 years of membership service: 50 % of HAC > 20 years of membership service: 2.5% of HAC x years of service credit <p>Regular disability:</p> <ul style="list-style-type: none"> < 20 years of membership service: 50 % of HAC > 20 years of membership service: 2.5% of HAC x years of service credit 	<ul style="list-style-type: none"> Any active or inactive member; benefit to spouse or dependent child: < 20 years of membership service <ul style="list-style-type: none"> 50% of HAC. > 20 years of membership service retirement benefit at date of death.
VFCA	<p>Duty-related disability:</p> <ul style="list-style-type: none"> Any current member on a fire company's roster Monthly benefit greater of: <ul style="list-style-type: none"> \$87.50 per month, or (\$8.75 per month x years of credited service up to 20 years) + (\$7.50 per month x years of credit service from 21 years up to 30 years) Post 7/01/2011, actuarially sound, and 30 years or more: <ul style="list-style-type: none"> Additional \$7.50 per month per year 	<ul style="list-style-type: none"> 10 years credited service or a retired member Benefit to surviving spouse or dependent child for total of 40 months includes payments to retired member prior to death.

Changes since last valuation: Senate Bill 316 from the 2025 Legislative Session implemented a separate line of duty disability retirement benefit in the MPORS and FURS systems that provides the same benefit calculation as a regular disability benefit but receives different tax treatment.

DEFINED CONTRIBUTION RETIREMENT PLAN

PLAN DESCRIPTION

Public Employees' Retirement System-DCRP (PERS-DCRP)

The PERS-Defined Contribution Retirement Plan (DCRP) is a multiple-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA. This plan is available to eligible employees of the State, Montana University System, local governments, and school districts. All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to transfer to the PERS-DCRP or remain in the PERS-DBRP by filing an irrevocable election. If an election is not filed, the member remains in the PERS-DBRP. Members may not be members of both the defined contribution and defined benefit retirement plans. The PERS-DCRP provides retirement, disability, and death benefits to plan members and their beneficiaries.

DCRP Education Fund: The DCRP Education Fund (DCEd), as governed by §19-3-112, MCA, was established to provide funding for the required education programs for members who have joined the PERS-DCRP. The DCEd was funded by 0.04% of the employers' contributions in fiscal year 2025.

DCRP Disability Fund: The DCRP Disability Fund (DC Disability), as governed by §19-3-2141, MCA, provides disability benefits to eligible members who elect the PERS-DCRP. The DCRP Disability Fund received 0.3% of the employers' contribution in fiscal year 2025. The DC Disability OPEB is reported on the financial statements under the column heading *PERS-DCRP Disability OPEB*.

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MEMBERSHIP AND EMPLOYERS

Plan Membership as of Fiscal Year End June 30, 2025	
Type of Plan for Reporting Purposes as of Fiscal Year End June 30, 2025	Multi-Employer Defined Contribution
Plan Designation	PERS-DCRP
Classification of Member	
Active	3,651
Inactive: entitled to, but not yet receiving benefits or a refund:	
Vested	1,093
Non-Vested	1,459
Inactive members and beneficiaries currently receiving benefits:	
Service Retirements	246
Disability Retirements	10
Survivor benefits	2
Total Membership	6,461

Participating Defined Contribution Employers		
Employer Type	PERS-DCRP	
As of Fiscal Year End June 30,	<u>2025</u>	<u>2024</u>
State Agencies	33	33
Counties	55	53
Cities and Towns	63	63
Colleges and Universities	5	5
School Districts	146	139
High Schools	3	3
Other Agencies	59	55
Total	364	351

PERS-DCRP Active Membership by Employer Type		
Employer Type	June 30, 2025	June 30, 2024
State Agencies	1,709	1,668
Counties	583	586
Cities	461	457
Universities	206	190
High Schools	4	5
School Districts	436	424
Other Agencies	252	247
Total	3,651	3,577

CONTRIBUTIONS

Public Employees' Retirement System-DCRP (PERS-DCRP)

Assets of the PERS-DCRP are required to be held in trusts, custodial accounts or insurance company contracts for the exclusive benefit of participants and their beneficiaries. Empower Retirement™ is the recordkeeper for the plan.

Member and employer contribution rates are established by state law and may be amended only by the Legislature.

Member contributions are deducted from each member's salary and remitted by participating employers. The entire amount of the member's contribution is credited to the individual account and maintained by the recordkeeper.

The 7.9% member contributions will be decreased to 6.9% on January 1 following actuary valuation results for the PERS-DBRP that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates. There is no reduction to the member contributions on January 1, 2026.

The total **employer contribution** rate of 9.17% is allocated as follows: 8.83% to the member's retirement account, 0.04% to the defined contribution education fund, 0.3% to the long-term disability plan.

Employer contributions temporarily increased 1.0%, effective July 1, 2013. Further, employer contributions increase an additional 0.1% a year over 10 years beginning July 1, 2014, through 2024. For fiscal years beginning after June 30, 2024, the additional employer contribution amount stays at 2.27%. During the 2025 Legislative Session, the passing of House Bill 924 increases the employer supplemental contribution to PERS by 0.1% per year for 20 years beginning July 1, 2027. Under the terms of this bill, once July 1, 2047 is reached, the total employer supplemental contribution would be 4.27%. These additional employer contributions, including the 0.27% added in 2007 and 2009, terminate on January 1 following actuary valuation results that show the amortization period of the PERS-DBRP has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and member contribution rates. Based on the June 30, 2025 actuarial valuation, the additional contributions will not be terminated on January 1, 2026.

DEFINED CONTRIBUTION SUMMARY OF BENEFITS

	PERS-DCRP
Eligibility for benefit	<ul style="list-style-type: none"> • Termination of Service
Vesting	<ul style="list-style-type: none"> • Immediate for participant's contributions and attributable income; • 5 years of membership service for the employer's contributions to individual accounts and attributable income.
Benefit	<ul style="list-style-type: none"> • Depends upon eligibility and individual account balance; • Various payout options are available, including: <ul style="list-style-type: none"> • taxable lump sums, • periodic payments per participant direction; and • IRS-permitted rollovers.

OTHER EMPLOYEE BENEFIT PLAN - Deferred Compensation (457(b)) Plan

PLAN DESCRIPTION

The Deferred Compensation (457(b)) Plan is an Other Employee Benefit Plan established in 1974. The Deferred Compensation Plan is governed by Title 19, chapter 50, MCA, in accordance with Internal Revenue Code (IRC) §457. This plan is available to all employees of the State, Montana University System, and contracting political subdivisions.

Assets of the Deferred Compensation Plan are required to be held in trusts, custodial accounts, or insurance company contracts for the exclusive benefit of participants and their beneficiaries. Empower Retirement™ is the recordkeeper for the plan. Participants elect to defer a portion of their salary designating the amount to be contributed, within IRC limitations, either pre-tax deferral or designated Roth contribution. Most employers do not contribute to this plan on behalf of their employees. Distribution of deferred salary is not allowed to employees until separation from service, retirement, or death. Unforeseen hardship distributions may be allowed while a participant is still employed, provided IRS-specified criteria are met. The 33 State Agencies are represented as one employer.

MEMBERSHIP AND EMPLOYERS

Plan Membership as of Fiscal Year End June 30, 2025	
Classification of Members	Number of Members
Active:	4,317
Inactive: entitled to, but not yet receiving benefits or a refund: Vested	5,236
Total Membership	9,553

Participating Other Employee Benefit Employers		
Employer Type	Deferred Compensation (457(b)) Plan	
	2025	2024
As of Fiscal Year End June 30,		
State Agencies	1	1
Counties	11	10
Cities and Towns	21	19
Colleges and Universities	5	5
School Districts	16	15
Other Agencies	22	22
Total	76	72

CONTRIBUTIONS

The **Deferred Compensation (457(b)) Plan** is an other employee benefit plan designed to supplement retirement savings. Participants designate the amount to contribute with IRC limitations; either pre-tax deferral or designated Roth contribution. Most employers do not contribute to this plan on behalf of their employees.

SUMMARY OF BENEFITS

	Deferred Compensation (457(b)) Plan
Eligibility for benefit	<ul style="list-style-type: none"> • Not available to participant until separation from service, retirement, or death. • Unforeseen hardship distributions may be allowed while a participant is still employed, provided IRS-specified criteria are met.
Vesting	<ul style="list-style-type: none"> • Participants are fully vested in their accounts immediately.
Benefit	<ul style="list-style-type: none"> • Lump sum or periodic benefit payment, at the option of the participant. • Based on individual account balances and plan provisions. • IRS permitted rollovers are also possible.

DEFINED CONTRIBUTION AND DEFERRED COMPENSATION

INVESTMENTS

Among the offered investment options, the participants of the:

- **PERS-DCRP** direct their contributions and their portion of employer’s contributions.
- **Deferred Compensation Plan** direct their deferred salary.

Participants may invest in any or all the offered options and transfer between options daily, if desired. The investment options offered are selected by the PERB in compliance with the **PERS-DCRP** or **Deferred Compensation** Investment Policy Statement, the advice of an independent investment consultant, and assistance from the statutorily created Employee Investment Advisory Council.

The offered investment options fall into two primary types: (1) the variable investment options and (2) the fixed investment option.

Variable investments: The variable investment options include a variety of Large, Mid/Small Cap investment options, as well as fixed income bond funds and Target Date Retirement Funds. Options range from conservative to aggressive. These investment options cover all standard asset classes and categories and are presented below.

PERS-DCRP Investment Options as of June 30, 2025	Deferred Compensation (457(b)) Plan Investment Options as of June 30, 2025
International Equity <ul style="list-style-type: none"> • State Street Gbl All Cap Equity Ex US Index SL II (CIT) • Arrowstreet International Eq ACW Ex US A (CIT) 	International Equity <ul style="list-style-type: none"> • State Street Gbl All Capt Equity Ex US Index SL II (CIT) • Arrowstreet International Eq ACW Ex US A (CIT)
US Small/Mid Cap Equity <ul style="list-style-type: none"> • State Street Russell SMID Cap Index SL II (CIT) • JPMorgan SMID Cp Eq; R6 	US Small/Mid Cap Equity <ul style="list-style-type: none"> • State Street Russell SMID Cap Index SL II (CIT) • JPMorgan SMID Cp Eq; R6
US Large Cap Equity <ul style="list-style-type: none"> • State Street S&P 500 Index SL II (CIT) • Vanguard Equity Inc; Adm • Fidelity Contrafund 1 (CIT) 	US Large Cap Equity <ul style="list-style-type: none"> • State Street S&P 500 Index SL II (CIT) • Vanguard Equity Inc; Adm • Fidelity Contrafund 1 (CIT)
Real Return <ul style="list-style-type: none"> • State Street Real Assets NL C (CIT) 	Real Return <ul style="list-style-type: none"> • State Street Real Assets NL C (CIT)
Fixed Income <ul style="list-style-type: none"> • State Street US Bond Index SL XIV (CIT) • PGIM Core Plus Bond 16 (CIT) 	Fixed Income <ul style="list-style-type: none"> • State Street US Bond Index SL XIV (CIT) • PGIM Core Plus Bond 16 (CIT)
Target Date Funds <ul style="list-style-type: none"> • T. Rowe Price Retirement - Balanced and 2005 through 2065 	Target Date Funds <ul style="list-style-type: none"> • T. Rowe Price Retirement - Balanced and 2005 through 2065
Fixed Investment Options <ul style="list-style-type: none"> • Montana Fixed Fund 	Fixed Investment Options <ul style="list-style-type: none"> • Montana Fixed Fund

In addition to the investments listed, Deferred Compensation plan participants previously had the option to direct a portion of their deferrals to a term life insurance policy provided through Allianz Life Insurance. The ability to invest in life insurance is allowed under the IRC and was offered to plan participants prior to life insurance being offered as a standard component of health insurance benefit packages. This investment option has been discontinued; however, plan participants who had previously elected this option may continue.

The Short-Term Investment Pool (STIP) is not an investment option for the Defined Contribution and Deferred Compensation plan participants. STIP is used in the administration of the Plans.

Fixed Investment: Montana Fixed Fund. The Montana Fixed Fund is a stable value investment option, administered and managed by outside vendors:

- Pacific Investment Management Company LLC (PIMCO), Stable Value Manager;
- State Street Bank and Trust Company (State Street), Custodial Bank; and

- Third-party synthetic Guaranteed Interest Contract (GIC) providers
 - Transamerica Life Insurance Company (Transamerica),
 - The Prudential Insurance Company of America (Prudential), and
 - Voya Retirement Insurance and Annuity Company (Voya).

