

Presentation of 2009 Actuarial Valuation Results

Systems Administered by Public Employees' Retirement Board



Presented By
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October 29, 2009



Discussion Topics

- Covered Systems
- Historical Trends
- 2009 Actuarial Valuation Results
- Projections



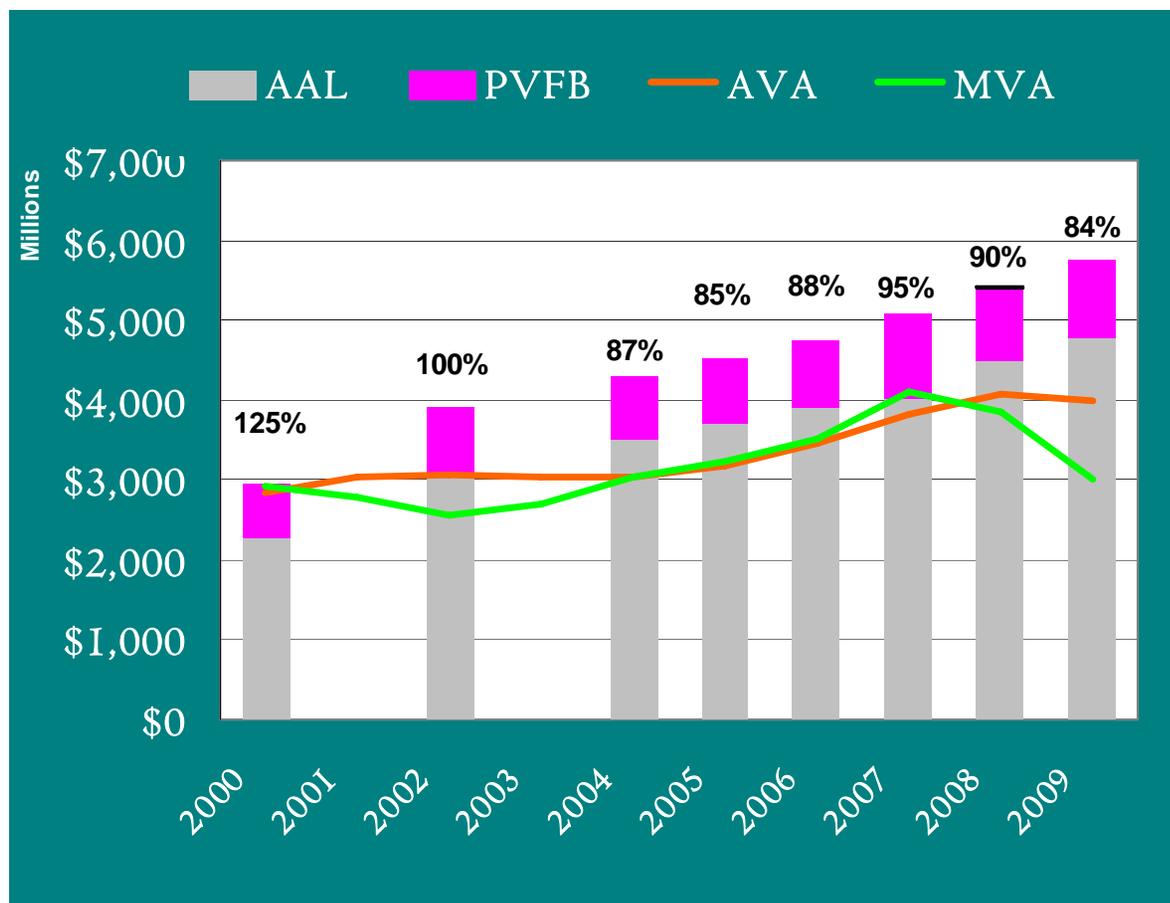
PERB Systems

System Name	June 2009 Assets (\$ Millions)
Public Employees' Retirement System	\$2,999
Judges' Retirement System	47
Highway Patrol Retirement System	75
Sheriffs' Retirement System	151
Game Warden's and Peace Officers' Retirement System	62
Municipal Police Officers' Retirement System	162
Firefighters' United Retirement System	159
Volunteer Firefighters' Compensation Act	20



