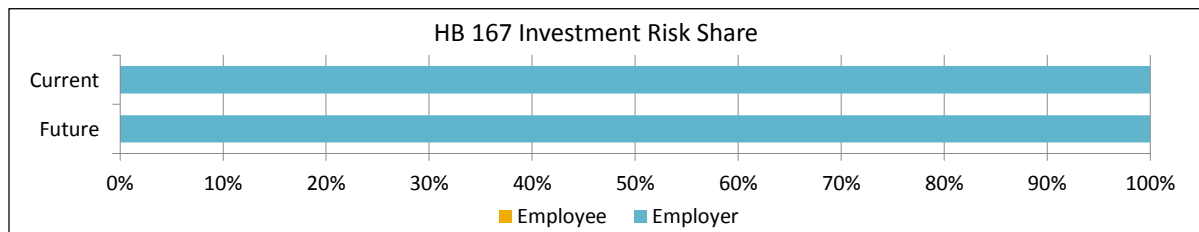
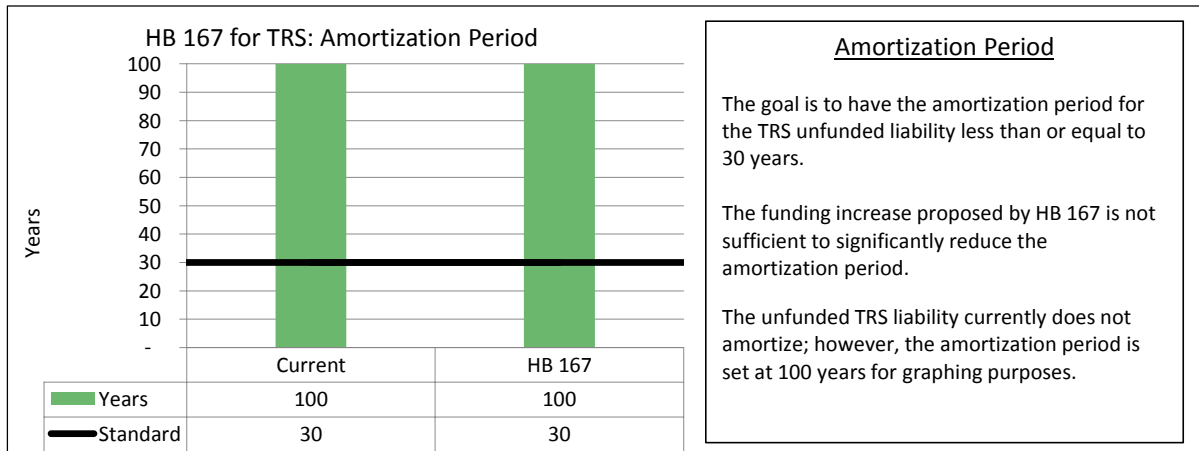
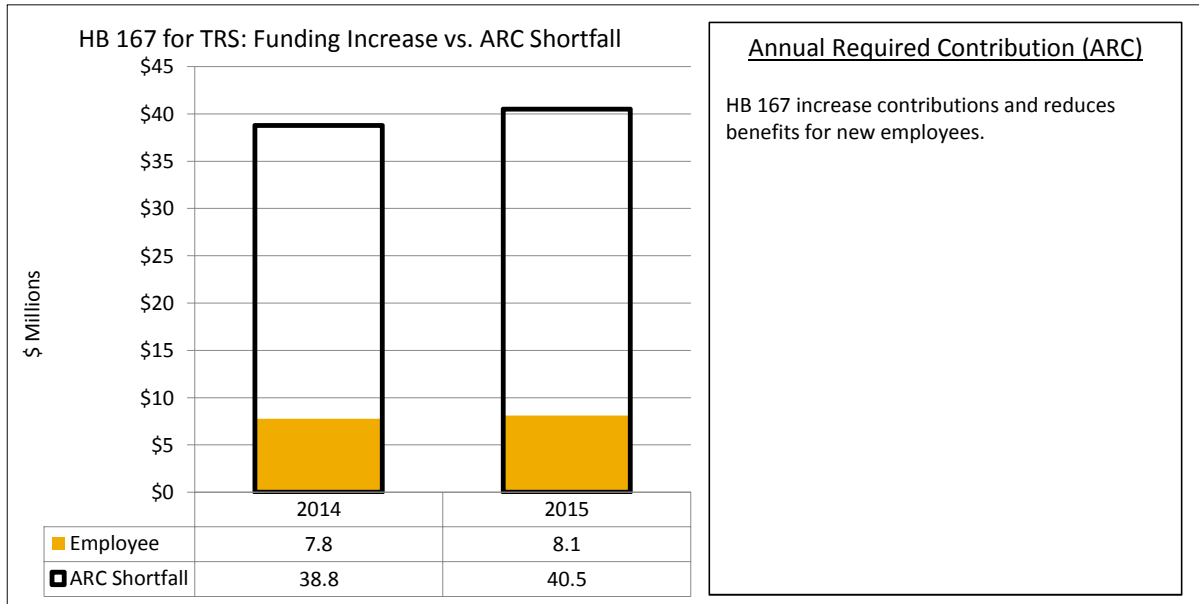
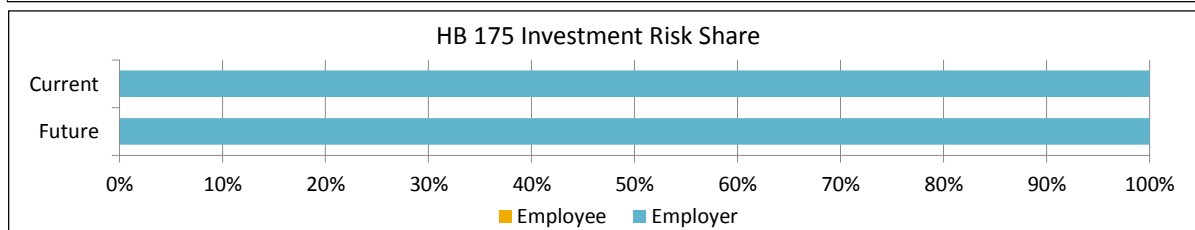
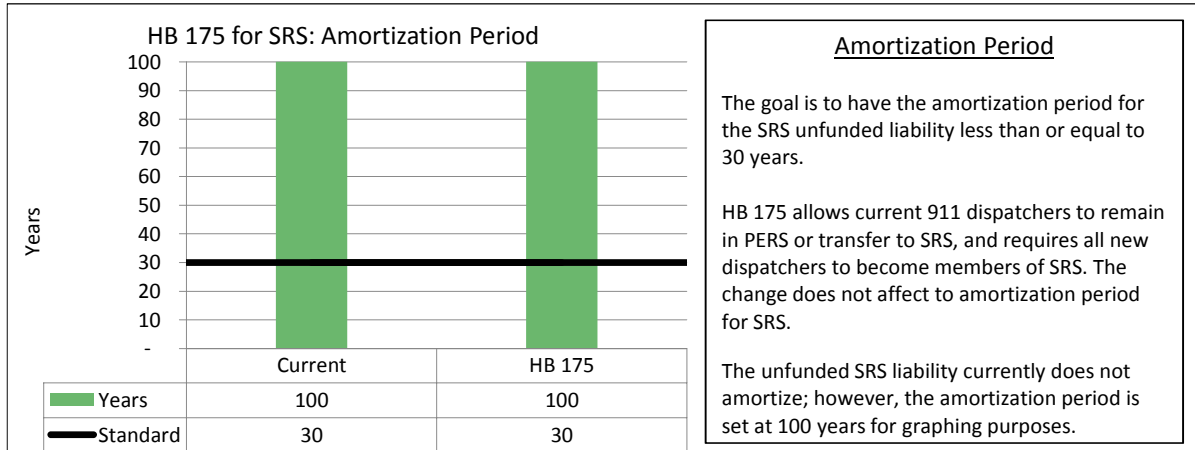
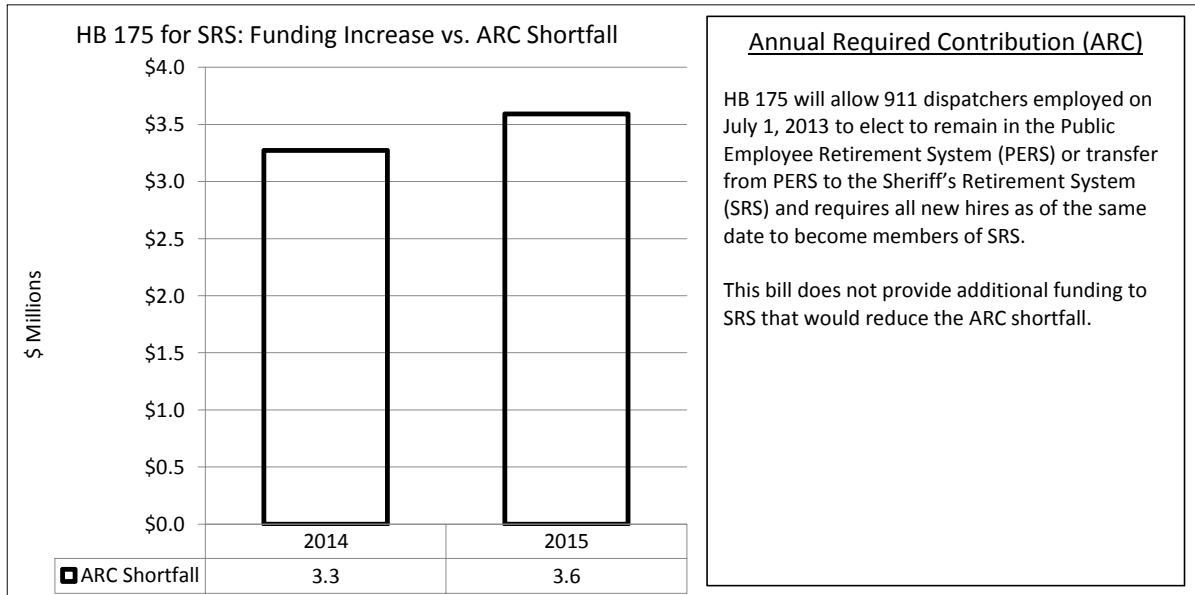


Other comments:

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

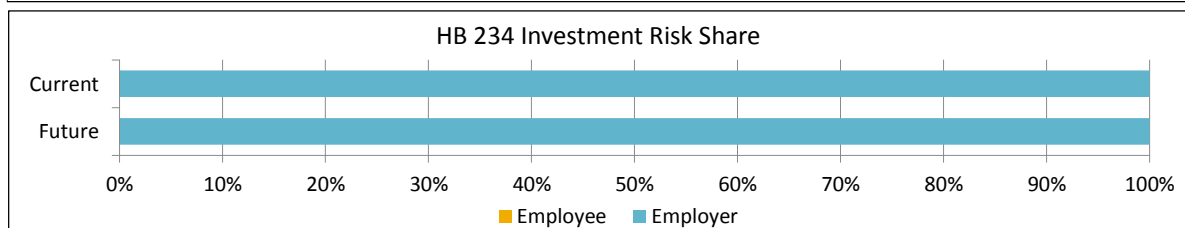
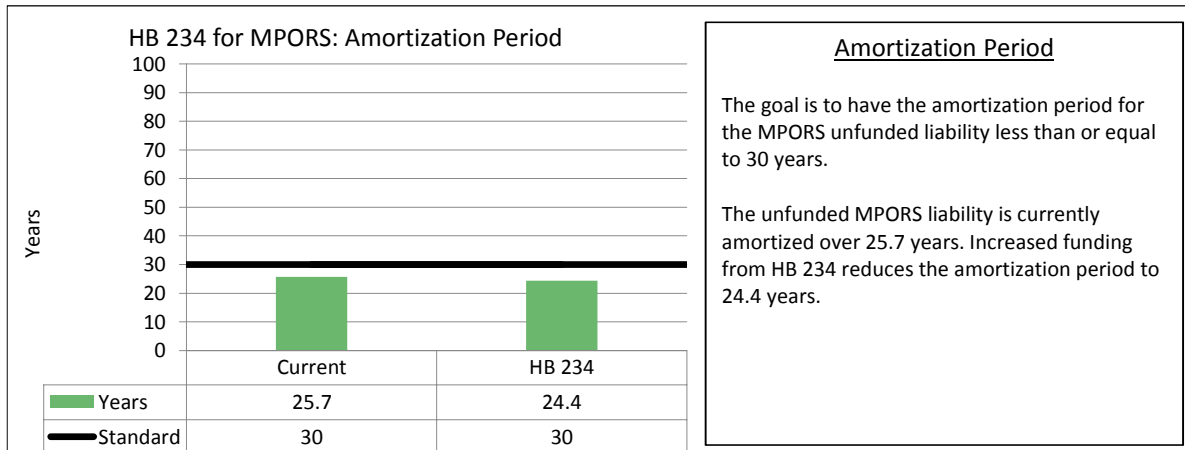
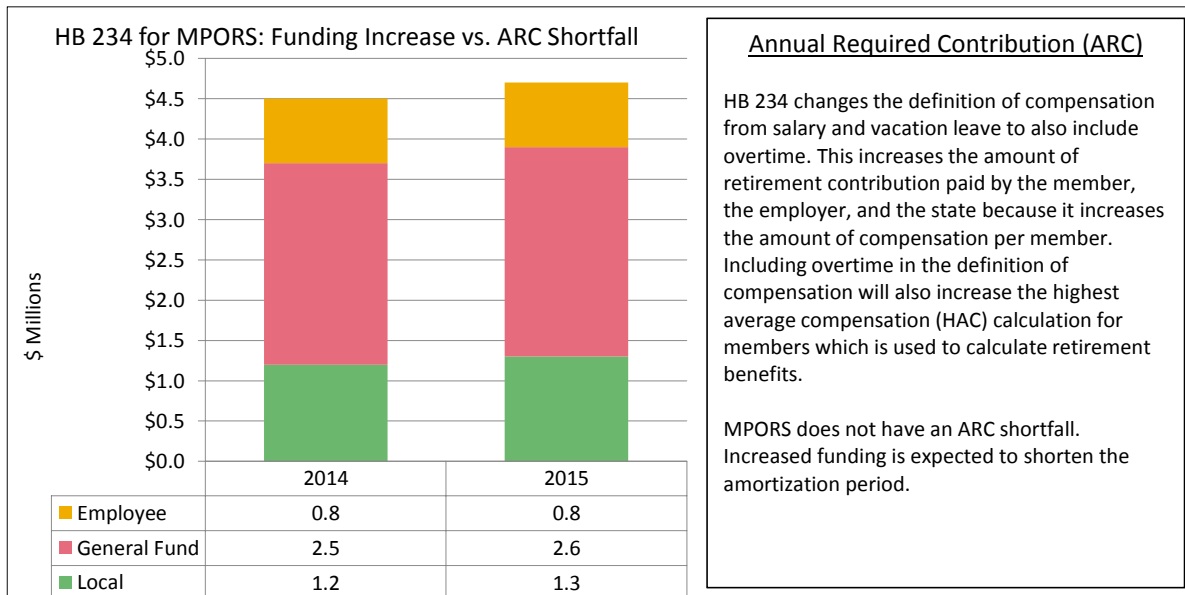


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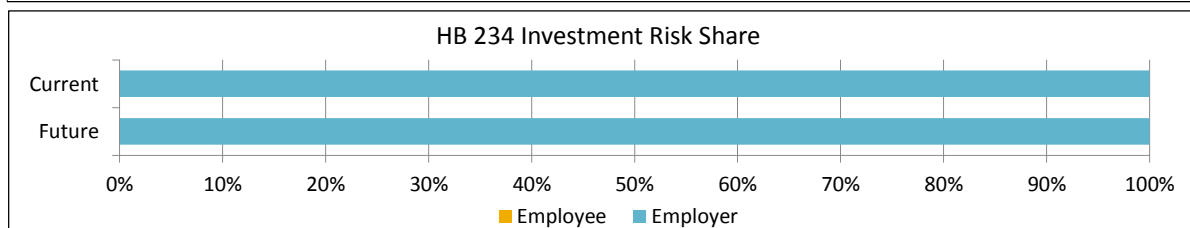
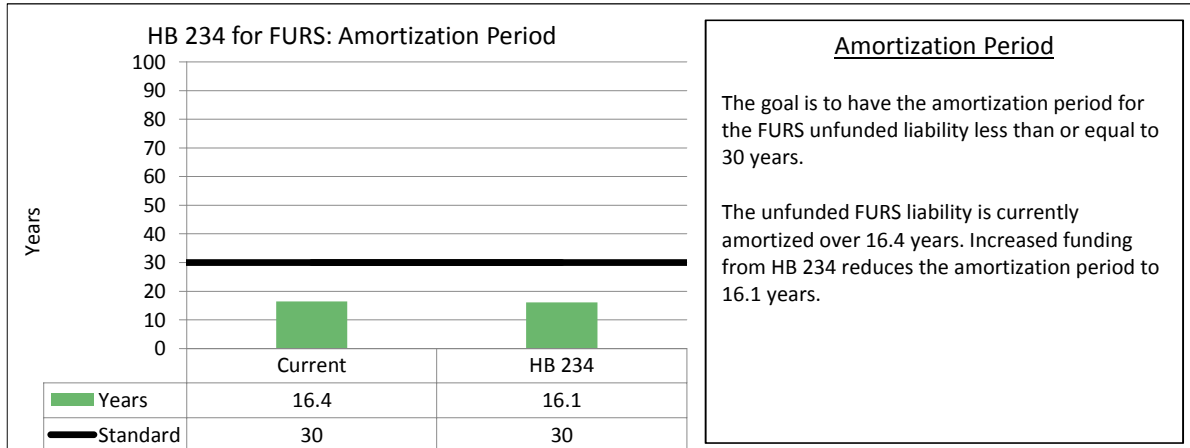
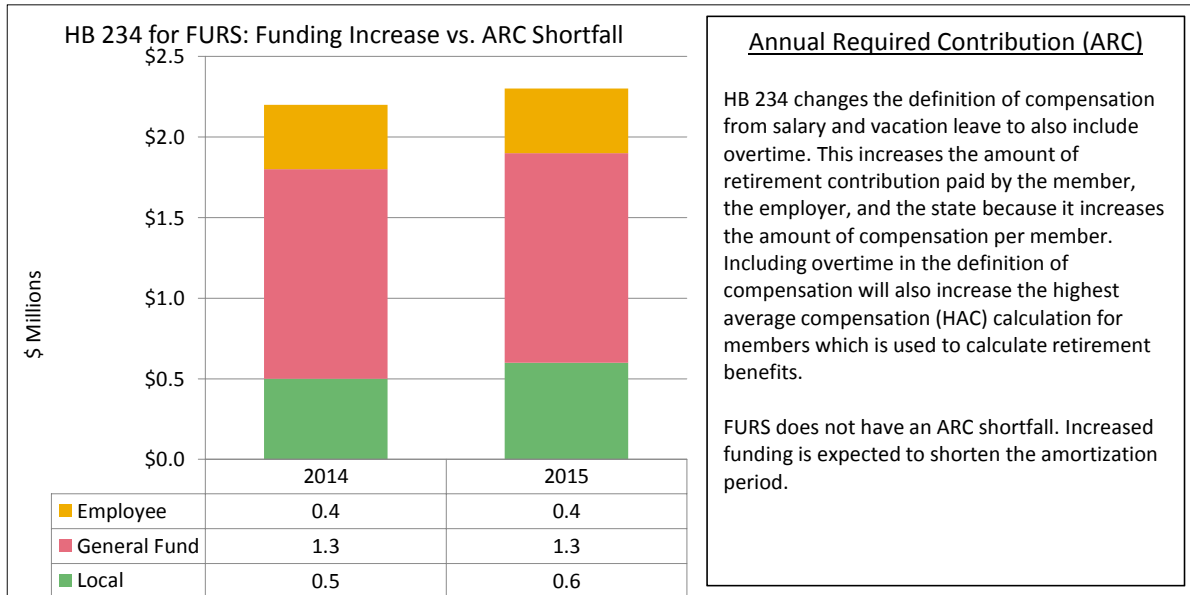


