



Summary of Actuarial Valuation Results June 30, 2015

Montana Public Employee Retirement Administration

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Discussion Topics

Retirement Funding Equation

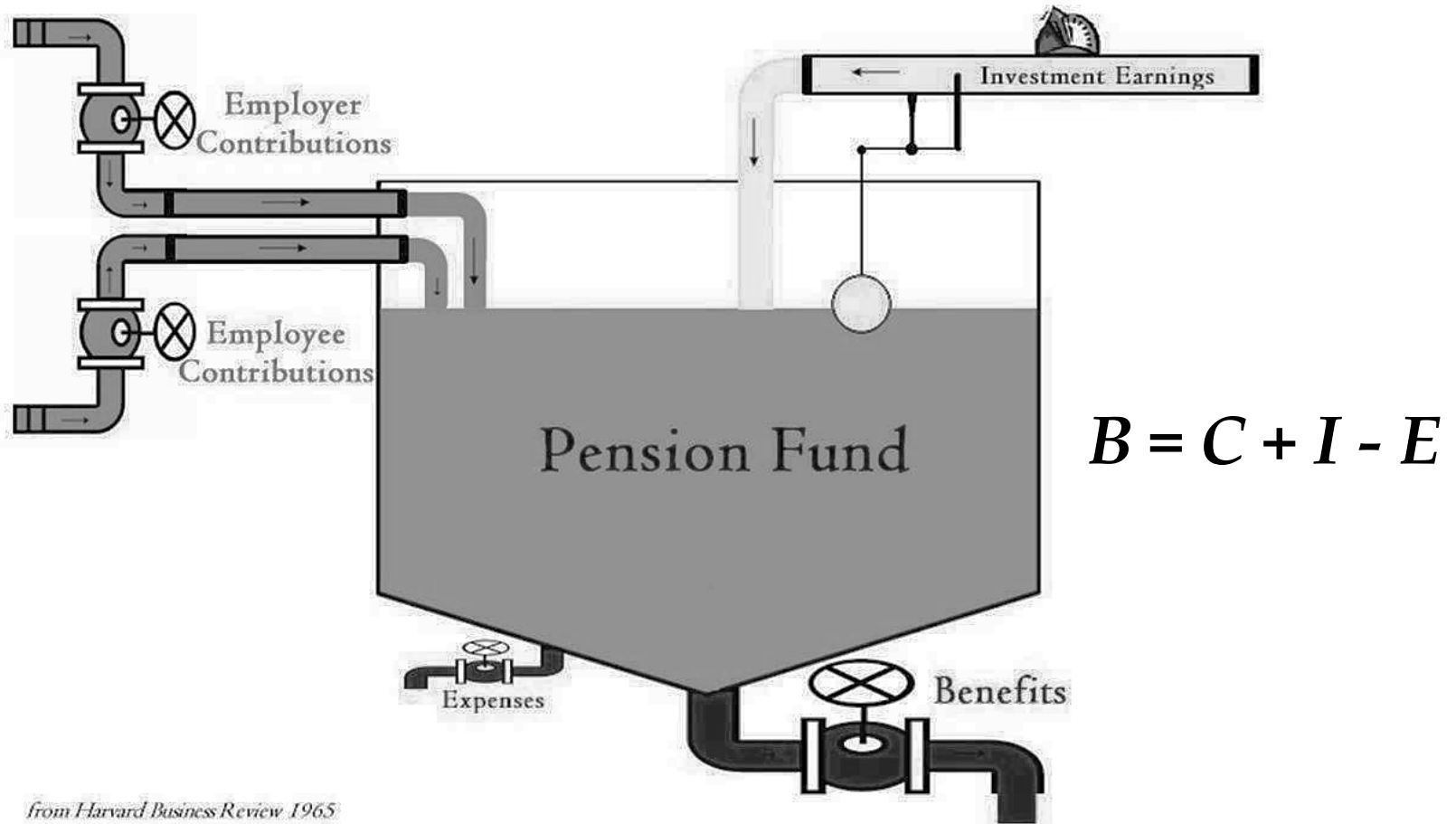
Overall Valuation Results

PERS Summary

Other System Summaries



Retirement Funding



from Harvard Business Review 1965



Overall Results

- **All plans experienced actuarial gains**
 - 6 of 8 plans are actuarially sound
 - PERS is actuarially sound
- **All systems experienced actuarial *investment* gains**
 - Return on market value was 4.5%
 - Actuarial gain due to asset smoothing 9.0 - 9.6%
 - \$85 million gain for PERS; \$106 million gain for all DB plans
 - Over \$7 billion in total investments, up \$194 million from 2014
- **GABA Settlement PERS-DB**
 - Members hired before July 1, 2007 = 3% GABA
 - Members hired between July 1, 2007 and June 30, 2013 = 1.5% GABA
 - Members hired after July 1, 2013 subject to the sliding scale in HB 454



PERS – Summary of Valuation Results

<u>Participants</u>	<u>FY 2014</u>	<u>FY 2015</u>
Active Members	28,229	28,237
Disabled Members	193	176
Retirees & Beneficiaries	19,888	20,505
Terminated Vested Members	2,825	2,925
Terminated Non-Vested Members	<u>7,666</u>	<u>8,839</u>
Total Participants	58,801	60,682
Annual Salaries of Active Members	\$1,120,939,764	\$1,156,855,431
Average Annual Salary	\$39,709	\$40,969
Annual Retirements	\$302,758,499	\$326,390,329
Average Annual Benefit	\$15,205	\$15,782



PERS – Summary of Valuation Results

<u>Assets & Liabilities (000,000's)</u>	<u>FY 2014</u>	<u>FY 2015</u>