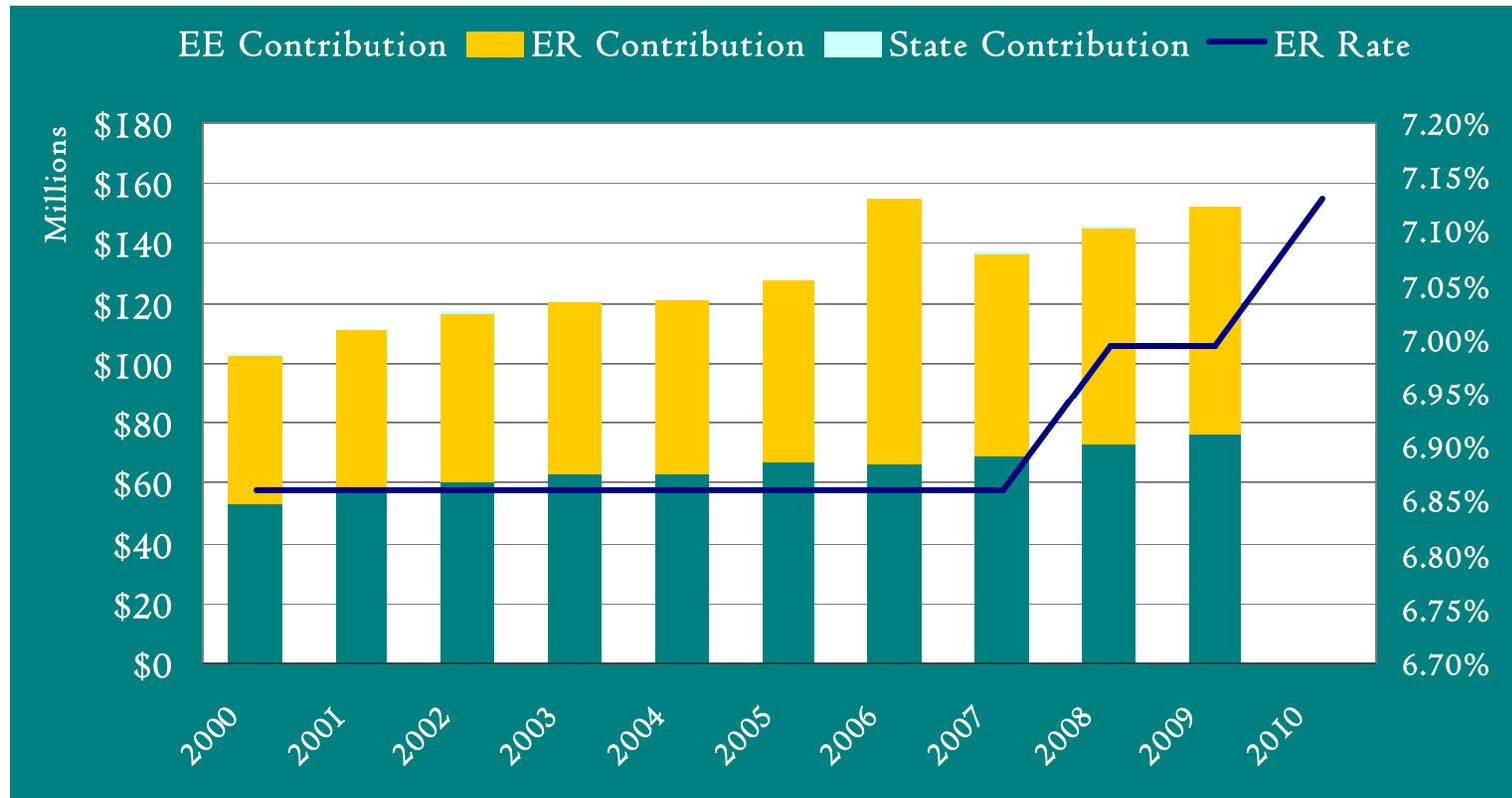
PERS Historical Trends

Assets and Liabilities





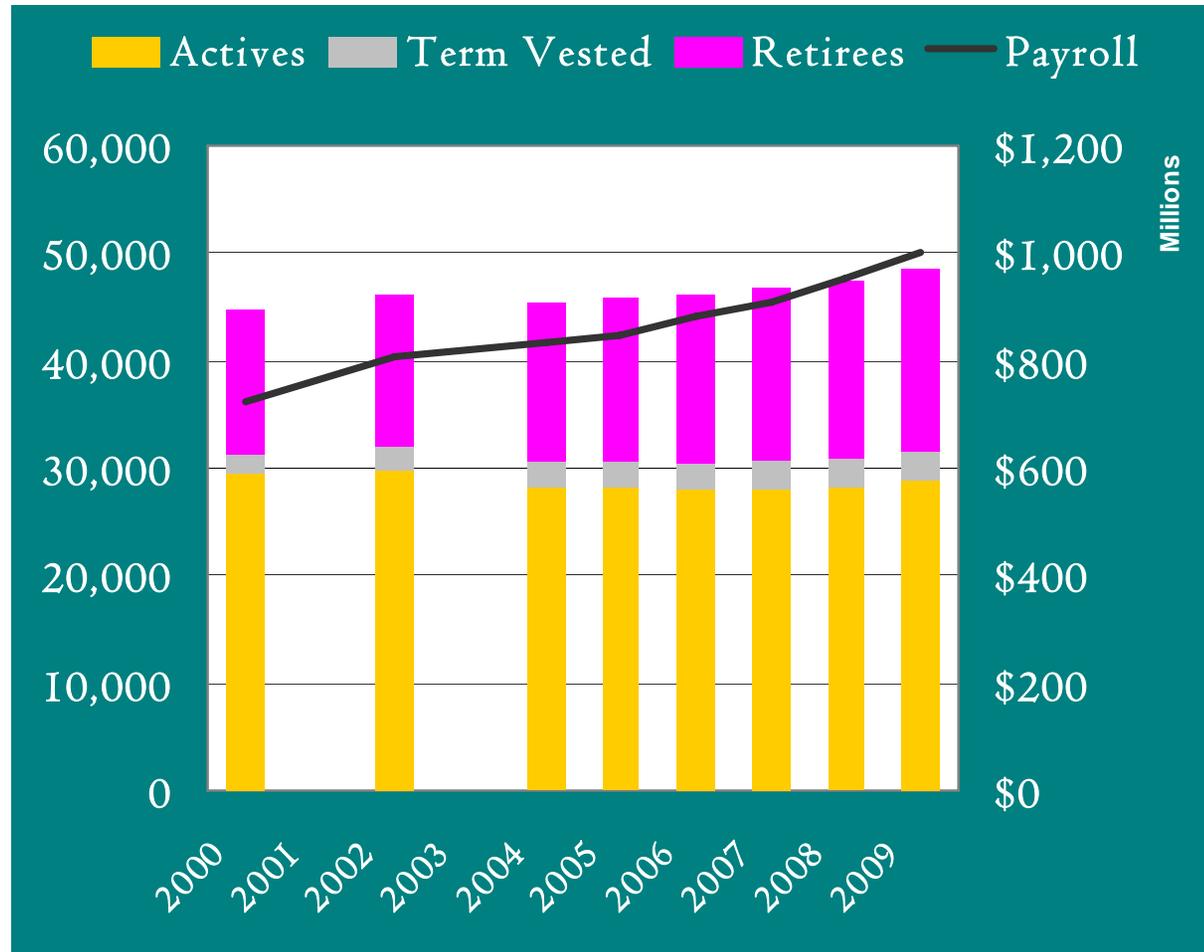
PERS Historical Trends Contributions





PERS Historical Trends

Participation





PERS Summary of Valuation Results

Montana Public Employees' Retirement System Summary of Principal System Results			
Valuation as of:	June 30, 2008***	June 30, 2009	% Change
<u>Participant Counts</u>			
Active Members	28,293	28,983	2.4%
Disabled Members*	290	279	-3.8%
Retirees and Beneficiaries*	16,337	16,796	2.8%
Terminated Vested Members	2,579	2,476	-4.0%
Terminated Non-Vested Members	<u>6,268</u>	<u>5,670</u>	-9.5%
Total**	53,767	54,204	0.8%
Annual Salaries of Active Members	\$ 994,314,000	\$ 1,053,173,964	5.9%
Average Annual Salary	\$ 35,143	\$ 36,338	3.4%
Annual Retirement Allowances for Retired Members and Beneficiaries	\$ 185,155,000	\$ 201,412,083	8.8%
<u>Assets and Liabilities</u>			
Actuarial Accrued Liability (AAL)	\$ 4,504,743,000	\$ 4,792,819,291	6.4%
Actuarial Value of Assets (AVA)	<u>4,065,307,000</u>	<u>4,002,212,253</u>	-1.6%
Unfunded AAL (AVA/AAL)	\$ 439,436,000	\$ 790,607,038	79.9%
Less: PCR-UAL	<u>17,500,000</u>	<u>16,188,870</u>	-7.5%
Net Unfunded AAL	\$ 421,936,000	\$ 774,418,168	83.5%
Funded Ratio	90.25%	83.50%	
Present Value of Accrued Benefits (PVAB)	N/A	\$ 4,060,778,783	
Market Value of Assets	\$ 3,852,532,000	<u>2,998,626,255</u>	-22.2%