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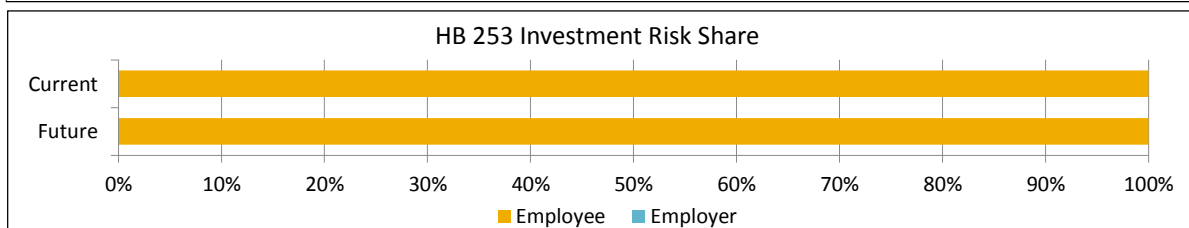
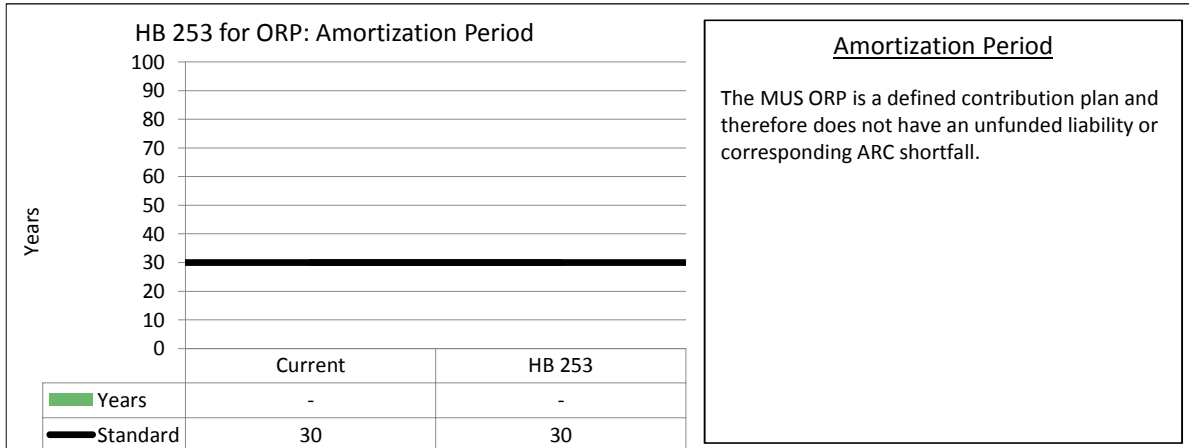
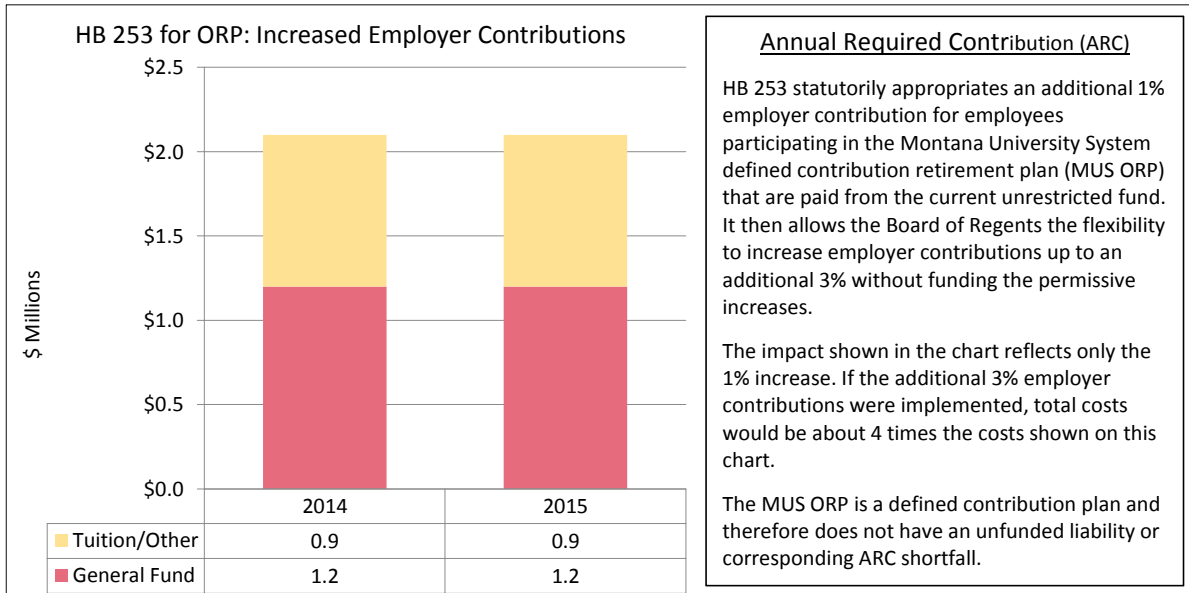
HB 175 would increase costs to local governments that employ dispatchers if current dispatchers choose to transfer to SRS, and as new dispatchers are required to join SRS.



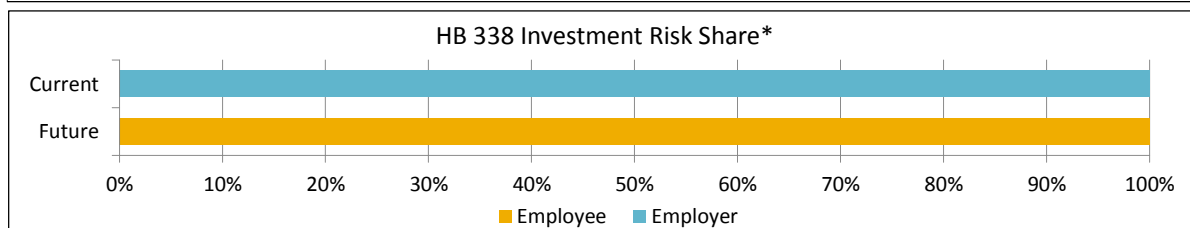
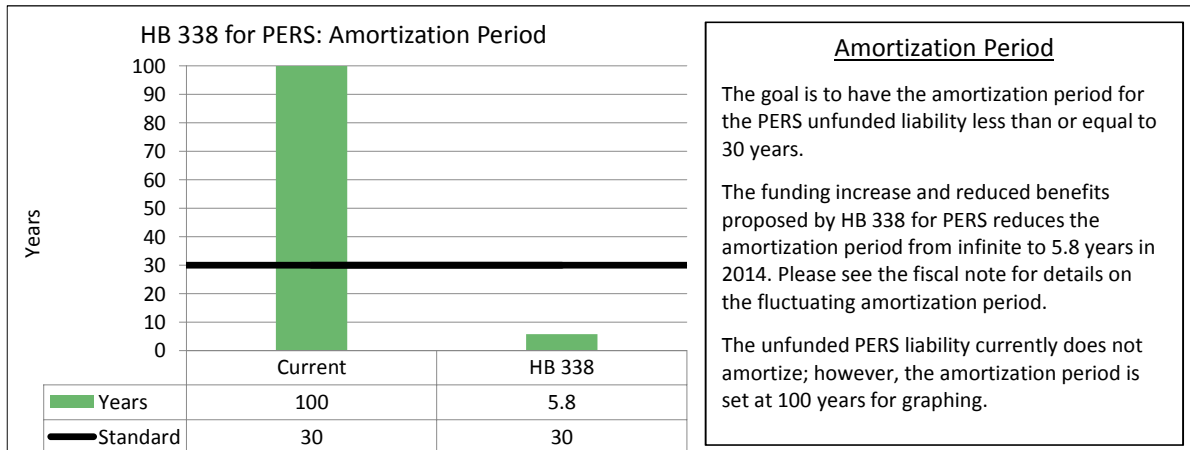
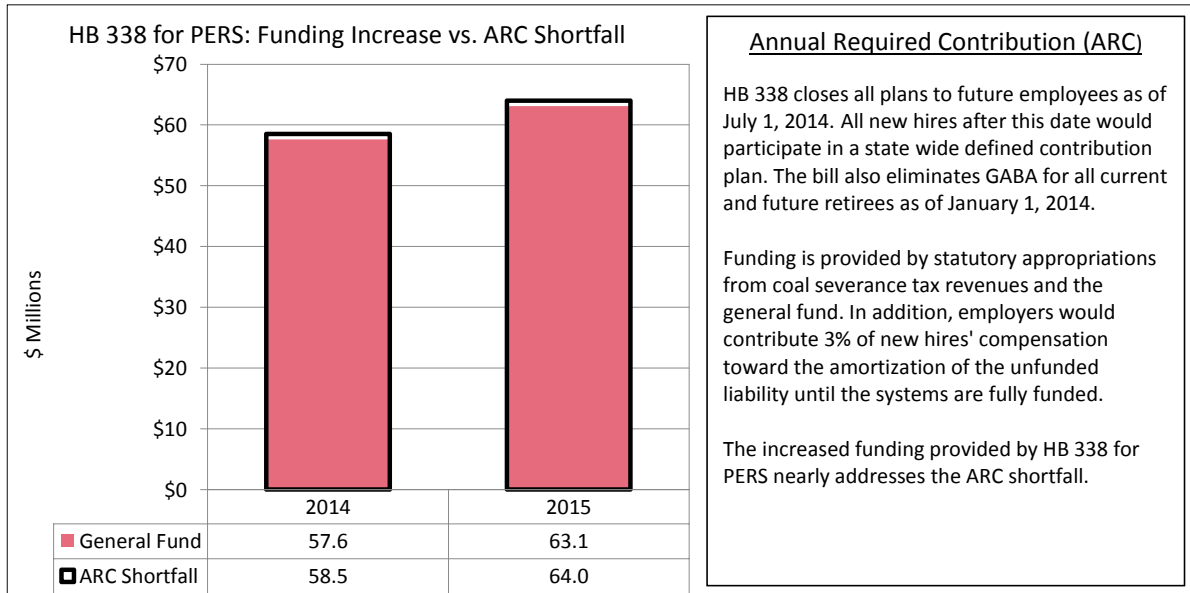
Other comments:



Other comments:



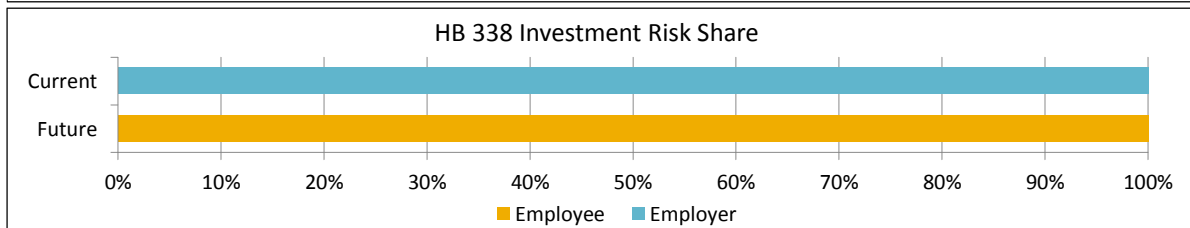
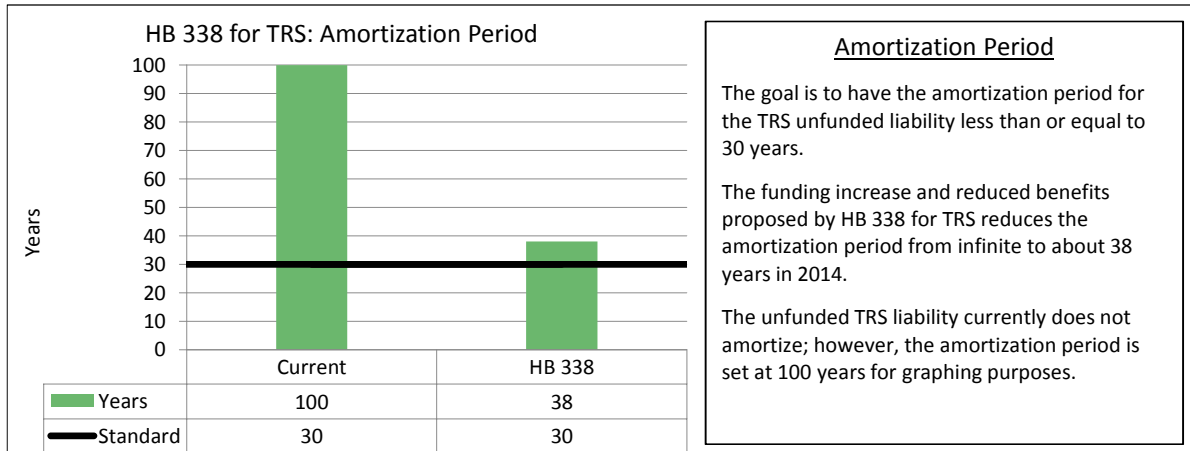
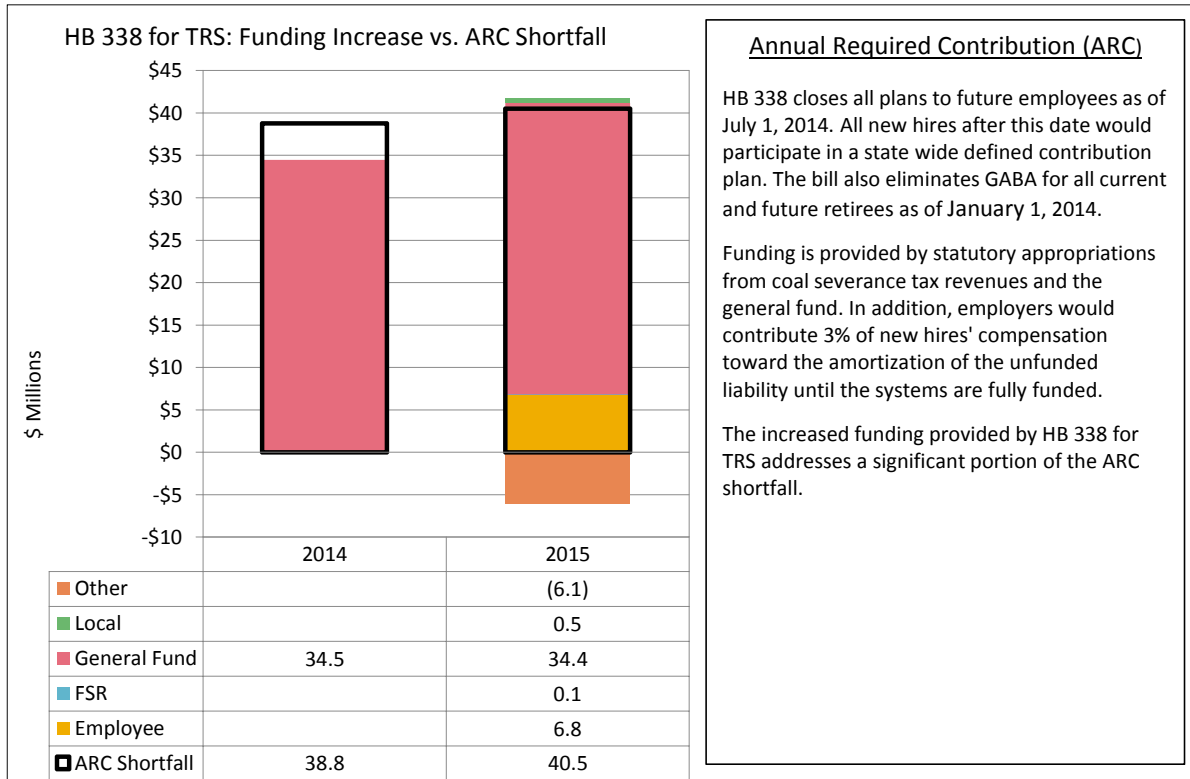
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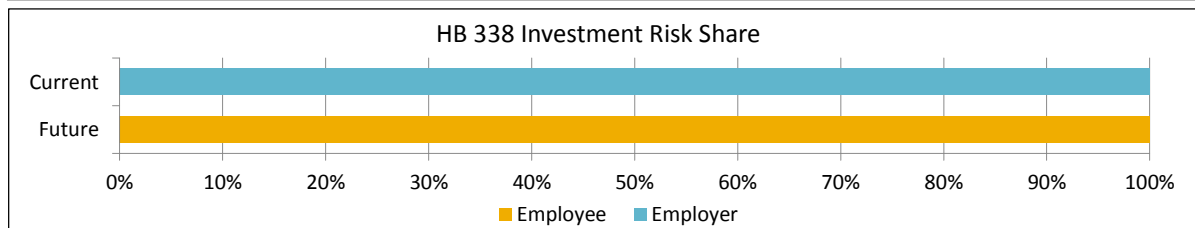
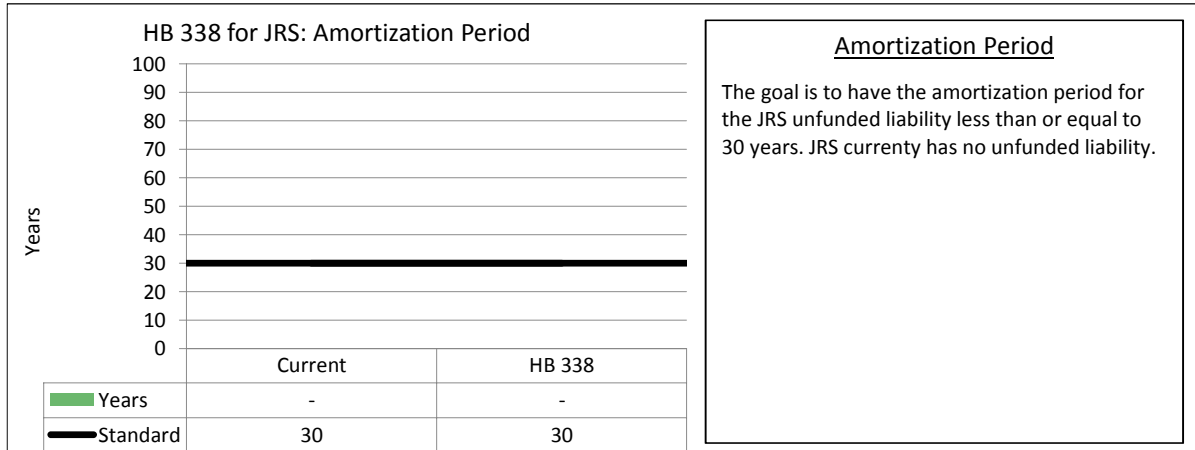
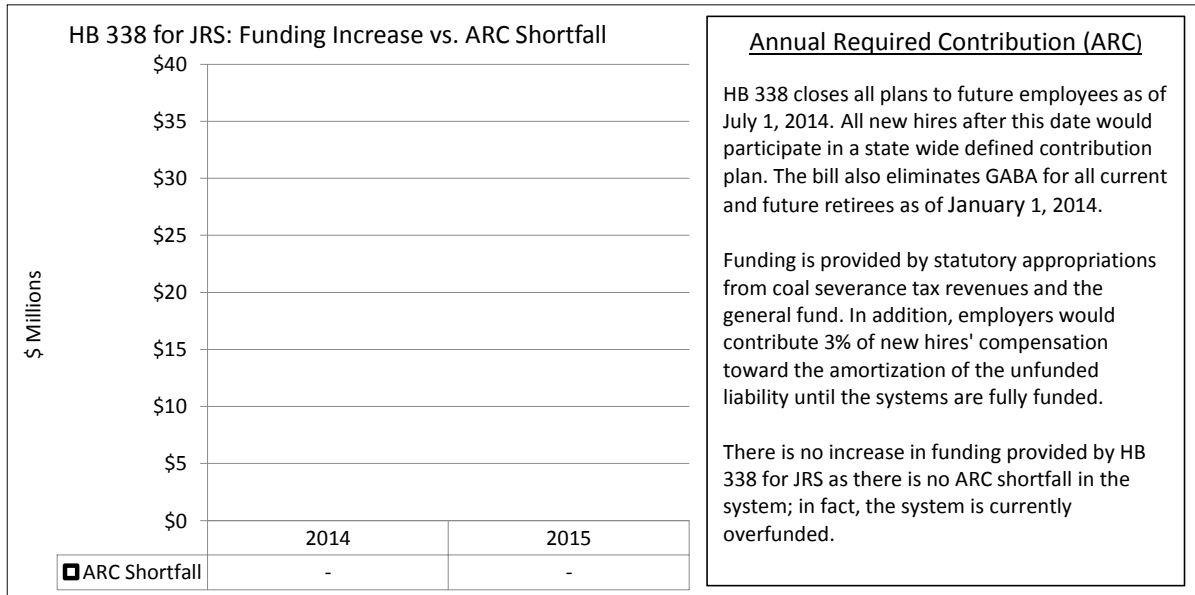
The fiscal note and corresponding actuarial analysis of this bill used the OBPP revenue estimate for coal severance tax. The official legislative revenue estimate contained in SJ 2 has a lower projection of coal severance tax revenue by about \$2 million per year. This fact should be considered by the committee when comparing the various funding options.

* 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.



