

MONTANA PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION



STEVE BULLOCK
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STATE OF MONTANA



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August 9, 2013

Senator Dee Brown, Presiding Officer
State Administration and Veterans' Affairs Interim Committee
Room 110 Capitol Building
P O Box 201711
Helena MT 59620-1711

Dear Senator Brown:

The Public Employees' Retirement Board, after thoughtfully considering input from the Legislative Finance Committee, the State Administration and Veterans' Affairs Interim, and the Board's actuary, has determined to repeal Rule 1 of the Temporary Emergency Rules adopted by MAR Notice 2-43-478. The Board is also amending Rule III of the same MAR Notice to require the actuary to use any court imposed GABA rate when applying actuarial assumptions and determining actuarial equivalent factors. I have enclosed a copy of draft MAR Notice 2-43-289 implementing the above discussed changes.

In addition, the Board is proposing to adopt MAR Notice 2-43-478's temporary emergency Rule II, Rule III as amended and Rule IV as permanent rules. A copy of draft MAR Notice 2-43-490 is enclosed for your information.

Finally, the Board is proposing to adopt the temporary emergency Rule I and amended temporary emergency rule 2.43.2114 in MAR Notice 2-43-482 as permanent rules. That draft rule notice, MAR Notice 2-43-291, is also enclosed.

Please feel free to contact me at 444-9174 with any questions or concerns you may have.

Sincerely,

A handwritten signature in cursive script that reads "Melanie A. Symons".

Melanie A. Symons
MPERA Chief Legal Counsel

c: Ginger Aldrich
Sheri Scurr

BEFORE THE PUBLIC EMPLOYEES' RETIREMENT BOARD
OF THE STATE OF MONTANA

In the matter of the repeal of)	NOTICE OF REPEAL AND
Temporary Emergency Rule I that)	AMENDMENT OF TEMPORARY
establishes actuarial assumptions for)	EMERGENCY RULES
testing purposes and Temporary)	
Emergency Rule III establishing)	
actuarial assumptions and process)	
for determining actuarial equivalent)	
factors)	

TO: All Concerned Persons

1. The Public Employees' Retirement Board is repealing temporary emergency rule I because the Public Employees' Retirement Board has determined that statute is clear that the guaranteed annual benefit adjustment (GABA) rate to be applied by the actuary for testing purposes is 1.5% and that due to the clarity of the statute, a rule addressing the GABA rate to be applied by the actuary for testing purposes is not necessary. Additionally, the Board wishes to retain its flexibility under 19-2-405, MCA to instruct the actuary to perform any valuation necessary to address changes in law and circumstance that may result from decisions impacting the funding of the Public Employees' Retirement System.

The Board is amending temporary emergency rule III because it is uncertain whether a court will issue an injunction and if it does, it is uncertain what GABA rate will be imposed.

2. The Public Employees' Retirement Board will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact Montana Public Employee Retirement Administration no later than 5:00 p.m. on August 23, 2013, to advise us of the nature of the accommodation that you need. Please contact Kris Vlastic, Montana Public Employees' Retirement Administration, P.O. Box 200131, Helena, Montana, 59620-0131 telephone (406) 444-2578; fax (406) 444-5428; TDD/Montana Relay Service/etc (406) 444-1421; or e-mail kvlastic@mt.gov.

3. The temporary emergency rules were effective July 1, 2013 and were published in 2013 MAR Issue No. 12.

4. The repeal of temporary emergency rule I is effective August 23, 2013.

5. The amended temporary emergency rules provide as follows, new matter underlined, deleted matter interlined:

RULE III APPLICATION OF ACTUARIAL ASSUMPTIONS AND PROCESS FOR DETERMINING ACTUARIAL EQUIVALENT FACTORS (1) For purposes of determining actuarial equivalent factors for optional benefit determinations, early retirement factors, money purchase benefit calculations, and service purchases, the actuary will:

(a) assume a 1.5% GABA rate for future years; and
(b) establish new actuarial equivalent factors effective January 1, 2014 following the fiscal year 2013 actuarial valuation.