Unfunded PVAB	N/A	\$ 1,062,152,528	
Accrued Benefit Funding Ratio	N/A	73.84%	
Ratio of Actuarial Value to Market Value	105.52%	133.47%	

(See following page for footnotes)



PERS Summary of Valuation Results

Montana Public Employees' Retirement System Summary of Principal System Results			
Valuation as of:	June 30, 2008***	June 30, 2009	% Change
<u>Contributions as a Percentage of Payroll</u>			
Statutory Funding Rate	13.935%	14.070%	
Less: Transfer to DB Ed Fund	0.040%	0.040%	
Net Statutory Funding Rate	13.895%	14.030%	
Normal Cost Rate	12.130%	12.160%	
Available for Amortization of UAL	1.765%	1.870%	
Period to Amortize	24.8 years	Does not amortize	
Projected 30-year Level Funding Rate	13.750%	16.420%	
Projected Shortfall (Surplus)	(0.185%)	2.350%	

* Based on PERA categorization for the annual report. For actuarial valuation purposes, 793 members in 2008 and 784 members in 2009 were valued as disabled members with offsetting reductions to the number of retired members.

** The total number of members processed in the 2009 valuation was 54,130 compared to 54,204 above being used for the annual report. A reconciliation of this difference will appear in the full actuarial valuation report.

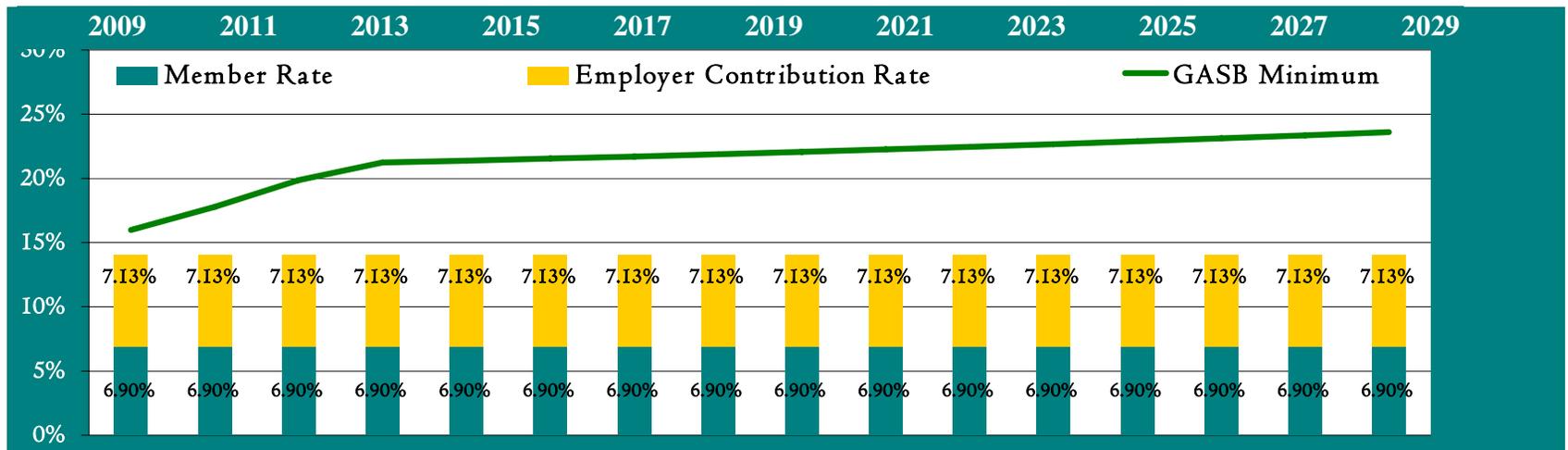
*** All results reported under heading June 30, 2008 were produced by the prior actuary.



