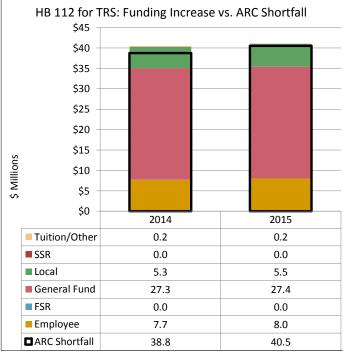
HB 112: Improve Actuarial Funding for TRS

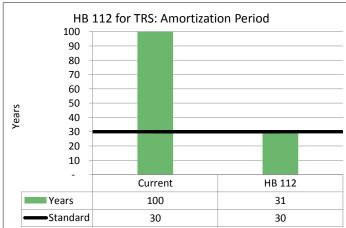
Primary Sponsor: Jean Price



Annual Required Contribution (ARC)

HB 112 implements a supplemental 1% increase to employer and employee contributions. This supplemental contribution rate will decrease after the TRS funded ratio reaches 90% for 3 consecutive years.

There is an annual state contribution of \$25 million from state land revenue in the guarantee account. This money is replaced in the guarantee account by the general fund.

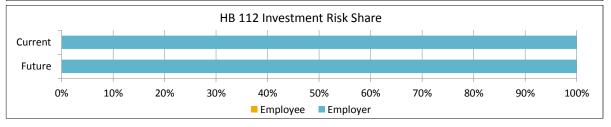


Amortization Period

The goal is to have the amortization period for the TRS unfunded liability less than or equal to 30 years.

The funding increase proposed by HB 112 and plan changes for new employees reduce the amortization period to 31 years.

The unfunded TRS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.

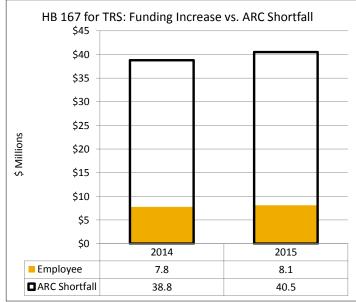


Other comments:

Works with HB 90 to amortize TRS unfunded liability in 31 years

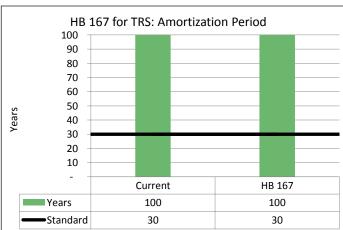
HB 167: General Revise TRS

Primary Sponsor: Bryce Bennett



Annual Required Contribution (ARC)

HB 167 increase contributions and reduces benefits for new employees.



Amortization Period

The goal is to have the amortization period for the TRS unfunded liability less than or equal to 30 years.

The funding increase proposed by HB 167 is not sufficient to significantly reduce the amortization period.

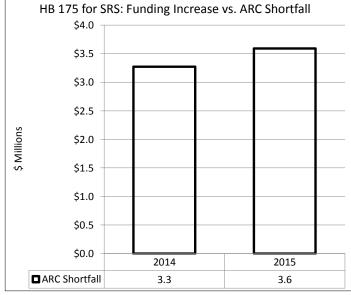
The unfunded TRS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.





HB 175: Include Dispatchers in the Sheriffs' Retirement System

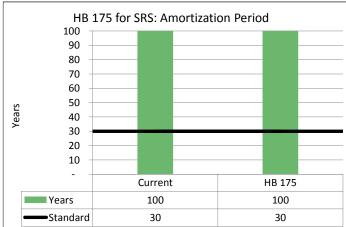
Primary Sponsor: Franke Wilmer



Annual Required Contribution (ARC)

HB 175 will allow 911 dispatchers employed on July 1, 2013 to elect to remain in the Public Employee Retirement System (PERS) or transfer from PERS to the Sheriff's Retirement System (SRS) and requires all new hires as of the same date to become members of SRS.

This bill does not provide additional funding to SRS that would reduce the ARC shortfall.



Amortization Period

The goal is to have the amortization period for the SRS unfunded liability less than or equal to 30 years.

HB 175 allows current 911 dispatchers to remain in PERS or transfer to SRS, and requires all new dispatchers to become members of SRS. The change does not affect to amortization period for SRS.

The unfunded SRS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.



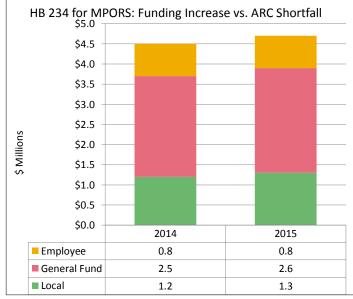
Other comments:

HB 175 would increase costs to local governments that employ dispatchers if current dispatchers choose to transfer to SRS, and as new dispatchers are required to join SRS.



HB 234: Revise Definition of Compensation in Police & Fire Ret. Systems

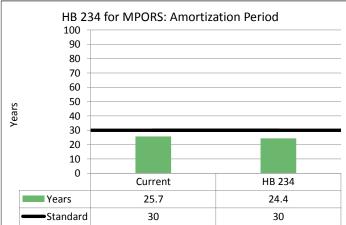
Primary Sponsor: Steve Fitzpatrick



Annual Required Contribution (ARC)

HB 234 changes the definition of compensation from salary and vacation leave to also include overtime. This increases the amount of retirement contribution paid by the member, the employer, and the state because it increases the amount of compensation per member. Including overtime in the definition of compensation will also increase the highest average compensation (HAC) calculation for members which is used to calculate retirement benefits.

MPORS does not have an ARC shortfall. Increased funding is expected to shorten the amortization period.



Amortization Period

The goal is to have the amortization period for the MPORS unfunded liability less than or equal to 30 years.

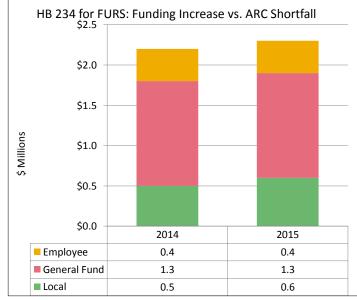
The unfunded MPORS liability is currently amortized over 25.7 years. Increased funding from HB 234 reduces the amortization period to 24.4 years.





HB 234: Revise Definition of Compensation in Police & Fire Ret. Systems

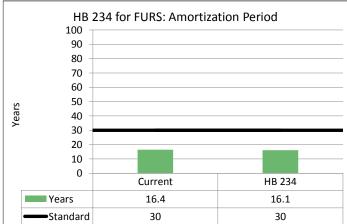
Primary Sponsor: Steve Fitzpatrick



Annual Required Contribution (ARC)

HB 234 changes the definition of compensation from salary and vacation leave to also include overtime. This increases the amount of retirement contribution paid by the member, the employer, and the state because it increases the amount of compensation per member. Including overtime in the definition of compensation will also increase the highest average compensation (HAC) calculation for members which is used to calculate retirement benefits.

FURS does not have an ARC shortfall. Increased funding is expected to shorten the amortization period.



Amortization Period

The goal is to have the amortization period for the FURS unfunded liability less than or equal to 30 years.

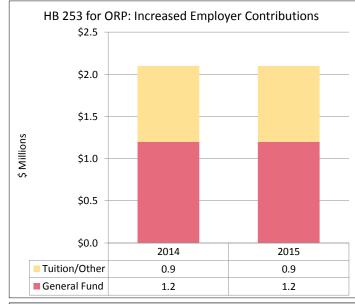
The unfunded FURS liability is currently amortized over 16.4 years. Increased funding from HB 234 reduces the amortization period to 16.1 years.