Actuarial Accrued Liability (AAL)	\$6,177.5	\$6,470.3
Actuarial Value of Assets (AVA)	<u>\$4,595.8</u>	<u>\$4,926.5</u>
Unfunded AAL (AAL-AVA)	\$1,581.7	\$1,543.8
Less: PCR-UAL	<u>\$5.9</u>	<u>\$2.6</u>
Net Unfunded Liability	\$1,575.8	\$1,541.2
Funded Ratio (AAL/AVA)	74.4%	76.2%
Statutory Contribution Rate	19.32%	18.79%
Normal Cost Rate	11.63%	11.18%
Available for Amortization	7.42%	7.34%
Years to Amortize	29.3	27.2
Shortfall (Surplus)	(0.09%)	(0.40%)



Other Systems

GWPORS – does not amortize

SRS – does not amortize

HPORS – amortizes in 28.5 years

MPORS – amortizes in 18.3 years

FURS – amortizes in 9.7 years

JRS – actuarial surplus

VFCA – amortizes in 9.3 years



GWPORS – Summary of Valuation Results

<u>Participants</u>	<u>FY 2014</u>	<u>FY 2015</u>
Active Members	955	993
Disabled Members	2	4
Retirees & Beneficiaries	201	227
Terminated Vested Members	87	95
Terminated Non-Vested Members	<u>175</u>	<u>235</u>
Total Participants	1,420	1,554
Annual Salaries of Active Members	\$40,458,127	\$44,713,334
Average Annual Salary	\$42,365	\$45,029
Annual Retirements	\$4,105,807	\$4,720,886
Average Annual Benefit	\$20,817	\$21,081



GWPORS – Summary of Valuation Results

<u>Assets & Liabilities (000,000's)</u>	<u>FY 2014</u>	<u>FY 2015</u>
Actuarial Accrued Liability (AAL)	\$154.6	\$172.1
Actuarial Value of Assets (AVA)	<u>\$129.4</u>	<u>\$145.3</u>
Unfunded AAL (AAL-AVA)	\$25.2	\$26.8
Funded Ratio (AAL/AVA)	83.7%	84.4%
Statutory Contribution Rate	19.56%	19.56%
Normal Cost Rate	18.58%	18.24%
Available for Amortization	0.81%	1.15%
Years to Amortize	Infinite	Infinite
Shortfall	2.41%	1.96%