When participants invest in the Montana Fixed Fund option, they are guaranteed a fixed rate of return, which is adjusted in accordance with the terms of the respective GIC provider contracts. The Montana Fixed Fund employs a synthetic stable value strategy where the stable value manager, PIMCO, manages a diversified bond portfolio and third-party insurers, Transamerica, Prudential, and Voya, guarantee the participants' principal investments and earnings in accordance with the respective contracts with the GIC providers. The third-party insurers set a fixed quarterly rate of return based on the stable value manager's portfolio yield, duration, market value and the contracts provide assurance that future credited income will not be below zero.

All money invested in the Montana Fixed Fund from the **PERS-DCRP** and **Deferred Compensation Plan** is held in a Pooled Trust. The Pooled Trust qualifies as a group trust under sections 401(a), including section 401(a)(24) and 501(a), of the IRC of 1986, as amended. The Pooled Trust assets are invested by PIMCO and are held under a custodial agreement with State Street. The Pooled Trust assets are invested by PIMCO based on an investment guideline schedule described in the Montana Fixed Fund investment policy established by the PERB. Additional investment constraints are contained in the investment management agreement between PIMCO and the PERB, and in the respective contracts issued by the Pooled Trust by each GIC provider.

Administrative expenses and revenues: Expenses for the **PERS-DCRP** and **Deferred Compensation Plan** can generally be classified as 1) administrative, including miscellaneous or 2) investment management. Following is a summary of revenues and expenses.

Administrative funding: The PERB charges **PERS-DCRP** and **Deferred Compensation** participants an administrative fee on participants' account balances to fund the plan's expenses. On a quarterly basis, the recordkeeper withholds the fee from each plan participant's account. Empower Retirement™ withholds a portion of the fee collected from the participant to pay their recordkeeping fee and submits the remainder to the PERB. The PERB records this as *Miscellaneous Revenue* for each plan in the financial statements. Based on MPERA Board Admin Policy 13 and 14, the PERB reviews the fees every year. Due to cash balances being greater than the equivalent of 12 months of administrative fees, the PERB has suspended charging PERS-DCRP participant fees for the fiscal years 2021 through 2025.

Recordkeeping fees: The recordkeeper, Empower Retirement™, charges a set fee to the PERB for all **PERS-DCRP** and **Deferred Compensation** plan participants. These amounts are recorded as *Miscellaneous Expense* in the financial statements. Beginning in fiscal year 2021, the PERB approved a fee suspension for the PERS-DCRP participants. With the fee suspension, MPERA pays the recordkeeping fees out of the administrative expenses.

Montana Fixed Fund fees: The Montana Fixed Fund's crediting rate is declared net of expenses. Fees on the fund are charged by each of the five providers, PIMCO, State Street,

Transamerica, Prudential, and Voya. The fees are defined under each contract for specific services. The fees charged by PIMCO and State Street for the externally managed fixed investments are classified as *Investment Expense*. The fees charged by Transamerica, Prudential and Voya are also classified as *Investment Expense*.

Mutual funds/variable investments fees: The variable investments have investment management fees and some may have additional administrative fees. These fees are not presented in the financial statements. Mutual fund earnings are declared net of expenses, both investment management and administrative expenses, in accordance with the Securities and Exchange Commission and other regulatory authorities. Current reporting standards for mutual fund companies do not require costs be made available in the detailed cost reports.

Public Employees' Retirement Board*A Component Unit of the State of Montana***Required Supplementary Information****Schedule of Changes in Multiple-Employer Plans Net Pension Liability / (Asset)****as of June 30, 2025**

Last 10 Fiscal Years

Fiscal Year	2025	2024	2023	2022
PERS-DBRP				
Total pension liability				
Service cost	\$ 137,761,879	\$ 133,685,127	\$ 116,475,831	\$ 142,664,846
Interest	695,581,544	662,135,792	647,039,932	618,424,612
Changes of benefit terms				
Differences between expected and actual experience	78,815,498	120,236,175	130,314,212	30,957,025
Changes of assumptions				(261,124,637)
Benefit payments	(591,607,728)	(566,500,813)	(544,698,781)	(512,042,746)
Refunds of Contributions	(17,983,559)	(15,223,858)	(14,699,642)	(15,343,596)
Net change in total pension liability	\$ 302,567,634	\$ 334,332,423	\$ 334,431,552	\$ 3,535,504
Total pension liability-beginning	9,695,548,065	9,361,215,642	9,026,784,090	9,023,248,586
Total pension liability-ending (a)	\$ 9,998,115,699	\$ 9,695,548,065	\$ 9,361,215,642	\$ 9,026,784,090
Plan fiduciary net position				
Contributions - employer	\$ 152,043,206	\$ 141,949,632	\$ 131,911,929	\$ 120,533,342
Contributions - non-employer	36,986,741	36,576,168	36,176,182	35,760,593
Contributions - member	134,176,781	125,723,337	119,169,165	110,597,557
Net investment income	672,965,714	612,004,075	549,305,530	(295,902,497)
Benefit payments	(591,607,728)	(566,500,813)	(544,698,781)	(512,042,746)
Administrative expense	(5,673,549)	(5,508,645)	(5,353,261)	(4,731,110)
Refunds of Contributions	(17,983,559)	(15,223,858)	(14,699,642)	(15,343,596)
Other			151,708	471
Net change in plan fiduciary net position	\$ 380,907,606	\$ 329,019,896	\$ 271,962,830	\$ (561,127,986)
Plan fiduciary net position - beginning ¹	7,249,778,066	6,920,758,170	6,648,795,340	7,209,925,272
Plan fiduciary net position - ending (b)	\$ 7,630,685,672	\$ 7,249,778,066	\$ 6,920,758,170	\$ 6,648,797,286
Net pension liability / (asset) - ending (a-b)	\$ 2,367,430,027	\$ 2,445,769,999	\$ 2,440,457,472	\$ 2,377,986,804

¹ 2017 - 2025 include restated Plan Fiduciary Net Positions due to adjustments and error corrections that are now accounted for in the correct years. These adjustments and error corrections are due to service purchases and recoveries. For more information see note A1 - Error correction.

SRS

Total pension liability				
Service cost	\$ 15,745,196	\$ 15,840,096	\$ 13,728,258	\$ 15,250,824
Interest	50,013,342	45,677,579	43,519,630	38,408,616
Changes of benefit terms				
Differences between expected and actual experience	9,726,646	14,849,840	16,670,907	17,344,637
Changes of assumptions				(4,397,121)
Benefit payments	(31,331,737)	(29,725,943)	(27,353,239)	(25,034,608)
Refunds of Contributions	(2,221,392)	(2,158,345)	(2,021,636)	(2,005,091)
Net change in total pension liability	\$ 41,932,055	\$ 44,483,227	\$ 44,543,920	\$ 39,567,257
Total pension liability-beginning	686,145,643	641,662,416	597,118,496	557,551,239
Total pension liability-ending (a)	\$ 728,077,698	\$ 686,145,643	\$ 641,662,416	\$ 597,118,496
Plan fiduciary net position				
Contributions - employer	\$ 15,824,436	\$ 14,743,483	\$ 13,482,512	\$ 12,703,407
Contributions - non-employer		26,800,000		
Contributions - member	12,832,190	12,288,572	11,186,922	10,700,220
Net investment income	53,028,576	47,181,806	38,824,040	(20,640,856)
Benefit payments	(31,331,737)	(29,725,943)	(27,353,239)	(25,034,608)
Administrative expense	(292,399)	(304,488)	(265,998)	(239,263)
Refunds of Contributions	(2,221,392)	(2,158,345)	(2,021,636)	(2,005,091)
Other			621,781	
Net change in plan fiduciary net position	\$ 47,839,674	\$ 68,825,085	\$ 34,474,382	\$ (24,516,191)
Plan fiduciary net position - beginning ¹	563,493,661	494,668,576	460,194,194	484,710,385
Plan fiduciary net position - ending (b)	\$ 611,333,335	\$ 563,493,661	\$ 494,668,576	\$ 460,194,194
Net pension liability / (asset) - ending (a-b)	\$ 116,744,363	\$ 122,651,982	\$ 146,993,840	\$ 136,924,302

¹ 2022 - 2025 include restated Plan Fiduciary Net Positions due to adjustments and error corrections that are now accounted for in the correct years. These adjustments and error corrections are due to recoveries. For more information see note A1 - Error correction.

2021	2020	2019	2018	2017	2016
\$ 129,099,681	\$ 123,083,106	\$ 123,618,712	\$ 132,567,233	\$ 144,475,909	\$ 132,620,813
604,750,489	593,858,382	585,204,569	552,036,737	507,380,846	486,830,869
29,025,581	(39,377,503)	(147,536,263)	170,344,495	55,782,342	12,254,313
265,843,313	274,029,096			354,960,213	
(476,443,132)	(449,601,997)	(422,444,896)	(395,338,673)	(366,354,719)	(344,103,875)
(12,712,759)	(11,922,673)	(12,360,997)	(12,619,498)	(12,252,007)	(10,379,388)
\$ 539,563,173	\$ 490,068,411	\$ 126,481,125	\$ 446,990,294	\$ 683,992,584	\$ 277,222,732
8,483,685,413	7,993,617,002	7,867,135,877	7,420,145,583	6,736,152,999	6,458,930,267
\$ 9,023,248,586	\$ 8,483,685,413	\$ 7,993,617,002	\$ 7,867,135,877	\$ 7,420,145,583	\$ 6,736,152,999
\$ 121,135,718	\$ 111,991,380	\$ 107,257,974	\$ 106,650,985	\$ 103,537,059	\$ 102,327,838
35,389,005	35,008,859	34,641,994	34,659,174	28,757,463	30,800,371
111,246,724	105,009,017	101,713,235	102,075,271	100,768,139	97,342,719
1,593,110,118	157,977,027	320,879,899	478,690,356	591,434,954	101,199,856
(476,443,132)	(449,601,997)	(422,444,896)	(395,338,673)	(366,354,719)	(344,103,875)
(4,397,338)	(4,059,627)	(3,806,945)	(4,168,771)	(4,472,084)	(3,858,330)
(12,712,759)	(11,922,673)	(12,360,997)	(12,619,498)	(12,252,007)	(10,379,388)
(2,775,478)	(2,234,266)	(2,567,968)	(2,474,018)	(1,706,733)	(1,580,302)
\$ 1,364,552,858	\$ (57,832,280)	\$ 123,312,296	\$ 307,474,826	\$ 439,712,072	\$ (28,251,111)
5,845,393,159	5,903,259,115	5,779,948,169	5,472,497,963	5,032,794,508	5,061,058,221
\$ 7,209,946,017	\$ 5,845,426,835	\$ 5,903,260,465	\$ 5,779,972,789	\$ 5,472,506,580	\$ 5,032,807,110
\$ 1,813,302,569	\$ 2,638,258,578	\$ 2,090,356,537	\$ 2,087,163,088	\$ 1,947,639,003	\$ 1,703,345,889
\$ 14,037,982	\$ 12,507,758	\$ 12,249,276	\$ 11,484,473	\$ 19,186,527	\$ 18,802,901
36,191,606	34,355,938	32,403,605	30,388,560	27,621,242	22,900,429
				(1,494,604)	
7,498,812	2,236,018	2,866,788	4,714,268	(170,781)	749,213
19,856,295	19,507,195			(94,881,687)	56,788,521
(24,708,608)	(21,481,264)	(19,512,312)	(18,052,544)	(16,700,117)	(15,476,437)
(1,505,592)	(1,565,536)	(1,438,814)	(1,490,014)	(1,383,061)	(1,028,890)
\$ 51,370,495	\$ 45,560,109	\$ 26,568,543	\$ 27,044,743	\$ (67,822,481)	\$ 82,735,737
506,180,744	460,620,635	434,052,092	407,007,349	474,829,830	392,094,093
\$ 557,551,239	\$ 506,180,744	\$ 460,620,635	\$ 434,052,092	\$ 407,007,349	\$ 474,829,830
\$ 11,896,985	\$ 11,175,181	\$ 10,572,559	\$ 10,366,141	\$ 7,562,105	\$ 7,316,674
9,684,410	9,114,615	8,615,935	8,469,282	7,188,857	6,982,217
105,980,311	10,181,906	20,396,435	29,157,838	35,511,246	6,063,591
(24,708,608)	(21,481,264)	(19,512,312)	(18,052,544)	(16,700,117)	(15,476,437)
(1,048,685)	(294,988)	(246,523)	(432,091)	(387,378)	(322,584)
(1,505,592)	(1,565,536)	(1,438,814)	(1,490,014)	(1,383,061)	(1,028,890)
117,496	(58,008)	(44,792)	(48,421)	(33,489)	(77,778)
\$ 100,416,317	\$ 7,071,906	\$ 18,342,488	\$ 27,970,191	\$ 31,758,163	\$ 3,456,793
384,294,754	377,222,848	358,880,360	330,910,169	299,152,006	295,695,213
\$ 484,711,071	\$ 384,294,754	\$ 377,222,848	\$ 358,880,360	\$ 330,910,169	\$ 299,152,006
\$ 72,840,168	\$ 121,885,990	\$ 83,397,787	\$ 75,171,732	\$ 76,097,180	\$ 175,677,824