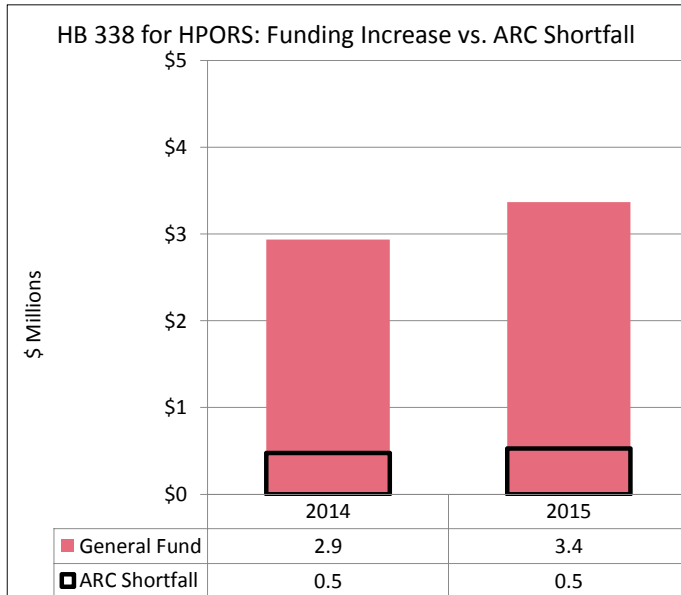
Other comments:

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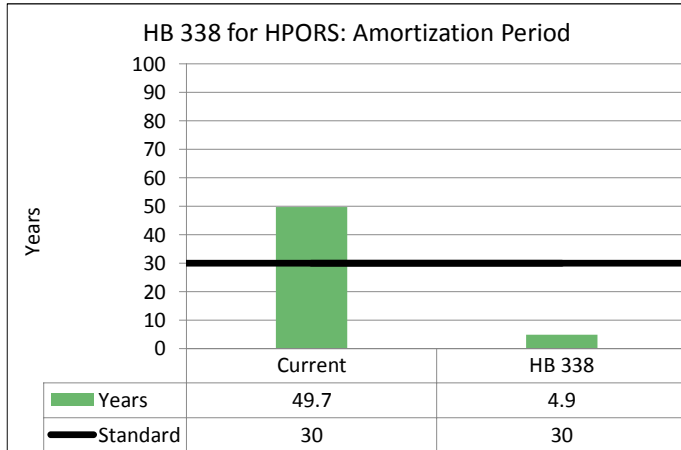


Annual Required Contribution (ARC)

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.

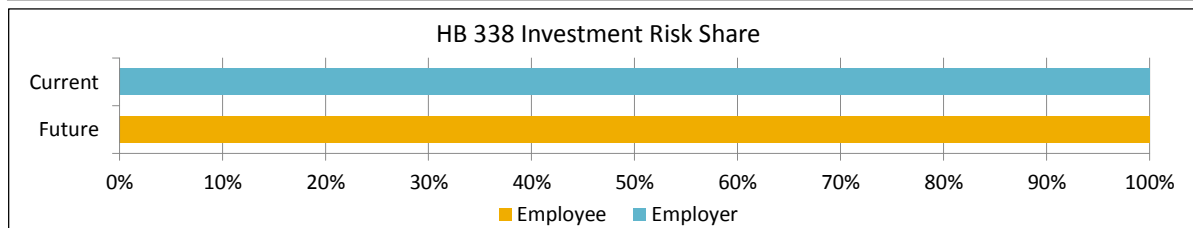
The funding provided by HB 338 for HPORS exceeds the ARC shortfall in the 2015 biennium.



Amortization Period

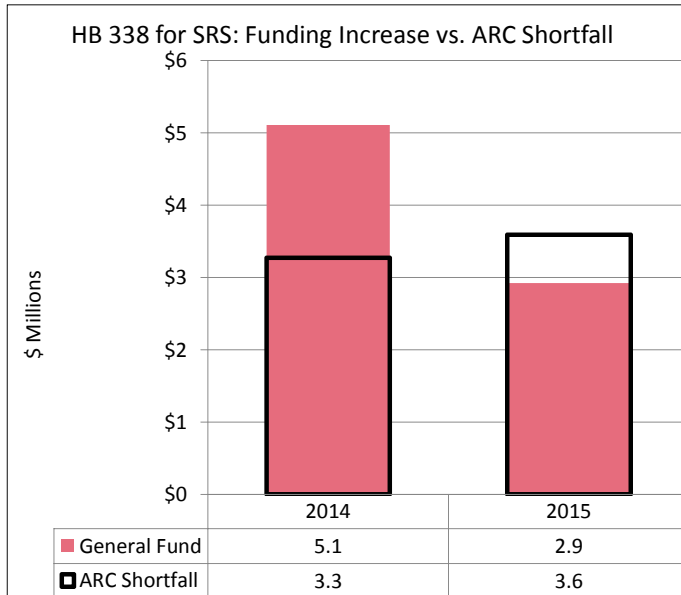
The goal is to have the amortization period for the HPORS unfunded liability less than or equal to 30 years.

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:

The fiscal note and corresponding actuarial analysis of this bill used the OBPP revenue estimate for coal severance tax. The official legislative revenue estimate contained in SJ 2 has a lower projection of coal severance tax revenue by about \$2 million per year. This fact should be considered by the committee when comparing the various funding options.

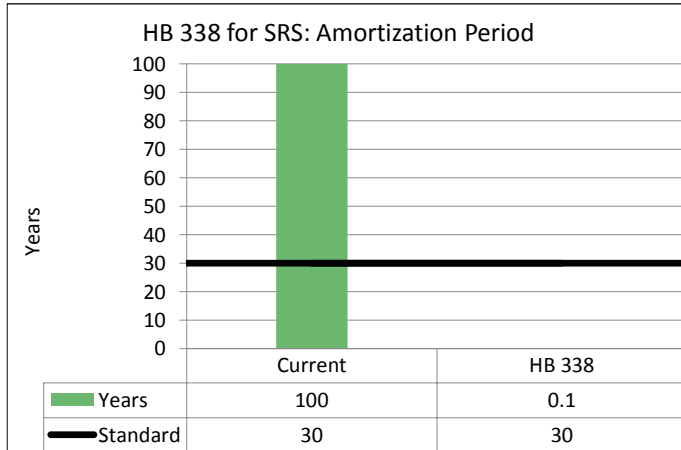


Annual Required Contribution (ARC)

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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.

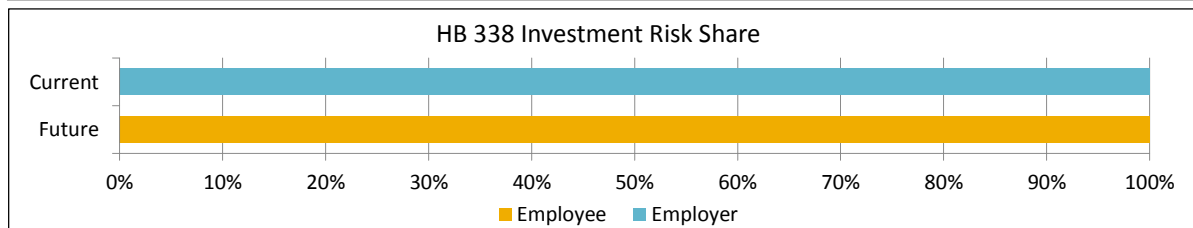


Amortization Period

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

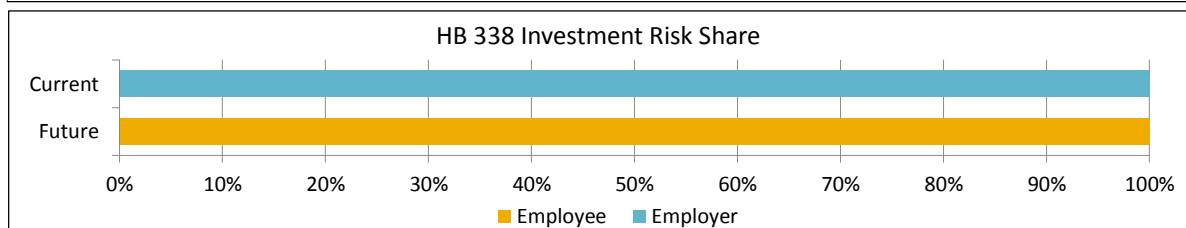
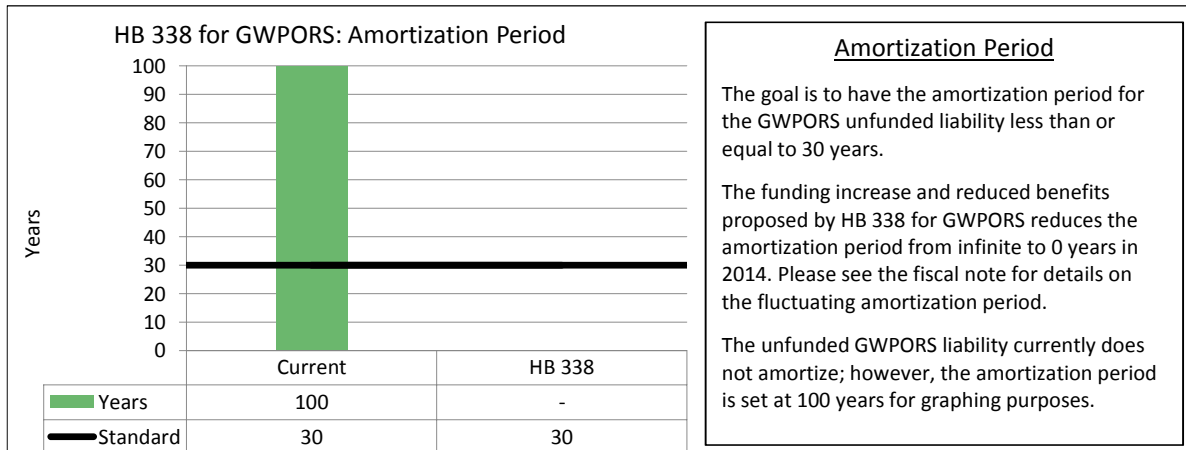
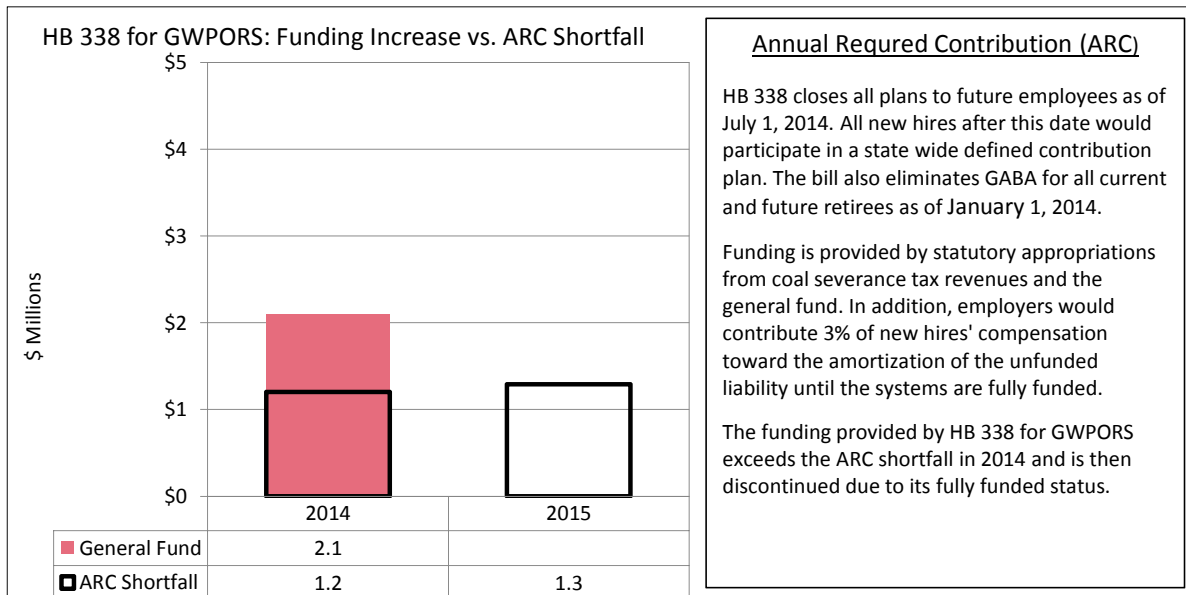
The funding increase and reduced benefits proposed by HB 338 for SRS reduces the amortization period from infinite to 0.1 years in 2014. Please see the fiscal note for details on the fluctuating amortization period.

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



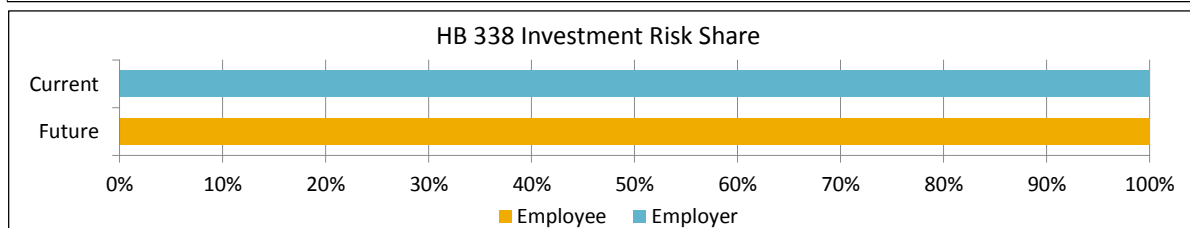
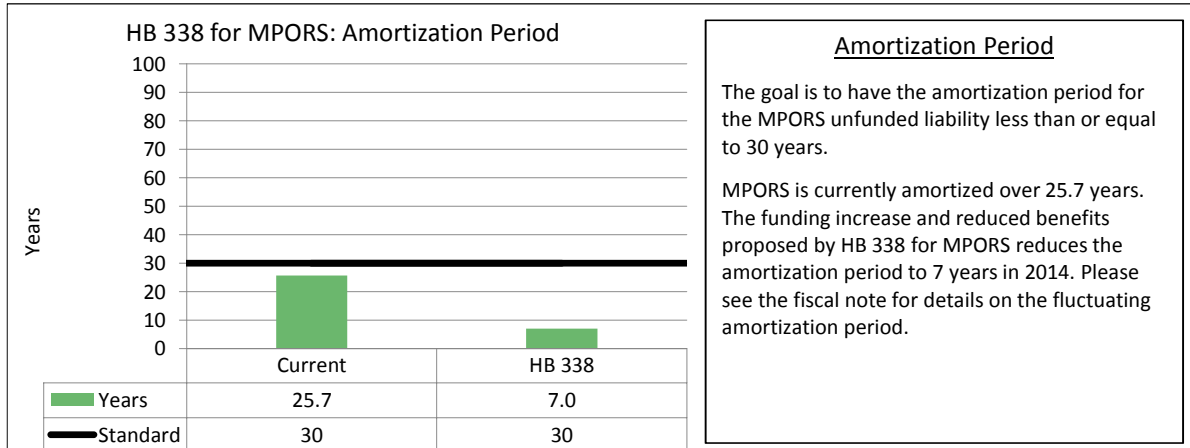
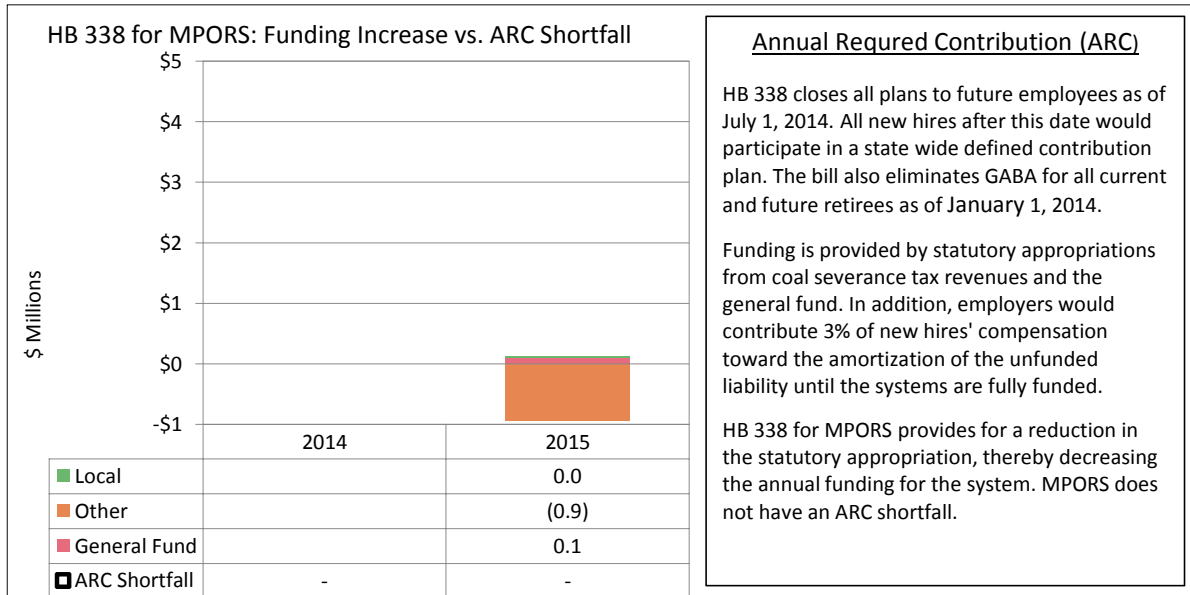
Other comments:

The fiscal note and corresponding actuarial analysis of this bill used the OBPP revenue estimate for coal severance tax. The official legislative revenue estimate contained in SJ 2 has a lower projection of coal severance tax revenue by about \$2 million per year. This fact should be considered by the committee when comparing the various funding options.