HB 253: Increase Contributions to the MUS ORP

Primary Sponsor: Bill McChesney

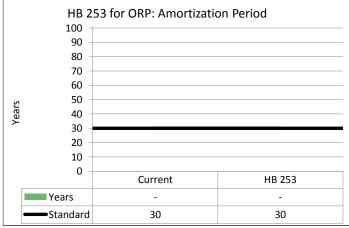


Annual Required Contribution (ARC)

HB 253 statutorily appropriates an additional 1% employer contribution for employees participating in the Montana University System defined contribution retirement plan (MUS ORP) that are paid from the current unrestricted fund. It then allows the Board of Regents the flexibility to increase employer contributions up to an additional 3% without funding the permissive increases.

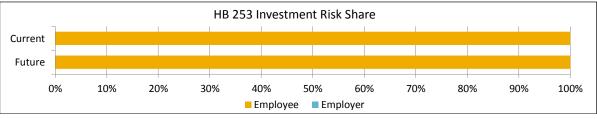
The impact shown in the chart reflects only the 1% increase. If the additional 3% employer contributions were implemented, total costs would be about 4 times the costs shown on this chart.

The MUS ORP is a defined contribution plan and therefore does not have an unfunded liability or corresponding ARC shortfall.



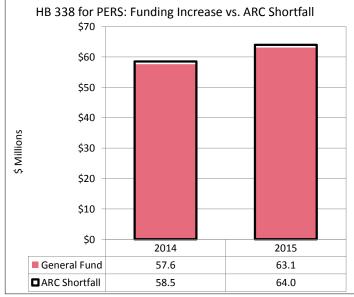
Amortization Period

The MUS ORP is a defined contribution plan and therefore does not have an unfunded liability or corresponding ARC shortfall.





Primary Sponsor: Keith Regier

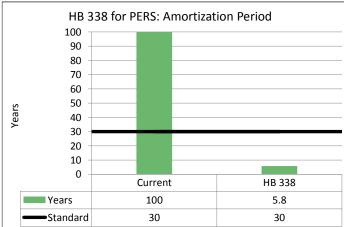


Annual Required Contribution (ARC)

HB 338 closes all plans to future employees as of July 1, 2014. All new hires after this date would participate in a state wide defined contribution plan. The bill also eliminates GABA for all current and future retirees as of January 1, 2014.

Funding is provided by statutory appropriations from coal severance tax revenues and the general fund. In addition, employers would contribute 3% of new hires' compensation toward the amortization of the unfunded liability until the systems are fully funded.

The increased funding provided by HB 338 for PERS nearly addresses the ARC shortfall.

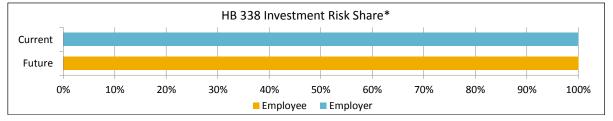


Amortization Period

The goal is to have the amortization period for the PERS unfunded liability less than or equal to 30 years.

The funding increase and reduced benefits proposed by HB 338 for PERS reduces the amortization period from infinite to 5.8 years in 2014. Please see the fiscal note for details on the fluctuating amortization period.

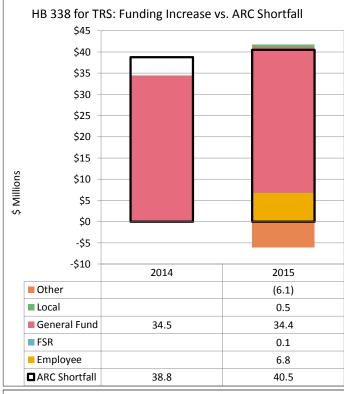
The unfunded PERS liability currently does not amortize; however, the amortization period is set at 100 years for graphing.



Other comments:

^{*} According to MCA 19-3-315 (b), the contributions of some employees may be increased to maintain the amortization schedule of the system. To the extent that this is actually done, investment risk is then currently shared with those active employees.

Primary Sponsor: Keith Regier

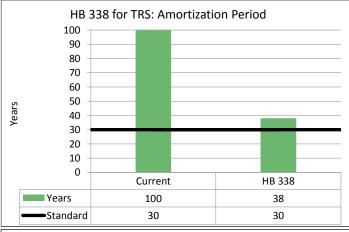


Annual Required Contribution (ARC)

HB 338 closes all plans to future employees as of July 1, 2014. All new hires after this date would participate in a state wide defined contribution plan. The bill also eliminates GABA for all current and future retirees as of January 1, 2014.

Funding is provided by statutory appropriations from coal severance tax revenues and the general fund. In addition, employers would contribute 3% of new hires' compensation toward the amortization of the unfunded liability until the systems are fully funded.

The increased funding provided by HB 338 for TRS addresses a significant portion of the ARC shortfall.

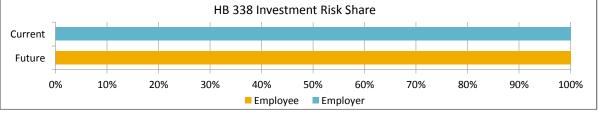


Amortization Period

The goal is to have the amortization period for the TRS unfunded liability less than or equal to 30 years.

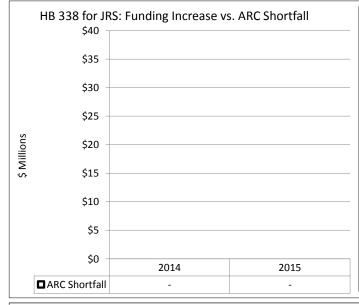
The funding increase and reduced benefits proposed by HB 338 for TRS reduces the amortization period from infinite to about 38 years in 2014.

The unfunded TRS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.



Other comments:

Primary Sponsor: Keith Regier

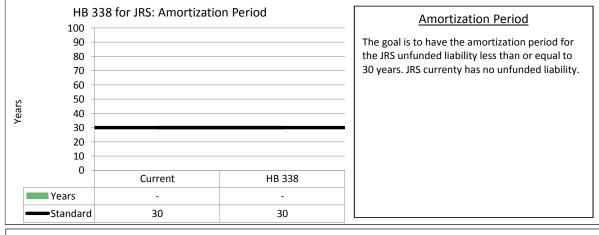


Annual Required Contribution (ARC)

HB 338 closes all plans to future employees as of July 1, 2014. All new hires after this date would participate in a state wide defined contribution plan. The bill also eliminates GABA for all current and future retirees as of January 1, 2014.

Funding is provided by statutory appropriations from coal severance tax revenues and the general fund. In addition, employers would contribute 3% of new hires' compensation toward the amortization of the unfunded liability until the systems are fully funded.

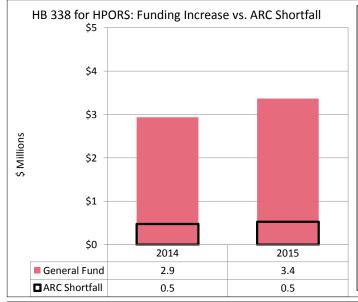
There is no increase in funding provided by HB 338 for JRS as there is no ARC shortfall in the system; in fact, the system is currently overfunded.





Other comments:

Primary Sponsor: Keith Regier

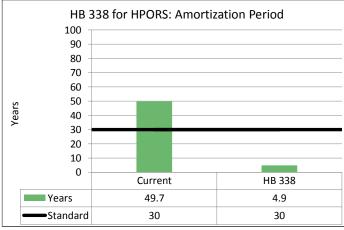


Annual Requred Contribution (ARC)

HB 338 closes all plans to future employees as of July 1, 2014. All new hires after this date would participate in a state wide defined contribution plan. The bill also eliminates GABA for all current and future retirees as of January 1, 2014.

Funding is provided by statutory appropriations from coal severance tax revenues and the general fund. In addition, employers would contribute 3% of new hires' compensation toward the amortization of the unfunded liability until the systems are fully funded.