Public Employees' Retirement Board*A Component Unit of the State of Montana***Required Supplementary Information****Schedule of Changes in Multiple-Employer Plans Net Pension Liability / (Asset)****as of June 30, 2025**

Last 10 Fiscal Years

Fiscal Year	2025	2024	2023	2022
GWPORS				
Total pension liability				
Service cost	\$ 10,441,707	\$ 10,346,425	\$ 13,480,972	\$ 10,138,942
Interest	27,711,054	24,900,171	23,304,867	21,166,541
Changes of benefit terms				
Differences between expected and actual experience	6,493,690	7,953,401	11,463,147	(1,278,907)
Changes of assumptions			(99,900,321)	89,102,385
Benefit payments	(14,677,143)	(13,160,172)	(11,837,894)	(10,617,274)
Refunds of Contributions	(1,184,048)	(1,251,532)	(1,104,377)	(1,463,999)
Net change in total pension liability	\$ 28,785,260	\$ 28,788,293	\$ (64,593,606)	\$ 107,047,688
Total pension liability / (asset) - beginning	377,092,368	348,304,075	412,897,681	305,849,993
Total pension liability / (asset) - ending (a)	\$ 405,877,628	\$ 377,092,368	\$ 348,304,075	\$ 412,897,681
Plan fiduciary net position				
Contributions - employer	\$ 7,568,549	\$ 7,053,311	\$ 5,278,875	\$ 4,940,955
Contributions - non-employer		41,200,000		
Contributions - member	7,737,535	7,250,356	6,475,715	6,074,793
Net investment income	33,186,643	29,471,644	21,970,757	(11,720,230)
Benefit payments	(14,677,143)	(13,160,172)	(11,837,894)	(10,617,274)
Administrative expense	(205,835)	(210,645)	(184,140)	(168,880)
Refunds of Contributions	(1,184,048)	(1,251,532)	(1,104,377)	(1,463,999)
Other			44,606	
Net change in plan fiduciary net position	\$ 32,425,701	\$ 70,352,962	\$ 20,643,542	\$ (12,954,635)
Plan fiduciary net position - beginning ¹	351,433,315	281,080,353	260,436,811	273,391,446
Plan fiduciary net position - ending (b)	\$ 383,859,016	\$ 351,433,315	\$ 281,080,353	\$ 260,436,811
Net pension liability / (asset) - ending (a-b)	\$ 22,018,612	\$ 25,659,053	\$ 67,223,722	\$ 152,460,870

¹ 2019 - 2025 include restated Plan Fiduciary Net Positions due to adjustments and error corrections that are now accounted for in the correct years. These adjustments and error corrections are due to recoveries. For more information see note A1 - Error correction.

MPORS				
Total pension liability				
Service cost	\$ 18,471,885	\$ 18,786,510	\$ 15,772,131	\$ 15,919,004
Interest	62,481,217	58,234,871	56,668,432	51,744,471
Changes of benefit terms				
Differences between expected and actual experience	8,148,969	3,893,148	3,108,321	1,400,754
Changes of assumptions				(6,045,237)
Benefit payments	(38,005,860)	(35,658,350)	(33,966,660)	(31,856,925)
Refunds of Contributions	(4,506,069)	(4,264,319)	(2,748,037)	(2,299,882)
Net change in total pension liability	\$ 46,590,142	\$ 40,991,860	\$ 38,834,187	\$ 28,862,185
Total pension liability / (asset) - beginning	858,691,150	817,699,290	778,865,103	750,002,918
Total pension liability / (asset) - ending (a)	\$ 905,281,292	\$ 858,691,150	\$ 817,699,290	\$ 778,865,103
Plan fiduciary net position				
Contributions - employer	\$ 10,798,319	\$ 10,074,983	\$ 9,723,812	\$ 8,916,384
Contributions - non-employer	21,871,062	20,489,447	19,624,763	18,122,207
Contributions - member	6,885,604	6,305,876	6,101,188	5,579,938
Net investment income	58,223,109	52,493,319	44,606,303	(23,865,392)
Benefit payments	(38,005,860)	(35,658,350)	(33,966,660)	(31,856,925)
Administrative expense	(186,936)	(197,688)	(173,427)	(160,164)
Refunds of Contributions	(4,506,069)	(4,264,319)	(2,748,037)	(2,299,882)
Other			40,412	
Net change in plan fiduciary net position	\$ 55,079,229	\$ 49,243,268	\$ 43,208,354	\$ (25,563,834)
Plan fiduciary net position - beginning ¹	635,099,521	585,856,253	542,647,899	568,213,172
Plan fiduciary net position - ending (b)	\$ 690,178,750	\$ 635,099,521	\$ 585,856,253	\$ 542,649,338
Net pension liability / (asset) - ending (a-b)	\$ 215,102,542	\$ 223,591,629	\$ 231,843,037	\$ 236,215,765

¹ 2022 - 2025 include restated Plan Fiduciary Net Positions due to adjustments and error corrections that are now accounted for in the correct years. These adjustments and error corrections are due to recoveries. For more information see note A1 - Error correction.

	2021	2020	2019	2018	2017	2016
\$	12,315,331	\$ 8,029,455	\$ 8,004,271	\$ 8,097,630	\$ 8,624,297	\$ 8,403,076
	19,379,138	18,535,089	17,617,514	16,018,113	14,268,596	12,910,129
	4,926,763	(2,026,639)	(4,728,366)	4,780,923	3,742,704	2,705,238
	(68,688,250)	85,967,147			5,877,594	
	(9,282,705)	(8,247,117)	(7,349,795)	(6,522,921)	(5,809,910)	(5,068,318)
	(870,457)	(1,200,125)	(1,000,919)	(1,105,281)	(1,035,917)	(1,065,541)
\$	(42,220,180)	\$ 101,057,810	\$ 12,542,705	\$ 21,268,464	\$ 25,667,364	\$ 17,884,584
	348,070,173	247,012,363	234,469,658	213,201,194	187,533,830	169,649,246
\$	305,849,993	\$ 348,070,173	\$ 247,012,363	\$ 234,469,658	\$ 213,201,194	\$ 187,533,830
\$	5,411,275	\$ 4,868,538	\$ 4,686,260	\$ 4,613,066	\$ 4,463,631	\$ 4,278,385
	6,392,898	5,803,119	5,565,627	5,512,148	5,278,141	5,035,648
	59,127,888	5,583,071	11,124,693	15,573,117	18,589,670	3,166,704
	(9,282,705)	(8,247,117)	(7,349,795)	(6,522,921)	(5,809,910)	(5,068,318)
	(234,188)	(240,254)	(202,040)	(369,184)	(328,699)	(269,496)
	(870,457)	(1,200,125)	(1,000,919)	(1,105,281)	(1,035,917)	(1,065,541)
	(62,854)	(4,006)	611	(19,293)	(549)	(30,640)
\$	60,481,857	\$ 6,563,226	\$ 12,824,437	\$ 17,681,652	\$ 21,156,367	\$ 6,046,742
	212,909,658	206,346,432	193,521,995	175,840,876	154,684,509	148,637,767
\$	273,391,515	\$ 212,909,658	\$ 206,346,432	\$ 193,522,528	\$ 175,840,876	\$ 154,684,509
\$	32,458,478	\$ 135,160,515	\$ 40,665,931	\$ 40,947,130	\$ 37,360,318	\$ 32,849,321
\$	14,219,088	\$ 12,709,957	\$ 12,020,270	\$ 12,248,910	\$ 12,267,430	\$ 12,022,841
	49,760,988	47,714,970	43,960,204	41,949,138	39,632,065	37,887,975
	(1,960,505)	(1,029,413)	23,127,175	640,064	(5,057,920)	(3,546,948)
	27,835,016	27,713,282			16,011,685	
	(29,790,973)	(27,866,365)	(26,220,684)	(24,566,646)	(23,474,602)	(21,960,690)
	(5,797,580)	(2,327,658)	(3,636,764)	(2,675,247)	(1,043,487)	(1,240,208)
\$	54,266,034	\$ 56,914,773	\$ 49,250,201	\$ 27,596,219	\$ 38,335,171	\$ 23,162,970
	695,736,884	638,822,111	589,571,910	561,975,691	523,640,520	500,477,550
\$	750,002,918	\$ 695,736,884	\$ 638,822,111	\$ 589,571,910	\$ 561,975,691	\$ 523,640,520
\$	8,534,618	\$ 8,272,676	\$ 7,853,234	\$ 7,757,950	\$ 7,091,246	\$ 6,927,587
	17,347,097	16,685,125	15,990,599	15,840,158	13,960,572	13,751,561
	5,453,705	5,214,262	5,037,799	5,046,352	4,465,630	4,384,573
	121,593,538	11,657,780	22,635,730	33,237,702	39,775,778	7,112,851
	(29,790,973)	(27,866,365)	(26,220,684)	(24,566,646)	(23,474,602)	(21,960,690)
	(204,819)	(240,967)	(189,981)	(350,328)	(339,344)	(273,951)
	(5,797,580)	(2,327,658)	(3,636,764)	(2,675,247)	(1,043,487)	(1,240,208)
	(71,006)	(22,301)	(6,299)	(37,861)	(491)	(131,634)
\$	117,064,580	\$ 11,372,552	\$ 21,463,634	\$ 34,252,080	\$ 40,435,302	\$ 8,570,089
	451,150,482	439,777,930	418,314,296	384,062,216	343,626,914	335,056,825
\$	568,215,062	\$ 451,150,482	\$ 439,777,930	\$ 418,314,296	\$ 384,062,216	\$ 343,626,914
\$	181,787,856	\$ 244,586,402	\$ 199,044,181	\$ 171,257,614	\$ 177,913,475	\$ 180,013,606

Public Employees' Retirement Board*A Component Unit of the State of Montana***Required Supplementary Information****Schedule of Changes in Multiple-Employer Plans Net Pension Liability / (Asset)****as of June 30, 2025**

Last 10 Fiscal Years

Fiscal Year	2025	2024	2023	2022
FURS				
Total pension liability				
Service cost	\$ 22,115,345	\$ 22,263,608	\$ 18,266,315	\$ 16,569,879
Interest	61,975,567	56,768,656	54,760,901	48,124,314
Changes of benefit terms				
Differences between expected and actual experience	22,345,304	5,192,392	5,949,425	7,640,949
Changes of assumptions				9,287,822
Benefit payments	(35,830,510)	(33,847,123)	(32,131,050)	(30,353,865)
Refunds of Contributions	(135,520)	(211,755)	(223,760)	(66,244)
Net change in total pension liability	\$ 70,470,186	\$ 50,165,778	\$ 46,621,831	\$ 51,202,855
Total pension liability / (asset) - beginning	844,848,032	794,682,254	748,060,423	696,857,568
Total pension liability / (asset) - ending (a)	\$ 915,318,218	\$ 844,848,032	\$ 794,682,254	\$ 748,060,423
Plan fiduciary net position				
Contributions - employer	\$ 12,025,383	\$ 10,391,947	\$ 9,431,940	\$ 8,590,809
Contributions - non-employer	27,249,043	23,576,364	21,406,468	19,436,204
Contributions - member	9,075,189	7,745,969	7,055,269	6,440,593
Net investment income	65,546,279	58,185,106	48,812,434	(25,986,717)
Benefit payments	(35,830,510)	(33,847,123)	(32,131,050)	(30,353,865)
Administrative expense	(156,566)	(160,607)	(142,815)	(130,922)
Refunds of Contributions	(135,520)	(211,755)	(223,760)	(66,244)
Other			285,099	(3,046)
Net change in plan fiduciary net position	\$ 77,773,298	\$ 65,679,901	\$ 54,493,585	\$ (22,073,188)
Plan fiduciary net position - beginning ¹	709,382,066	643,702,165	589,208,580	611,281,768
Plan fiduciary net position - ending (b)	\$ 787,155,364	\$ 709,382,066	\$ 643,702,165	\$ 589,208,580
Net pension liability / (asset) - ending (a-b)	\$ 128,162,854	\$ 135,465,966	\$ 150,980,089	\$ 158,851,843

¹ 2022 - 2025 include restated Plan Fiduciary Net Positions due to adjustments and error corrections that are now accounted for in the correct years. These adjustments and error corrections are due to recoveries. For more information see note A1 - Error correction.