(2) The 1.5% GABA rate established in (1)(a) is prospective only. Optional benefit determinations, early retirement factor reductions, money purchase benefit calculations, and service purchases implemented prior to July 1, 2013, will not be affected.

(3) Prior to January 1, 2014, MPERA will work with members regarding the options available to them regarding optional benefit determinations, early retirement factor reductions, money purchase benefit calculations, and service purchases.

(4) In the event of a court order prohibiting the board from implementing a 1.5% GABA rate pursuant to 19-3-1605, MCA, the actuary will ~~continue assuming~~ assume a 3% GABA rate consistent with the court order for purposes of this administrative rule until the court order is amended or lifted.

AUTH: 19-2-403, 19-3-1605, MCA

IMP: 19-2-405, 19-3-1605, MCA

6. The Public Employees' Retirement Board is filing MAR Notice No. 2-43-490, which addresses a public hearing on this same subject to adopt this rule as a permanent rule. That notice is also available in this issue of the Montana Administrative Register.

7. Concerned persons are encouraged to submit their comments during the upcoming standard rulemaking process. If concerned persons wish to be personally notified of that rulemaking process, they should submit their names and addresses to Kris Vladic at the address above.

8. The Public Employees' Retirement Board maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to the contact person in 6. above or may be made by completing a request form at any rules hearing held by the Public Employees' Retirement Board.

9. The bill sponsor notice requirements of 2-4-302, MCA, apply and have been fulfilled. The primary bill sponsor was notified by mail on May 21, 2013 and July 31, 2013.

10. With regard to the requirements of Chapter 318, Section 1, Laws of 2013, the department has determined that the repeal and amendment of the above-referenced rule will not significantly and directly impact small businesses.

/s/ Melanie Symons
Melanie Symons, Legal Counsel
and Rule Reviewer

/s/ Scott Moore
Scott Moore
President
Public Employees' Retirement Board

Certified to the Secretary of State August 12, 2013

BEFORE THE PUBLIC EMPLOYEES' RETIREMENT BOARD
OF THE STATE OF MONTANA

In the matter of the adoption of New)	NOTICE OF PUBLIC HEARING ON
Rules I through III that establish)	PROPOSED ADOPTION OF NEW
criteria to be used by the Board's)	RULES
actuary to obtain information related)	
to PERS, its amortization period, its)	
funding status, its future GABA rates,)	
and its actuarial equivalent factors)	

TO: All Concerned Persons

1. On September 23, 2013 at 2:00 p.m., the Public Employees' Retirement Board will hold a public hearing in Room 201, 100 N Park Avenue, Helena, Montana, to consider the proposed adoption of the above-stated rules.

2. The Public Employees' Retirement Board will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the Public Employee Retirement Administration no later than 5:00 p.m. on September 16, 2013, to advise us of the nature of the accommodation that you need. Please contact Kris Vladic, Public Employee Retirement Administration, P.O. Box 200131; telephone (406) 444-2578; fax (406) 444-5428; TDD/Montana Relay Service/etc (406) 444-1421; or e-mail kvladic@mt.gov.

3. The rules as proposed to be adopted provide as follows:

NEW RULE I APPLICATION OF ACTUARIAL ASSUMPTIONS FOR DETERMINING GABA (1) For purposes of determining the PERS GABA rates referenced in 19-3-1605(5), MCA (2013), the actuary will:

(a) reduce the 1.5% GABA rate established in 19-3-1605(4), MCA (2013) by 0.1% for each full 2 percentage points the funded percentage is below 90%;

(b) establish a GABA rate expressed in tenths of a percent.

(2) This rule will not apply until the PERS amortization period is under 40 years.

(3) Once the PERS amortization period is under 40 years, the actuary will adjust the 1.5% GABA each year, based on that year's funding percentage.

AUTH: 19-2-403, 19-3-1605, MCA

IMP: 19-2-405, 19-3-1605, MCA

STATEMENT OF REASONABLE NECESSITY: The rule is necessary to provide direction to the actuary regarding assumptions required for determining the GABA rate to be applied to PERS retiree benefits on an annual basis.