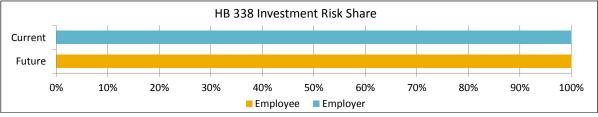
The funding provided by HB 338 for HPORS exceeds the ARC shortfall in the 2015 biennium.



Amortization Period

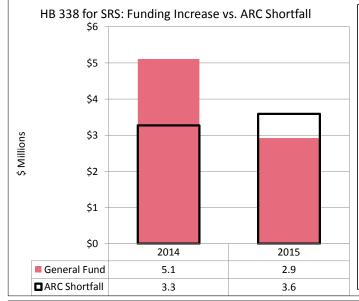
The goal is to have the amortization period for the HPORS unfunded liability less than or equal to 30 years.

The funding increase and reduced benefits proposed by HB 338 for HPORS reduces the amortization period from 49.7 to 4.9 years in 2014.



Other comments:

Primary Sponsor: Keith Regier

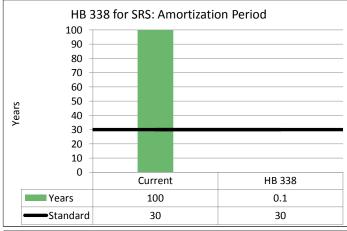


Annual Requred Contribution (ARC)

HB 338 closes all plans to future employees as of July 1, 2014. All new hires after this date would participate in a state wide defined contribution plan. The bill also eliminates GABA for all current and future retirees as of January 1, 2014.

Funding is provided by statutory appropriations from coal severance tax revenues and the general fund. In addition, employers would contribute 3% of new hires' compensation toward the amortization of the unfunded liability until the systems are fully funded.

The funding provided by HB 338 for SRS exceeds the ARC shortfall in the 2015 biennium.

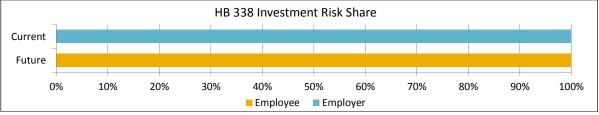


Amortization Period

The goal is to have the amortization period for the SRS unfunded liability less than or equal to 30 years.

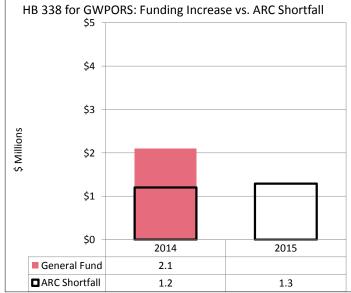
The funding increase and reduced benefits proposed by HB 338 for SRS reduces the amortization period from infinite to 0.1 years in 2014. Please see the fiscal note for details on the fluctuating amortization period.

The unfunded SRS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.



Other comments:

Primary Sponsor: Keith Regier

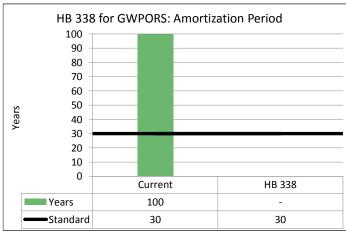


Annual Requred Contribution (ARC)

HB 338 closes all plans to future employees as of July 1, 2014. All new hires after this date would participate in a state wide defined contribution plan. The bill also eliminates GABA for all current and future retirees as of January 1, 2014.

Funding is provided by statutory appropriations from coal severance tax revenues and the general fund. In addition, employers would contribute 3% of new hires' compensation toward the amortization of the unfunded liability until the systems are fully funded.

The funding provided by HB 338 for GWPORS exceeds the ARC shortfall in 2014 and is then discontinued due to its fully funded status.

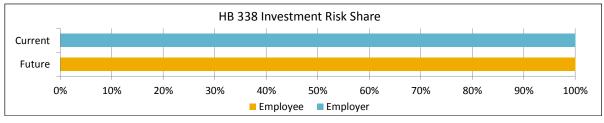


Amortization Period

The goal is to have the amortization period for the GWPORS unfunded liability less than or equal to 30 years.

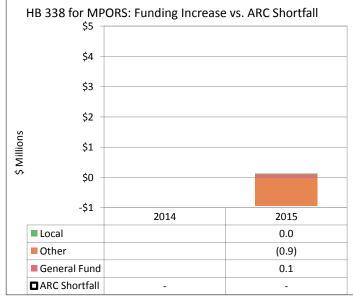
The funding increase and reduced benefits proposed by HB 338 for GWPORS reduces the amortization period from infinite to 0 years in 2014. Please see the fiscal note for details on the fluctuating amortization period.

The unfunded GWPORS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.



Other comments:

Primary Sponsor: Keith Regier

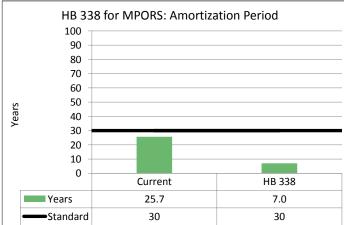


Annual Requred Contribution (ARC)

HB 338 closes all plans to future employees as of July 1, 2014. All new hires after this date would participate in a state wide defined contribution plan. The bill also eliminates GABA for all current and future retirees as of January 1, 2014.

Funding is provided by statutory appropriations from coal severance tax revenues and the general fund. In addition, employers would contribute 3% of new hires' compensation toward the amortization of the unfunded liability until the systems are fully funded.

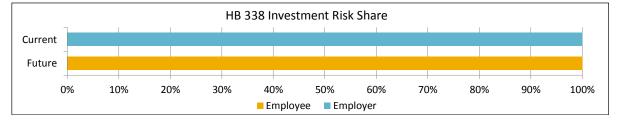
HB 338 for MPORS provides for a reduction in the statutory appropriation, thereby decreasing the annual funding for the system. MPORS does not have an ARC shortfall.



Amortization Period

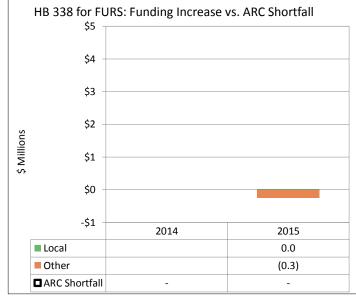
The goal is to have the amortization period for the MPORS unfunded liability less than or equal to 30 years.

MPORS is currently amortized over 25.7 years. The funding increase and reduced benefits proposed by HB 338 for MPORS reduces the amortization period to 7 years in 2014. Please see the fiscal note for details on the fluctuating amortization period.



Other comments:

Primary Sponsor: Keith Regier

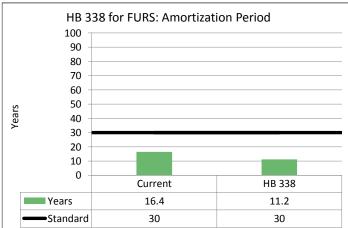


Annual Requred Contribution (ARC)

HB 338 closes all plans to future employees as of July 1, 2014. All new hires after this date would participate in a state wide defined contribution plan. The bill also eliminates GABA for all current and future retirees as of January 1, 2014.

Funding is provided by statutory appropriations from coal severance tax revenues and the general fund. In addition, employers would contribute 3% of new hires' compensation toward the amortization of the unfunded liability until the systems are fully funded.

HB 338 for FURS provides for a reduction in the statutory appropriation, thereby decreasing the annual funding for the system. FURS does not have an ARC shortfall.