VFCA				
Total pension liability				
Service cost	\$ 799,088	\$ 817,392	\$ 740,838	\$ 129,066
Interest	3,743,118	3,694,711	3,758,541	3,488,300
Changes of benefit terms	6,790,021			
Differences between expected and actual experience	(1,331,645)	(1,465,051)	(1,484,412)	(4,317,470)
Changes of assumptions				5,154,975
Benefit payments	(3,195,451)	(3,170,627)	(3,126,387)	(3,109,995)
Refunds of Contributions				
Net change in total pension liability	\$ 6,805,131	\$ (123,575)	\$ (111,420)	\$ 1,344,876
Total pension liability / (asset) - beginning	52,074,223	52,197,798	52,309,218	50,964,342
Total pension liability / (asset) - ending (a)	\$ 58,879,354	\$ 52,074,223	\$ 52,197,798	\$ 52,309,218
Plan fiduciary net position				
Contributions - employer				
Contributions - non-employer	\$ 3,910,471	\$ 3,519,342	\$ 3,156,488	\$ 2,851,975
Contributions - member				
Net investment income	5,066,854	4,425,777	3,827,198	(1,965,536)
Benefit payments	(3,195,451)	(3,170,627)	(3,126,387)	(3,109,995)
Administrative expense	(367,275)	(394,255)	(335,940)	(331,750)
Refunds of Contributions				
Other				
Net change in plan fiduciary net position	\$ 5,414,599	\$ 4,380,237	\$ 3,521,359	\$ (2,555,306)
Plan fiduciary net position - beginning ¹	54,984,229	50,603,992	47,082,633	49,637,939
Plan fiduciary net position - ending (b)	\$ 60,398,828	\$ 54,984,229	\$ 50,603,992	\$ 47,082,633
Net pension liability / (asset) - ending (a-b)	\$ (1,519,474)	\$ (2,910,006)	\$ 1,593,806	\$ 5,226,585

¹ 2021 - 2024 include restated Plan Fiduciary Net Positions due to adjustments and error corrections that are now accounted for in the correct years. These adjustments and error corrections are due to recoveries. For more information see note A1 - Error correction.

	2021	2020	2019	2018	2017	2016
\$	15,001,370	\$ 13,086,953	\$ 12,421,310	\$ 11,819,193	\$ 12,162,734	\$ 11,519,465
	45,515,522	43,027,646	41,022,969	37,983,963	35,230,726	33,514,243
	4,272,499	3,445,064	(931,198)	14,798,655	893,628	(1,162,342)
	26,277,324	25,851,699			16,915,553	
	(28,529,988)	(26,838,506)	(25,626,191)	(23,863,193)	(22,335,636)	(20,896,200)
	(93,251)	(61,799)	(89,824)	(173,278)	(168,422)	(46,128)
\$	62,443,476	\$ 58,511,057	\$ 26,797,066	\$ 40,565,340	\$ 42,698,583	\$ 22,929,038
	634,414,092	575,903,035	549,105,969	508,540,629	465,842,046	442,913,008
\$	696,857,568	\$ 634,414,092	\$ 575,903,035	\$ 549,105,969	\$ 508,540,629	\$ 465,842,046
\$	8,051,622	\$ 7,887,237	\$ 7,323,532	\$ 7,053,165	\$ 6,499,776	\$ 6,163,464
	18,274,536	17,807,526	16,566,861	16,127,433	14,438,412	13,969,719
	6,091,044	5,938,345	5,527,363	5,314,833	4,925,425	4,751,806
	129,637,798	12,246,535	23,722,343	34,284,721	40,838,569	7,311,946
	(28,529,988)	(26,838,506)	(25,626,191)	(23,863,193)	(22,335,636)	(20,896,200)
	(180,813)	(224,096)	(170,851)	(329,234)	(320,213)	(259,560)
	(93,251)	(61,799)	(89,824)	(173,278)	(168,422)	(46,128)
	93,985	(7,444)	1,405	13,978	(485)	(2,424)
	133,344,933	\$ 16,747,798	\$ 27,254,638	\$ 38,428,425	\$ 43,877,426	\$ 10,992,623
	477,936,941	461,189,143	433,934,505	395,506,080	351,628,654	340,636,031
\$	611,281,874	\$ 477,936,941	\$ 461,189,143	\$ 433,934,505	\$ 395,506,080	\$ 351,628,654
\$	85,575,694	\$ 156,477,151	\$ 114,713,892	\$ 115,171,464	\$ 113,034,549	\$ 114,213,392
\$	153,567	\$ 125,315	\$ 112,527	\$ 92,294	\$ 267,843	\$ 282,498
	3,483,301	3,460,874	3,434,677	3,461,285	3,336,579	3,355,483
	143,313	375,549	(173,854)	(930,963)	(791,792)	(1,141,179)
	1,285,591	1,344,856			2,281,533	
	(3,115,695)	(3,065,017)	(2,996,808)	(2,944,046)	(2,858,443)	(2,623,011)
\$	1,950,077	\$ 2,241,577	\$ 376,542	\$ (321,430)	\$ 2,235,720	\$ (126,209)
	49,014,265	46,772,688	46,396,146	46,717,576	44,481,856	44,608,065
\$	50,964,342	\$ 49,014,265	\$ 46,772,688	\$ 46,396,146	\$ 46,717,576	\$ 44,481,856
\$	2,591,791	\$ 2,486,772	\$ 2,370,454	\$ 2,212,113	\$ 2,064,561	\$ 2,036,297
	10,628,290	1,045,894	2,070,508	3,126,746	3,836,835	622,331
	(3,115,695)	(3,065,017)	(2,996,808)	(2,944,046)	(2,858,443)	(2,623,011)
	(357,814)	(414,114)	(296,866)	(293,142)	(288,897)	(241,726)
	(13,350)	(11,337)	(10,875)	(2,478)	(6,897)	(14,436)
\$	9,733,222	\$ 42,198	\$ 1,136,413	\$ 2,099,193	\$ 2,747,159	\$ (220,545)
	39,904,866	39,866,038	38,729,625	36,630,432	33,883,273	34,103,818
\$	49,638,088	\$ 39,908,236	\$ 39,866,038	\$ 38,729,625	\$ 36,630,432	\$ 33,883,273
\$	1,326,254	\$ 9,106,029	\$ 6,906,650	\$ 7,666,521	\$ 10,087,144	\$ 10,598,583

Public Employees' Retirement Board*A Component Unit of the State of Montana***Required Supplementary Information****Schedule of Changes in Single-Employer Plans Net Pension Liability / (Asset)****as of June 30, 2025**

Last 10 Fiscal Years

Fiscal Year	2025	2024	2023	2022
JRS				
Total pension liability				
Service Cost	\$ 2,059,194	\$ 2,063,216	\$ 1,908,017	\$ 2,021,754
Interest	5,534,232	5,173,832	5,301,061	5,099,382
Changes of benefit terms				
Differences between expected and actual experience	(700,403)	386,911	(2,569,357)	(2,781,784)
Changes of assumptions				(1,467,198)
Benefit payments	(4,970,376)	(4,521,948)	(4,427,197)	(4,356,996)
Net change in total pension liability	\$ 1,922,647	\$ 3,102,011	\$ 212,524	\$ (1,484,842)
Total pension liability / (asset) - beginning	76,237,400	73,135,389	72,922,865	74,407,707
Total pension liability / (asset) - ending (a)	\$ 78,160,047	\$ 76,237,400	\$ 73,135,389	\$ 72,922,865
Plan fiduciary net position				
Contributions - employer	\$ 59,746	\$ 17	\$ 296	\$ 79,282
Contributions - non-employer				
Contributions - member	723,896	630,095	647,761	629,033
Net investment income	12,922,915	11,642,452	10,331,304	(5,547,031)
Benefit payments	(4,970,376)	(4,521,948)	(4,427,197)	(4,356,996)
Administrative expense	(54,403)	(54,604)	(53,314)	(55,643)
Other			(39)	
Net change in plan fiduciary net position	\$ 8,681,778	\$ 7,696,012	\$ 6,498,811	\$ (9,251,355)
Plan fiduciary net position - beginning	138,553,101	130,857,089	124,358,278	133,609,633
Plan fiduciary net position - ending (b)	\$ 147,234,879	\$ 138,553,101	\$ 130,857,089	\$ 124,358,278
Net pension liability / (asset) - ending (a-b)	\$ (69,074,832)	\$ (62,315,701)	\$ (57,721,700)	\$ (51,435,413)
HPORS				
Total pension liability				
Service Cost	\$ 3,965,522	\$ 4,286,913	\$ 4,354,555	\$ 4,089,414
Interest	20,984,063	20,025,599	19,702,342	18,597,426
Changes of benefit terms				
Differences between expected and actual experience	5,603,619	2,558,225	1,537,638	(2,487,197)
Changes of assumptions				(2,749,503)
Benefit payments	(16,300,615)	(15,438,207)	(14,652,557)	(13,742,508)
Refund of Contributions	(889,550)	(2,784,877)	(747,967)	(1,515,412)
Net change in total pension liability	\$ 13,363,039	\$ 8,647,653	\$ 10,194,011	\$ 2,192,220
Total pension liability / (asset) - beginning	292,082,472	283,434,819	273,240,808	271,048,588
Total pension liability / (asset) - ending (a)	\$ 305,445,511	\$ 292,082,472	\$ 283,434,819	\$ 273,240,808
Plan fiduciary net position				
Contributions - employer	\$ 7,128,374	\$ 6,790,771	\$ 6,908,350	\$ 6,639,274
Contributions - non-employer	704,799	28,313,490	2,205,826	4,213,133
Contributions - member	2,510,079	2,408,430	2,376,571	2,284,710
Net investment income	20,937,185	19,083,055	14,637,213	(7,840,616)
Benefit payments	(16,300,615)	(15,438,207)	(14,652,557)	(13,742,508)
Administrative expense	(80,663)	(85,372)	(79,030)	(77,306)
Refund of Contributions	(889,550)	(2,784,877)	(747,967)	(1,515,412)
Other				
Net change in plan fiduciary net position	\$ 14,009,609	\$ 38,287,290	\$ 10,648,406	\$ (10,038,725)
Plan fiduciary net position - beginning	224,876,028	186,588,738	175,940,332	185,979,057
Plan fiduciary net position - ending (b)	\$ 238,885,637	\$ 224,876,028	\$ 186,588,738	\$ 175,940,332
Net pension liability / (asset) - ending (a-b)	\$ 66,559,874	\$ 67,206,444	\$ 96,846,081	\$ 97,300,476