The actuary questioned whether GABA should be reduced proportionately. For example, if the funded percentage is 79%, should the GABA be reduced from 1.5% to .95% ($90\% - 79\%/2 = .55\%$; $1.5\% - .55\% = .95\%$)? The Board determined that reductions in one tenth of one percent would be sufficient to meet the legislative goal of bringing the system to a position of actuarially sound funding while maintaining the ability to explain the GABA reductions to members and without causing undue administrative hardship. Thus, in the above example, the GABA rate would be reduced from 1.5% to 1% ($90\% - 80\%/2 = .5\%$; $1.5\% - .50\% = 1.0\%$).

Subsections (2) and (3) are necessary to specify how the GABA rate will be calculated each year after the amortization period is below 40 years. Members and stakeholders have questioned whether the legislation provides a mechanism for changing the GABA each year. The Board believes the legislation was intended to allow the GABA to be recalculated and reset each year in a manner consistent with 19-3-1605(5), MCA.

NEW RULE II APPLICATION OF ACTUARIAL ASSUMPTIONS AND PROCESS FOR DETERMINING ACTUARIAL EQUIVALENT FACTORS (1) For purposes of determining actuarial equivalent factors for optional benefit determinations, early retirement factors, money purchase benefit calculations, and service purchases, the actuary will:

- (a) assume a 1.5% GABA rate for future years; and
- (b) establish new actuarial equivalent factors effective January 1, 2014

following the fiscal year 2013 actuarial valuation.

(2) The 1.5% GABA rate established in (1)(a) is prospective only. Optional benefit determinations, early retirement factor reductions, money purchase benefit calculations, and service purchases implemented prior to July 1, 2013, will not be affected.

(3) Prior to January 1, 2014, MPERA will work with members regarding the options available to them regarding optional benefit determinations, early retirement factor reductions, money purchase benefit calculations, and service purchases.

(4) In the event of a court order prohibiting the board from implementing a 1.5% GABA rate pursuant to 19-3-1605, MCA, the actuary will assume a GABA rate consistent with the court order for purposes of this administrative rule until the court order is amended or lifted.

AUTH: 19-2-403, 19-3-1605, MCA

IMP: 19-2-405, 19-3-1605, MCA

STATEMENT OF REASONABLE NECESSITY: The rule is necessary to provide direction to the actuary regarding assumptions required for determining actuarial equivalent factors used for calculating various actuarially-equivalent benefits and the cost of various service purchases. The GABA rate is an important assumption in these calculations.

Chapter 390, Laws of 2013 establishes a GABA with 0% floor and a 1.5% ceiling, together with contribution and funding triggers designed to amend the GABA in

increments of one tenth of one percent. Actuarial valuations based on assumptions that change based on other assumptions are not as reliable as valuations based on established assumptions. The Board has determined to use the ceiling of 1.5% because it will result in the largest possible liability, and the highest average service purchase cost, thus assuring the legislative goal of bringing the system to a position of actuarially sound funding.

Subsections (2) and (3) are necessary as the Board has been contacted by members concerned that their prior service purchases were based on assumptions that are no longer true.

Subsection (4) is necessary as the Board has been advised that a lawsuit challenging the constitutionality of a decreased GABA rate is pending and that the plaintiffs would be seeking an injunction to prevent implementation of the new GABA rate pending resolution of the lawsuit

NEW RULE III APPLICATION OF ACTUARIAL ASSUMPTIONS FOR DETERMINING THE AMOUNT OF COAL SEVERANCE TAX AND INTEREST INCOME STATUTORILY APPROPRIATED TO THE PERS DEFINED BENEFIT PLAN TRUST FUND (1) For purposes of determining the annual amount of coal severance tax and interest income from the coal tax severance permanent fund that will be statutorily appropriated to the PERS defined benefit plan trust fund, the actuary will rely on information provided by the Office of Budget and Program Planning.

AUTH: 19-2-403, MCA
IMP: 19-2-405, MCA

STATEMENT OF REASONABLE NECESSITY: Sections 1 and 2, Chapter 390, Laws of 2013 provide for payment of an unknown amount of coal severance tax funds and a maximum amount of interest income from the coal severance tax permanent tax fund. The exact amount of those statutory appropriations must be provided to the Board so that its actuary can include those amounts in the annual PERS actuarial valuation. The Office of Budget and Program Planning has indicated that it will provide this information as needed.