Amortization Period

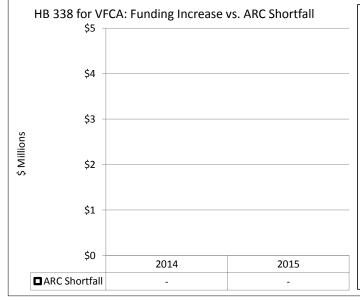
The goal is to have the amortization period for the FURS unfunded liability less than or equal to 30 years.

FURS is currently amortized over 16.4 years. The funding increase and reduced benefits proposed by HB 338 for FURS reduces the amortization period to 11.2 years in 2014.



Other comments:

Primary Sponsor: Keith Regier

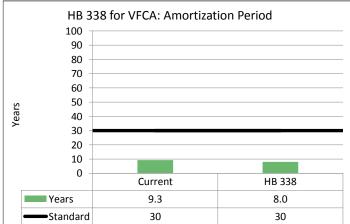


Annual Required Contribution (ARC)

HB 338 closes all plans to future employees as of July 1, 2014. All new hires after this date would participate in a state wide defined contribution plan. The bill also eliminates GABA for all current and future retirees as of January 1, 2014.

Funding is provided by statutory appropriations from coal severance tax revenues and the general fund. In addition, employers would contribute 3% of new hires' compensation toward the amortization of the unfunded liability until the systems are fully funded.

HB 338 for VFCA provides for a reduction in the statutory appropriation starting in FY 2016, thereby decreasing the annual funding for the system. VFCA does not have an ARC shortfall.



Amortization Period

The goal is to have the amortization period for the VFCA unfunded liability less than or equal to 30 years.

VFCA is currently amortized over 9.3 years. The funding increase by HB 338 for VFCA reduces the amortization period to 8 years in 2014.

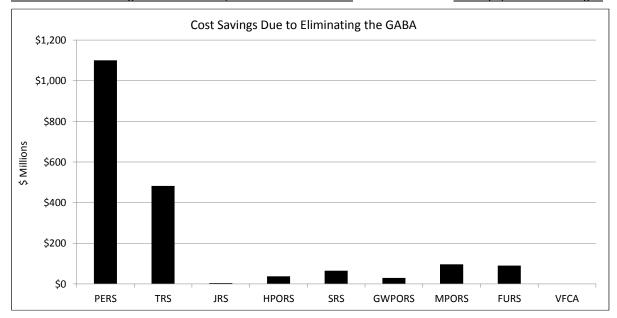
VFCA currently does not have a GABA, so benefits are not reduced.



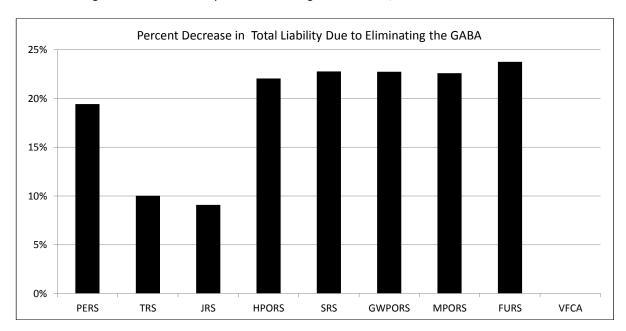
Other comments:



Primary Sponsor: Keith Regier

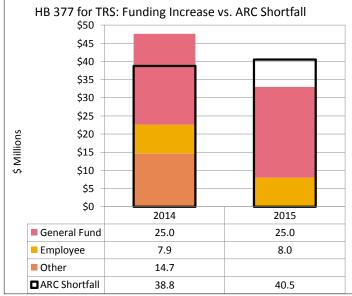


Total cost savings or reduction in liability due to eliminating the GABA is \$1,904 million.



HB 377: Provide Funding for TRS Defined Benefit Plan

Primary Sponsor: Tom Woods

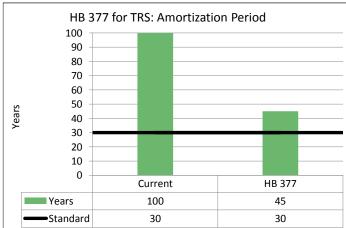


Annual Required Contribution (ARC)

HB 382 provides for additional funding of \$25 million annually to TRS from state land revenues. Since these revenues would otherwise go to the Guarantee Account which is the first source of funding for K-12 Base Aid, this reduction in Guarantee Account revenue will be offset by General Fund revenue.

HB 382 also provides for \$14.7 million in FY 2014 from school district retirement reserves and requires a 1% supplemental employee contribution.

The increased funding provided by HB 377 for TRS addresses a significant portion of the ARC shortfall.



Amortization Period

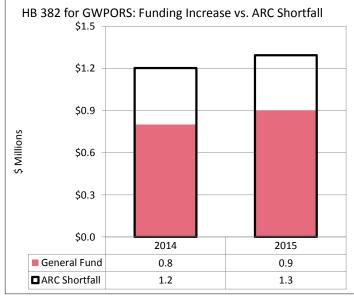
The goal is to have the amortization period for the TRS unfunded liability less than or equal to 30 years.

The funding increase proposed by HB 377 for TRS the amortization period down from infinite to 45 years. The long term effects of reduced benefits for new employees will further reduce the amortization period to 37 years.

The unfunded TRS liability currently does not amortize; however, the amortization period is set at 100 years for graphing.



Primary Sponsor: Liz Bangerter

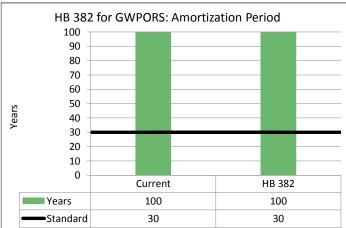


Annual Required Contribution (ARC)

HB 382 statutorily appropriates the coal severance tax collections that would be deposited in the general fund to PERS, TRS, SRS and GWPORS.

The statutory appropriation will cease on January 1 of the year following an actuarial valuation show that the amortization period is 30 years of less.

The coal tax funding provided by HB 382 for GWPORS eliminates the ARC shortfall within 10 years.



Amortization Period

The goal is to have the amortization period for the GWPORS unfunded liability less than or equal to 30 years. The funding increase proposed by HB 382 is not sufficient to significantly reduce the amortization period immediately; however, the amortization period would be reduced to 30 years after 10 years of increased funding as provided in HB 382.

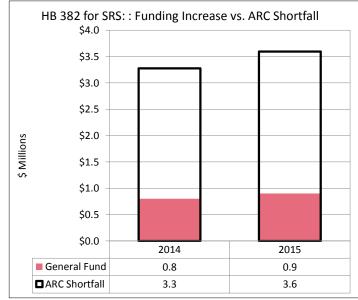
The unfunded GWPORS liability currently does not amortize; however, the amortization period is set at 100 years for graphing.



Other comments:



Primary Sponsor: Liz Bangerter

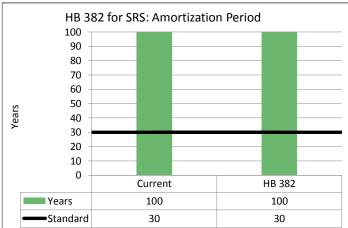


Annual Required Contribution (ARC)

HB 382 statutorily appropriates the coal severance tax collections that would be deposited in the general fund to PERS, TRS, SRS and GWPORS.

The statutory appropriation will cease on January 1 of the year following an actuarial valuation show that the amortization period is 30 years of less.

The coal tax funding provided by HB 382 for SRS is not sufficient to eliminate the ARC shortfall; in fact, the coal tax becomes a progressively less significant source of funding over time.



Amortization Period

The goal is to have the amortization period for the SRS unfunded liability less than or equal to 30 years.

The funding increase proposed by HB 382 is not sufficient to significantly reduce the amortization period.