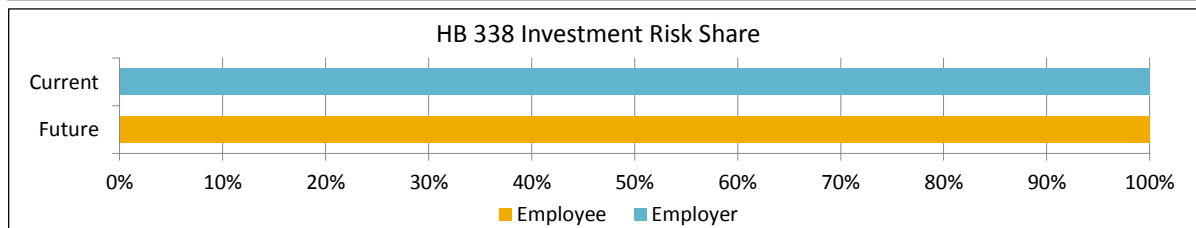
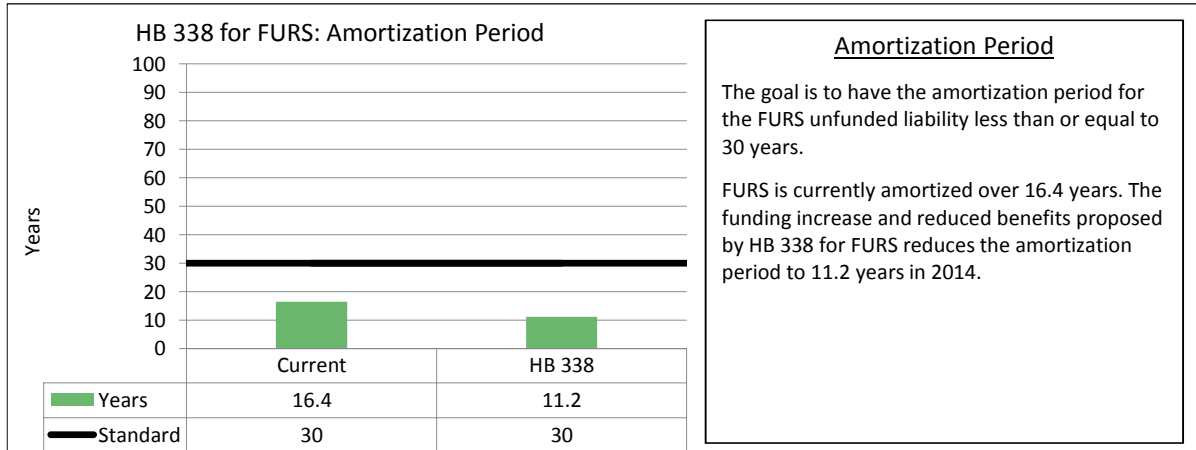
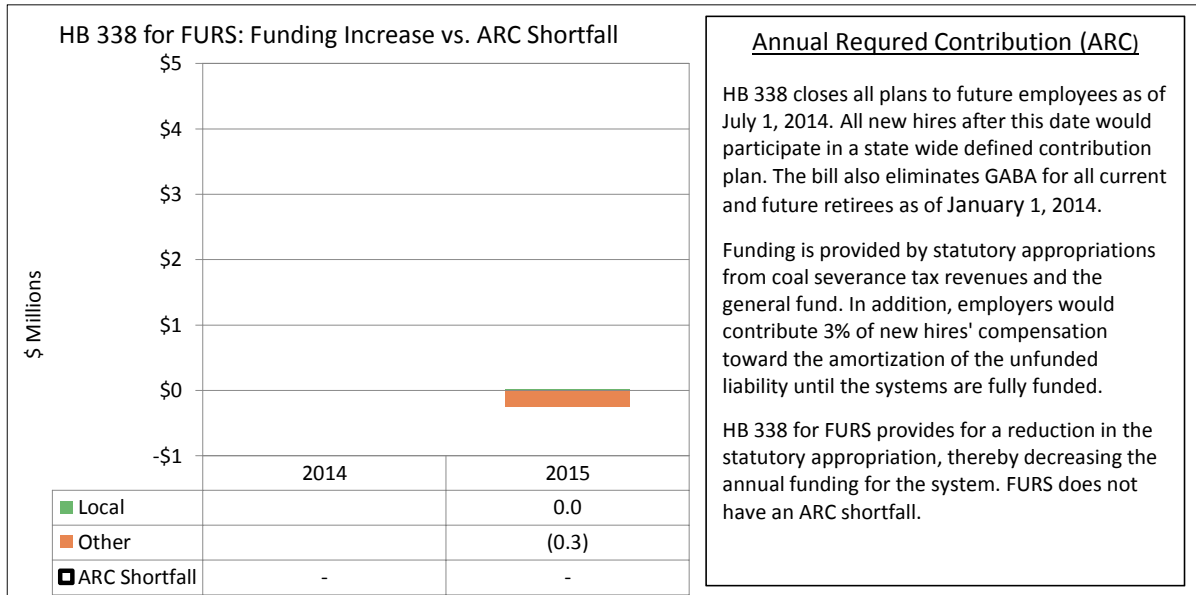
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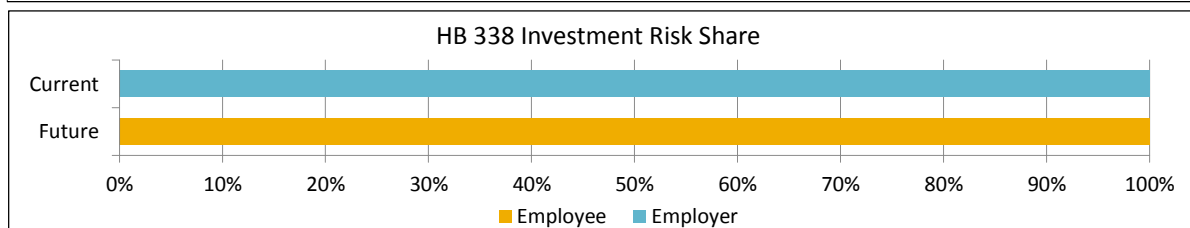
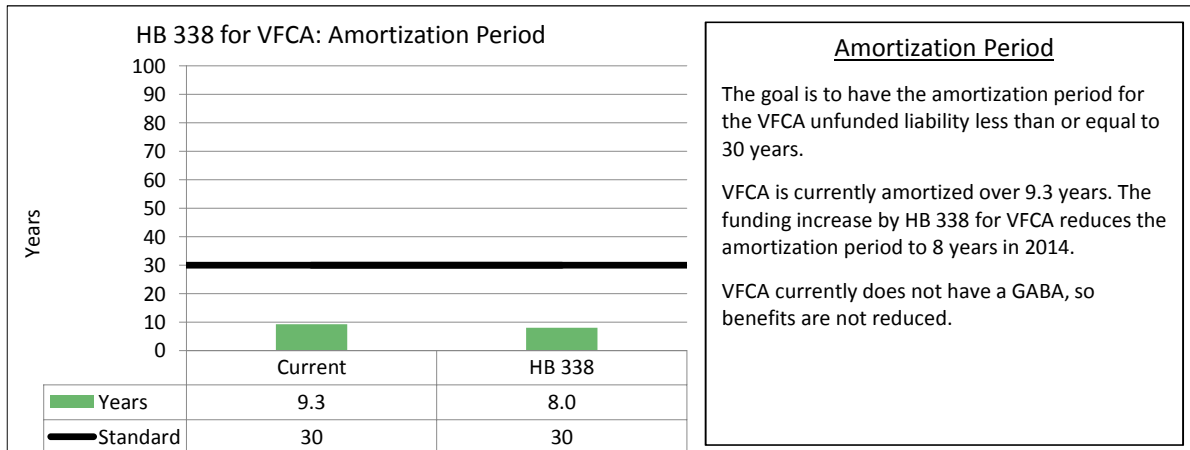
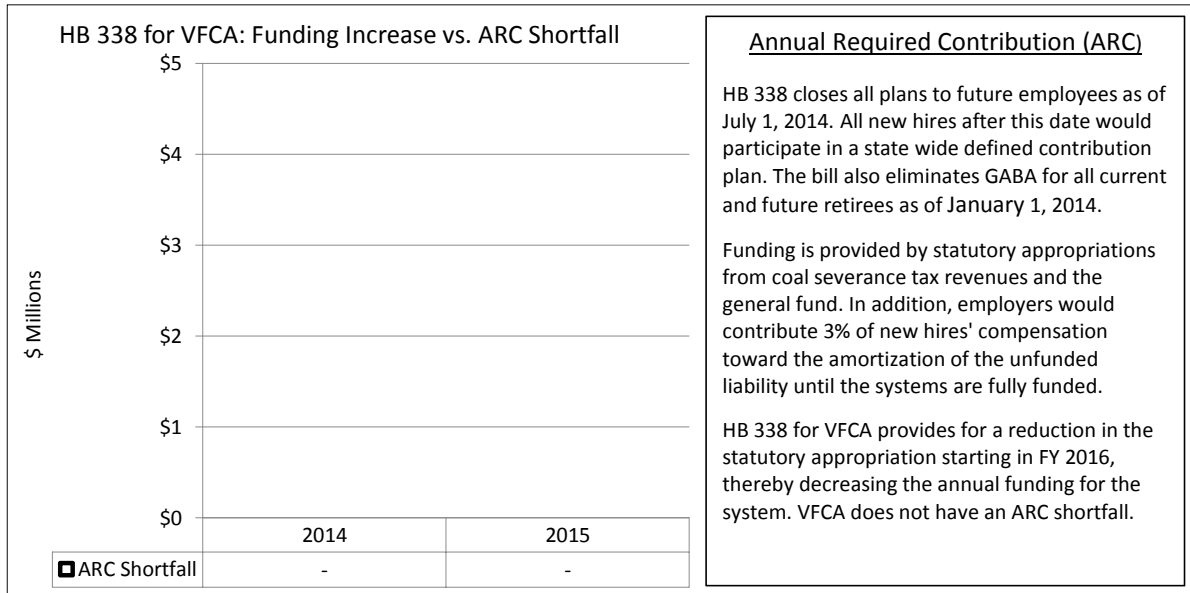
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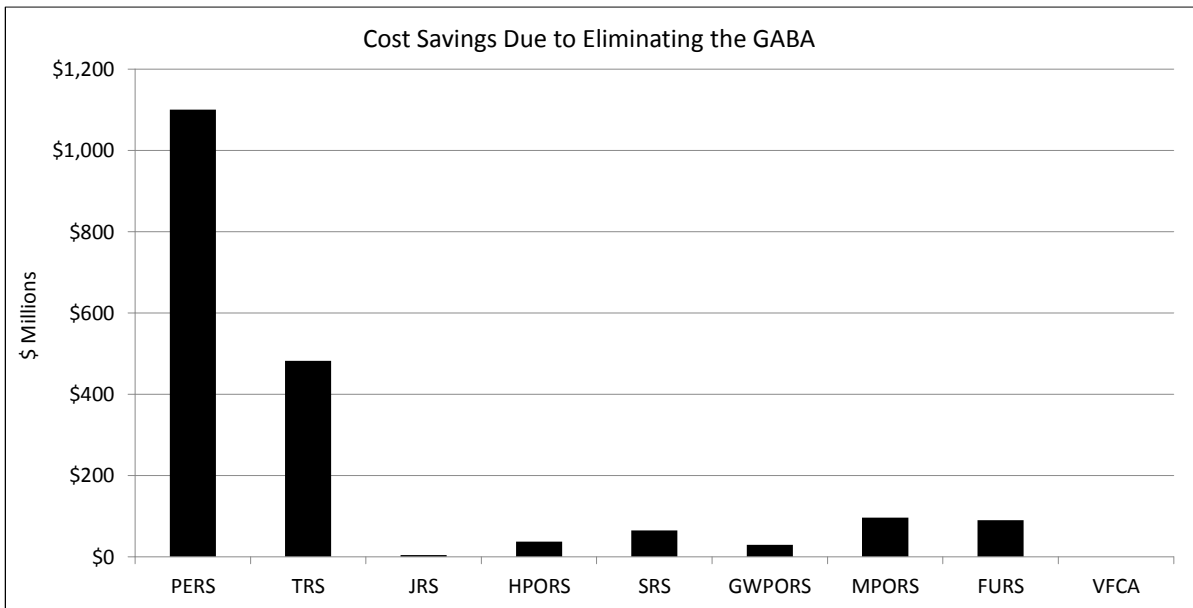
Other comments:

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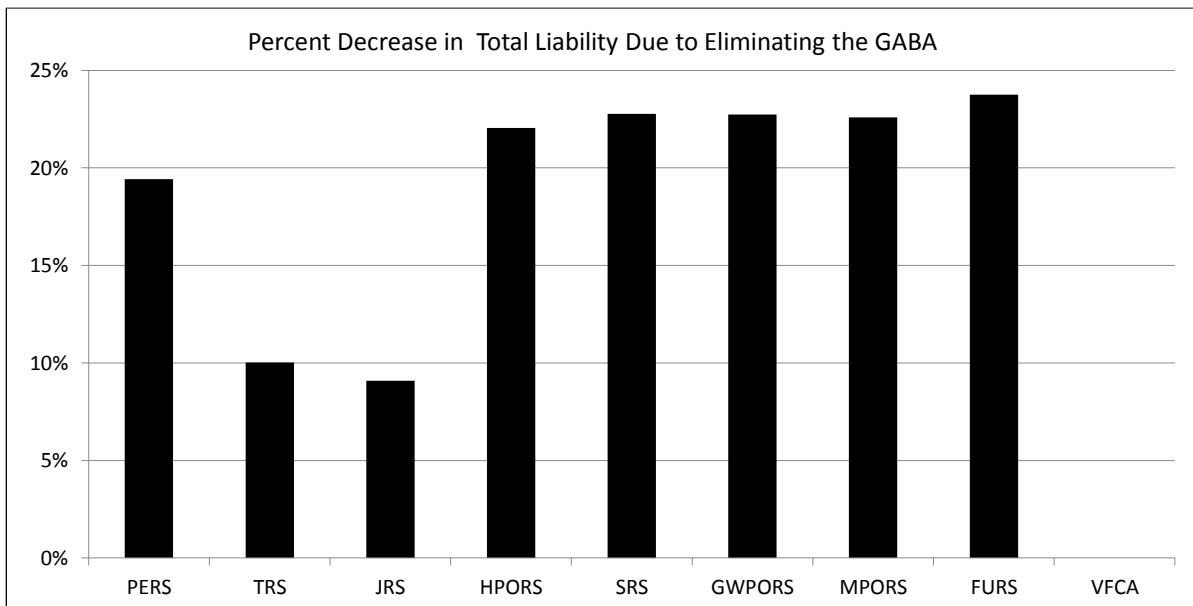


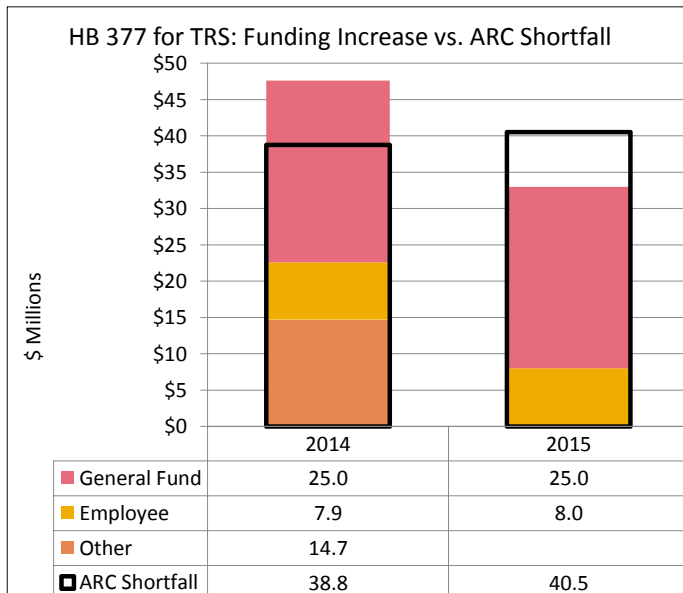
Other comments:

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



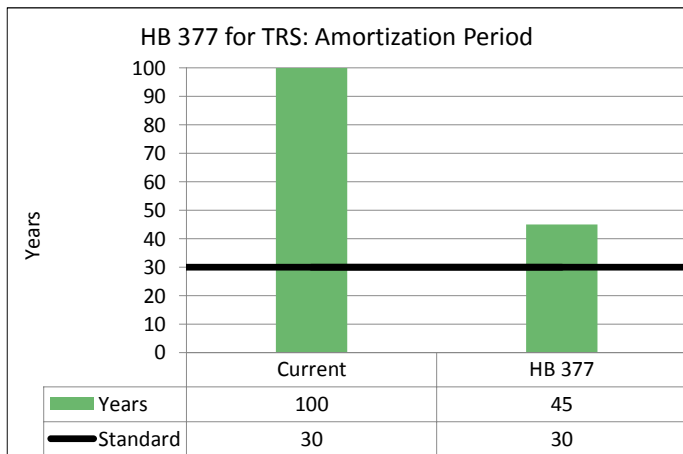


Annual Required Contribution (ARC)

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.

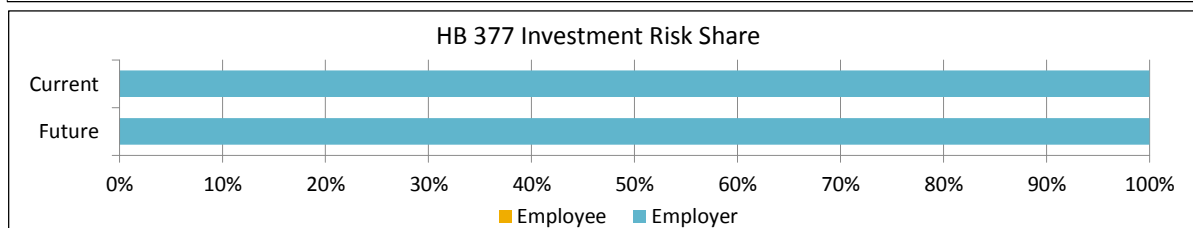


Amortization Period

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

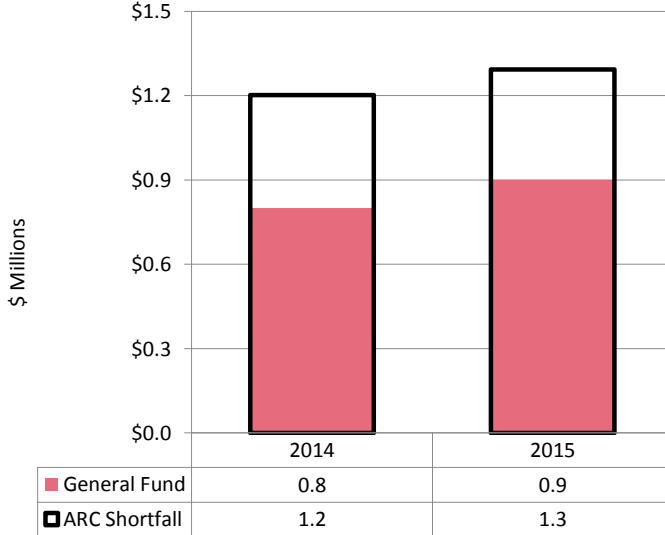
The funding increase proposed by HB 377 for TRS the amortization period down from infinite to 45 years. The long term effects of reduced benefits for new employees will further reduce the amortization period to 37 years.

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



Other comments:

HB 382 for GWPORS: Funding Increase vs. ARC Shortfall



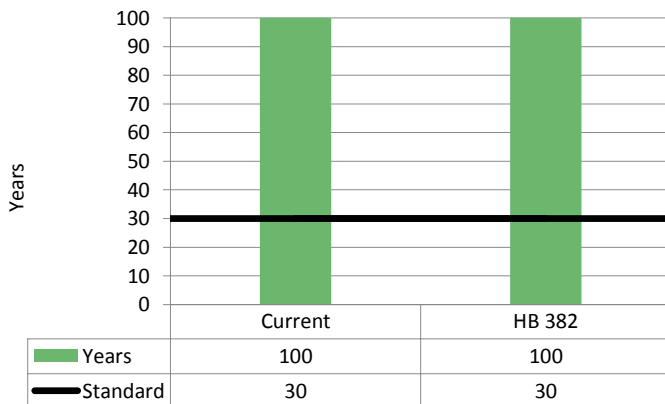
Annual Required Contribution (ARC)

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 or less.

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

HB 382 for GWPORS: Amortization Period

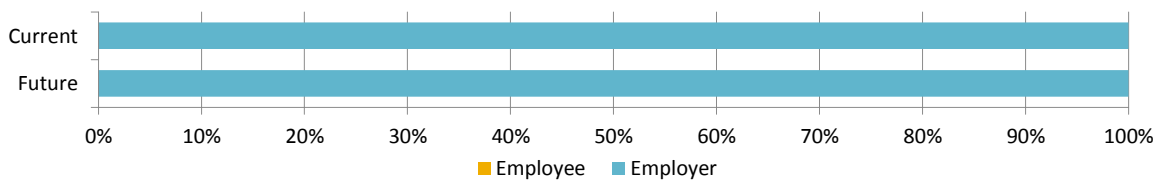


Amortization Period

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.

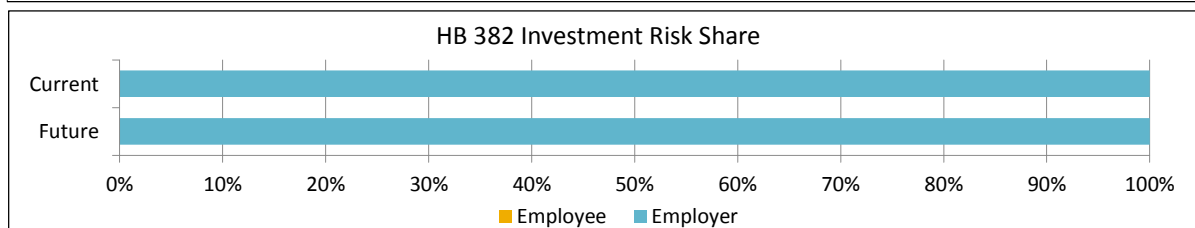
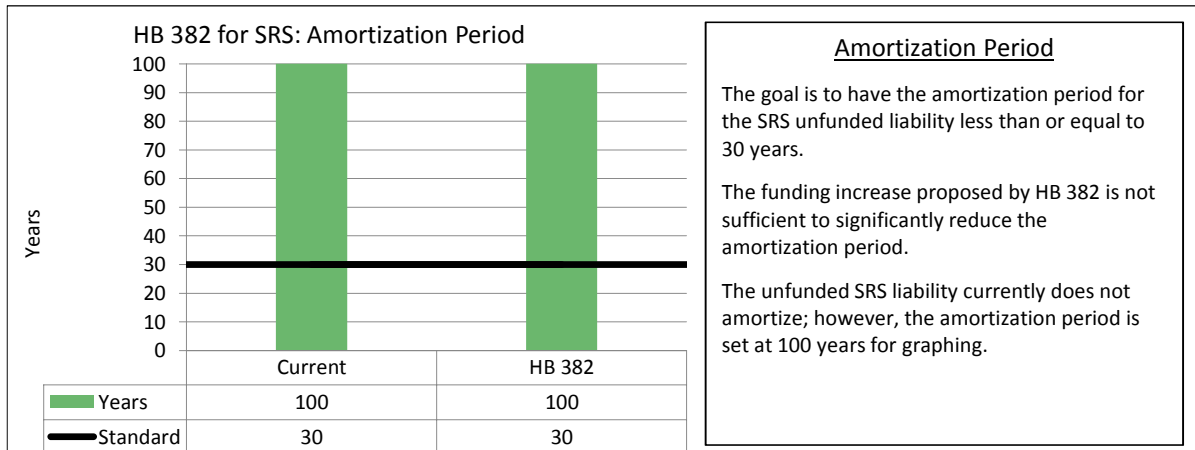
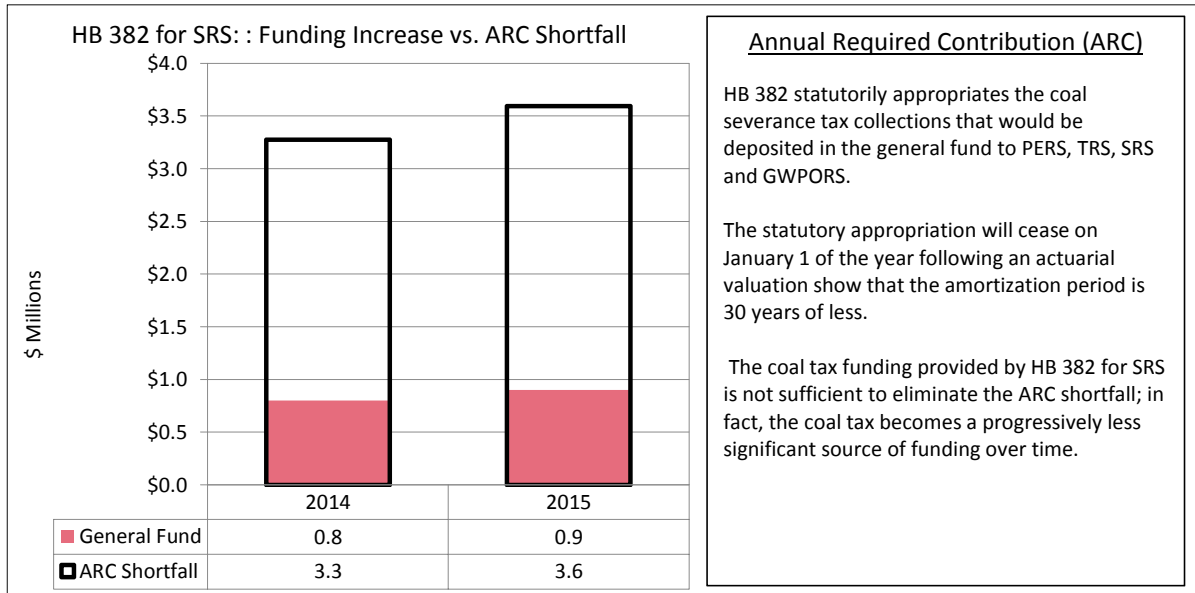
The unfunded GWPORS liability currently does not amortize; however, the amortization period is set at 100 years for graphing.