SRS – Summary of Valuation Results

<u>Participants</u>	<u>FY 2014</u>	<u>FY 2015</u>
Active Members	1,307	1,336
Disabled Members	35	32
Retirees & Beneficiaries	498	545
Terminated Vested Members	73	81
Terminated Non-Vested Members	<u>288</u>	<u>342</u>
Total Participants	2,201	2,336
Annual Salaries of Active Members	\$64,423,961	\$67,881,262
Average Annual Salary	\$44,291	\$50,809
Annual Retirements	\$13,044,129	\$14,432,238
Average Annual Benefit	\$24,772	\$25,256



SRS – Summary of Valuation Results

<u>Assets & Liabilities (000,000's)</u>	<u>FY 2014</u>	<u>FY 2015</u>
Actuarial Accrued Liability (AAL)	\$326.0	\$348.9
Actuarial Value of Assets (AVA)	<u>\$264.9</u>	<u>\$288.3</u>
Unfunded AAL (AAL-AVA)	\$61.1	\$60.6
Funded Ratio (AAL/AVA)	81.3%	82.6%
Statutory Contribution Rate	19.36%	19.36%
Normal Cost Rate	18.29%	18.05%
Available for Amortization	0.90%	1.14%
Years to Amortize	Infinite	Infinite
Shortfall	4.01%	3.48%



HPORS – Summary of Valuation Results

<u>Participants</u>	<u>FY 2014</u>	<u>FY 2015</u>
Active Members	229	241
Disabled Members	8	7
Retirees & Beneficiaries	314	320
Terminated Vested Members	11	11
Terminated Non-Vested Members	<u>14</u>	<u>13</u>
Total Participants	576	592
Annual Salaries of Active Members	\$13,901,207	\$14,502,510
Average Annual Salary	\$60,704	\$60,176
Annual Retirements	\$9,336,474	\$9,891,640
Average Annual Benefit	\$30,279	\$31,554



HPORS – Summary of Valuation Results

<u>Assets & Liabilities (000,000's)</u>	<u>FY 2014</u>	<u>FY 2015</u>
Actuarial Accrued Liability (AAL)	\$183.4	\$192.9
Actuarial Value of Assets (AVA)	<u>\$117.2</u>	<u>\$125.6</u>
Unfunded AAL (AAL-AVA)	\$66.2	\$67.3
Funded Ratio (AAL/AVA)	63.9%	65.1%
Statutory Contribution Rate	49.38%	50.38%
Normal Cost Rate	24.46%	25.26%
Available for Amortization	24.69%	24.89%
Years to Amortize	30.3	28.5
Shortfall	0.14%	(0.72%)



MPORS – Summary of Valuation Results

<u>Participants</u>	<u>FY 2014</u>	<u>FY 2015</u>
Active Members	743	743
Disabled Members	21	21
Retirees & Beneficiaries	695	723
Terminated Vested Members	55	60
Terminated Non-Vested Members	<u>90</u>	<u>103</u>
Total Participants	1,604	1,650
Annual Salaries of Active Members	\$44,453,805	\$45,161,891
Average Annual Salary	\$59,830	\$60,783
Annual Retirements	\$19,815,161	\$21,203,250
Average Annual Benefit	\$27,803	\$28,617



MPORS – Summary of Valuation Results

<u>Assets & Liabilities (000,000's)</u>	<u>FY 2014</u>	<u>FY 2015</u>
Actuarial Accrued Liability (AAL)	\$474.3	\$497.2
Actuarial Value of Assets (AVA)	<u>\$298.7</u>	<u>\$328.0</u>
Unfunded AAL (AAL-AVA)	\$175.6	\$169.2
Funded Ratio (AAL/AVA)	63.0%	66.0%
Statutory Contribution Rate	52.78%	52.78%
Normal Cost Rate	25.65%	25.84%
Available for Amortization	26.93%	26.74%
Years to Amortize	19.6	18.3
Shortfall (Surplus)	(6.36%)	(7.23%)