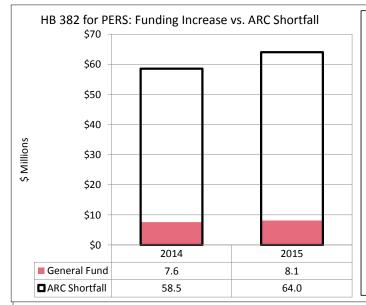
The unfunded SRS liability currently does not amortize; however, the amortization period is set at 100 years for graphing.



Other comments:



Primary Sponsor: Liz Bangerter

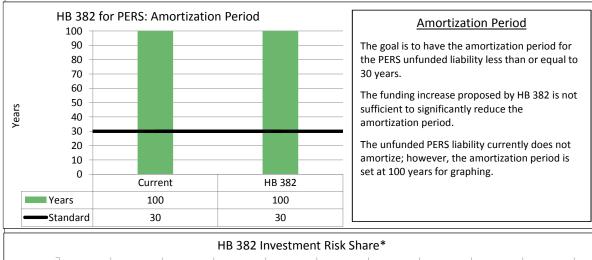


Annual Required Contribution (ARC)

HB 382 statutorily appropriates the coal severance tax collections that would be deposited in the general fund to PERS, TRS, SRS and GWPORS.

The statutory appropriation will cease on January 1 of the year following an actuarial valuation show that the amortization period is 30 years of less.

The coal tax funding provided by HB 382 for PERS is not sufficient to eliminate the ARC shortfall; in fact, the coal tax becomes a progressively less significant source of funding over time.

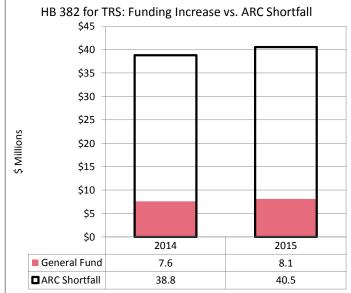




Other comments:

^{*} According to MCA 19-3-315 (b), the contributions of some employees may be increased to maintain the amortization schedule of the system. To the extent that this is actually done, investment risk is then currently shared with those active employees.

Primary Sponsor: Liz Bangerter

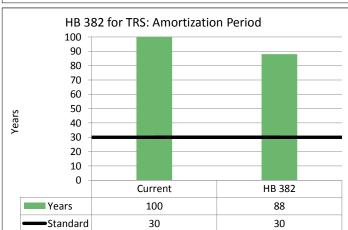


Annual Required Contribution (ARC)

HB 382 statutorily appropriates the coal severance tax collections that would be deposited in the general fund to PERS, TRS, SRS and GWPORS.

The statutory appropriation will cease on January 1 of the year following an actuarial valuation show that the amortization period is 30 years of less.

The coal tax funding provided by HB 382 for TRS helps to bring the amortization period down from infinite to 88 years.



Amortization Period

The goal is to have the amortization period for the TRS unfunded liability less than or equal to 30 years.

The funding increase proposed by HB 382 is not sufficient to significantly reduce the amortization period.

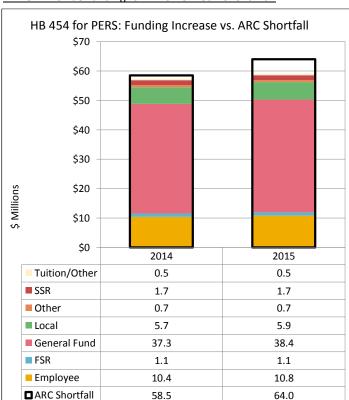
The unfunded TRS liability currently does not amortize; however, the amortization period is set at 100 years for graphing.



Other comments:



HB 454: Provide Funding for PERS Defined Benefit Plan

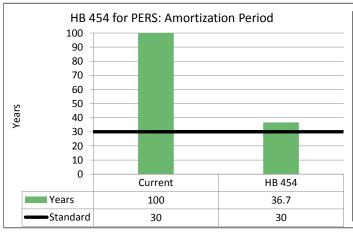


Annual Required Contribution (ARC)

HB 454 provides additional funding to amortize the unfunded liabilities of PERS through increased employee and employer contributions, and revenue and interest earnings from natural resource development.

Beginning in FY 2017, the bill allocates threeeighths of coal severance tax revenue to the coal tax permanant fund and eliminates the allocations to various funds.

The increased funding provided by HB 454 for PERS addresses a significant portion of the ARC shortfall.



Amortization Period

The goal is to have the amortization period for the PERS unfunded liability less than or equal to 30 years.

The funding increase proposed by HB 454 for PERS reduces the amortization period from infinite to about 37 years.

The unfunded PERS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.

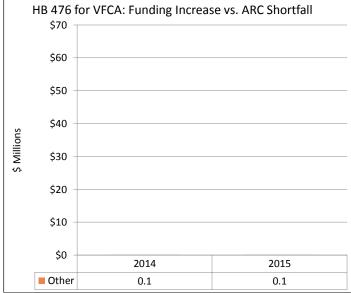


Other comments:



HB 476: Add Cost of Living Adjustment for Volunteer Firefighters

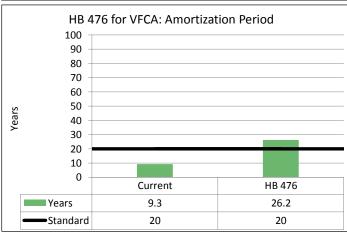
Primary Sponsor: Amanda Curtis



Annual Required Contribution (ARC)

HB 476 provides for a 2% annual post retirement benefit adjustment for VFCA retirees beginning FY 2014.

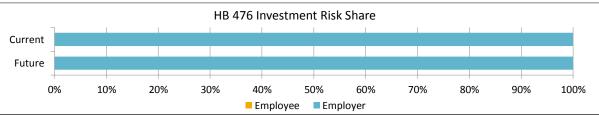
VFCA does not have an ARC shortfall. Increased benefits are expected to increase the amortization period.



Amortization Period

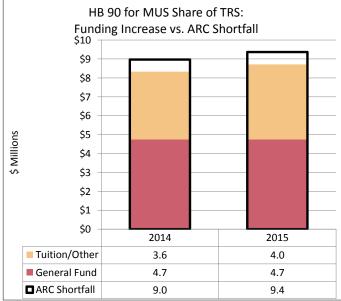
The goal is to have the amortization period for the VFCA unfunded liability less than or equal to 20 years.

The benefit increase proposed by HB 476 for VFCA Increases the amortization period from 9.3 years to 26.2 years.



HB 90: Increase University System Supplemental Contributions Rate to TRS

Primary Sponsor: Jesse O'Hara

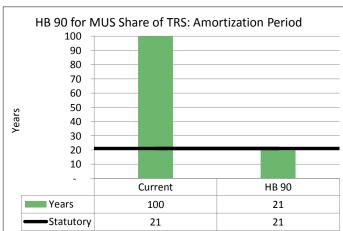


Annual Required Contribution (ARC)

HB 90 increases the supplemental employer contribution made by the Montana University System (MUS) from 4.72% to 9.04%.

The increase proposed by HB 90 is the amount needed to fully amortize the MUS share of the unfunded TRS liabilities by July 1, 2033, as required by statute.

HB 90 does not assume a resident student tuition increase.

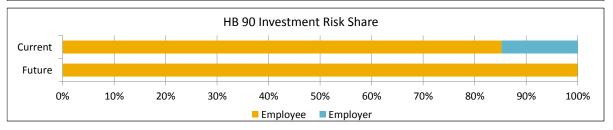


Amortization Period

The goal is to have the amortization period for the MUS share of the TRS unfunded liability less than 21 years.

The funding increase proposed by HB 90 reduces the amortization period to 21 years if future supplemental contributions are increased at the same rate salaries are increased.