PERS Projections - Contributions

Assuming Statutory Contributions

Asset Returns at 8%

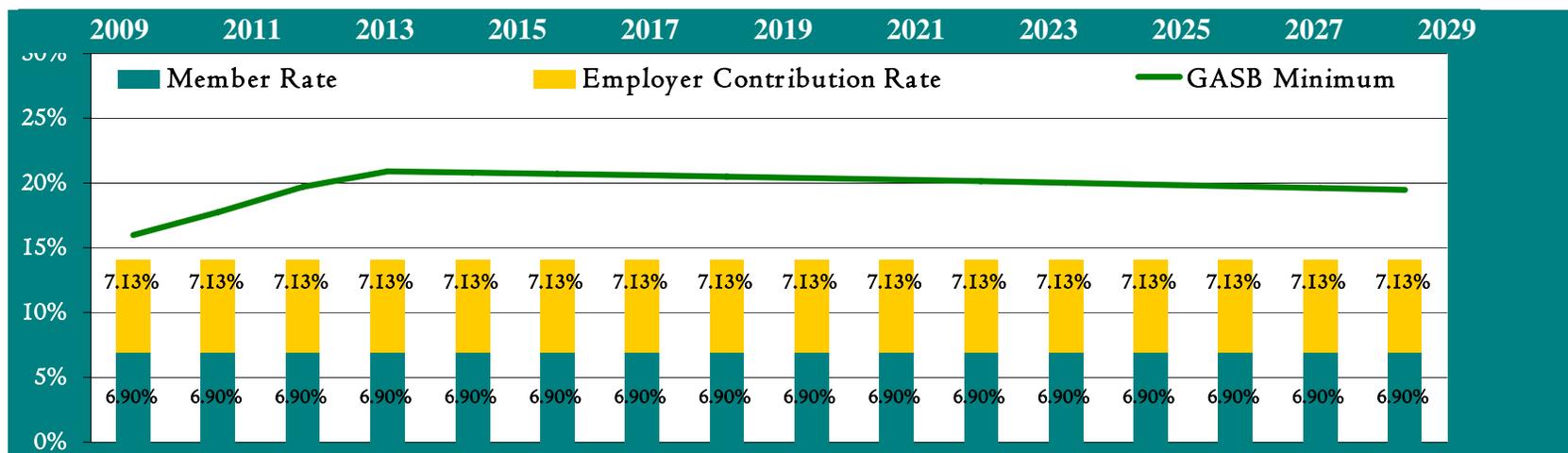




PERS Projections - Contributions

Assuming Statutory Contributions

Asset Returns at 9.5%

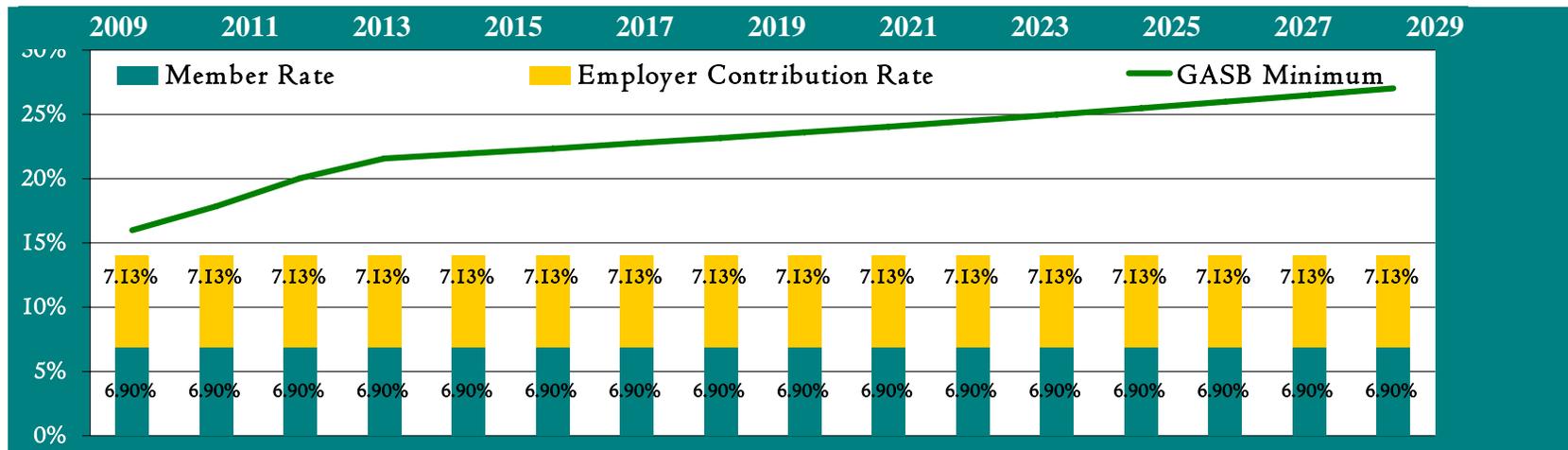




PERS Projections - Contributions

Assuming Statutory Contributions

Asset Returns at 6.5%

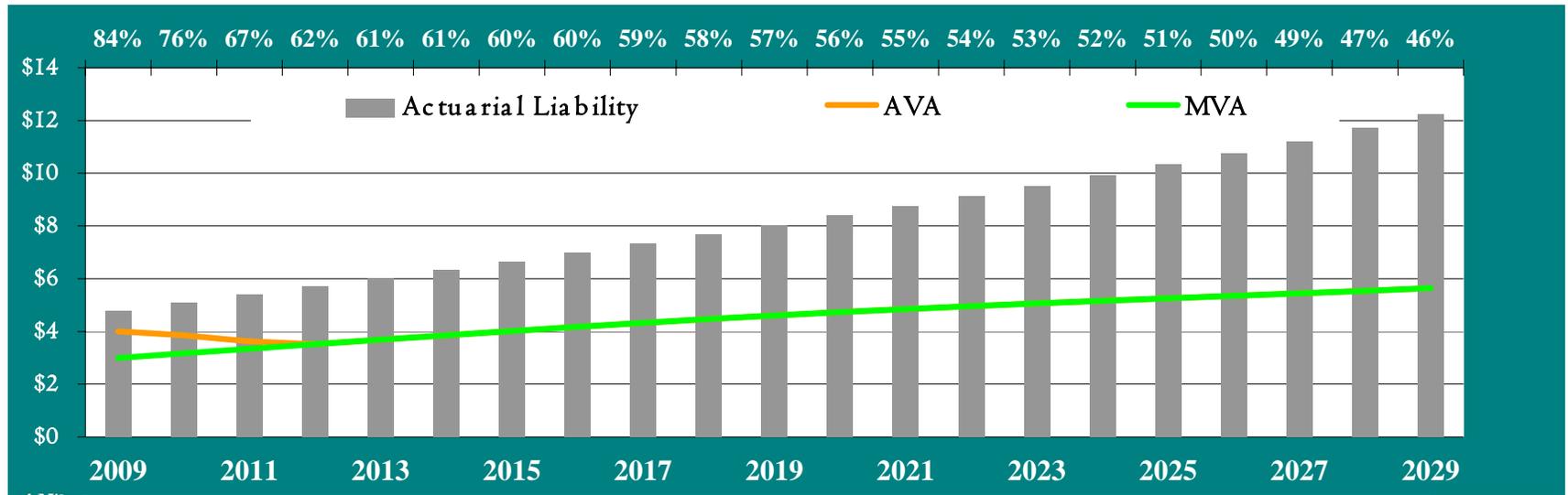