HB 382 Investment Risk Share



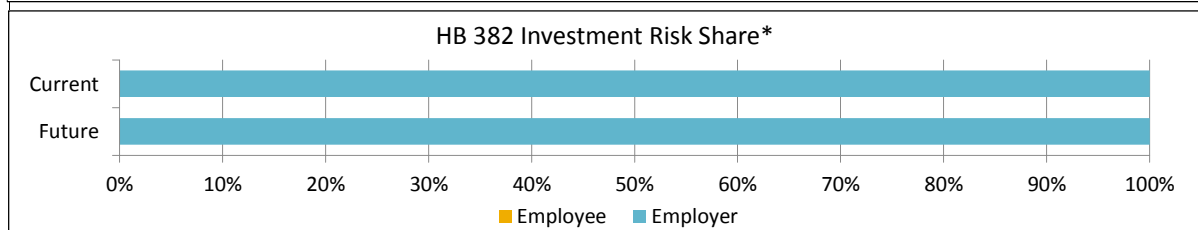
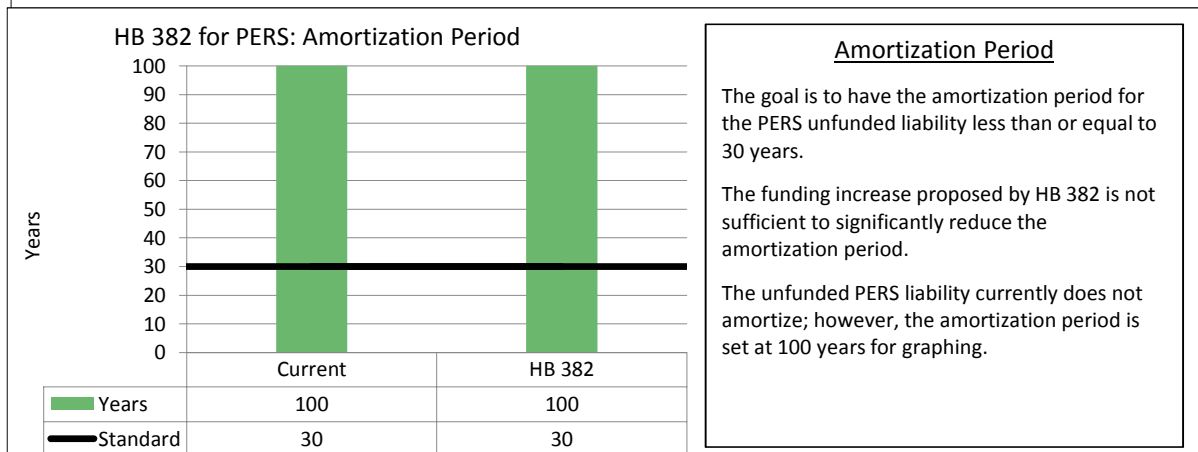
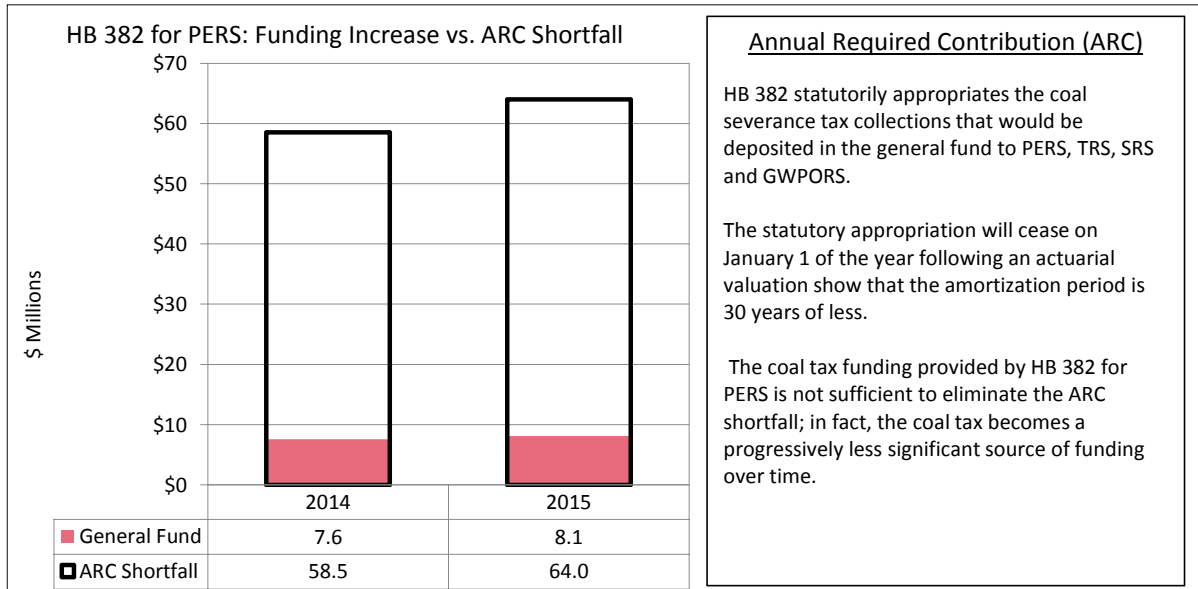
Other comments:

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Other comments:

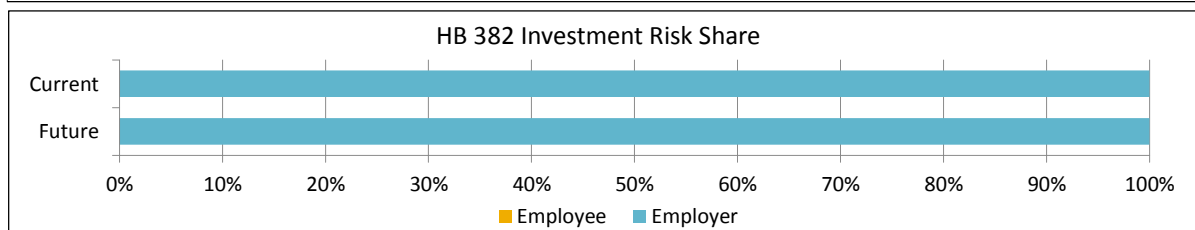
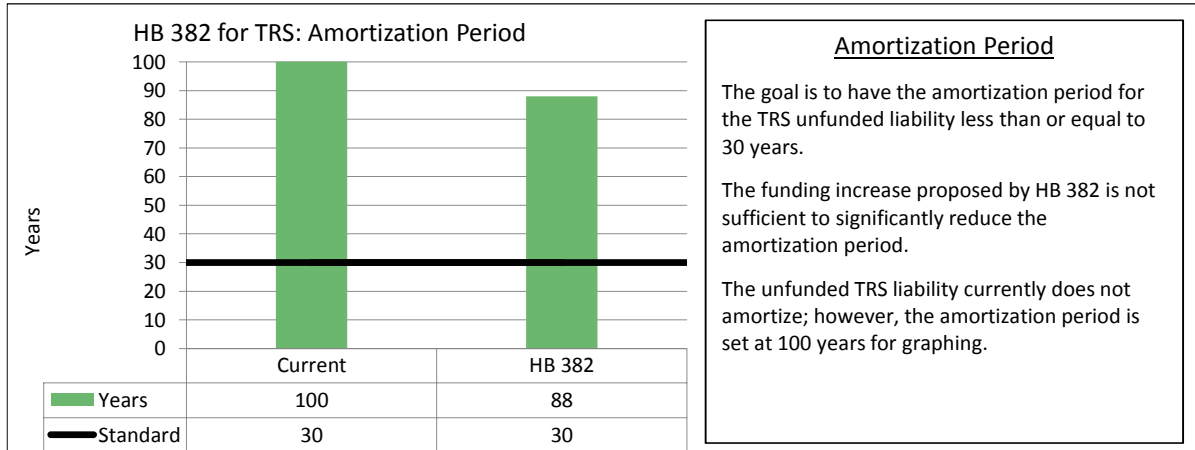
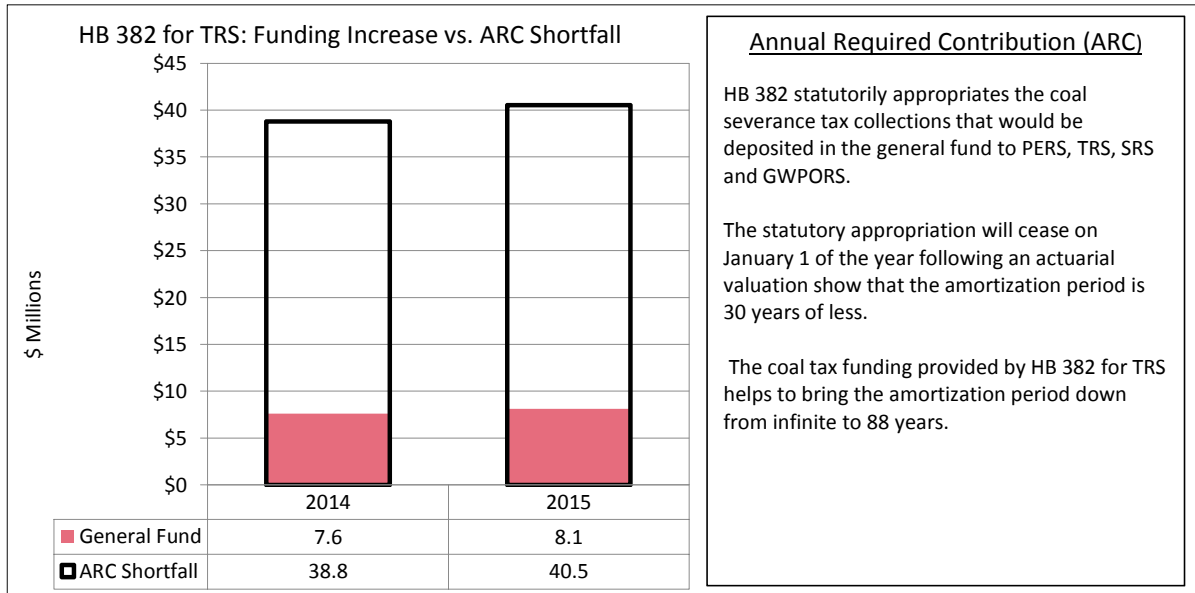
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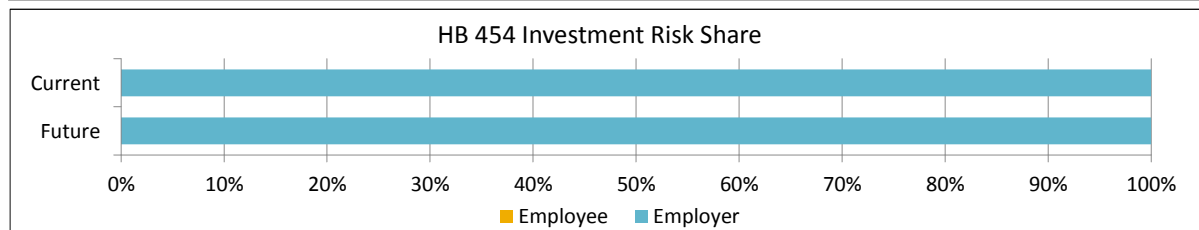
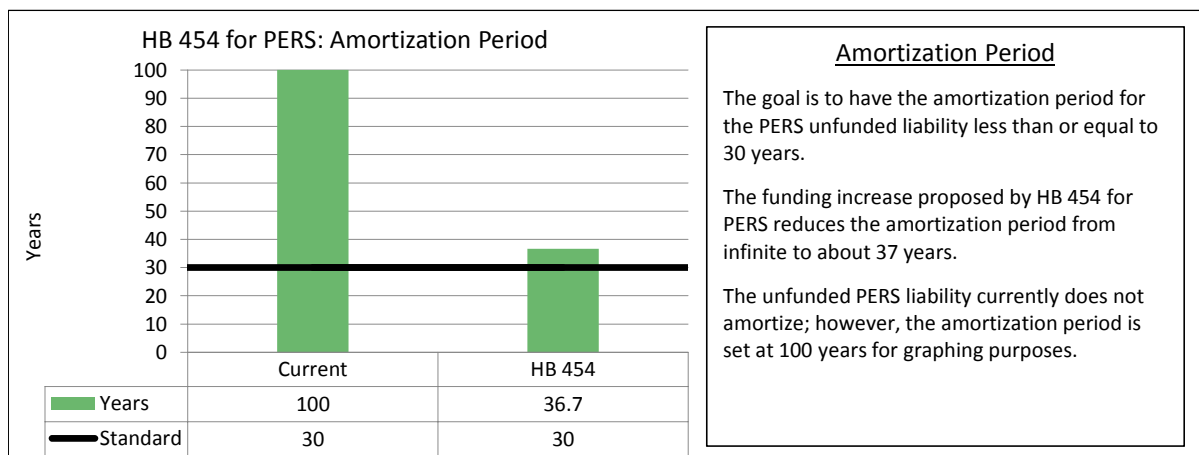
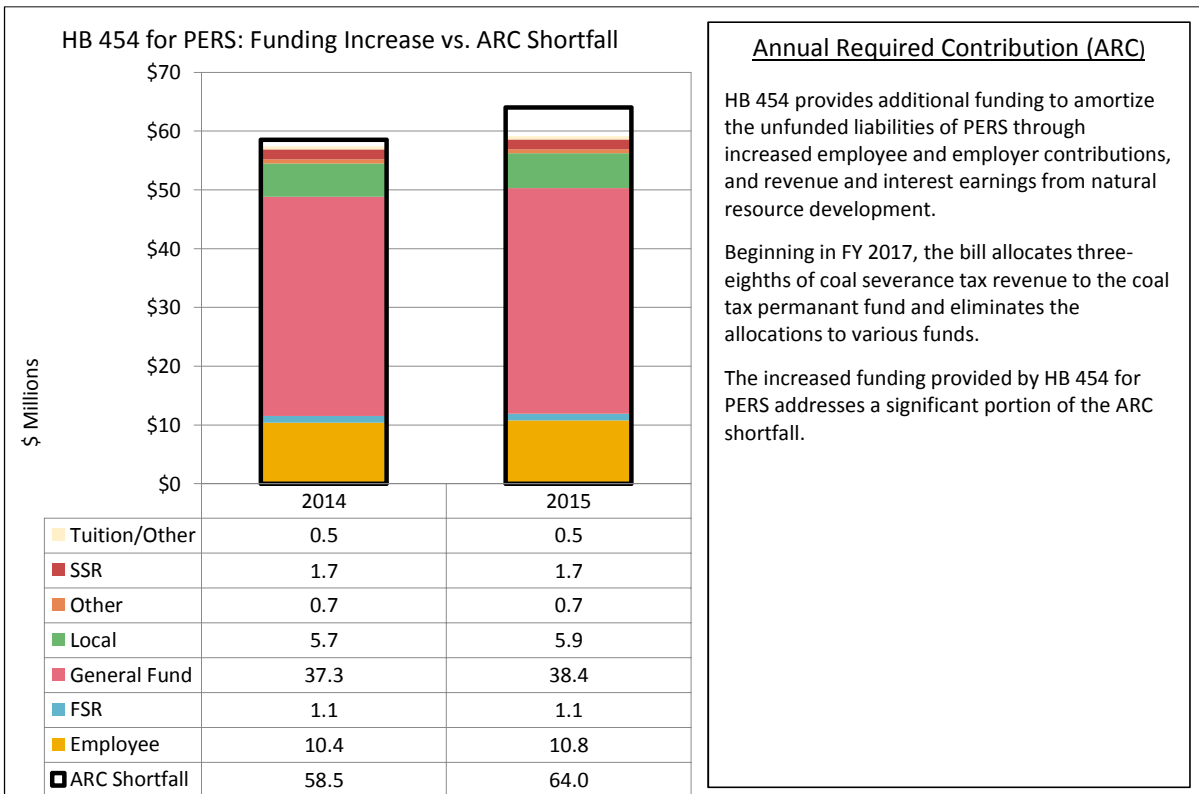
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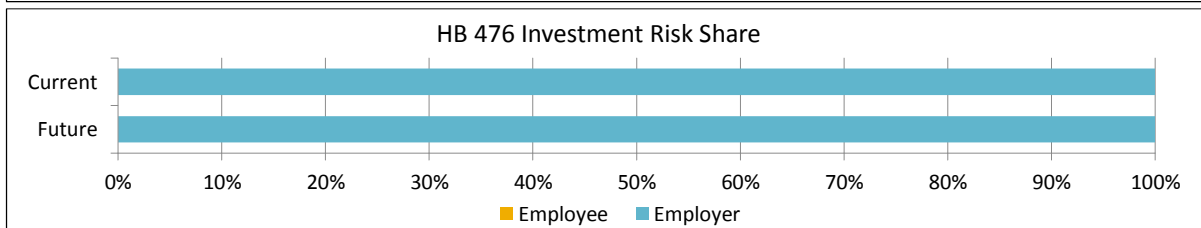
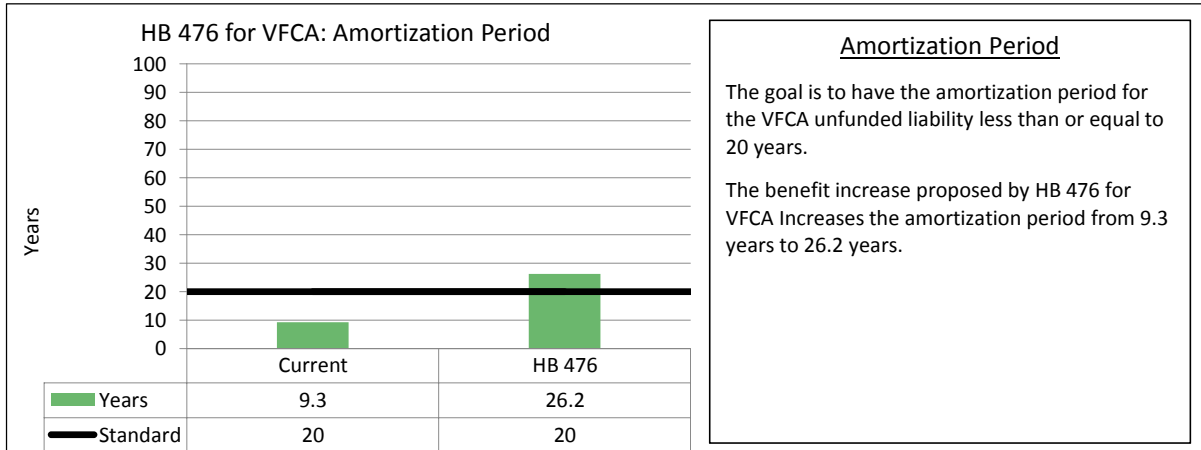
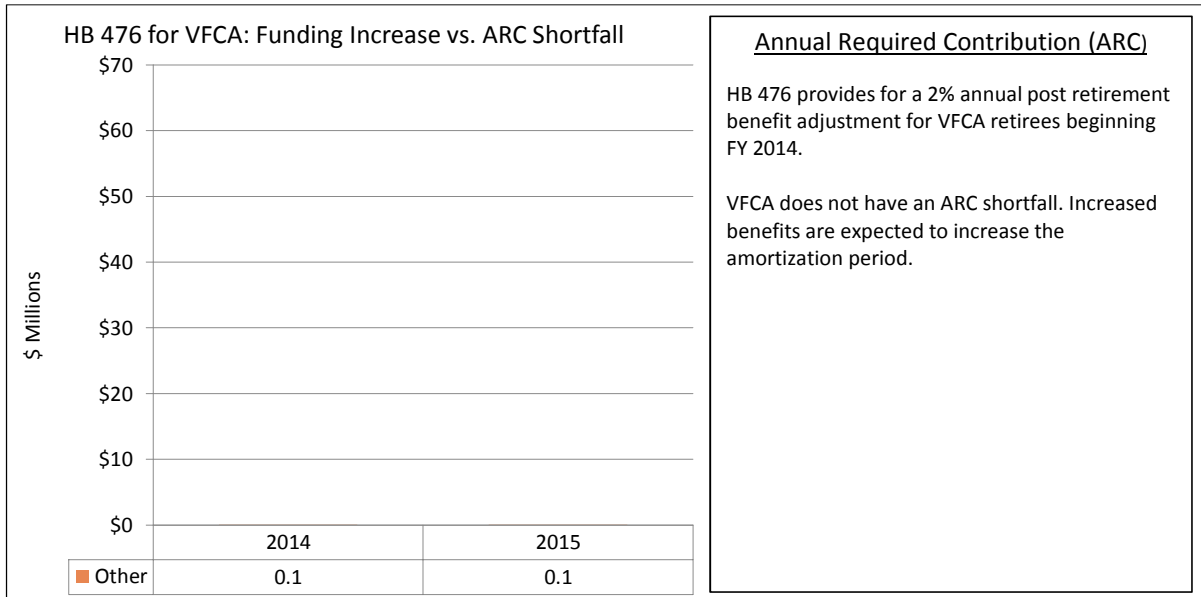
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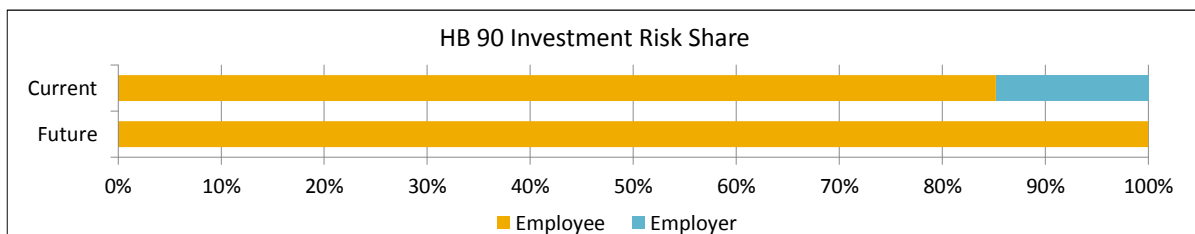
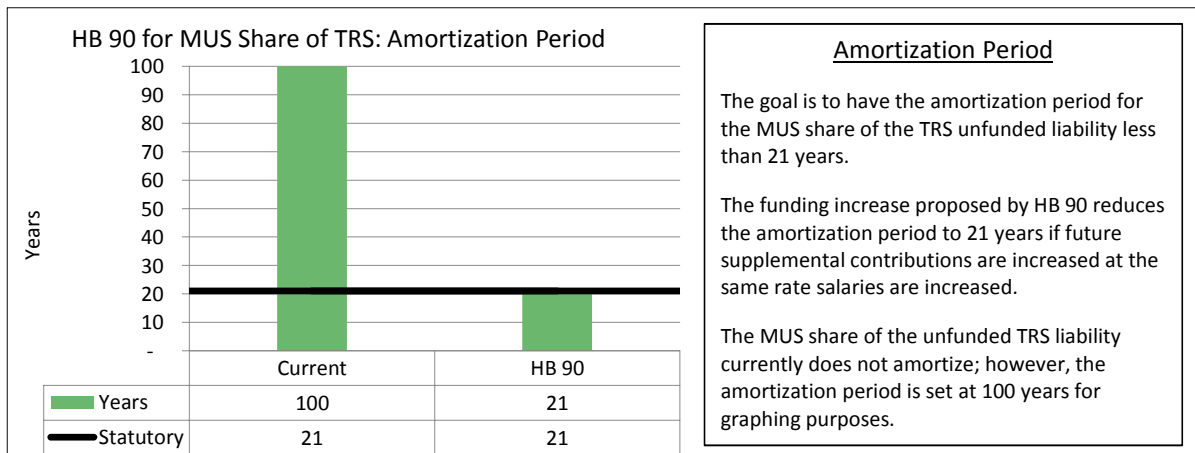
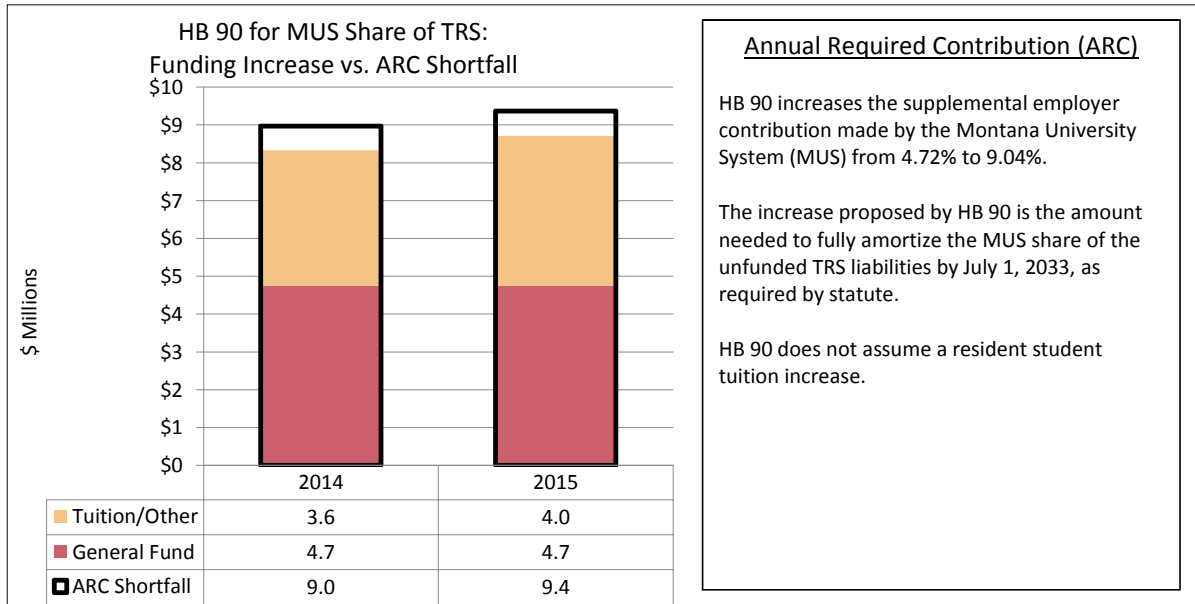