The MUS share of the unfunded TRS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.

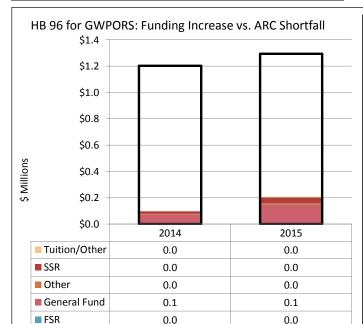


Other comments:

Works with HB 112 to amortize TRS unfunded liability in 31 years

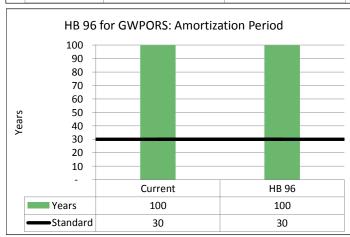
Primary Sponsor: Franke Wilmer

HB 96: Provide Actuarial Funding for PERS, HPORS, GWPORS & SRS



Annual Required Contribution (ARC)

HB96 improves the actuarial funding of GWPORS by providing a temporary increase in employer contributions rates by 1% of payroll phased in over a four-year period. Employer contributions would increase over current rates by 0.25% July 1, 2013; 0.50% July 1, 2014; 0.75% July 1, 2015; 1.0% July 1, 2016 (and later).



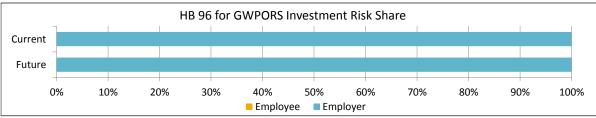
1.2

Amortization Period

The goal is to have the amortization period for the GWPORS unfunded liability less than or equal to 30 years.

The funding increase proposed by HB 96 is not sufficient to significantly reduce the amortization period.

The unfunded GWPORS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.



1.3

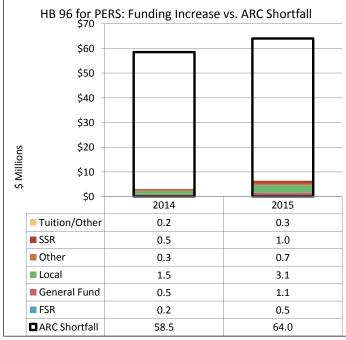
Other comments:

■ ARC Shortfall



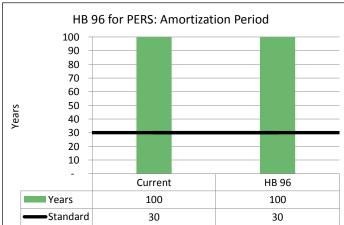
HB 96: Provide Actuarial Funding for PERS, HPORS, GWPORS & SRS

Primary Sponsor: Franke Wilmer



Annual Required Contribution (ARC)

HB 96 improves the actuarial funding of PERS by providing a temporary increase in employer contributions rates by 1% of payroll phased in over a four-year period. Employer contributions would increase over current rates by 0.25% July 1, 2013; 0.50% July1, 2014; 0.75% July1, 2015; 1.0% July 1, 2016 (and later).

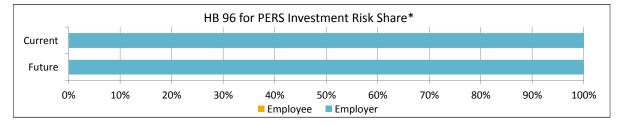


Amortization Period

The goal is to have the amortization period for the PERS unfunded liability less than or equal to 30 years.

The funding increase proposed by HB 96 is not sufficient to significantly reduce the amortization period.

The unfunded PERS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.



Other comments:

* According to MCA 19-3-315 (b), the contributions of some employees may be increased to maintain the amortization schedule of the system. To the extent that this is actually done, investment risk is then currently shared with those active employees.

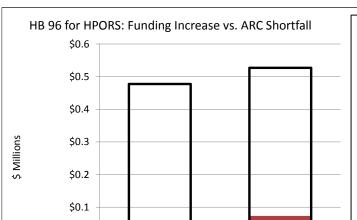
MCA 19-3-315 (b) For members hired on or after July 1, 2011, the board shall periodically review the required contributions and recommend future adjustments to the legislature as needed to maintain the amortization schedule set by the board for the payment of the system's unfunded liability.

Primary Sponsor: Franke Wilmer

\$0.0

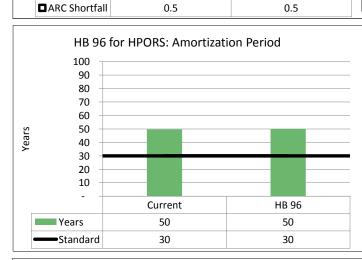
■ SSR

HB 96: Provide Actuarial Funding for PERS, HPORS, GWPORS & SRS



Annual Required Contribution (ARC)

HB96 improves the actuarial funding of HPORS by providing a temporary increase in employer contributions rates by 1% of payroll phased in over a four-year period. Employer contributions would increase over current rates by 0.25% July 1, 2013; 0.50% July 1, 2014; 0.75% July 1, 2015; 1.0% July 1, 2016 (and later).



2014

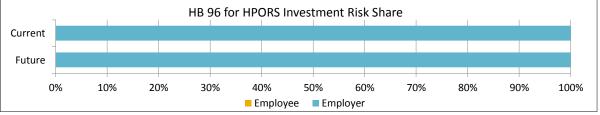
0.0

Amortization Period

The goal is to have the amortization period for the HPORS unfunded liability less than or equal to 30 years.

The funding increase proposed by HB 96 is not sufficient to significantly reduce the amortization period.

The unfunded HPORS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.

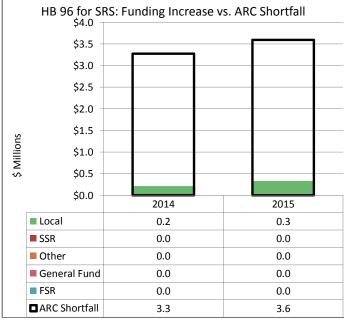


2015

0.1

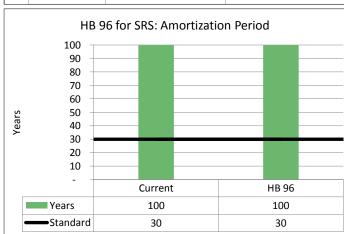
HB 96: Provide Actuarial Funding for PERS, HPORS, GWPORS & SRS

Primary Sponsor: Franke Wilmer



Annual Required Contribution (ARC)

HB96 improves the actuarial funding of SRS by providing a temporary increase in employer contributions rates by 1% of payroll phased in over a four-year period. Employer contributions would increase over current rates by 0.25% July 1, 2013; 0.50% July1, 2014; 0.75% July1, 2015; 1.0% July 1, 2016 (and later).

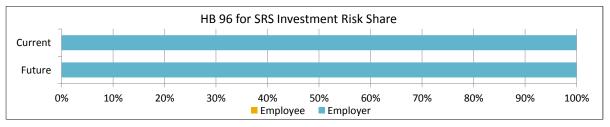


Amortization Period

The goal is to have the amortization period for the SRS unfunded liability less than or equal to 30 years.

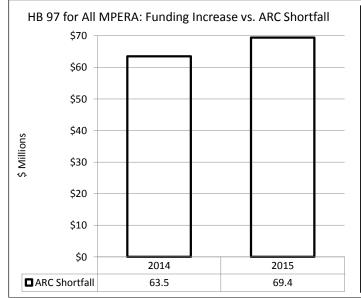
The funding increase proposed by HB 96 is not sufficient to significantly reduce the amortization period.

The unfunded SRS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.