PERS Projections - Assets and Liabilities

Assuming Statutory Contributions

Asset Returns at 8%

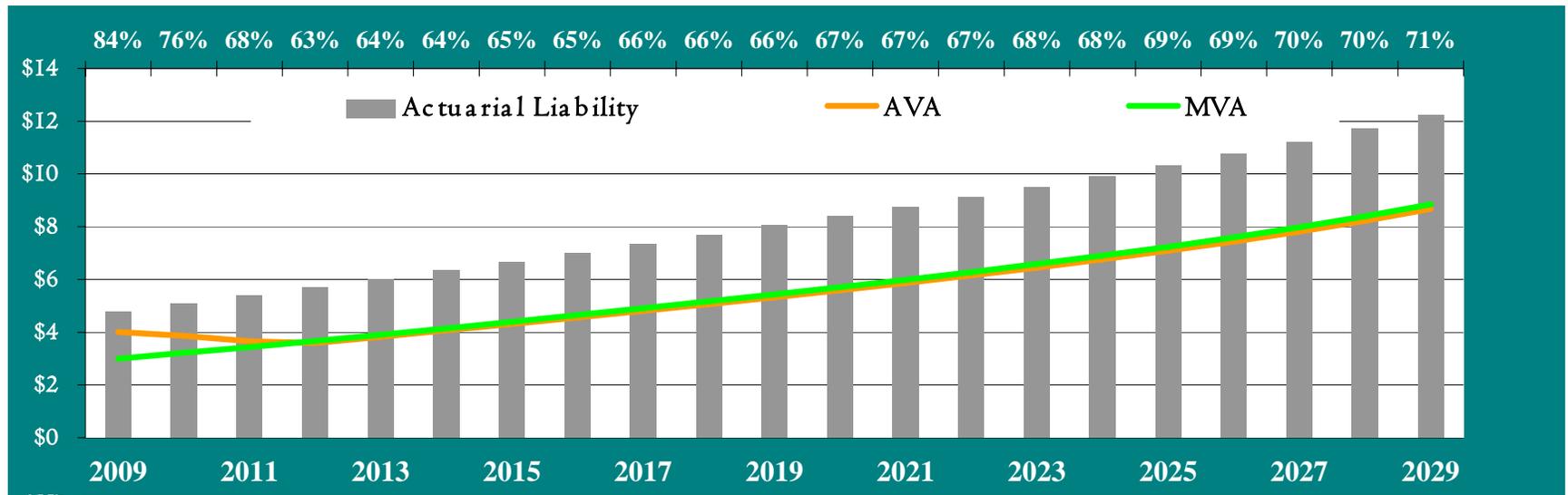




PERS Projections - Assets and Liabilities

Assuming Statutory Contributions

Asset Returns at 9.5%

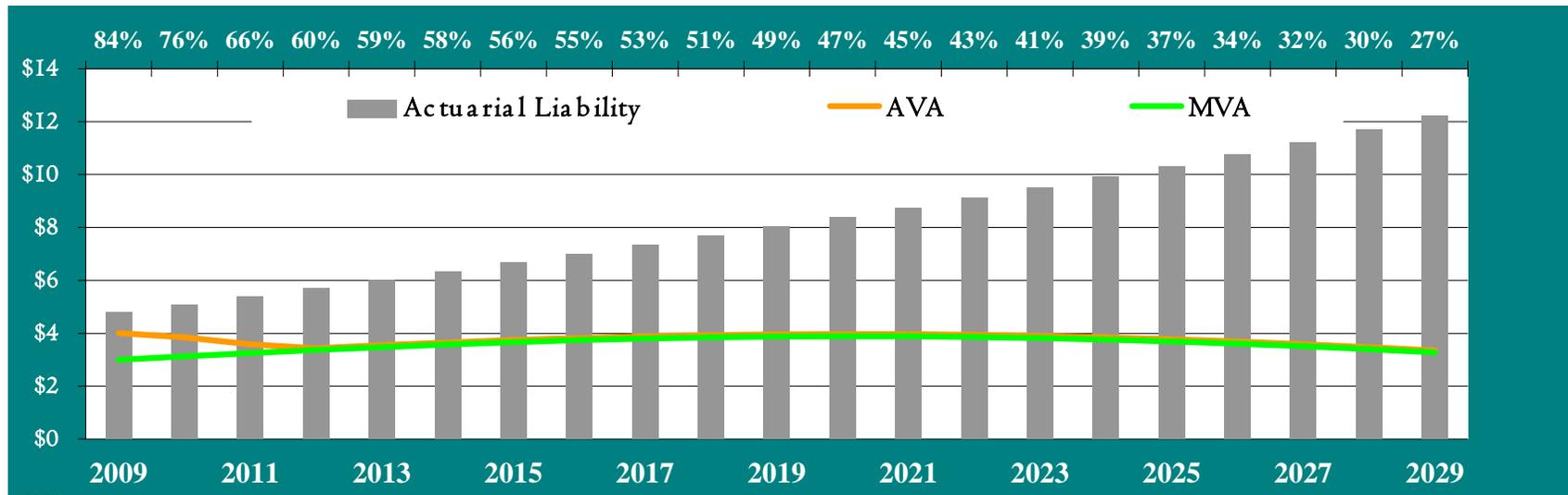




PERS Projections - Assets and Liabilities

Assuming Statutory Contributions

Asset Returns at 6.5%



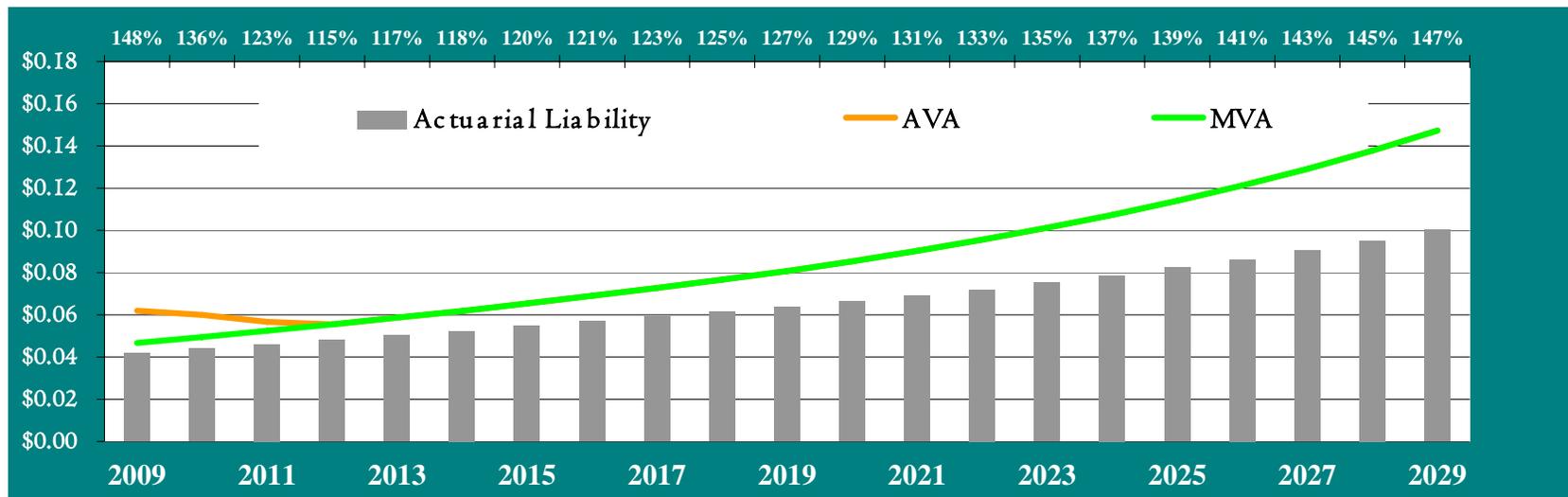


Valuation Results – Other Plans

	2008 Funded Ratio	2009 Funded Ratio	2008 Amortization Period	2009 Amortization Period
JRS	157%	148%	0.0	0.0
HPORS	75%	72%	17.4	21.5
SRS	98%	90%	16.3	Does not amortize
GWPORS	93%	88%	13.0	Does not amortize
MPORS	65%	62%	18.6	22.1
FURS	72%	69%	11.3	12.7
VFCA	84%	81%	5.0	6.8



JRS Projections - Assets and Liabilities Assuming Statutory Contributions Asset Returns at 8%