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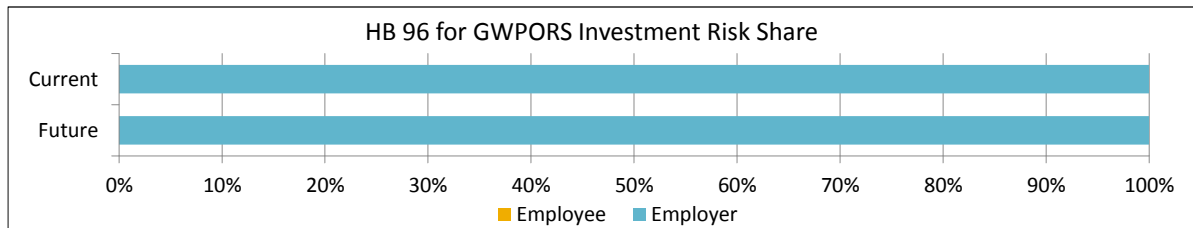
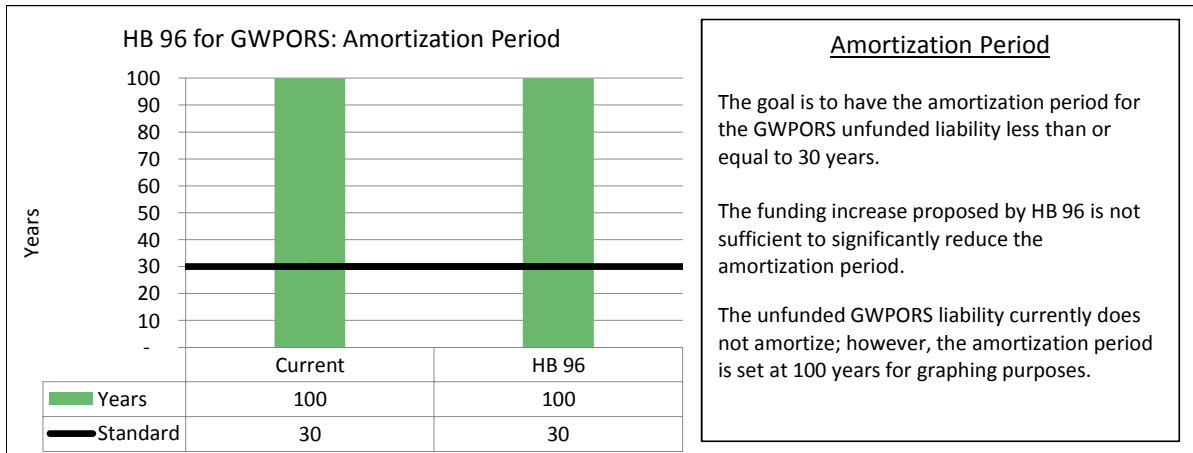
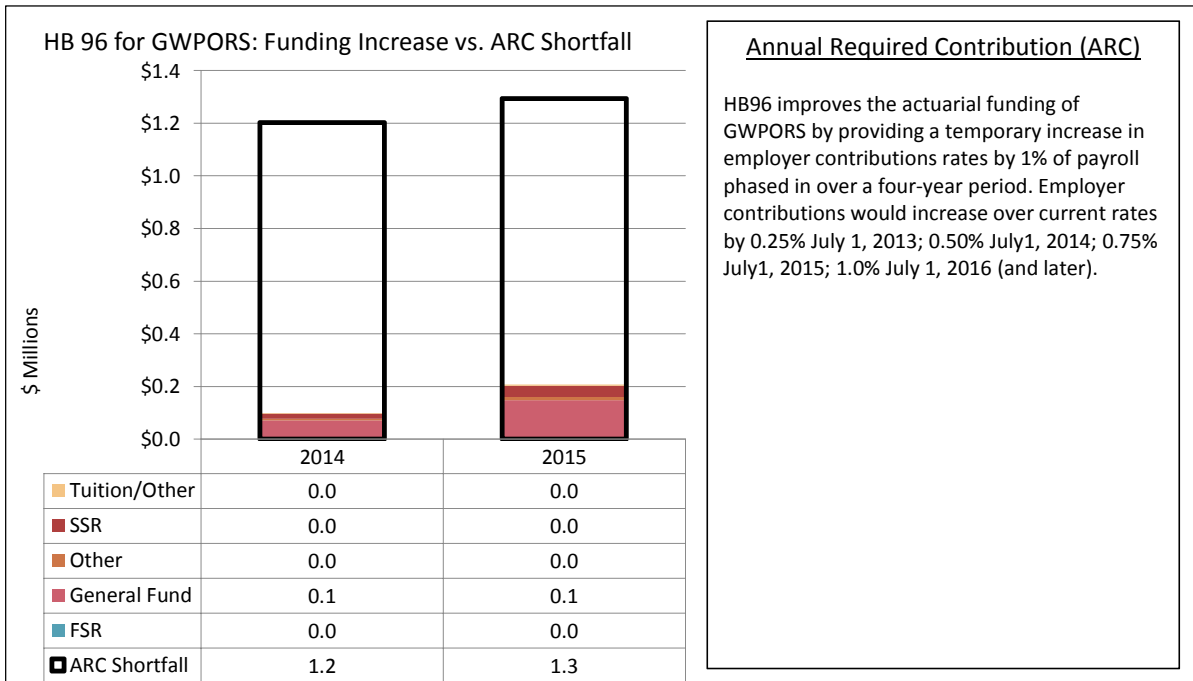


Other comments:

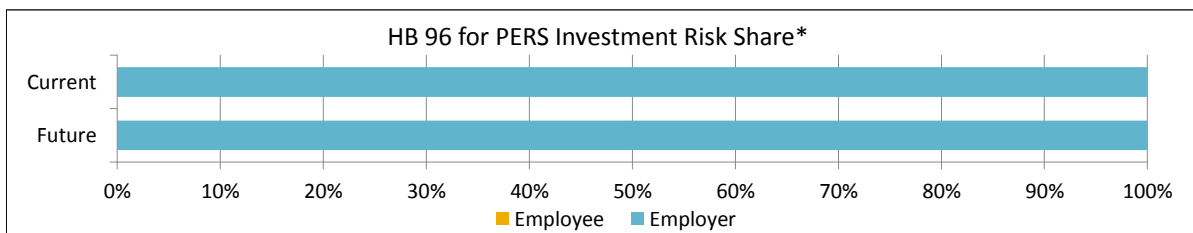
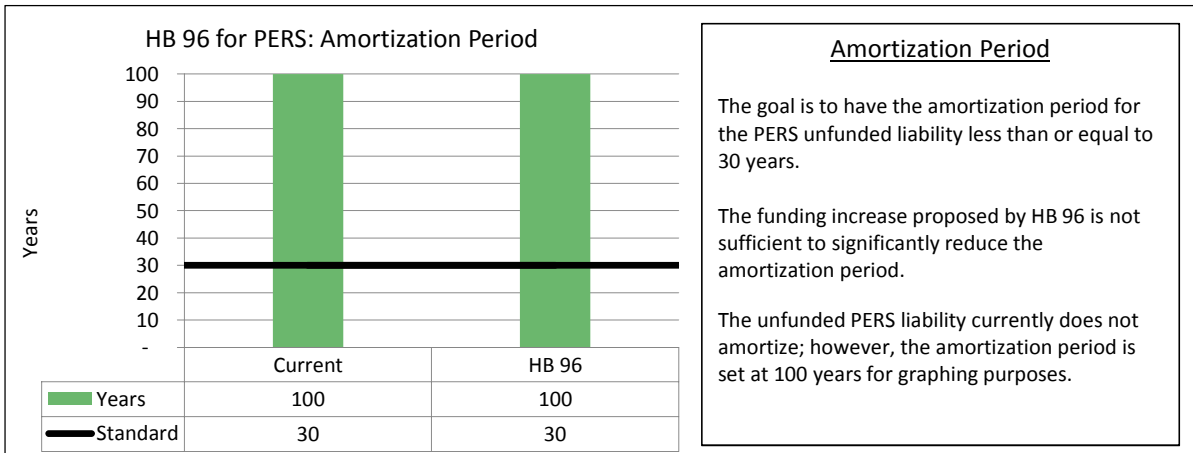
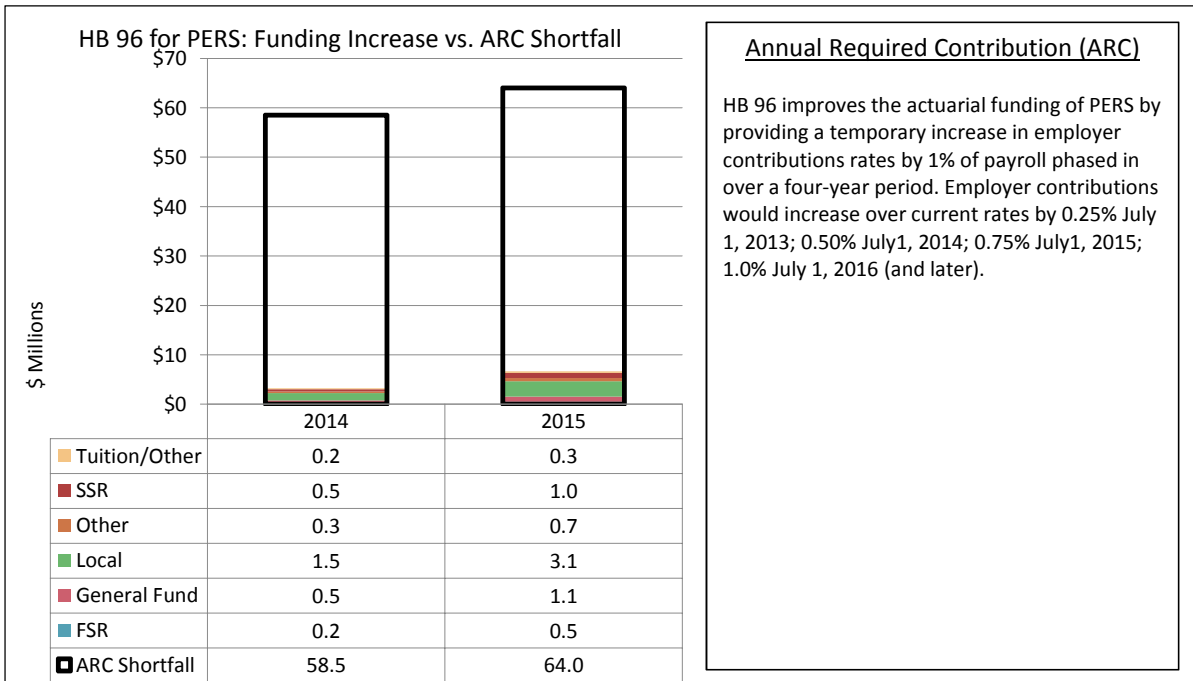


Other comments:

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



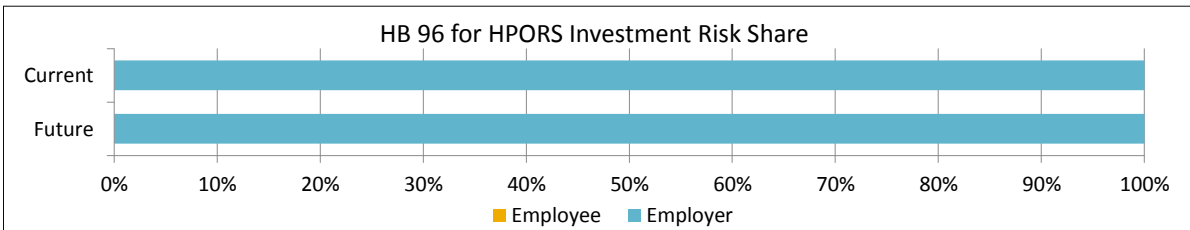
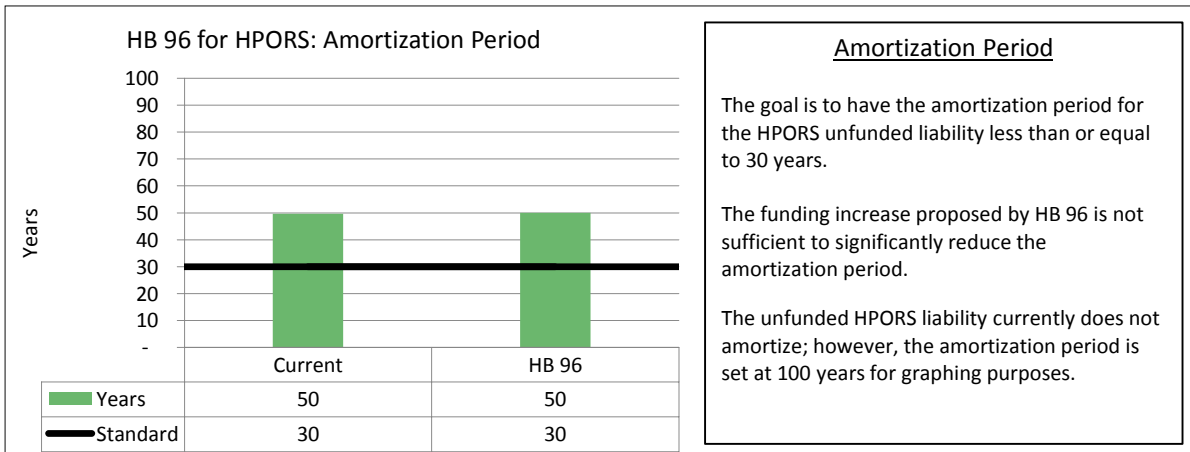
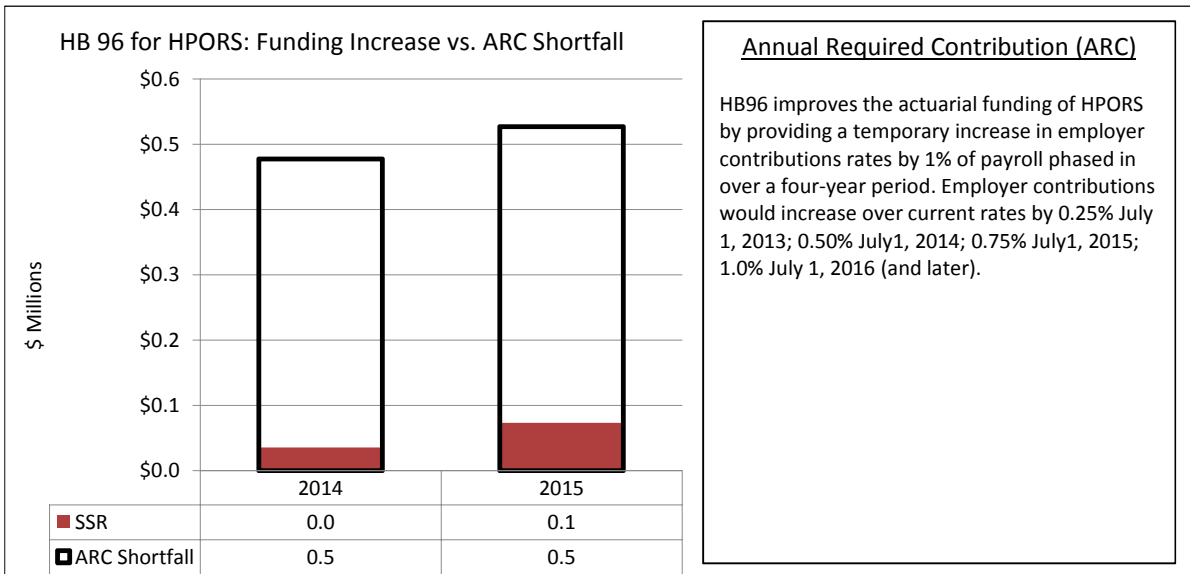
Other comments:



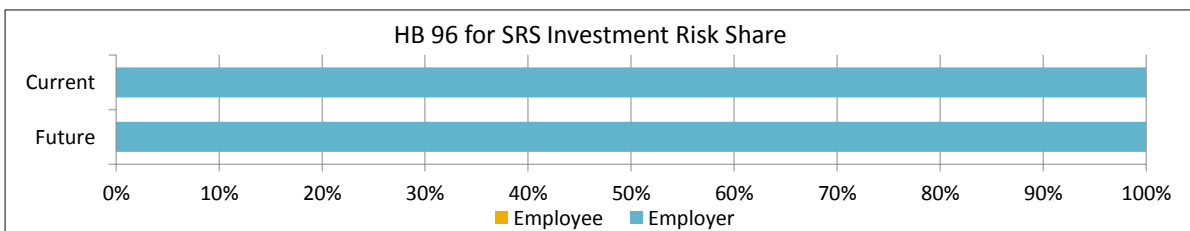
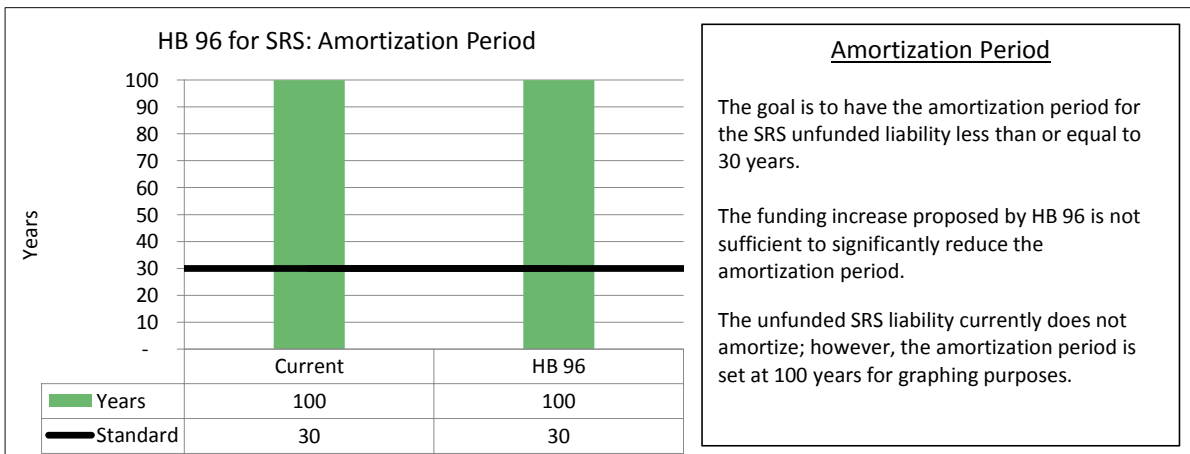
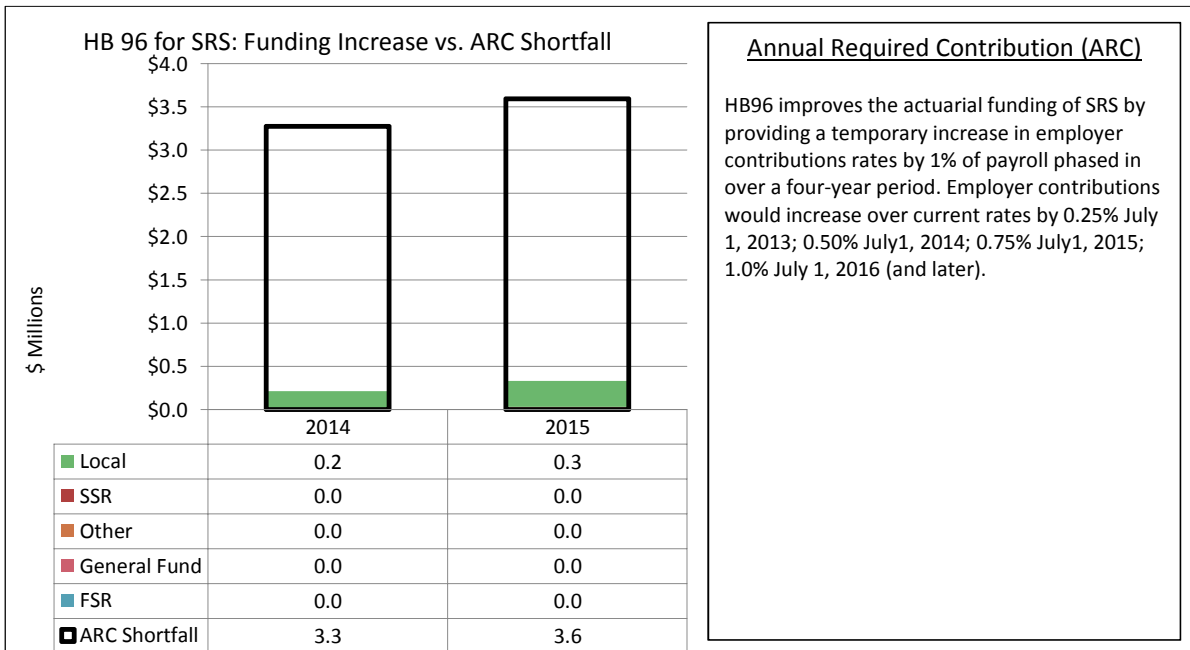
Other comments:

* 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.

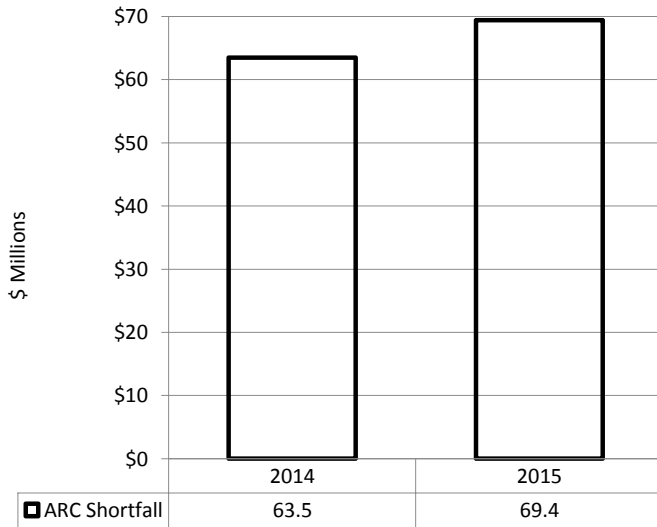


Other comments:



Other comments:

HB 97 for All MPERA: Funding Increase vs. ARC Shortfall



Annual Required Contribution (ARC)

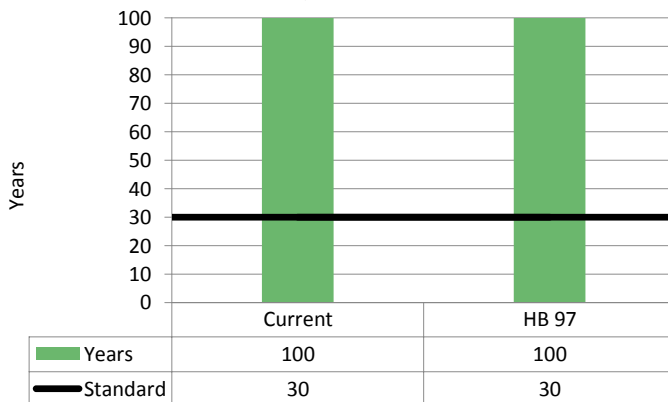
HB 97 does not provide any additional funding for the MPERA retirement systems.

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, 2013.

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.

HB 97 for All MPERA Systems: Amortization Period



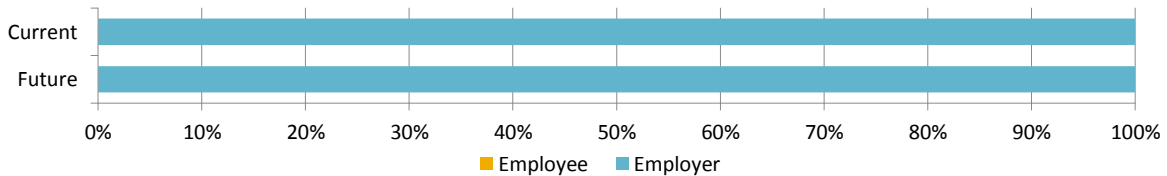
Amortization Period

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.

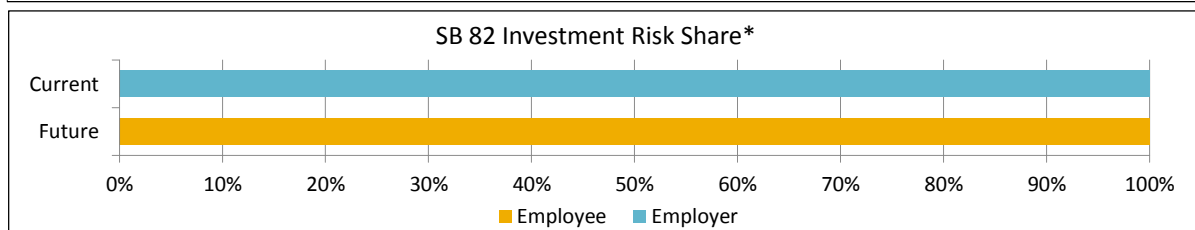
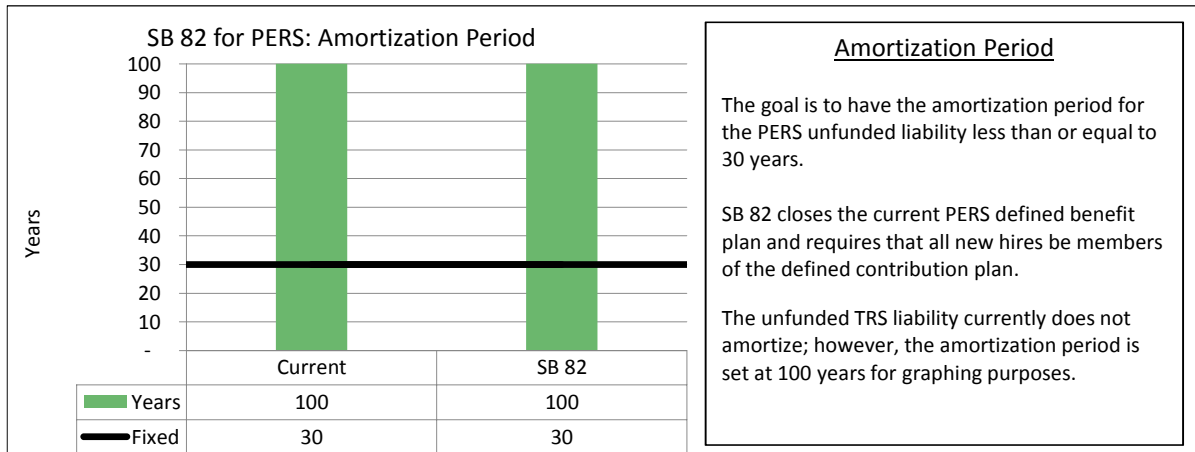
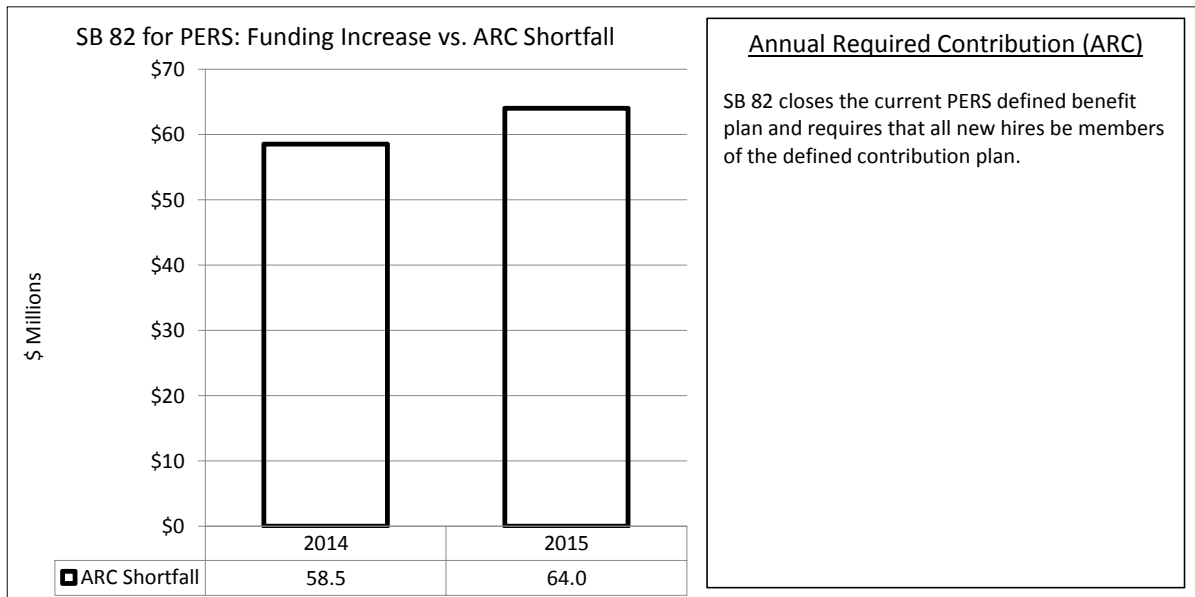
HB 97 Investment Risk Share



Other comments:

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

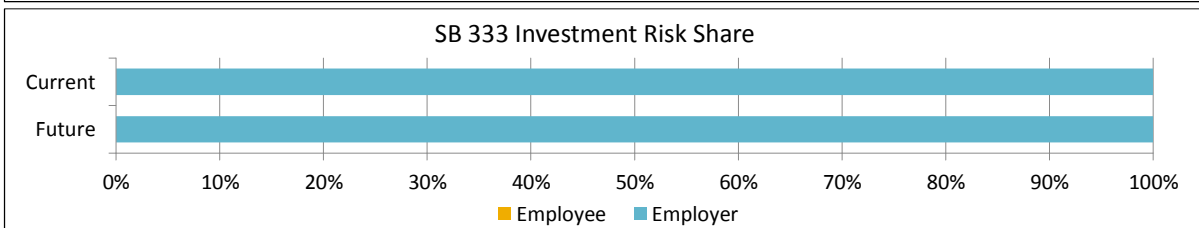
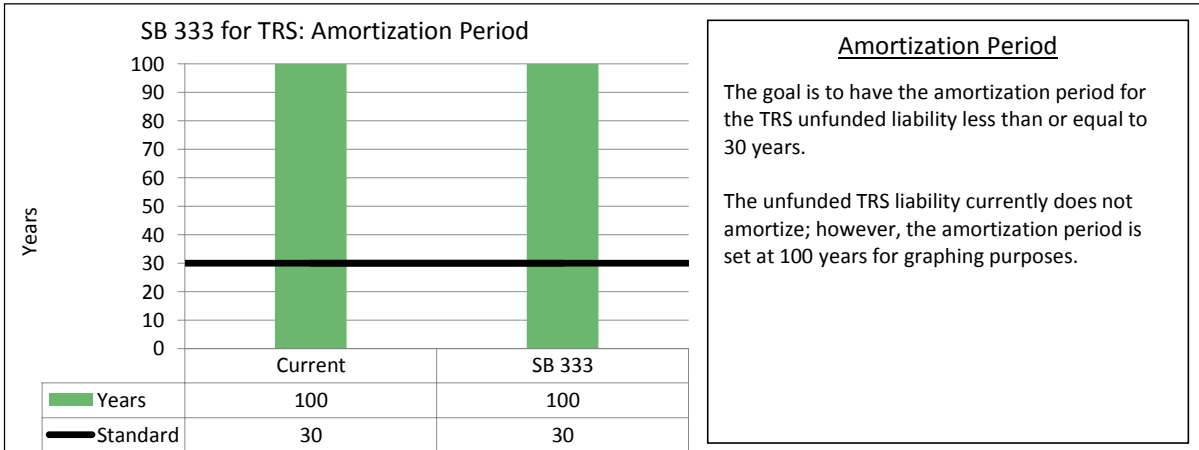
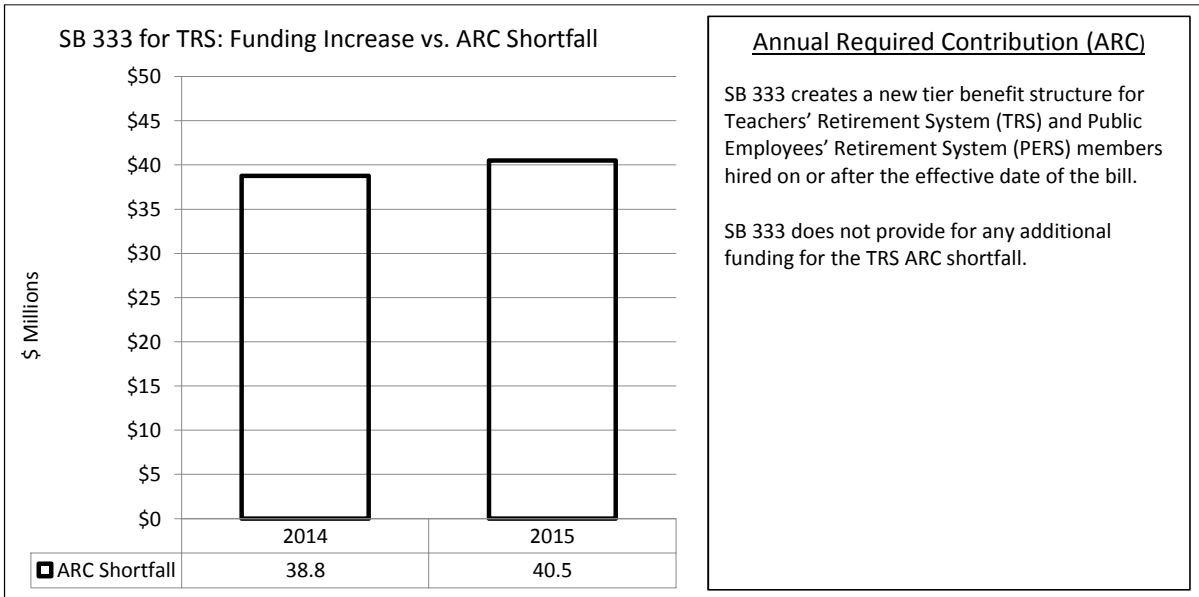
Primary Sponsor: Dave Lewis



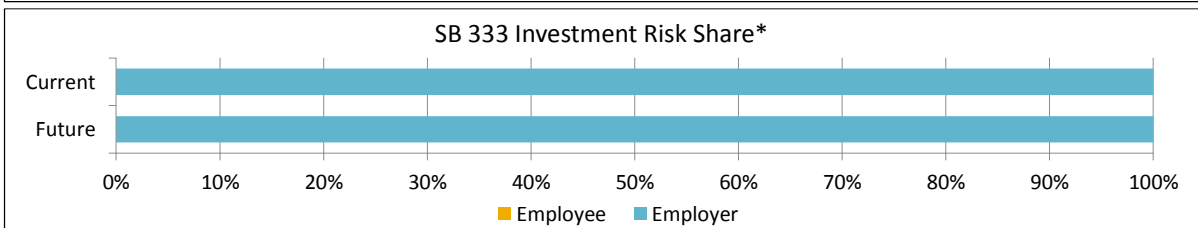
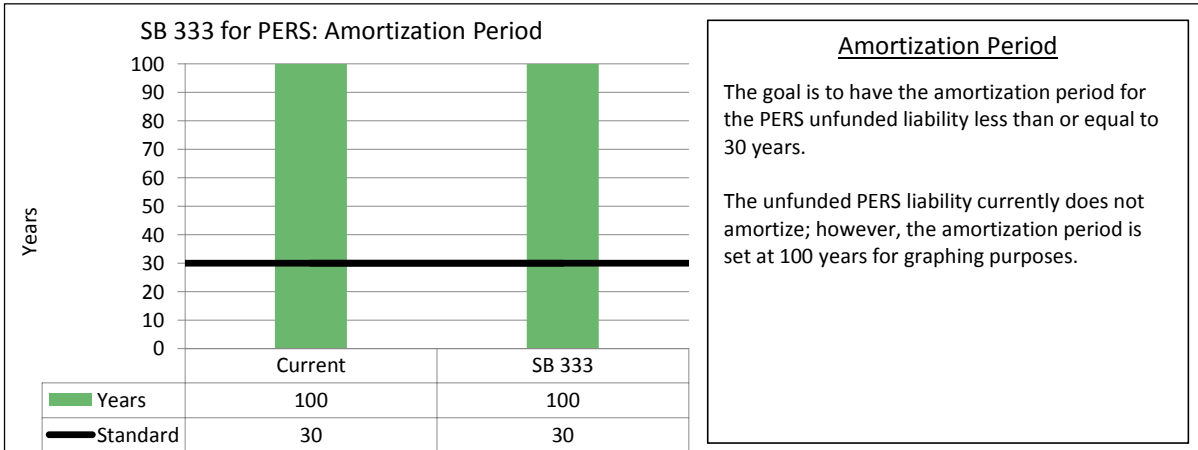
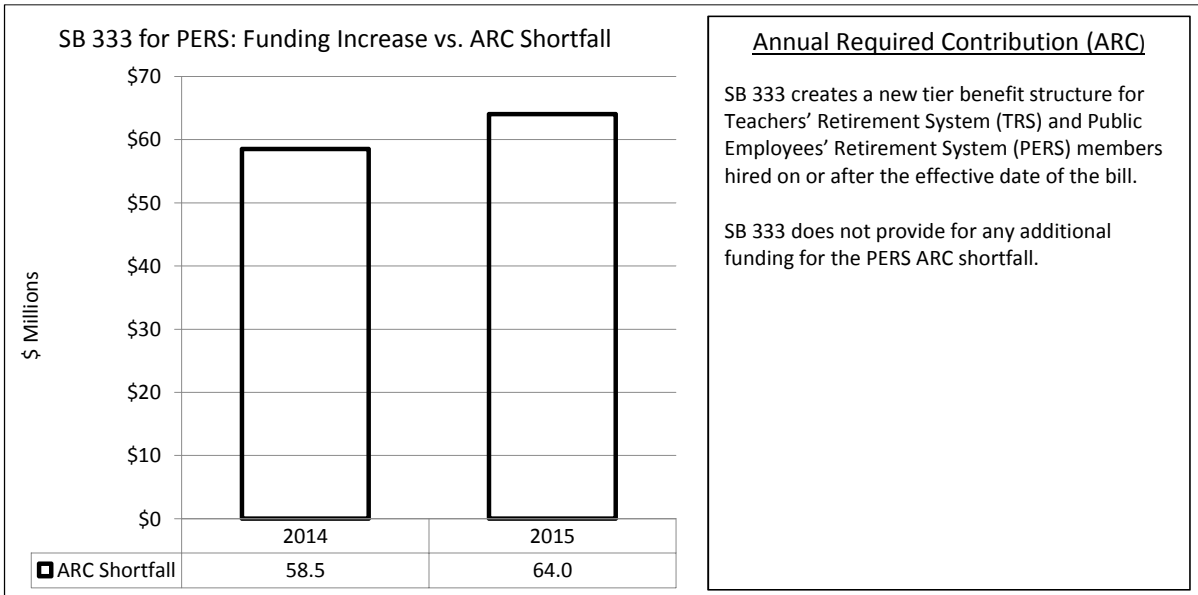
Other comments:

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.