4. Concerned persons may submit their data, views, or arguments either orally or in writing at the hearing. Written data, views, or arguments may also be submitted to: Kris Vlastic, Public Employee Retirement Administration, P.O. Box 200131, Helena, Montana, 59620-0513; telephone (406) 444-2578; fax (406) 444-5428; or e-mail kvladic@mt.gov, and must be received no later than 5:00 p.m., September 23, 2013.

5. Kris Vlastic, Public Employee Retirement Administration, has been designated to preside over and conduct this hearing.

6. The Public Employee Retirement Administration maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to the contact person in 4. above or may be made by completing a request form at any rules hearing held by the department.

7. An electronic copy of this proposal notice is available through the Secretary of State's web site at <http://sos.mt.gov/ARM/Register>. The Secretary of State strives to make the electronic copy of the notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. In addition, although the Secretary of State works to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems.

8. The bill sponsor contact requirements of 2-4-302, MCA apply and have been fulfilled. The primary bill sponsor was contacted by mail on May 21, 2013 and July 31, 2013.

9. With regard to the requirements of Chapter 318, Section 1, Laws of 2013, the department has determined that adoption of the above-referenced rules will not significantly and directly impact small businesses.

/s/ Melanie Symons
Melanie Symons Legal Counsel
and Rule Reviewer

/s/ Scott Moore
Scott Moore
President
Public Employees' Retirement Board

Certified to the Secretary of State August 12, 2013

BEFORE THE PUBLIC EMPLOYEES' RETIREMENT BOARD
OF THE STATE OF MONTANA

In the matter of the adoption of New)	NOTICE OF PUBLIC HEARING ON
Rule I and the amendment of ARM)	PROPOSED ADOPTION AND
2.43.2114 pertaining to required)	AMENDMENT
employer reports regarding employer)	
contributions paid on behalf of)	
University employees who elect to)	
participate in the Optional Retirement)	
Program rather than in the Public)	
Employees' Retirement System)	

TO: All Concerned Persons

1. On September 23, 2013 at 9:00 a.m., the Public Employees' Retirement Board will hold a public hearing in Room 201, 100 N Park Avenue, Helena, Montana, to consider the proposed adoption of the above-stated rules.

2. The Public Employees' Retirement Board will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the Public Employee Retirement Administration no later than 5:00 p.m. on September 16, 2013, to advise us of the nature of the accommodation that you need. Please contact Kris Vlastic, Public Employee Retirement Administration, P.O. Box 200131; telephone (406) 444-2578; fax (406) 444-5428; TDD/Montana Relay Service/etc (406) 444-1421; or e-mail kvladic@mt.gov.

3. The rule as proposed to be adopted provides as follows:

NEW RULE I ALLOCATION OF ADDITIONAL EMPLOYER CONTRIBUTIONS ON BEHALF OF MONTANA UNIVERSITY SYSTEM EMPLOYEES IN THE OPTIONAL RETIREMENT PROGRAM

(1) The additional employer contributions provided for in 19-3-316(3), MCA that are paid on behalf of MUS employees in the optional retirement program will be allocated as follows:

(a) The 1.00% additional employer contribution will be directed to the PERS defined benefit plan trust fund.

(b) The 0.27% additional employer contribution is already allocated to the PERS defined benefit retirement plan's plan choice rate pursuant to 19-21-214(2)(b), MCA.

(c) The 0.1% additional employer contribution that commences July 1, 2014, will be directed to the PERS defined benefit plan trust fund unless the board determines pursuant to 19-3-2121, MCA that an increase in the plan choice rate is required to actuarially fund the PERS defined contribution retirement plan's share of the PERS defined benefit's plan unfunded liability. In that event, the 0.1% additional

employer contribution will be directed to the PERS defined contribution retirement plan's plan choice rate.