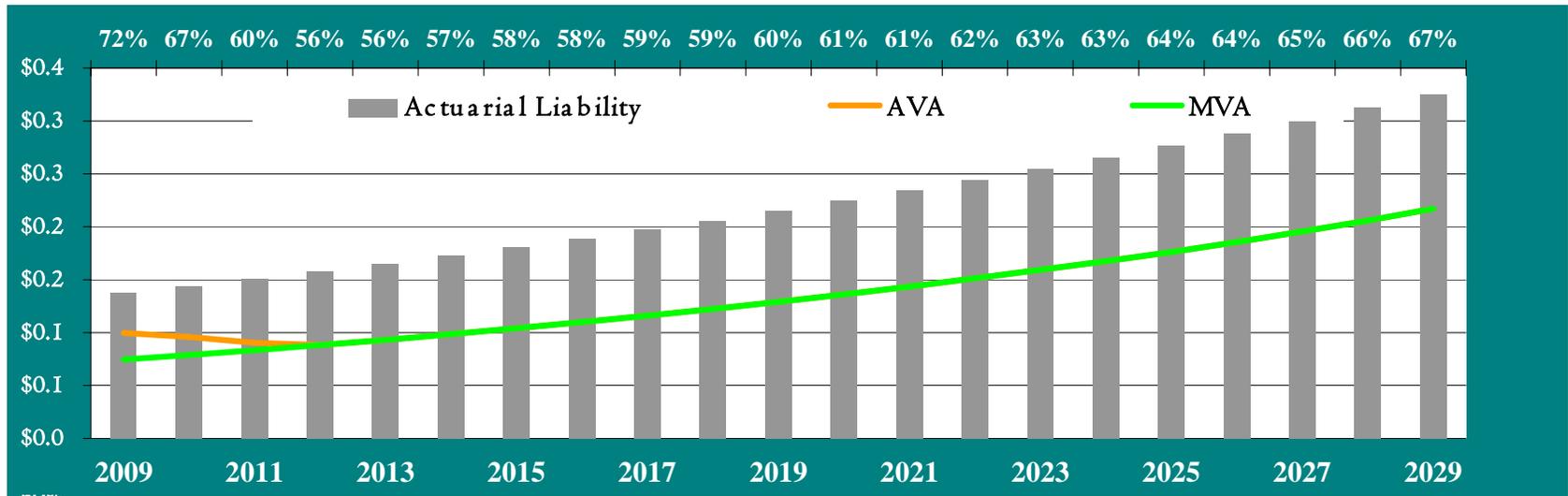




HPORS Projections - Assets and Liabilities

Assuming Statutory Contributions

Asset Returns at 8%

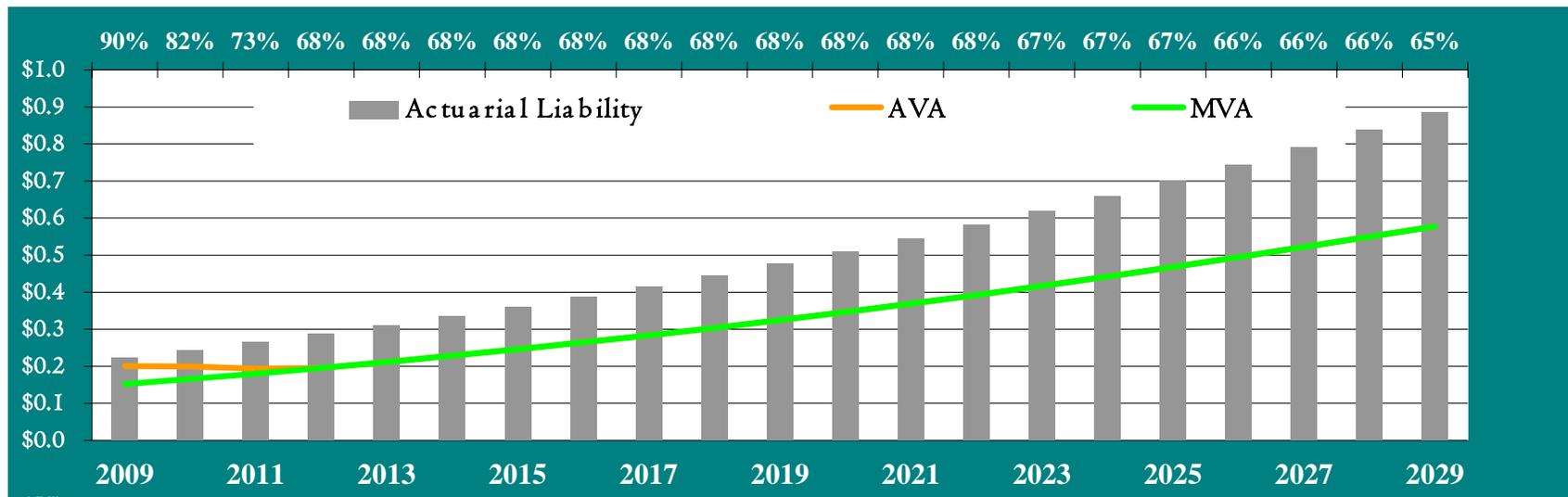




SRS Projections - Assets and Liabilities

Assuming Statutory Contributions

Asset Returns at 8%

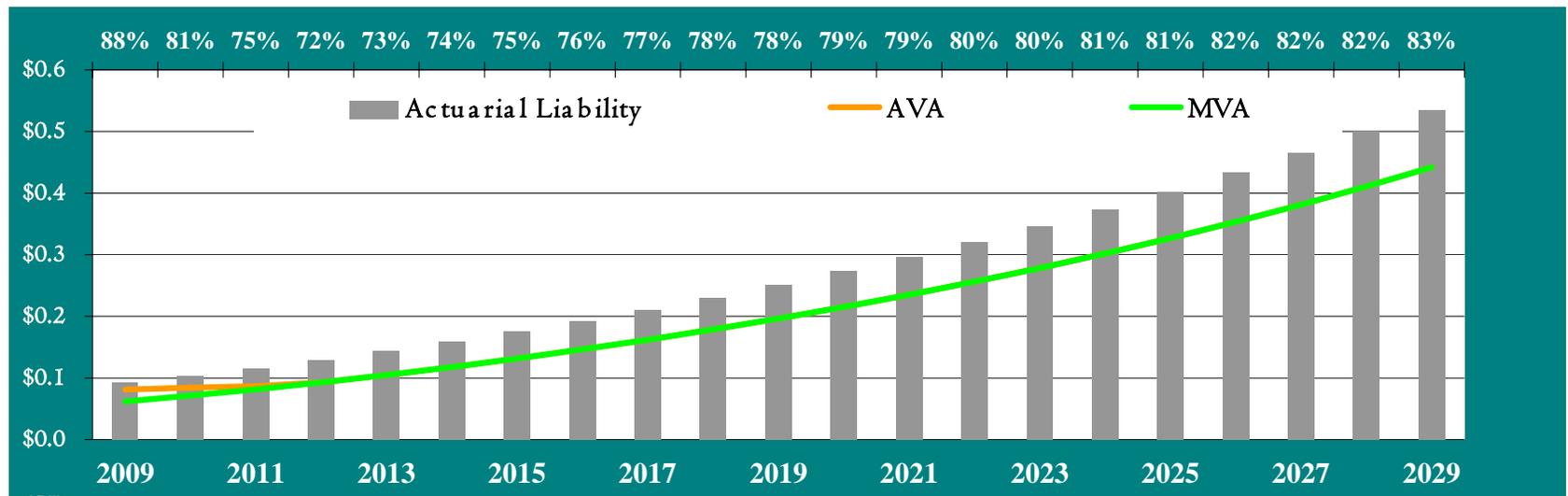




GWPORS Projections - Assets and Liabilities

Assuming Statutory Contributions