	2021	2020	2019	2018	2017	2016
\$	1,896,963	\$ 1,748,288	\$ 1,771,629	\$ 1,664,039	\$ 1,628,290	\$ 1,578,705
	4,948,543	4,842,414	4,457,587	4,502,928	4,043,662	3,986,420
	376,265	(261,841)	2,743,465	(2,900,423)	862,189	(1,341,333)
	1,869,369	1,911,905			3,864,700	
	(4,204,547)	(4,038,362)	(3,846,157)	(3,872,322)	(3,554,335)	(3,416,023)
\$	4,886,593	\$ 4,202,404	\$ 5,126,524	\$ (605,778)	\$ 6,844,506	\$ 807,769
	69,521,114	65,318,710	60,192,186	60,797,964	53,953,458	53,145,689
\$	74,407,707	\$ 69,521,114	\$ 65,318,710	\$ 60,192,186	\$ 60,797,964	\$ 53,953,458
\$	2,139,151	\$ 1,988,166	\$ (281)	\$ 1,084,880	\$ 1,800,105	\$ 1,807,493
	589,463	560,108	516,777	575,050	488,208	729,180
	29,149,599	2,827,148	5,687,228	8,467,204	10,368,402	1,778,748
	(4,204,547)	(4,038,362)	(3,846,157)	(3,872,322)	(3,554,335)	(3,416,023)
	(126,331)	(157,040)	(122,618)	(264,496)	(253,789)	(197,445)
	(3,374)	15		6,737	(674)	(2,742)
\$	27,543,961	\$ 1,180,035	\$ 2,234,949	\$ 5,997,053	\$ 8,847,917	\$ 699,211
	106,065,672	104,885,637	102,650,688	96,653,635	87,805,718	87,106,507
\$	133,609,633	\$ 106,065,672	\$ 104,885,637	\$ 102,650,688	\$ 96,653,635	\$ 87,805,718
\$	(59,201,926)	\$ (36,544,558)	\$ (39,566,927)	\$ (42,458,502)	\$ (35,855,671)	\$ (33,852,260)
\$	7,578,028	\$ 3,336,846	\$ 3,453,066	\$ 3,643,015	\$ 3,664,857	\$ 3,798,553
	16,742,334	17,688,311	16,926,240	16,293,615	15,121,088	14,545,022
	1,912,795	(993,030)	2,412,675	589,270	2,773,680	18,339
	(125,247,098)	141,054,951			7,892,479	
	(13,710,171)	(12,684,315)	(12,062,607)	(11,545,732)	(11,036,794)	(10,482,414)
	(2,026,383)	(331,169)	(582,438)	(321,840)	(244,597)	(93,811)
\$	(114,750,495)	\$ 148,071,594	\$ 10,146,936	\$ 8,658,328	\$ 18,170,713	\$ 7,785,689
	385,799,083	237,727,489	227,580,553	218,922,225	200,751,512	192,965,823
\$	271,048,588	\$ 385,799,083	\$ 237,727,489	\$ 227,580,553	\$ 218,922,225	\$ 200,751,512
\$	6,423,043	\$ 6,002,897	\$ 5,844,909	\$ 5,858,493	\$ 5,782,258	\$ 5,915,644
	224,258	226,239	233,139	250,150	262,884	242,749
	2,206,028	2,169,955	2,002,319	2,386,526	1,949,795	1,917,487
	41,276,714	4,100,741	8,268,830	12,282,824	15,098,813	2,605,256
	(13,710,171)	(12,684,315)	(12,062,607)	(11,545,732)	(11,036,794)	(10,482,414)
	(342,178)	(163,315)	(127,400)	(256,309)	(248,124)	(197,034)
	(2,026,383)	(331,169)	(582,438)	(321,840)	(244,597)	(93,811)
	(39,963)	(130,951)	2,007	8,067	(466)	(2,276)
\$	34,011,348	\$ (809,918)	\$ 3,578,759	\$ 8,662,179	\$ 11,563,769	\$ (94,399)
	151,967,709	152,777,627	149,198,868	140,536,689	128,972,920	129,067,319
\$	185,979,057	\$ 151,967,709	\$ 152,777,627	\$ 149,198,868	\$ 140,536,689	\$ 128,972,920
\$	85,069,531	\$ 233,831,374	\$ 84,949,862	\$ 78,381,685	\$ 78,385,536	\$ 71,778,592

Public Employees' Retirement Board
A Component Unit of the State of Montana
Required Supplementary Information
Schedule of Net Pension Liability / (Asset) for Multiple-Employer Plans
as of June 30, 2025
 Last 10 Fiscal Years

Fiscal Year	2025	2024	2023	2022
PERS-DBRP				
Total Pension Liability	\$ 9,998,115,699	\$ 9,695,548,065	\$ 9,361,215,642	\$ 9,026,784,090
Plan Fiduciary Net Position	7,630,685,672	7,249,785,664	6,920,861,726	6,648,898,896
Multiple-Employers' Net Pension Liability / (Asset)	<u>\$ 2,367,430,027</u>	<u>\$ 2,445,762,401</u>	<u>\$ 2,440,353,916</u>	<u>\$ 2,377,885,194</u>
Plan fiduciary net position as a percentage of the total pension liability	76.32%	74.77%	73.93%	73.66%
Covered Payroll	\$ 1,665,059,662	\$ 1,552,623,897	\$ 1,453,317,132	\$ 1,349,882,543
Net pension liability / (asset) as a percentage of covered payroll ¹	142.18%	157.52%	167.92%	176.15%
SRS				
Total Pension Liability	\$ 728,077,698	\$ 686,145,643	\$ 641,662,416	\$ 597,118,496
Plan Fiduciary Net Position	611,333,335	563,494,120	494,669,262	460,194,880
Multiple-Employers' Net Pension Liability / (Asset)	<u>\$ 116,744,363</u>	<u>\$ 122,651,523</u>	<u>\$ 146,993,154</u>	<u>\$ 136,923,616</u>
Plan fiduciary net position as a percentage of the total pension liability	83.97%	82.12%	77.09%	77.07%
Covered Payroll	\$ 118,828,380	\$ 110,949,549	\$ 102,449,725	\$ 96,370,364
Net pension liability / (asset) as a percentage of covered payroll	98.25%	110.55%	143.48%	142.08%
GWPORS				
Total Pension Liability	\$ 405,877,628	\$ 377,092,368	\$ 348,304,075	\$ 412,897,681
Plan Fiduciary Net Position	383,859,016	351,433,384	281,080,955	260,437,413
Multiple-Employers' Net Pension Liability / (Asset)	<u>\$ 22,018,612</u>	<u>\$ 25,658,984</u>	<u>\$ 67,223,120</u>	<u>\$ 152,460,268</u>
Plan fiduciary net position as a percentage of the total pension liability	94.58%	93.20%	80.70%	63.08%
Covered Payroll	\$ 71,268,654	\$ 66,456,451	\$ 58,393,246	\$ 54,286,855
Net pension liability / (asset) as a percentage of covered payroll	30.90%	38.61%	115.12%	280.84%

2021	2020	2019	2018	2017	2016
\$ 9,023,248,586	\$ 8,483,685,413	\$ 7,993,617,002	\$ 7,867,135,877	\$ 7,420,145,583	\$ 6,736,152,999
<u>7,210,026,882</u>	<u>5,845,474,024</u>	<u>5,903,306,304</u>	<u>5,779,994,008</u>	<u>5,472,519,182</u>	<u>5,032,807,110</u>
<u>\$ 1,813,221,704</u>	<u>\$ 2,638,211,389</u>	<u>\$ 2,090,310,698</u>	<u>\$ 2,087,141,869</u>	<u>\$ 1,947,626,401</u>	<u>\$ 1,703,345,889</u>
79.91%	68.90%	73.85%	73.47%	73.75%	74.71%
\$ 1,361,589,739	\$ 1,280,557,497	\$ 1,247,343,733	\$ 1,230,105,350	\$ 1,232,066,537	\$ 1,185,646,179
133.17%	206.02%	167.58%	169.67%	158.08%	143.66%
\$ 557,551,239	\$ 506,180,744	\$ 460,620,635	\$ 434,052,092	\$ 407,007,349	\$ 474,829,830
<u>484,711,071</u>	<u>384,294,754</u>	<u>377,222,848</u>	<u>358,880,360</u>	<u>330,910,169</u>	<u>299,152,006</u>
<u>\$ 72,840,168</u>	<u>\$ 121,885,990</u>	<u>\$ 83,397,787</u>	<u>\$ 75,171,732</u>	<u>\$ 76,097,180</u>	<u>\$ 175,677,824</u>
86.94%	75.92%	81.89%	82.68%	81.30%	63.00%
\$ 90,869,369	\$ 84,942,848	\$ 80,461,048	\$ 77,587,294	\$ 74,581,258	\$ 70,593,304
80.16%	143.49%	103.65%	96.89%	102.03%	248.86%
\$ 305,849,993	\$ 348,070,173	\$ 247,012,363	\$ 234,469,658	\$ 213,201,194	\$ 187,533,830
<u>273,392,048</u>	<u>212,910,191</u>	<u>206,346,965</u>	<u>193,522,528</u>	<u>175,840,876</u>	<u>154,684,509</u>
<u>\$ 32,457,945</u>	<u>\$ 135,159,982</u>	<u>\$ 40,665,398</u>	<u>\$ 40,947,130</u>	<u>\$ 37,360,318</u>	<u>\$ 32,849,321</u>
89.39%	61.17%	83.54%	82.54%	82.48%	82.48%
\$ 60,022,906	\$ 53,825,163	\$ 51,676,963	\$ 50,823,150	\$ 49,381,004	\$ 47,108,310
54.08%	251.11%	78.69%	80.57%	75.66%	69.73%

Public Employees' Retirement Board
A Component Unit of the State of Montana
Required Supplementary Information
Schedule of Net Pension Liability / (Asset) for Multiple-Employer Plans
as of June 30, 2025
Last 10 Fiscal Years

Fiscal Year	2025	2024	2023	2022
MPORS				
Total Pension Liability	\$ 905,281,292	\$ 858,691,150	\$ 817,699,290	\$ 778,865,103
Plan Fiduciary Net Position	690,178,750	635,100,960	585,859,582	542,651,228
Multiple-Employers' Net Pension Liability / (Asset)	\$ 215,102,542	\$ 223,590,190	\$ 231,839,708	\$ 236,213,875
Plan fiduciary net position as a percentage of the total pension liability	76.24%	73.96%	71.65%	69.67%
Covered Payroll	\$ 74,996,541	\$ 69,714,342	\$ 66,806,214	\$ 61,329,209
Net pension liability / (asset) as a percentage of covered payroll	286.82%	320.72%	347.03%	385.16%
FURS				
Total Pension Liability	\$ 915,318,218	\$ 844,848,032	\$ 794,682,254	\$ 748,060,423
Plan Fiduciary Net Position	787,155,364	709,382,172	643,702,271	589,208,686
Multiple-Employers' Net Pension Liability / (Asset)	\$ 128,162,854	\$ 135,465,860	\$ 150,979,983	\$ 158,851,737
Plan fiduciary net position as a percentage of the total pension liability	86.00%	83.97%	81.00%	78.76%
Covered Payroll	\$ 83,371,559	\$ 71,767,525	\$ 65,574,963	\$ 59,394,409
Net pension liability / (asset) as a percentage of covered payroll	153.72%	188.76%	230.24%	267.45%
VFCA				
Total Pension Liability	\$ 58,879,354	\$ 52,074,223	\$ 52,197,798	\$ 52,309,218
Plan Fiduciary Net Position	60,398,828	54,984,229	50,607,511	47,086,152
Multiple-Employers' Net Pension Liability / (Asset)	\$ (1,519,474)	\$ (2,910,006)	\$ 1,590,287	\$ 5,223,066
Plan fiduciary net position as a percentage of the total pension liability	102.58%	105.59%	96.95%	90.02%
Covered Payroll	N/A	N/A	N/A	N/A
Net pension liability / (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A

2021	2020	2019	2018	2017	2016
\$ 750,002,918	\$ 695,736,884	\$ 638,822,111	\$ 589,571,910	\$ 561,975,691	\$ 523,640,520
<u>568,215,062</u>	<u>451,150,482</u>	<u>439,777,930</u>	<u>418,314,296</u>	<u>384,062,216</u>	<u>343,626,914</u>
<u>\$ 181,787,856</u>	<u>\$ 244,586,402</u>	<u>\$ 199,044,181</u>	<u>\$ 171,257,614</u>	<u>\$ 177,913,475</u>	<u>\$ 180,013,606</u>
75.76%	64.84%	68.84%	70.95%	68.34%	65.62%
\$ 59,216,593	\$ 56,783,680	\$ 54,282,431	\$ 52,035,958	\$ 48,603,580	\$ 47,233,801
306.99%	430.73%	366.68%	329.11%	366.05%	381.11%
<hr/>					
\$ 696,857,568	\$ 634,414,092	\$ 575,903,035	\$ 549,105,969	\$ 508,540,629	\$ 465,842,046
<u>611,281,874</u>	<u>477,936,941</u>	<u>461,189,143</u>	<u>433,934,505</u>	<u>395,506,080</u>	<u>351,628,654</u>
<u>\$ 85,575,694</u>	<u>\$ 156,477,151</u>	<u>\$ 114,713,892</u>	<u>\$ 115,171,464</u>	<u>\$ 113,034,549</u>	<u>\$ 114,213,392</u>
87.72%	75.34%	80.08%	79.03%	77.77%	75.48%
\$ 56,281,681	\$ 53,858,929	\$ 50,756,445	\$ 47,934,517	\$ 45,208,091	\$ 43,118,925
152.05%	290.53%	226.01%	240.27%	250.03%	264.88%
<hr/>					
\$ 50,964,342	\$ 49,014,265	\$ 46,772,688	\$ 46,396,146	\$ 46,717,576	\$ 44,481,856
<u>49,641,458</u>	<u>39,908,236</u>	<u>39,866,038</u>	<u>38,729,625</u>	<u>36,630,432</u>	<u>33,883,273</u>
<u>\$ 1,322,884</u>	<u>\$ 9,106,029</u>	<u>\$ 6,906,650</u>	<u>\$ 7,666,521</u>	<u>\$ 10,087,144</u>	<u>\$ 10,598,583</u>
97.40%	81.42%	85.23%	83.48%	78.41%	76.17%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