AUTH: 19-2-403, 19-3-2104, MCA

IMP: 19-3-2104, MCA

STATEMENT OF REASONABLE NECESSITY: Section 6, Chapter 390, Laws of 2013 amends 19-3-2117, MCA to allocate the additional employer contributions paid on behalf of PERS defined contribution retirement plan members. Unfortunately, there is no allocation for MUS employees in PERS-covered positions who elect to participate in the Optional Retirement Program (ORP) rather than either the PERS defined benefit retirement plan or the PERS defined contribution retirement plan. Section 19-21-214, MCA instructs the Board regarding allocation of employer contributions to the ORP. That statute is silent regarding the additional employer contributions provided for in Section 4, Chapter 390, Laws of 2013. However, 19-21-214(3), MCA provides that employer contribution allocations are subject to adjustment by the Board provided the adjustments are consistent with 19-3-2121, MCA.

Section 19-3-2121, MCA allows the Board to use employer contributions to increase the plan choice rate contribution under certain circumstances. If those circumstances are met, the Board has determined it to be appropriate to allocate the 0.1% increase to the plan choice rate. If the circumstances are not met, the 0.1% increase will go to help the defined benefit retirement plan's unfunded liability.

The Board will ask the 2015 legislature to amend 19-21-214, MCA to address the allocation of the additional employer contributions on behalf of MUS employees in PERS-covered positions who elect to participate in the ORP. The Board will propose to the 2015 legislature that the allocation mirror that in 19-3-2117, MCA for PERS Defined Contribution Retirement Plan members

4. The rule as proposed to be amended provides as follows, new matter underlined, deleted matter interlined:

2.43.2114 REQUIRED EMPLOYER REPORTS (1) through (5) remain the same.

(a) Commencing July 1, 2013, MUS shall transmit to MPERA the 1.0% additional employer contribution provided for in Chapter 390, Laws of 2013.

(b) Commencing July 1, 2014, MUS shall also transmit to MPERA the 0.1% additional employer contribution provided for in Chapter 390, Laws of 2013.

(6) remains the same.

AUTH: 19-2-403, MCA

IMP: Section 4, Chapter 390, Laws of 2013, 19-20-506, 19-3-315, 19-3-316, 19-3-412, 19-3-1106, 19-3-2117, 19-7-1101, MCA

STATEMENT OF REASONABLE NECESSITY: Section 19-21-214, MCA allocates

the current 0.27% additional employer contribution to the PERS defined benefit plan to eliminate the plan choice rate unfunded actuarial liability. However, Chapter 390, Laws of 2013 does not address the allocation of the additional employer contributions paid by MUS on behalf of employees in covered PERS positions who elect to participate in the ORP. Therefore, this amendment is necessary to ensure that MUS transmits the new additional employer contributions to MPERA for proper accounting.

5. Concerned persons may submit their data, views, or arguments either orally or in writing at the hearing. Written data, views or arguments may also be submitted to: Kris Vladoic, Public Employee Retirement Administration, P.O. Box 200131, Helena, Montana, 59620-0513; telephone (406) 444-2578; fax (406) 444-5428; or e-mail kvladoic@mt.gov, and must be received no later than 5:00 p.m., September 23, 2013.

6. Kris Vladoic, Public Employee Retirement Administration, has been designated to preside over and conduct this hearing.

7. The Public Employees' Retirement Board maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to the contact person in 6. above or may be made by completing a request form at any rules hearing held by the Public Employees' Retirement Board.

8. An electronic copy of this proposal notice is available through the Secretary of State's web site at <http://sos.mt.gov/ARM/Register>. The Secretary of State strives to make the electronic copy of this notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. In addition, although the Secretary of State works to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems.

9. The bill sponsor contact requirements of 2-4-302, MCA, apply and have been fulfilled. The primary bill sponsor was contacted by mail on May 21, 2013 and July 31, 2013.

10. With regard to the requirements of Chapter 318, Section 1, Laws of 2013, the department has determined that the adoption and amendment of the above-referenced rules will not significantly and directly impact small businesses.

/s/ Melanie Symons
Melanie Symons Legal Counsel
and Rule Reviewer

/s/ Scott Moore
Scott Moore
President
Public Employees' Retirement Board

Certified to the Secretary of State August 12, 2013.