Other comments:



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.

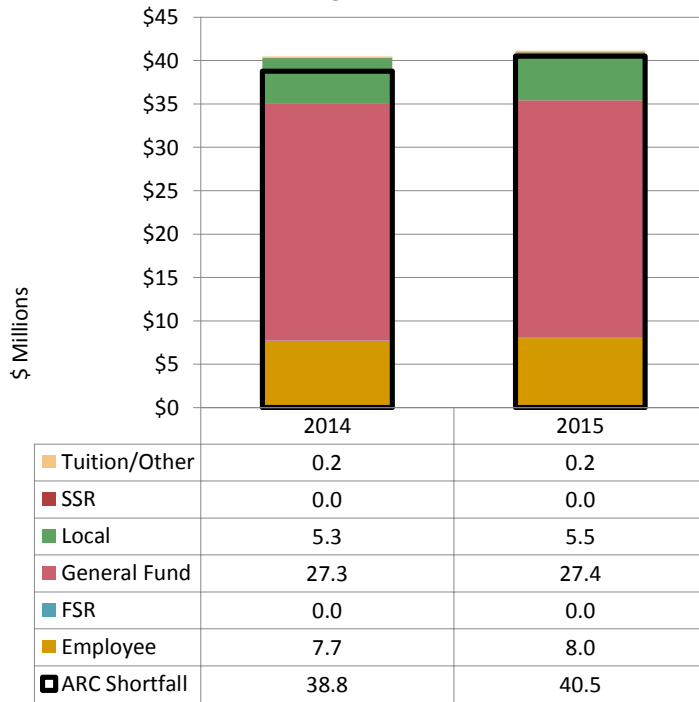
MCA 19-3-315 (b) For members hired on or after July 1, 2011, the board shall periodically review the required contributions and recommend future adjustments to the legislature as needed to maintain the amortization schedule set by the board for the payment of the system's unfunded liability.

TRS Funding Bills

HB 112

Jean Price

HB 112 for TRS: Funding Increase vs. ARC Shortfall



Annual Required Contribution (ARC)

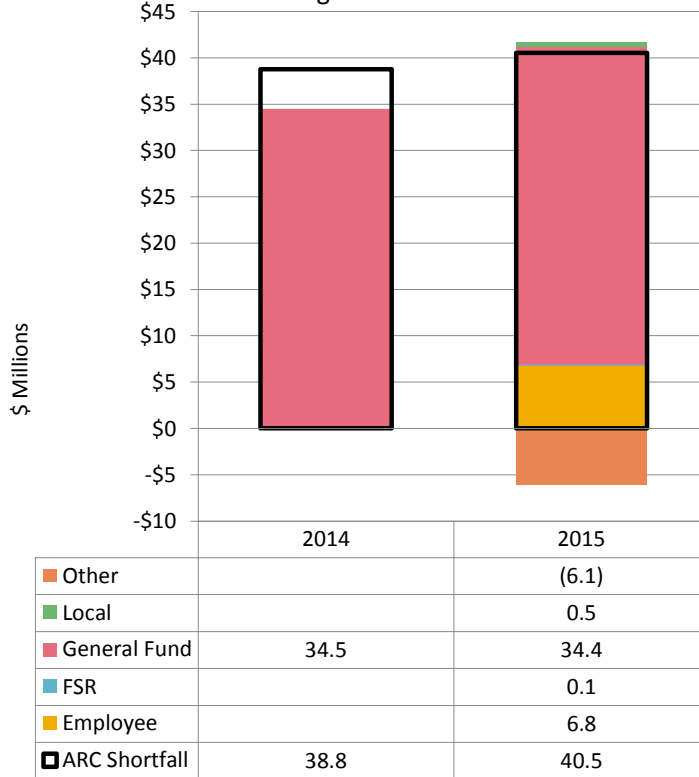
HB 112 implements a supplemental 1% increase to employer and employee contributions. This supplemental contribution rate will decrease after the TRS funded ratio reaches 90% for 3 consecutive years.

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 338 for TRS: Funding Increase vs. ARC Shortfall



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.

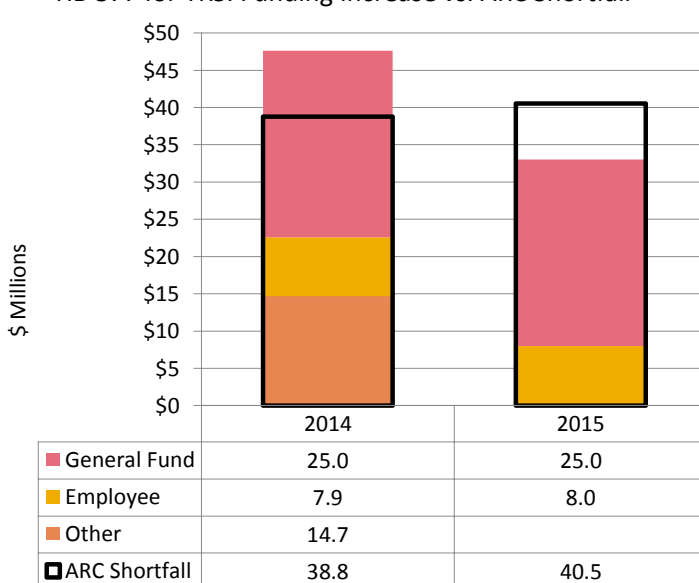
Funding is provided by statutory appropriations from coal severance tax revenues and the general fund. In addition, employers would contribute 3% of new hires' compensation toward the amortization of the unfunded liability until the systems are fully funded.

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

HB 377

Tom Woods

HB 377 for TRS: Funding Increase vs. ARC Shortfall



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.

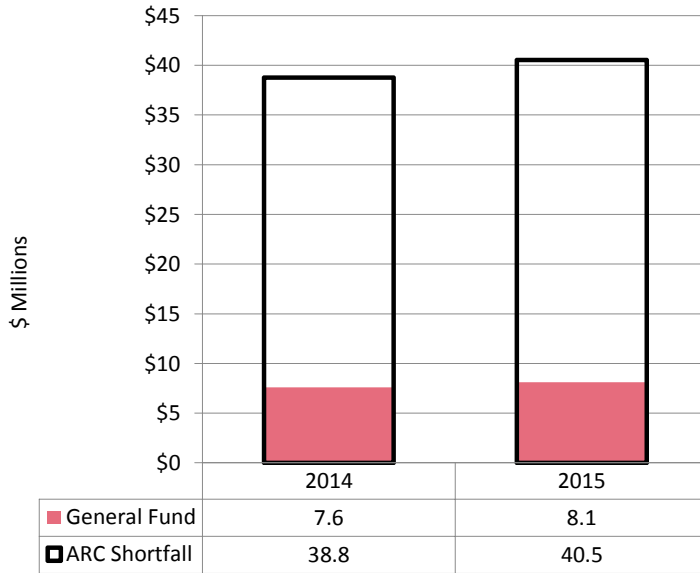
The increased funding provided by HB 377 for TRS addresses a significant portion of the ARC shortfall.

TRS Funding Bills

HB 382

Liz Bangerter

HB 382 for TRS: Funding Increase vs. ARC Shortfall



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.

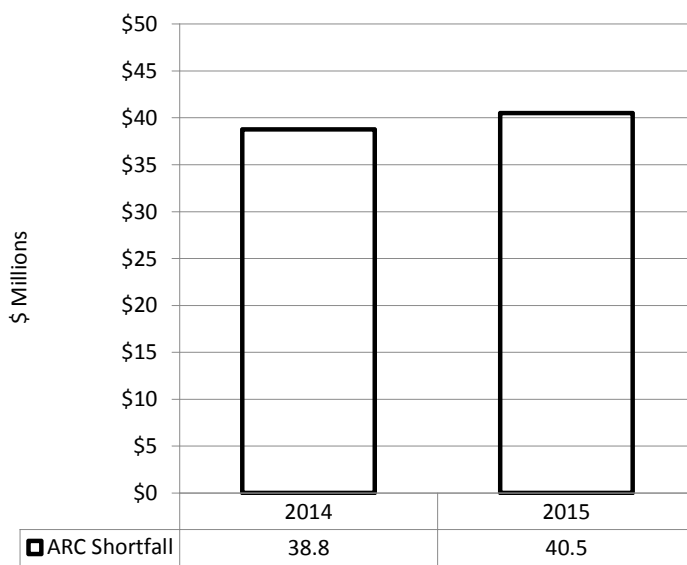
The statutory appropriation will cease on January 1 of the year following an actuarial valuation show that the amortization period is 30 years or less.

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

SB 333

Ron Arthun

SB 333 for TRS: Funding Increase vs. ARC Shortfall



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.

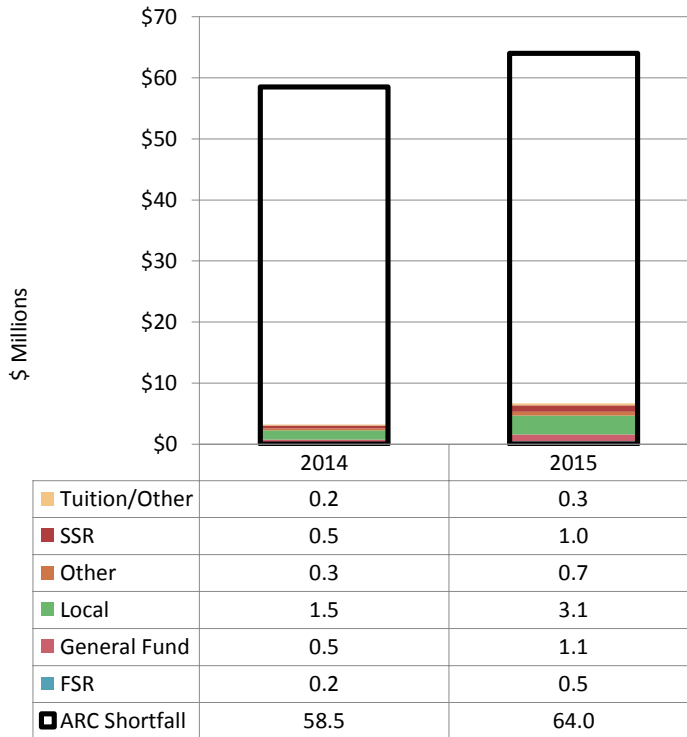
SB 333 does not provide for any additional funding for the TRS ARC shortfall.

PERS Funding Bills

HB 96

Franke Wilmer

HB 96 for PERS: Funding Increase vs. ARC Shortfall



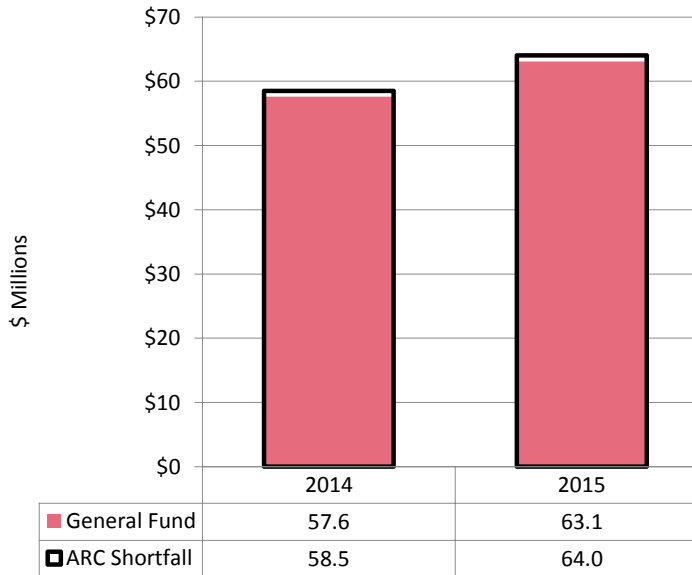
Annual Required Contribution (ARC)

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% July 1, 2014; 0.75% July 1, 2015; 1.0% July 1, 2016 (and later).

HB 338

Keith Regier

HB 338 for PERS: Funding Increase vs. ARC Shortfall



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.

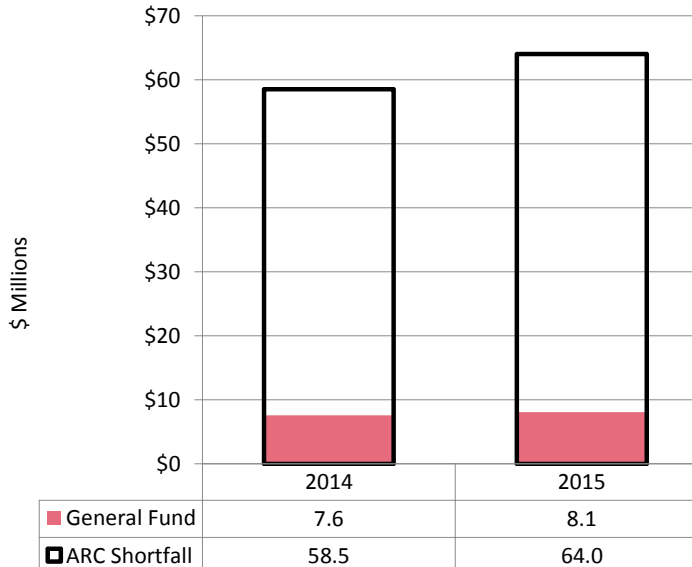
Funding is provided by statutory appropriations from coal severance tax revenues and the general fund. In addition, employers would contribute 3% of new hires' compensation toward the amortization of the unfunded liability until the systems are fully funded.

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

HB 382

Liz Bangerter

HB 382 for PERS: Funding Increase vs. ARC Shortfall



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 or less.

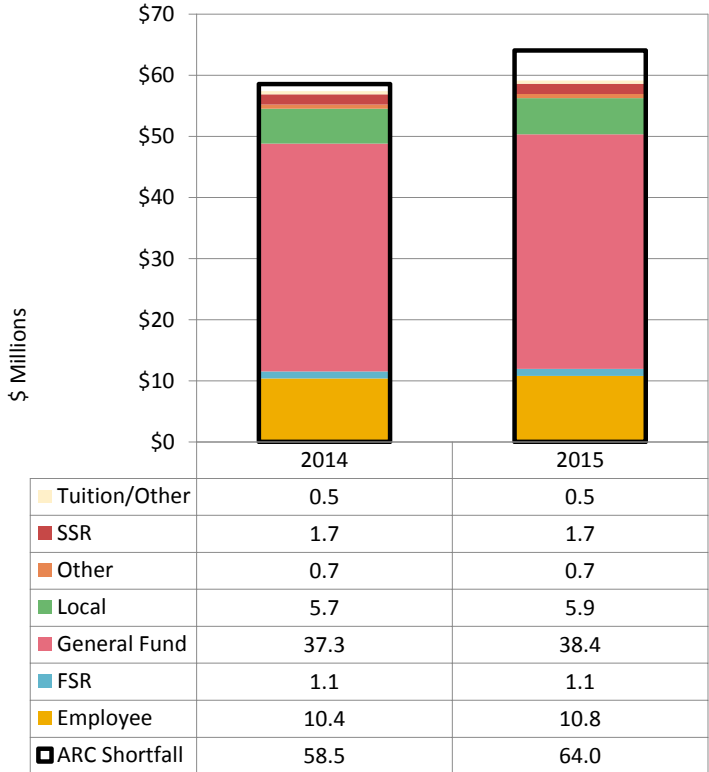
The coal tax funding provided by HB 382 for PERS is not sufficient to eliminate the ARC shortfall; in fact, the coal tax becomes a progressively less significant source of funding over time.

PERS Funding Bills

HB 454

Bill McChesney

HB 454 for PERS: Funding Increase vs. ARC Shortfall



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.

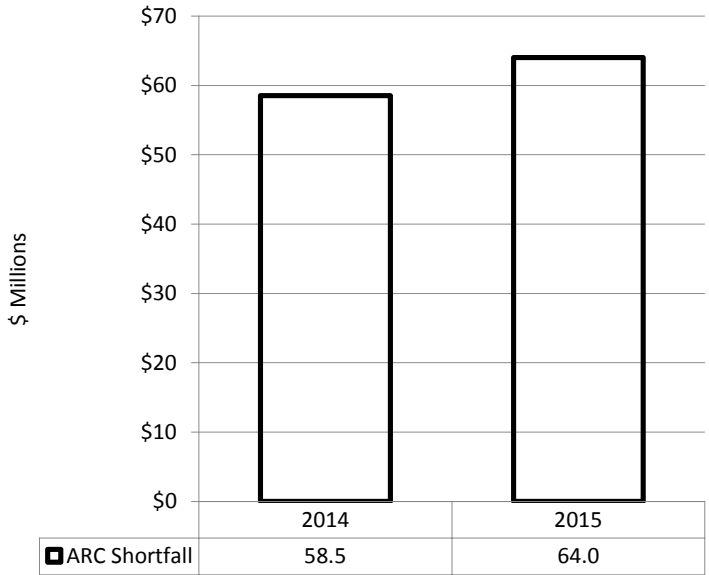
Beginning in FY 2017, the bill allocates three-eighths of coal severance tax revenue to the coal tax permanent fund and eliminates the allocations to various funds.

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

SB 82

Dave Lewis

SB 82 for PERS: Funding Increase vs. ARC Shortfall



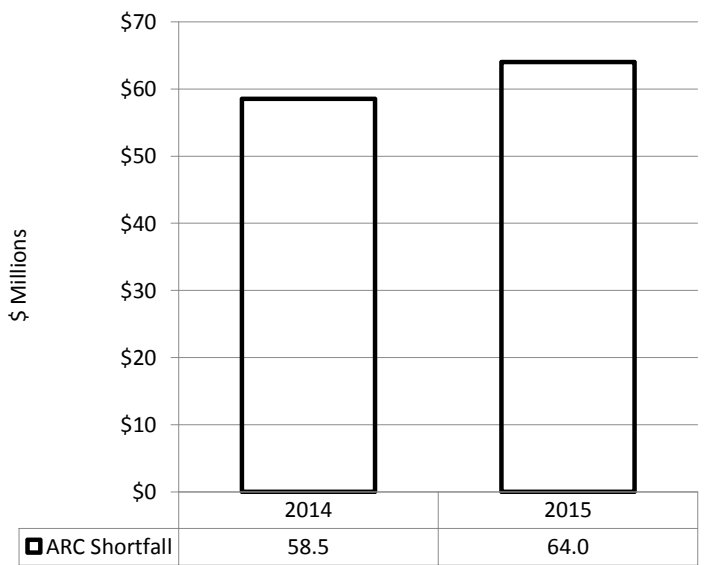
Annual Required Contribution (ARC)

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

SB 333

Ron Arthun

SB 333 for PERS: Funding Increase vs. ARC Shortfall



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.