Public Employees' Retirement Board
A Component Unit of the State of Montana
Required Supplementary Information
Schedule of Net Pension Liability / (Asset) for Single-Employer Plans
as of June 30, 2025
 Last 10 Fiscal Years

Fiscal Year	2025	2024	2023	2022
JRS				
Total Pension Liability	\$ 78,160,047	\$ 76,237,400	\$ 73,135,389	\$ 72,922,865
Plan Fiduciary Net Position	147,234,879	138,553,101	130,857,089	124,358,278
Single-Employers' Net Pension Liability / (Asset)	<u>\$ (69,074,832)</u>	<u>\$ (62,315,701)</u>	<u>\$ (57,721,700)</u>	<u>\$ (51,435,413)</u>
Plan fiduciary net position as a percentage of the total pension liability	188.38%	181.74%	178.92%	170.53%
Covered Payroll	\$ 8,948,962	\$ 9,001,334	\$ 8,561,115	\$ 8,408,166
Net pension liability / (asset) as a percentage of covered payroll	(771.88)%	(692.29)%	(674.23)%	(611.73)%
HPORS				
Total Pension Liability	\$ 305,445,511	\$ 292,082,472	\$ 283,434,819	\$ 273,240,808
Plan Fiduciary Net Position	238,885,637	224,876,028	186,588,738	175,940,332
Single-Employers' Net Pension Liability / (Asset)	<u>\$ 66,559,874</u>	<u>\$ 67,206,444</u>	<u>\$ 96,846,081</u>	<u>\$ 97,300,476</u>
Plan fiduciary net position as a percentage of the total pension liability	78.21%	76.99%	65.83%	64.39%
Covered Payroll	\$ 18,564,101	\$ 17,529,302	\$ 18,004,509	\$ 17,274,748
Net pension liability / (asset) as a percentage of covered payroll	358.54%	383.39%	537.90%	563.25%

2021	2020	2019	2018	2017	2016
\$ 74,407,707	\$ 69,521,114	\$ 65,318,710	\$ 60,192,186	\$ 60,797,964	\$ 53,953,458
<u>133,609,633</u>	<u>106,065,672</u>	<u>104,885,637</u>	<u>102,650,688</u>	<u>96,653,635</u>	<u>87,805,718</u>
<u>\$ (59,201,926)</u>	<u>\$ (36,544,558)</u>	<u>\$ (39,566,927)</u>	<u>\$ (42,458,502)</u>	<u>\$ (35,855,671)</u>	<u>\$ (33,852,260)</u>
179.56%	152.57%	160.58%	170.54%	158.98%	162.74%
\$ 8,281,631	\$ 8,001,462	\$ 7,382,476	\$ 7,290,904	\$ 6,974,470	\$ 6,920,367
(714.86)%	(456.72)%	(535.96)%	(582.35)%	(514.10)%	(489.17)%
\$ 271,048,588	\$ 385,799,083	\$ 237,727,489	\$ 227,580,553	\$ 218,922,225	\$ 200,751,512
<u>185,979,057</u>	<u>151,967,709</u>	<u>152,777,627</u>	<u>149,198,868</u>	<u>140,536,689</u>	<u>128,972,920</u>
<u>\$ 85,069,531</u>	<u>\$ 233,831,374</u>	<u>\$ 84,949,862</u>	<u>\$ 78,381,685</u>	<u>\$ 78,385,536</u>	<u>\$ 71,778,592</u>
68.61%	39.39%	64.27%	65.56%	64.19%	64.25%
\$ 16,630,576	\$ 15,607,832	\$ 15,177,612	\$ 15,251,339	\$ 14,778,975	\$ 15,275,964
511.52%	1,498.17%	559.71%	513.93%	530.39%	469.88%

Public Employees' Retirement Board*A Component Unit of the State of Montana***Required Supplementary Information****Schedule of Employer and Non-Employer (State) Contributions
for Cost-Sharing Multiple-Employer Plans****as of June 30, 2025**

(in thousands)

Last 10 Fiscal Years

Fiscal Year	2025	2024	2023	2022
PERS-DBRP				
Actuarially Determined Contribution	\$ 189,030	\$ 178,526	\$ 171,317	\$ 156,294
Actual Contributions in Relation to the Actuarially Determined Contribution				
Employer Contributions	152,043	141,950	131,912	120,533
Non-Employer Contributions (State)	36,987	36,576	36,176	35,761
Total Contributions	\$ 189,030	\$ 178,526	\$ 168,088	\$ 156,294
Contribution Deficiency / (Excess)	\$ 0	\$ 0	\$ 3,229	\$ 0
Covered Payroll	\$ 1,665,060	\$ 1,552,624	\$ 1,453,317	\$ 1,349,883
Contributions as a Percentage of Covered Payroll	11.35%	11.50%	11.57%	11.58%
SRS				
Actuarially Determined Contribution	\$ 15,824	\$ 14,743	\$ 13,760	\$ 12,703
Actual Contributions in Relation to the Actuarially Determined Contribution				
Employer Contributions	15,824	14,743	13,482	12,703
Non-Employer Contributions (State)		26,800		
Total Contributions	\$ 15,824	\$ 41,543	\$ 13,482	\$ 12,703
Contribution Deficiency / (Excess)	\$ 0	\$ (26,800)	\$ 278	\$ 0
Covered Payroll	\$ 118,828	\$ 110,950	\$ 102,450	\$ 96,370
Contributions as a Percentage of Covered Payroll	13.32%	37.44%	13.16%	13.18%

2021	2020	2019	2018	2017	2016
\$ 164,931	\$ 156,152	\$ 152,663	\$ 141,310	\$ 132,295	\$ 133,128
121,136	111,991	107,258	106,651	103,537	102,328
35,389	35,009	34,642	34,659	28,758	30,800
<u>\$ 156,525</u>	<u>\$ 147,000</u>	<u>\$ 141,900</u>	<u>\$ 141,310</u>	<u>\$ 132,295</u>	<u>\$ 133,128</u>
<u>\$ 8,406</u>	<u>\$ 9,152</u>	<u>\$ 10,763</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 1,361,590	\$ 1,280,557	\$ 1,247,344	\$ 1,230,105	\$ 1,232,067	\$ 1,185,646
11.50%	11.48%	11.38%	11.49%	10.74%	11.23%
\$ 11,897	\$ 11,175	\$ 10,573	\$ 10,366	\$ 10,095	\$ 8,640
11,897	11,175	10,573	10,366	7,562	7,317
<u>\$ 11,897</u>	<u>\$ 11,175</u>	<u>\$ 10,573</u>	<u>\$ 10,366</u>	<u>\$ 7,562</u>	<u>\$ 7,317</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,533</u>	<u>\$ 1,323</u>
\$ 90,869	\$ 84,943	\$ 80,461	\$ 77,587	\$ 74,581	\$ 70,593
13.09%	13.16%	13.14%	13.36%	10.14%	10.36%

Public Employees' Retirement Board*A Component Unit of the State of Montana***Required Supplementary Information****Schedule of Employer and Non-Employer (State) Contributions****for Cost-Sharing Multiple-Employer Plans****as of June 30, 2025**

(in thousands)

Last 10 Fiscal Years

Fiscal Year	2025	2024	2023	2022
GWPORS				
Actuarially Determined Contribution	\$ 7,569	\$ 9,117	\$ 8,006	\$ 5,100
Actual Contributions in Relation to the Actuarially Determined Contribution				
Employer Contributions	7,569	7,053	5,279	4,941
Non-Employer Contributions (State)		41,200		
Total Contributions	\$ 7,569	\$ 48,253	\$ 5,279	\$ 4,941
Contribution Deficiency / (Excess)	\$ 0	\$ (39,136)	\$ 2,727	\$ 159
Covered Payroll	\$ 71,269	\$ 66,456	\$ 58,393	\$ 54,287
Contributions as a Percentage of Covered Payroll	10.62%	72.61%	9.04%	9.10%
MPORS				
Actuarially Determined Contribution	\$ 32,669	\$ 30,564	\$ 29,349	\$ 27,039
Actual Contributions in Relation to the Actuarially Determined Contribution				
Employer Contributions	10,798	10,075	9,724	8,917
Non-Employer Contributions (State)	21,871	20,489	19,625	18,122
Total Contributions	\$ 32,669	\$ 30,564	\$ 29,349	\$ 27,039
Contribution Deficiency / (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 74,997	\$ 69,714	\$ 66,806	\$ 61,329
Contributions as a Percentage of Covered Payroll	43.56%	43.84%	43.93%	44.09%

2021	2020	2019	2018	2017	2016
\$ 5,754	\$ 5,350	\$ 5,285	\$ 5,213	\$ 5,495	\$ 4,707
5,411	4,869	4,686	4,613	4,464	4,278
<u>\$ 5,411</u>	<u>\$ 4,869</u>	<u>\$ 4,686</u>	<u>\$ 4,613</u>	<u>\$ 4,464</u>	<u>\$ 4,278</u>
<u>\$ 343</u>	<u>\$ 481</u>	<u>\$ 599</u>	<u>\$ 600</u>	<u>\$ 1,031</u>	<u>\$ 429</u>
\$ 60,023	\$ 53,825	\$ 51,677	\$ 50,823	\$ 49,381	\$ 47,108
9.02%	9.05%	9.07%	9.08%	9.04%	9.08%
<hr/>					
\$ 25,882	\$ 24,958	\$ 23,844	\$ 23,598	\$ 21,052	\$ 20,679
8,535	8,273	7,853	7,758	7,091	6,928
17,347	16,685	15,991	15,840	13,961	13,751
<u>\$ 25,882</u>	<u>\$ 24,958</u>	<u>\$ 23,844</u>	<u>\$ 23,598</u>	<u>\$ 21,052</u>	<u>\$ 20,679</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 59,217	\$ 56,784	\$ 54,282	\$ 52,036	\$ 48,604	\$ 47,234
43.71%	43.95%	43.93%	45.35%	43.31%	43.78%

Public Employees' Retirement Board*A Component Unit of the State of Montana***Required Supplementary Information****Schedule of Employer and Non-Employer (State) Contributions****for Cost-Sharing Multiple-Employer Plans****as of June 30, 2025**

(in thousands)

Last 10 Fiscal Years

Fiscal Year	2025	2024	2023	2022
FURS				
Actuarially Determined Contribution	\$ 39,274	\$ 33,968	\$ 30,838	\$ 28,027
Actual Contributions in Relation to the Actuarially Determined Contribution				
Employer Contributions	12,025	10,392	9,432	8,591
Non-Employer Contributions (State)	27,249	23,576	21,406	19,436
Total Contributions	\$ 39,274	\$ 33,968	\$ 30,838	\$ 28,027
Contribution Deficiency / (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 83,372	\$ 71,768	\$ 65,575	\$ 59,394
Contributions as a Percentage of Covered Payroll	47.11%	47.33%	47.03%	47.19%
VFCA				
Actuarially Determined Contribution	\$ 3,910	\$ 3,519	\$ 3,156	\$ 2,852
Actual Contributions in Relation to the Actuarially Determined Contribution				
Employer Contributions				
Non-Employer Contributions (State)	3,910	3,519	3,156	2,852
Total Contributions	\$ 3,910	\$ 3,519	\$ 3,156	\$ 2,852
Contribution Deficiency / (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

2021	2020	2019	2018	2017	2016
\$ 26,326	\$ 25,695	\$ 23,890	\$ 23,181	\$ 20,938	\$ 20,133
8,052	7,887	7,323	7,053	6,500	6,163
18,274	17,808	16,567	16,128	14,438	13,970
<u>\$ 26,326</u>	<u>\$ 25,695</u>	<u>\$ 23,890</u>	<u>\$ 23,181</u>	<u>\$ 20,938</u>	<u>\$ 20,133</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 56,282	\$ 53,859	\$ 50,756	\$ 47,935	\$ 45,208	\$ 43,119
46.78%	47.71%	47.07%	48.36%	46.32%	46.69%
\$ 2,592	\$ 2,487	\$ 2,370	\$ 2,212	\$ 2,065	\$ 2,037
2,592	2,487	2,370	2,212	2,065	2,036
<u>\$ 2,592</u>	<u>\$ 2,487</u>	<u>\$ 2,370</u>	<u>\$ 2,212</u>	<u>\$ 2,065</u>	<u>\$ 2,036</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1</u>
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