HB 97: Cap Final Avg. Compensation in MPERA Retirement Systems





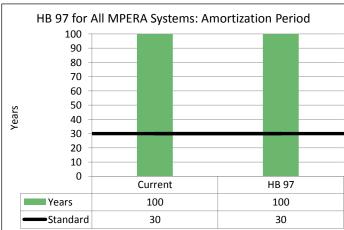
HB 97 does not provide any additional funding for the MPERA retirement systems.

Annual Required Contribution (ARC)

HB 97 is an "anti-spiking" bill that impacts all of the defined benefit plans administered by MPERA with the exception VFCA and is applicable only to new hires beginning July 1,

There are currently no assumptions regarding pay spiking, so the bill would have no effect on actuarial valuations.

The graph at the right shows the sum of the MPERA retirement systems' ARC shortfalls.



Amortization Period

The goal is to have the amortization period for all MPERA systems' unfunded liability less than or equal to 30 years.

HB 97 does not provide any additional funding for the MPERA retirement systems, therefore, it does not impact the amortization period.

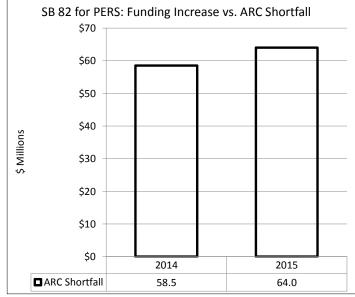
The unfunded liability of the MPERA retirement systems is dominated by the unfunded PERS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.





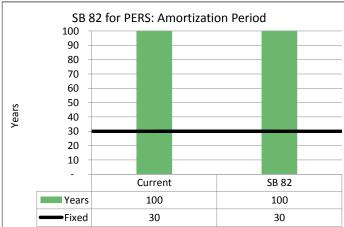
SB 82: Require PERS New Hires to be in DC Plan

Primary Sponsor: Dave Lewis



Annual Required Contribution (ARC)

SB 82 closes the current PERS defined benefit plan and requires that all new hires be members of the defined contribution plan.



Amortization Period

The goal is to have the amortization period for the PERS unfunded liability less than or equal to 30 years.

SB 82 closes the current PERS defined benefit plan and requires that all new hires be members of the defined contribution plan.

The unfunded TRS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.



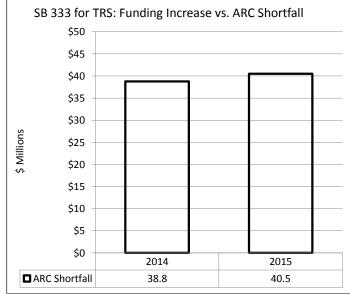
Other comments:

SB 82 closes the current PERS Defined Benefit (DB) plan and requires that all PERS new hires be members of the Defined Contribution (DC) plan. SB 82 does not address the funding of the current liabilities of the DB plan, which will still exist and will likely require a closed amortization date in conjunction with the closing of the DB plan.

^{*} According to MCA 19-3-315 (b), the contributions of some employees may be increased to maintain the amortization schedule of the system. To the extent that this is actually done, investment risk is then currently shared with those active employees.

SB 333: Establish a Cash Balance Plan in TRS & PERS for New Hires

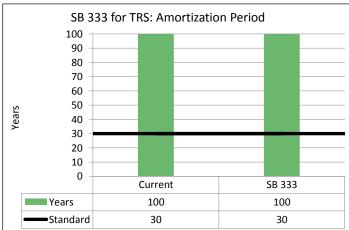
Primary Sponsor: Ron Arthun



Annual Required Contribution (ARC)

SB 333 creates a new tier benefit structure for Teachers' Retirement System (TRS) and Public Employees' Retirement System (PERS) members hired on or after the effective date of the bill.

SB 333 does not provide for any additional funding for the TRS ARC shortfall.



Amortization Period

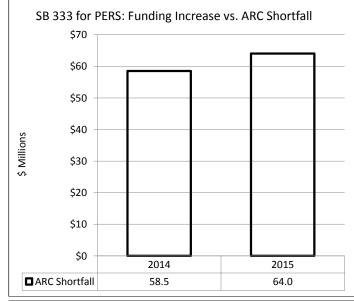
The goal is to have the amortization period for the TRS unfunded liability less than or equal to 30 years.

The unfunded TRS liability currently does not amortize; however, the amortization period is set at 100 years for graphing purposes.



SB 333: Establish a Cash Balance Plan in TRS & PERS for New Hires

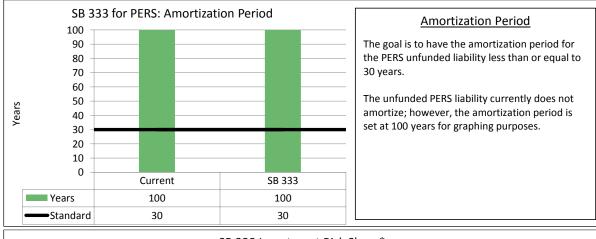
Primary Sponsor: Ron Arthun

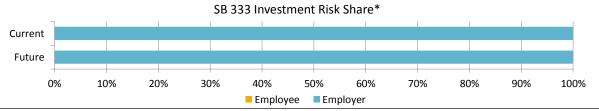


Annual Required Contribution (ARC)

SB 333 creates a new tier benefit structure for Teachers' Retirement System (TRS) and Public Employees' Retirement System (PERS) members hired on or after the effective date of the bill.

SB 333 does not provide for any additional funding for the PERS ARC shortfall.





Other comments:

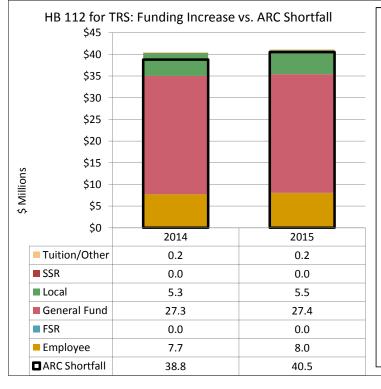
* According to MCA 19-3-315 (b), the contributions of some employees may be increased to maintain the amortization schedule of the system. To the extent that this is actually done, investment risk is then currently shared with those active employees.

MCA 19-3-315 (b) For members hired on or after July 1, 2011, the board shall periodically review the required contributions and recommend future adjustments to the legislature as needed to maintain the amortization schedule set by the board for the payment of the system's unfunded liability.

TRS Funding Bills

HB 112

Jean Price



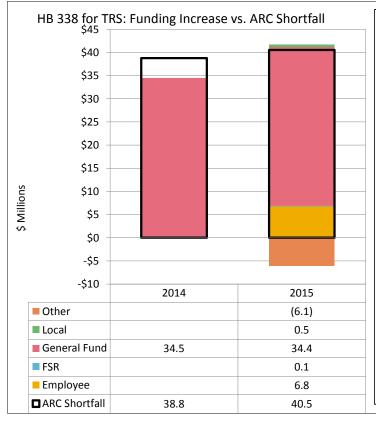
Annual Required Contribution (ARC)

HB 112 implements a supplemental 1% increase to employer and employee contributions. This supplemental contribution rate will decrease after the TRS funded ratio reaches 90% for 3 consecutive years.

There is an annual state contribution of \$25 million from state land revenue in the guarantee account. This money is replaced in the guarantee account by the general fund.

HB 338

Keith Regier



HB 377 for TRS: Funding Increase vs. ARC Shortfall

2014

25.0

7.9

14.7

38.8

2015

25.0

8.0

40.5

Annual Requred Contribution (ARC)

HB 338 closes all plans to future employees as of July 1, 2014. All new hires after this date would participate in a state wide defined contribution plan. The bill also eliminates GABA for all current and future retirees as of January 1, 2014.

