



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
AMY CARLSON

DATE: September 16, 2019
TO: Legislative Finance Committee
FROM: Sam Schaefer
RE: History of general fund aid to PERS/TRS

The Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) are currently funded through a mixture of state, local, and federal funds. These funds are deposited into the pension trusts via a combination of employer contributions and supplemental general fund appropriations. A brief history of the legislation that has created these supplemental appropriations is as follows:

HB 170 (1997 Session): HB 170 created the guaranteed annual benefit adjustment for members of the public employees' retirement systems. The legislation created a general fund statutory appropriation which contributes 0.1% of all compensation for local government and school district employees to the system.

HB 72 (1999 Session): HB 72 created the guaranteed annual benefit adjustment for members of TRS. The legislation created a general fund statutory appropriation for the system equal to 0.11% of the compensation of the system's members.

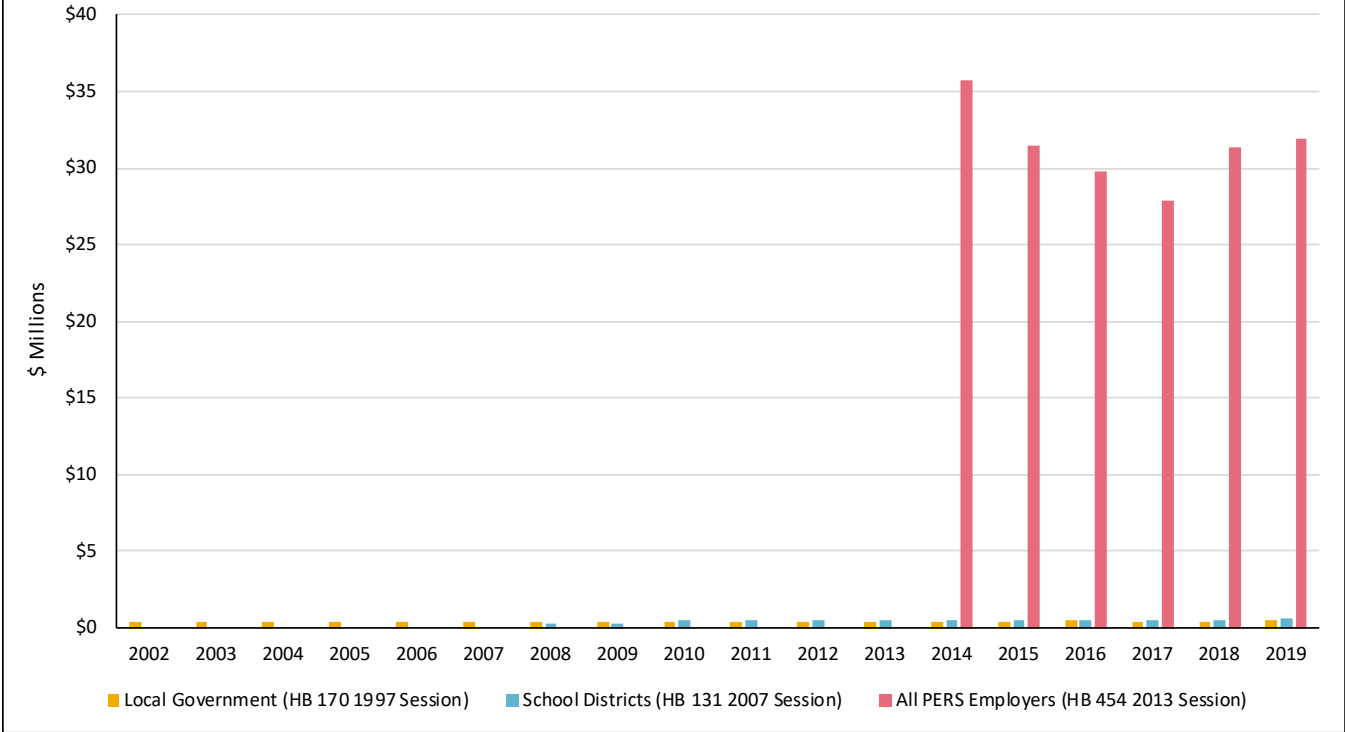
HB 131 (2007 Session): HB 131 increased employer contributions to PERS. Pursuant to the legislation, a general fund statutory appropriation equal to 0.27% of compensation paid to all employees of school district shall be contributed to the system.

HB 63 (2007 Session): HB 63 increased contributions to TRS and provided a one-time \$50 million general fund appropriation. An ongoing general fund statutory appropriation equal to 2.38% of total earned compensation was also created.

HB 454 (2013 Session): HB 454 created a general fund statutory appropriation that diverted coal severance tax revenues as well as coal trust revenues to PERS. It has averaged \$31.4 million since its creation.

HB 377 (2013 Session): HB 377 created a general fund statutory appropriation of \$25 million per year to TRS.

General Fund Supplemental Statutory Appropriations to PERS



General Fund Supplemental Statutory Appropriations to TRS