Asset Returns at 8%

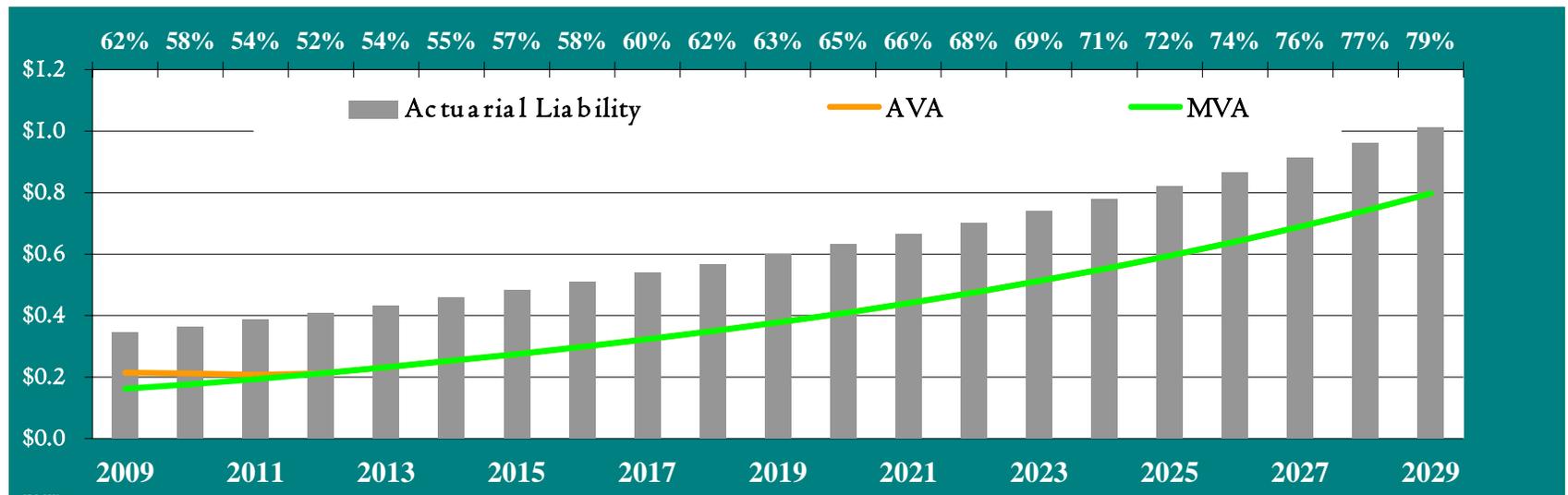




MPORS Projections - Assets and Liabilities

Assuming Statutory Contributions

Asset Returns at 8%

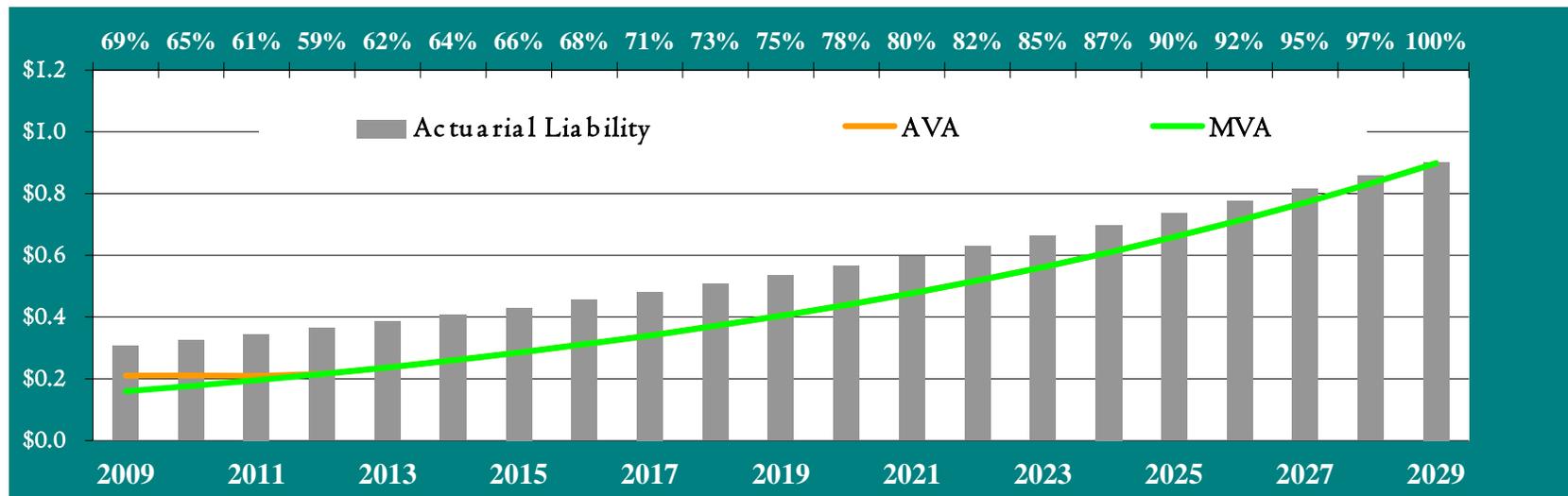




FURS Projections - Assets and Liabilities

Assuming Statutory Contributions

Asset Returns at 8%





VFCA Projections - Assets and Liabilities

Assuming Contributions Same as FY2009

Asset Returns at 8%