Public Employees' Retirement Board

A Component Unit of the State of Montana

Required Supplementary Information

Schedule of Employer Contributions

for Single-Employer Plans

as of June 30, 2025

(in thousands)

Last 10 Fiscal Years

Fiscal Year	2025	2024	2023	2022
JRS				
Actuarially Determined Contribution				
Actual Contributions in Relation to the Actuarially Determined Contribution:				
Employer Contributions	\$ 60	\$ 0	\$ 0	\$ 79
Total Contributions	\$ 60	\$ 0	\$ 0	\$ 79
Contribution Deficiency / (Excess)	\$ (60)	\$ 0	\$ 0	\$ (79)
Covered Payroll	\$ 8,949	\$ 9,001	\$ 8,561	\$ 8,408
Contributions as a Percentage of Covered Payroll	0.67 %	0.00%	0.00%	0.94%
HPORS				
Actuarially Determined Contribution	\$ 7,833	\$ 7,703	\$ 10,070	\$ 10,852
Actual Contributions in Relation to the Actuarially Determined Contribution:				
Employer Contributions	7,128	7,504	9,114	10,852
Non-employer Contributions (State)	705	27,600		
Total Contributions	\$ 7,833	\$ 35,104	\$ 9,114	\$ 10,852
Contribution Deficiency / (Excess)	\$ 0	\$ (27,401)	\$ 956	\$ 0
Covered Payroll	\$ 18,564	\$ 17,529	\$ 18,005	\$ 17,275
Contributions as a Percentage of Covered Payroll	42.20 %	200.26%	50.62%	62.82%

2021	2020	2019	2018	2017	2016
\$ 2,139	\$ 1,988	\$ 0	\$ 1,085	\$ 1,800	\$ 1,807
\$ 2,139	\$ 1,988	\$ 0	\$ 1,085	\$ 1,800	\$ 1,807
\$ (2,139)	\$ (1,988)	\$ 0	\$ (1,085)	\$ (1,800)	\$ (1,807)
\$ 8,282	\$ 8,001	\$ 7,382	\$ 7,291	\$ 6,974	\$ 6,920
25.83%	24.85%	0.00%	14.88%	25.81%	26.11%
\$ 7,273	\$ 6,934	\$ 6,668	\$ 6,530	\$ 6,045	\$ 6,158
6,647	6,229	6,078	6,109	6,045	6,158
\$ 6,647	\$ 6,229	\$ 6,078	\$ 6,109	\$ 6,045	\$ 6,158
\$ 626	\$ 705	\$ 590	\$ 421	\$ 0	\$ 0
\$ 16,631	\$ 15,608	\$ 15,178	\$ 15,251	\$ 14,779	\$ 15,276
39.97%	39.91%	40.05%	40.05%	40.90%	40.31%

Public Employees' Retirement Board

A Component Unit of the State of Montana

Notes to the Required Supplementary Information

The information presented in the **GASB Statement No. 67** required supplementary schedules was determined as part of the actuarial valuations for accounting purposes at the dates indicated. Certain prior year amounts were reclassified to conform to current years' presentation.

Valuation date: June 30, 2024

Key Methods and Assumptions Used to Determine the Actuarially Determined Contribution (ADC) for fiscal year end 2025:

Timing	ADC are determined on the valuation date payable in the fiscal year beginning one year after the valuation date
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open Legacy Base as of June 30, 2023 over a closed 25-year period Contemporary Bases over a closed 10-year period
Remaining amortization period	30 years
Asset valuation method	4-year smoothed market
Wage Inflation	3.50%
Inflation	2.75%
Salary increases	3.50 to 10.12%, including inflation
Investment rate of return	7.30%, net of pension plan investment and administrative expense, including inflation
Mortality (Active Participants) - General	PUB-2010 General Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
Mortality (Disabled Retirees) - General	PUB-2010 General Amount Weighted Disabled Retiree mortality table, projected to 2021, set forward one year for both males and females.
Mortality (Healthy Retiree) - General	PUB-2010 General Amount Weighted Healthy Retiree Mortality Table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.
Mortality (Contingent Survivor) - General	PUB-2010 Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.
Mortality (Active) - Safety	PUB-2010 Safety Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
Mortality (Healthy Retiree) - Safety	PUB-2010 Safety Amount Weighted Healthy Retiree Mortality Table projected to 2021, set forward one year and adjusted 105% for males and 100% for females. Projected generationally using MP-2021.
Mortality (Disabled Retiree) - Safety	PUB-2010 Safety Amount Weighted Disabled Retiree Mortality projected to 2021, set forward one year for males.
Mortality (Contingent Survivor) - Safety	PUB-2010 Amount Weighted Contingent Survivor Mortality projected to 2021, set forward one year for males. Projected generationally using MP-2021.

Public Employees' Retirement Board

A Component Unit of the State of Montana

Notes to Required Supplementary Information

Changes of assumptions: The following changes have been made to the actuarial assumptions and methods for GASB Statement No. 67:

2017

1. The discount rate was lowered from 7.75% to 7.65%.
2. The inflation rate was reduced from 3.00% to 2.75%.
3. The wage inflation rate was reduced from 4.00% to 3.50%.
4. The non-disabled mortality and withdrawal assumptions were updated.
5. The salary merit scale was updated.

2020

1. The discount rate was lowered from 7.65% to 7.34% for all systems except GWPORS and HPORS. The discount rate for GWPORS was lowered from 7.65% to 5.65% and HPORS discount rate was lowered from 7.65% to 4.43%.
2. The investment rate of return was lowered from 7.65% to 7.34%.
3. The inflation rate was reduced from 2.75% to 2.40%.

2021

1. The discount rate was lowered from 7.34% to 7.06% for all systems except GWPORS and HPORS. The discount rate for GWPORS was increased from 5.65% to 7.06% and HPORS' discount rate was increased from 4.43% to 7.06%.
2. The investment rate of return was lowered from 7.34% to 7.06%.

2022

1. The discount rate was raised from 7.06% to 7.30% for all systems except GWPORS. The discount rate for GWPORS was lowered from 7.06% to 5.55%.
2. The investment rate of return was raised from 7.06% to 7.30%.
3. The payroll growth rate was reduced from 3.50% to 3.25%.
4. All mortality tables were updated to the PUB 2010 tables for general employees and public safety employees.
5. Updated the rates of withdrawal, retirement, disability and merit increase scales.
6. The inflation rate was increased from 2.40% to 2.75%.

2023

1. The discount rate for GWPORS was increased from 5.55% to 7.30%.

Public Employees' Retirement Board
A Component Unit of the State of Montana
Required Supplementary Information
Schedule of Investment Returns for Multiple-Employer Plans
as of June 30, 2025
 Last 10 Fiscal Years

	Year Ended June 30	PERS-DBRP	SRS	GWPORS
Annual money-weighted rate of return, net investment expense				
	2025	9.45 %	9.46 %	9.46 %
	2024	8.98 %	9.07 %	9.15 %
	2023	8.42 %	8.46 %	8.47 %
	2022	(4.17)%	(4.27)%	(4.30)%
	2021	27.72 %	27.71 %	27.70 %
	2020	2.71 %	2.70 %	2.69 %
	2019	5.64 %	5.70 %	5.73 %
	2018	8.88 %	8.83 %	8.82 %
	2017	11.94 %	11.96 %	11.97 %
	2016	2.04 %	2.05 %	2.09 %

	Year Ended June 30	MPORS	FURS	VFCA
Annual money-weighted rate of return, net investment expense				
	2025	9.41 %	9.42 %	9.47 %
	2024	9.18 %	9.20 %	8.99 %
	2023	8.43 %	8.45 %	8.37 %
	2022	(4.29)%	(4.32)%	(4.09)%
	2021	27.81 %	27.79 %	27.78 %
	2020	2.72 %	2.71 %	2.73 %
	2019	5.56 %	5.59 %	5.59 %
	2018	8.86 %	8.85 %	8.97 %
	2017	11.92 %	11.93 %	11.89 %
	2016	2.18 %	2.19 %	1.85 %

Public Employees' Retirement Board
A Component Unit of the State of Montana
Required Supplementary Information
Schedule of Investment Returns for Single-Employer Plans
as of June 30, 2025
 Last 10 Fiscal Years

	Year Ended June 30	JRS	HPORS
Annual money-weighted rate of return, net investment expense	2025	9.46 %	9.45 %
	2024	9.00 %	9.08 %
	2023	8.44 %	8.37 %
	2022	(4.21)%	(4.21)%
	2021	27.73 %	27.73 %
	2020	2.72 %	2.73 %
	2019	5.65 %	5.64 %
	2018	8.87 %	8.89 %
	2017	11.96 %	11.92 %
	2016	2.03 %	2.02 %

Public Employees' Retirement Board*A Component Unit of the State of Montana***Required Supplementary Information****Schedule of Total OPEB (Healthcare) Liability and Related Ratios, Last Ten Fiscal Years¹**

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 3,369	\$ 4,201	\$ 23,058	\$ 35,000	\$ 6,461	\$ 4,763	\$ 6,271	\$ 27,891
Interest	5,468	5,267	14,804	12,271	3,503	2,892	6,096	29,728
Changes of benefit terms								
Difference between expected and actual experience	3,799		(182,312)		64,160	22,201		(69,725)
Changes of assumptions or other inputs	30,384	(8,702)	(148,566)	(139,054)	317,547	(5,706)	8,460	(4,363)
Benefit payments	(953)	1,822	(7,835)	9,102	(3,636)	(1,826)	(5,220)	25,170
Net change in total OPEB liability	\$ 42,067	\$ 2,588	\$ (300,851)	\$ (82,681)	\$ 388,035	\$ 22,324	\$ 15,607	\$ 8,701
Total OPEB liability - Beginning	129,817	127,229	428,080	510,761	122,726	100,402	84,795	76,094
Total OPEB liability - Ending	\$ 171,884	\$ 129,817	\$ 127,229	\$ 428,080	\$ 510,761	\$ 122,726	\$ 100,402	\$ 84,795
Proportionate Share of Total OPEB Liability	0.41045%	0.41045%	0.41045%	0.36426%	0.34625%	0.25924%	0.18026%	0.16805%
Covered employee payroll	\$ 5,025,594	\$ 4,902,551	\$ 4,480,616	\$ 4,048,080	\$ 4,283,180	\$ 4,151,855	\$ 3,909,710	\$ 3,703,606
Total OPEB liability as a percentage of covered employee payroll	3.42%	2.65%	2.84%	10.57%	11.92%	2.96%	2.57%	2.29%

¹ Schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

The information above presents the funding progress of the Healthcare OPEB Plan specifically for MPERA as a State of Montana employer and is determined by the State of Montana.

At June 30, 2025 (reporting date), the most recent actuarial valuation available was performed by the State of Montana for current year 2025 as of December 31, 2024. The measurement date is March 31, 2025. This actuarial valuation is performed every two years with the next valuation to be performed as of January 1, 2026 for the calendar year ending December 31, 2026. The State of Montana finances claims on a pay-as-you-go basis and does not advance fund the OPEB liability. This is the OPEB obligation for MPERA as a State of Montana employer and is determined by the State of Montana.

Public Employees' Retirement Board

A Component Unit of the State of Montana

Notes to Required Supplementary Information for OPEB (Healthcare)

Actuarial valuation date	December 31, 2024
Actuarial measurement date ¹	March 31, 2025
Experience study period	January 1, 2024 through December 31, 2024
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll, open basis
Remaining amortization period	20 years
Asset valuation method	Not applicable because no assets meeting the definition of plan assets under GASB 75
<i>Actuarial assumptions:</i>	
Discount rate	4.57%
Healthcare cost trend rate	7.6% / 9.6%
Projected payroll increases	3.50%
Participation:	
Future retirees	40.00%
Future eligible spouses	70.00%
Marital status at retirement	70.00%

¹ Update procedures were used to roll forward the total OPEB liability to the measurement date.