Funding is provided by statutory appropriations from coal severance tax revenues and the general fund. In addition, employers would contribute 3% of new hires' compensation toward the amortization of the unfunded liability until the systems are fully funded.

The increased funding provided by HB 338 for TRS addresses a significant portion of the ARC shortfall.

HB 377



\$0

■ General Fund

■ ARC Shortfall

Employee

Other

\$50

Annual Requred Contribution (ARC)

HB 382 provides for additional funding of \$25 million annually to TRS from state land revenues. Since these revenues would otherwise go to the Guarantee Account which is the first source of funding for K-12 Base Aid, this reduction in Guarantee Account revenue will be offset by General Fund revenue.

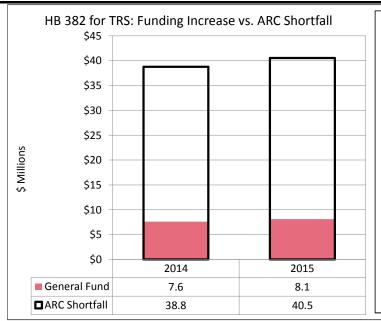
HB 382 also provides for \$14.7 million in FY 2014 from school district retirement reserves and requires a 1% supplemental employee contribution.

The increased funding provided by HB 377 for TRS addresses a significant portion of the ARC shortfall.

TRS Funding Bills

HB 382

Liz Bangerter



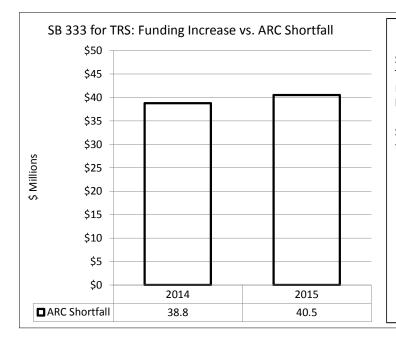
Annual Required Contribution (ARC)

HB 382 statutorily appropriates the coal severance tax collections that would be deposited in the general fund to PERS, TRS, SRS and GWPORS.

The statutory appropriation will cease on January 1 of the year following an actuarial valuation show that the amortization period is 30 years of less.

The coal tax funding provided by HB 382 for TRS helps to bring the amortization period down from infinite to 88 years.

SB 333



Annual Requred Contribution (ARC)

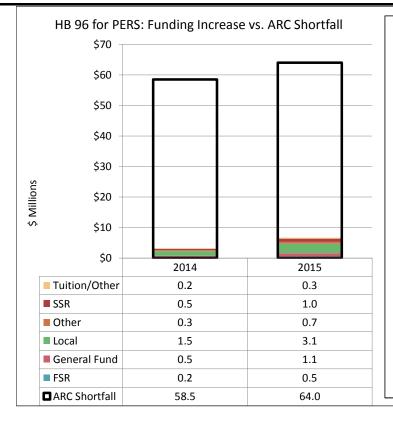
SB 333 creates a new tier benefit structure for Teachers' Retirement System (TRS) and Public Employees' Retirement System (PERS) members hired on or after the effective date of the bill.

SB 333 does not provide for any additional funding for the TRS ARC shortfall.

PERS Funding Bills

HB 96

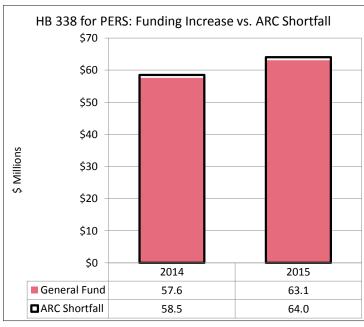
Franke Wilmer



Annual Required Contribution (ARC)

HB 96 improves the actuarial funding of PERS by providing a temporary increase in employer contributions rates by 1% of payroll phased in over a four-year period. Employer contributions would increase over current rates by 0.25% July 1, 2013; 0.50% July1, 2014; 0.75% July1, 2015; 1.0% July 1, 2016 (and later).

HB 338
Keith Regier



Annual Requred Contribution (ARC)

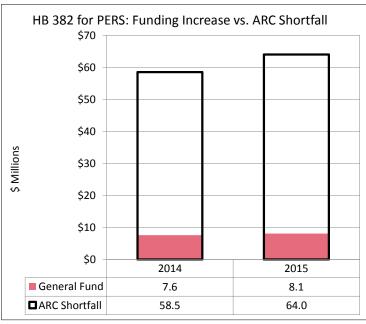
HB 338 closes all plans to future employees as of July 1, 2014. All new hires after this date would participate in a state wide defined contribution plan. The bill also eliminates GABA for all current and future retirees as of January 1, 2014.

Funding is provided by statutory appropriations from coal severance tax revenues and the general fund. In addition, employers would contribute 3% of new hires' compensation toward the amortization of the unfunded liability until the systems are fully funded.

The increased funding provided by HB 338 for PERS nearly addresses the ARC shortfall.

HB 382

Liz Bangerter



Annual Requred Contribution (ARC)

HB 382 statutorily appropriates the coal severance tax collections that would be deposited in the general fund to PERS, TRS, SRS and GWPORS.

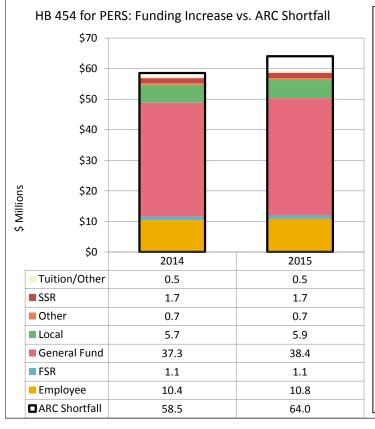
The statutory appropriation will cease on January 1 of the year following an actuarial valuation show that the amortization period is 30 years of less.

The coal tax funding provided by HB 382 for PERS is not sufficient to eliminate the ARC shortfall; in fact, the coal tax becomes a progressively less significant source of funding over time.

PERS Funding Bills

HB 454

Bill McChesney



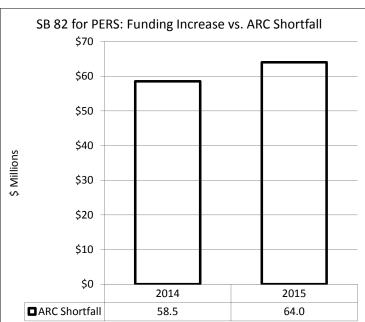
Annual Required Contribution (ARC)

HB 454 provides additional funding to amortize the unfunded liabilities of PERS through increased employee and employer contributions, and revenue and interest earnings from natural resource development.

Beginning in FY 2017, the bill allocates threeeighths of coal severance tax revenue to the coal tax permanant fund and eliminates the allocations to various funds.

The increased funding provided by HB 454 for PERS addresses a significant portion of the ARC shortfall.

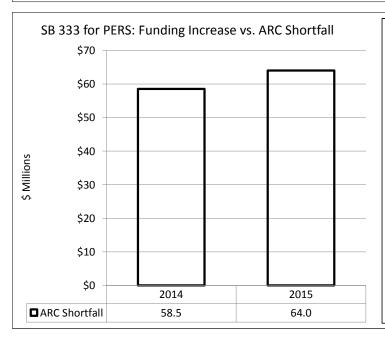
SB 82
Dave Lewis



Annual Requred Contribution (ARC)

SB 82 closes the current PERS defined benefit plan and requires that all new hires be members of the defined contribution plan.

SB 333



Annual Requred Contribution (ARC)

SB 333 creates a new tier benefit structure for Teachers' Retirement System (TRS) and Public Employees' Retirement System (PERS) members hired on or after the effective date of the bill.

SB 333 does not provide for any additional funding for the PERS ARC shortfall.