Montana Legislative Services Division
Legal Services Office

TO: State Administration and Veterans' Affairs Interim Committee
FROM: K. Virginia Aldrich
DATE: August 2, 2013
RE: Legislative Administrative Rule Review Report

Pursuant to 5-5-228, MCA, the State Administration and Veterans' Affairs Interim Committee is responsible for reviewing administrative rules within its jurisdiction. Staff for the State Administration and Veterans' Affairs Interim Committee has prepared this report for informational purposes only. This report does not represent any action or opinion of the State Administration and Veterans' Affairs Interim Committee and does not preclude additional action that may be taken by the State Administration and Veterans' Affairs Interim Committee pursuant to its authority under the Montana Administrative Procedure Act (Title 2, chapter 4, MCA).

MAR NOTICE NUMBER: 2-43-483

AGENCY/BOARD: Public Employees' Retirement Board of the State of Montana

RULE CLASSIFICATION: (e.g. substantive/interpretative/emergency/temporary): Substantive

SUBJECT: Establishing a process for the payment on employer contributions on behalf of working retirees, including independent contractors and other workers in PERS-covered positions.

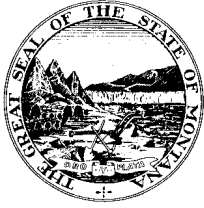
NOTICE DESCRIPTION: (e.g. proposal notice/adoption notice):
Notice of proposed amendments

SUMMARY OF RULE(S):

The Public Employees' Retirement Board of the State of Montana is proposing to amend two rules relating to required employer reports and employer contributions in the Public Employees' Retirement System, the Sheriffs' Retirement System, and the Firefighters' Unified Retirement System. The rules expand employer reports and contributions to include reports and contributions by employers on working retirees pursuant to Chapter 239, L. 2013. The rules also expand employer reports and certifications to address PERS working retirees who return as independent contractors, pursuant to Chapter 178, L. 2013.

NOTES: (e.g. hearing dates).

A public hearing is not contemplated. The public comment period ends on August 8, 2013.
CI0103 3219gafa.



Montana Legislative Services Division
Legal Services Office

TO: State Administration and Veterans' Affairs Interim Committee
FROM: K. Virginia Aldrich
DATE: August 2, 2013
RE: Legislative Administrative Rule Review Report

Pursuant to 5-5-228, MCA, the State Administration and Veterans' Affairs Interim Committee is responsible for reviewing administrative rules within its jurisdiction. Staff for the State Administration and Veterans' Affairs Interim Committee has prepared this report for informational purposes only. This report does not represent any action or opinion of the State Administration and Veterans' Affairs Interim Committee and does not preclude additional action that may be taken by the State Administration and Veterans' Affairs Interim Committee pursuant to its authority under the Montana Administrative Procedure Act (Title 2, chapter 4, MCA).

MAR NOTICE NUMBER: 2-43-487

AGENCY/BOARD: Public Employees' Retirement Board of the State of Montana

RULE CLASSIFICATION: (e.g. substantive/interpretative/emergency/temporary): Substantive

SUBJECT: Amended Investment Policy Statements for the Defined Contribution Retirement Plan and the 457 Deferred Compensation Plan

NOTICE DESCRIPTION: (e.g. proposal notice/adoption notice):
Notice of proposed amendments

SUMMARY OF RULE(S):

The Public Employees' Retirement Board of the State of Montana is proposing to amend two rules relating to the adoption of updated investment policy statements. The rules currently incorporate by reference investment policy statements for the Defined Contribution Retirement Plan and the 457 Deferred Compensation Plan approved by the Board on August 11, 2011, and the amended rules will update these investment policy statements to statements approved by the Board on May 9, 2013. After a recommendation by the Employees' Investment Advisory Council, the new investment policy statements remove the Sharpe Ratio as a measurement of risk and add a comparison to the appropriate benchmark over 3-year and 5-year periods.

NOTES: (e.g. hearing dates)

A public hearing is not contemplated. The public comment period ends on August 8, 2013.
CI0103 3220gafa.