Public Employees' Retirement Board

A Component Unit of the State of Montana

Notes to the Required Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuations for **funding** purposes at the dates indicated. Additional information as of latest actuarial valuation follows:

	PERS-DBRP	JRS	HPORS
Valuation date	June 30, 2025	June 30, 2025	June 30, 2025
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
Remaining amortization period in years:			
Unfunded Liability	23	0	22
Unfunded Credit			
Asset valuation method	4-Year smoothed market	4-Year smoothed market	4-Year smoothed market
Actuarial assumptions:			
Investment rate of return compounded annually (net of investment expense)	7.30%	7.30%	7.30%
Projected salary increases			
General Wage Growth*	3.50%	3.50%	3.50%
Merit	0% - 6.3%	None	1.0% - 6.4%
*Includes inflation at	2.75%	2.75%	2.75%
Benefit Adjustments			
GABA	3% if hired prior to July 1, 2007; or 1.5% if hired between July 1, 2007 and June 30, 2013; or 0% to 1.5% if hired on or after July 1, 2013; after 1 year	3% after 1 yr	3% after 1 year or 1.5% after 3 years if hired on or after July 1, 2013
Non-GABA	N/A	Biennial increase to salary of active member in like position	2% per yr service, not to exceed 5% of current benefit, for probationary officer's base pay

SRS	GWPORS	MPORS	FURS	VFCA
June 30, 2025	June 30, 2025	June 30, 2025	June 30, 2025	June 30, 2025
Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open	Level percent of inflation, open
17	16	18	8	
				Based on Actual Contributions
4-Year smoothed market	4-Year smoothed market	4-Year smoothed market	4-Year smoothed market	4-Year smoothed market
7.30%	7.30%	7.30%	7.30%	7.30%
3.50%	3.50%	3.50%	3.50%	N/A
1.0% - 6.4%	1.0% - 6.4%	1.0% - 6.4%	1.0% - 6.4%	N/A
2.75%	2.75%	2.75%	2.75%	2.75%
3% or 1.5% for new hires on or after July 1, 2007, after 1 year	3% or 1.5% for new hires on or after July 1, 2007, after 1 year	3% after 1 yr	3% after 1 yr	N/A
N/A	N/A	50% newly confirmed officer	50% newly confirmed firefighter	N/A

Public Employees' Retirement Board
A Component Unit of the State of Montana
Schedule of Administrative Expenses
Year Ended June 30, 2025

	Defined Benefit Plans	PERS-DBRP Education Fund	Defined Contribution PERS-DCRP	Deferred Compensation (457 (b)) Plan
Personal Services				
Salaries	\$ 2,750,327	\$ 302,620	\$ 598,248	\$ 123,641
Board Members' Per Diem	5,658		966	276
Employee Benefits	909,202	118,982	181,999	40,575
Total Personal Services	3,665,187	421,602	781,213	164,492
Other Services				
Consulting and Professional Services	520,259	102	358,174	52,982
IT Consulting and Professional Services	781,686		133,459	38,131
Legal Fees and Court Costs	10,997		1,316	77
Audit Fees	128,550		17,507	5,002
Medical Services	40,379		4,487	
Records Storage	4,634		791	226
Computer Processing	180,312	19,760	39,521	7,410
Printing and Photocopy Charges	47,953	110	5,419	1,361
Warrant Writing Services	61,408		6,823	
Other	263,549	51	45,019	12,852
Total Other Services	2,039,727	20,023	612,516	118,041
Communications				
Postage and Mailing	69,110	258	17,931	12,674
Telephone	60,697	6,652	13,303	2,494
Total Communications	129,807	6,910	31,234	15,168
Other Expenses				
Supplies and Materials	233,240	6,579	42,730	10,916
Travel	21,873	741	4,810	1,858
Rent	18,258	521	3,348	854
Repairs and Maintenance	257	28	56	11
Compensated Absences	38,062	(11,756)	31,591	1,791
OPEB Expenses	474	(7,190)	10,675	122
Miscellaneous	870,740	78,441	99,727	69,606
Total Other Expenses	1,182,904	67,364	192,937	85,158
Total Administrative Expenses	\$ 7,017,625	\$ 515,899	\$ 1,617,900	\$ 382,859

Public Employees' Retirement Board*A Component Unit of the State of Montana***Schedule of Investment Expenses****Year Ended June 30, 2025**

Plan	Investment Manager	Fees
PERS-DBRP	Board of Investments	\$ 41,990,294
PERS-DCRP DISABILITY OPEB	Board of Investments	5,803
JRS	Board of Investments	807,007
HPORS	Board of Investments	1,306,869
SRS	Board of Investments	3,313,749
GWPORS	Board of Investments	2,074,542
MPORS	Board of Investments	3,650,951
FURS	Board of Investments	4,112,576
VFCA	Board of Investments	316,893
DC	PIMCO	55,043
	State Street Bank	4,691
	Transamerica	14,859
	Prudential	14,888
	Voya	14,894
457(b)	PIMCO	347,359
	State Street Bank	29,613
	Transamerica	93,789
	Prudential	93,969
	Voya	94,008
Total Investment Expense*		\$ 58,341,797

*The *Total Investment Expense* on this schedule may not tie to the *Total Investment Expense* on the *Statement of Changes in Fiduciary Net Position* due to rounding.

Public Employees' Retirement Board

A Component Unit of the State of Montana

Detail of Fiduciary Net Position (PERS-DBRP and PERS-DBEd)

as of June 30, 2025

(in thousands)

	PERS-DBRP	PERS-DBEd	TOTAL
Assets			
Cash and Short-term Investments	\$ 85,276	\$ 1,003	\$ 86,279
Securities Lending Collateral	377,765	36	377,801
Receivables			
Interest Receivable	284	3	287
Receivable Due from Other Systems	1,000		1,000
Receivable Due from Primary Government			
Accounts Receivable	3,028	5	3,033
<i>Total Receivables</i>	4,312	8	4,320
Investments, at fair value			
CAPP Participant Pool	7,542,352		7,542,352
<i>Total Investments</i>	7,542,352		7,542,352
Property and Equipment	12	3	15
Intangible Assets	229		229
Intangible Right-to-use Assets	2,011	623	2,634
<i>Total Capital Assets - Net Accumulated Depreciation and Amortization</i>	2,252	626	2,878
Total Assets	8,011,957	1,673	8,013,630
Deferred Outflow of Resources - OPEB	205	27	232
Liabilities			
Securities Lending Liability	377,765	36	377,801
Accounts Payable	736	19	755
Contributions Received in Advance	39		39
Other Liabilities	481	63	544
Lease Liability	2,200	682	2,882
Total Liabilities	381,221	800	382,021
Deferred Inflow of Resources - OPEB	255	33	288
Net Position Restricted for Pension Benefits	\$ 7,630,686	\$ 867	\$ 7,631,553

Public Employees' Retirement Board

A Component Unit of the State of Montana

Detail of Changes in Fiduciary Net Position (PERS-DBRP and PERS-DBEd) for the Fiscal Year Ended June 30, 2025

(in thousands)

	PERS-DBRP	PERS-DBEd	TOTAL
Additions			
Contributions			
Employer	\$ 151,981	\$ 660	\$ 152,641
Plan Member	134,177		134,177
Miscellaneous Revenue	61		61
State Contributions	1,304		1,304
State Appropriations	35,684		35,684
<i>Total Contributions</i>	323,207	660	323,867
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments	708,466		708,466
Interest	4,225	42	4,267
Investment Expenses	(41,990)		(41,990)
<i>Net Investment Income</i>	670,701	42	670,743
Securities Lending Income			
Securities Lending Income	17,297		17,297
Securities Lending Rebate and Fees	(15,033)		(15,033)
<i>Net Securities Lending Income</i>	2,264		2,264
Total Net Investment Income	672,965	42	673,007
Total Additions	996,172	702	996,874
Deductions			
Benefits, Refunds and Distributions	609,591		609,591
Administrative Expenses	5,673	516	6,189
Total Deductions	615,264	516	615,780
Net Increase (Decrease)	380,908	186	381,094
Net Position Restricted for Pension Benefits			
Beginning of Year Net Position	7,249,786	681	7,250,467
Adjustments and Restatements (Note A1)	(8)		(8)
Beginning of Year Net Position, adjusted or restated	7,249,778	681	7,250,459
End of Year Net Position	\$ 7,630,686	\$ 867	\$ 7,631,553

Public Employees' Retirement Board

A Component Unit of the State of Montana

Detail of Fiduciary Net Position (PERS-DCRP, PERS-DCEd)

as of June 30, 2025

(in thousands)

	PERS-DCRP	PERS-DCEd	TOTAL
Assets			
Cash and Short-term Investments	\$ 3,949	\$ 334	\$ 4,283
Securities Lending Collateral	56	12	68
Receivables			
Interest	5	1	6
Accounts Receivables	346	1	347
<i>Total Receivables</i>	351	2	353
Investments			
Defined Contributions Fixed Investments	28,212		28,212
Defined Contributions Variable Investments	547,004		547,004
<i>Total Investments</i>	575,216		575,216
Capital Assets			
Property and Equipment	1		1
Intangible Assets	55		55
Intangible Right to use Assets	243	69	312
Total Capital Assets - Net Accumulated Depreciation and Amortization	299	69	368
Total Assets	579,871	417	580,288
Deferred Outflow of Resources - OPEB	50	3	53
Liabilities			
Securities Lending Liability	56	12	68
Accounts Payable	248	1	249
Contributions Received in Advance	564		564
Other Liabilities	117	8	125
Lease Liability	265	76	341
Total Liabilities	1,250	97	1,347
Deferred Inflow of Resources - OPEB	62	4	66
Net Position Restricted for Pension Benefits	\$ 578,609	\$ 319	\$ 578,928

Public Employees' Retirement Board

A Component Unit of the State of Montana

Detail of Changes in Fiduciary Net Position (PERS-DCRP, PERS-DCEd) for the Fiscal Year Ended June 30, 2025

(in thousands)

	PERS-DCRP	PERS-DCEd	TOTAL
Additions			
Contributions			
Employer ¹	\$ 19,517	\$ 116	\$ 19,633
Plan Member	22,753		22,753
Miscellaneous Revenue	44		44
Non-Employer 19-3-319 MCA	140		140
Non-Vested Member Forfeitures	1,868		1,868
<i>Total Contributions</i>	44,322	116	44,438
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments	61,363		61,363
Interest	3,060	13	3,073
Investment Expenses	(104)		(104)
<i>Net Investment Earnings</i>	64,319	13	64,332
Securities Lending Income			
Securities Lending Income			
Securities Lending Rebate and Fees			
<i>Net Securities Lending Income</i>			
Total Net Investment Earnings	64,319	13	64,332
Total Additions	108,641	129	108,770
Deductions			
Distributions	33,593		33,593
Administrative Expenses	1,584	34	1,618
Miscellaneous Expenses	46		46
Total Deductions	35,223	34	35,257
Net Increase (Decrease)	73,418	95	73,513
Net Position Restricted for Pension Benefits			
Beginning of Year Net Position	505,173	224	505,397
Adjustments and Restatements (Note A1)	18		18
Beginning of Year Net Position, adjusted or restated	\$ 505,191	\$ 224	\$ 505,415
End of Year Net Position	\$ 578,609	\$ 319	\$ 578,928

¹Employer contributions include State contributions that are listed separately on the main financial statements of this section.

Report on Internal Control and Compliance

LEGISLATIVE AUDIT DIVISION

B-1

Angus Maciver, Legislative Auditor
Kenneth E. Varns, Legal Counsel



Deputy Legislative Auditors:
Alexa O'Dell
William Soller
Miki Cestnik

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Legislative Audit Committee
of the Montana State Legislature:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Public Employees' Retirement Board (board), a component unit of the State of Montana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the board's basic financial statements, and have issued our report thereon dated December 16, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the board's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the board's internal control. Accordingly, we do not express an opinion on the effectiveness of the board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

/s/ Alexa O'Dell

Alexa O'Dell, CPA
Deputy Legislative Auditor
Helena, MT

December 16, 2025

PUBLIC EMPLOYEES'
RETIREMENT BOARD

BOARD RESPONSE

MONTANA PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION

GREG GIANFORTE
GOVERNORWILLIAM HOLAHAN
EXECUTIVE DIRECTOR

STATE OF MONTANA

HELENA (406) 444-3154
TOLL FREE (877) 275-7372
FAX (406) 444-5428100 N PARK, STE 200
PO BOX 200131
HELENA MT 59620-0131

January 12, 2026

Angus Maciver, Legislative Auditor
Legislative Audit Division
State Capitol, Room 160
Helena, MT 59620RECEIVED
January 12, 2026
LEGISLATIVE AUDIT DIV.

Dear Mr. Maciver:

The Montana Public Employee Retirement Administration (MPERA) has reviewed the financial audit report for fiscal year 2025. We are pleased there are no recommendations in the report and will work hard to continue to provide the highest quality service possible to our members.

We appreciate the professionalism demonstrated by the audit staff and would like to offer our thanks to you for the courtesy and consideration extended to MPERA during the audit.

Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "William Holahan".

William Holahan
Executive Director