FURS – Summary of Valuation Results

<u>Participants</u>	<u>FY 2014</u>	<u>FY 2015</u>
Active Members	616	627
Disabled Members	10	9
Retirees & Beneficiaries	585	600
Terminated Vested Members	19	21
Terminated Non-Vested Members	<u>66</u>	<u>71</u>
Total Participants	1,296	1,328
Annual Salaries of Active Members	\$39,494,619	\$41,041,360
Average Annual Salary	\$64,115	\$65,457
Annual Retirements	\$19,207,518	\$20,322,164
Average Annual Benefit	\$32,624	\$33,747



FURS – Summary of Valuation Results

<u>Assets & Liabilities (000,000's)</u>	<u>FY 2014</u>	<u>FY 2015</u>
Actuarial Accrued Liability (AAL)	\$419.0	441.8
Actuarial Value of Assets (AVA)	<u>\$300.9</u>	<u>\$333.6</u>
Unfunded AAL (AAL-AVA)	\$118.1	\$108.2
Funded Ratio (AAL/AVA)	71.8%	75.5%
Statutory Contribution Rate	57.66%	57.66%
Normal Cost Rate	26.51%	26.51%
Available for Amortization	30.96%	30.96%
Years to Amortize	11.3	9.7
Shortfall (Surplus)	(15.35%)	(17.18%)



JRS – Summary of Valuation Results

<u>Participants</u>	<u>FY 2014</u>	<u>FY 2015</u>
Active Members	55	55
Disabled Members	0	0
Retirees & Beneficiaries	67	67
Terminated Vested Members	1	2
Terminated Non-Vested Members	<u>0</u>	<u>0</u>
Total Participants	123	124
Annual Salaries of Active Members	\$6,495,104	\$6,521,161
Average Annual Salary	\$118,093	\$118,567
Annual Retirements	\$3,021,244	\$3,133,947
Average Annual Benefit	\$45,460	\$47,194



JRS – Summary of Valuation Results

<u>Assets & Liabilities (000,000's)</u>	<u>FY 2014</u>	<u>FY 2015</u>
Actuarial Accrued Liability (AAL)	\$50.6	\$51.9
Actuarial Value of Assets (AVA)	<u>\$78.5</u>	<u>\$84.9</u>
Unfunded AAL (AAL-AVA)	\$(27.9)	\$(33.0)
Funded Ratio (AAL/AVA)	155.1%	163.6%
Statutory Contribution Rate	32.81%	32.81%
Normal Cost Rate	24.47%	24.35%
Available for Amortization	8.19%	8.31%
Years to Amortize	0	0
Shortfall (Surplus)	(30.96%)	(34.94%)



VFCA – Summary of Valuation Results

<u>Participants</u>	<u>FY 2014</u>	<u>FY 2015</u>
Active Members	1,935	1,977
Disabled Members	0	0
Retirees & Beneficiaries	1,332	1,371
Terminated Vested Members	939	905
Terminated Non-Vested Members	<u>0</u>	<u>0</u>
Total Participants	4,206	4,253
Annual Salaries of Active Members	n/a	n/a
Average Annual Salary	n/a	n/a
Annual Retirements	\$2,314,164	\$2,377,170
Average Annual Benefit	\$1,737	\$1,734



VFCA – Summary of Valuation Results

<u>Assets & Liabilities (000,000's)</u>	<u>FY 2014</u>	<u>FY 2015</u>
Actuarial Accrued Liability (AAL)	\$38.0	\$44.3
Actuarial Value of Assets (AVA)	<u>\$31.3</u>	<u>\$33.4</u>
Unfunded AAL (AAL-AVA)	\$6.7	\$10.9
Funded Ratio (AAL/AVA)	82.4 %	75.4%
Actual Contributions	\$1.8	\$1.9
Required Contributions	\$0.9	\$0.9
Years to Amortize	5.1	9.3