

Montana's Public Employees' Retirement Plans: Summary Tables

TABLE 1

BENEFIT ELIGIBILITY AND BASIC BENEFIT FORMULA

System (Imp year)	Teachers' Retirement System (TRS) (1937)	PERS DEFINED BENEFIT (DB) PLAN (1945)	JUDGES' (JRS) (1967)	HIGHWAY PATROL (HPORS) (1971)	SHERIFFS' (SRS) (1974)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS) (1963)	MUNICIPAL POLICE (MPORS) (1974)	FIREFIIGHTERS' UNIFIED (FURS) (1981)
Minimum service and age requirements to receive full (unreduced) normal retirement benefit	25 yrs service, any age or 5 yrs srvc and age 60	<July 1, 2011 30 yrs service, any age or 5 yrs srvc and age 60 or age 65 regardless of service <=July 1, 2011 30 yrs service, any age or 5 yrs srvc and age 65 or age 70 regardless of service	5 yrs service and age 60	20 yrs service, any age	20 yrs service, any age	20 yrs service and age 50 or age 55 with 5 yrs	20 yrs service, any age	20 yrs service, any age, or age 50 with 5 yrs service
Minimum service requirement before being vested	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Compensation period used in benefit calculation	HAC = highest average compensation = average compensation of the 3 highest consecutive years of service AFC = average final compensation = average compensation over 3 highest consecutive years of full-time service.	HAC = highest average compensation <July 1, 2011 average compensation of the 3 highest consecutive years of service or >=July 1, 2011 the 5 highest consecutive years of service	HAC = highest average compensation = average compensation of the 3 highest consecutive years of service	HAC = highest average compensation = average compensation of the 3 highest consecutive years of service	HAC = highest average compensation <July 1, 2011 average compensation of the 3 highest consecutive years of service or >=July 1, 2011 the 5 highest consecutive years of service	HAC = highest average compensation <July 1, 2011 average compensation of the 3 highest consecutive years of service or >=July 1, 2011 the 5 highest consecutive years of service	FAC = final average compensation = average salary over the last 36 consecutive months of service.	HAC = highest average compensation = average compensation of the 3 highest consecutive years of service HMC = final monthly compensation = monthly salary last received by member.
Service retirement benefit formula	$1/60 \times \text{AFC} \times \text{yrs of service}$ (1/60 = 1.66666%)	<July 1, 2011 $1/56 \times \text{HAC} \times \text{yrs of service}$ (1/56 = 1.78571%) -with 25 or more years of membership service $1/50 \times \text{HAC} \times \text{yrs of service}$ (1/50=2.0%) >=July 1, 2011 <10 years of membership: 1.5% of HAC 10 years or greater	$3.33\% \times \text{HAC} \times \text{yrs of service}$ to 15 yrs + $1.785\% \times \text{HAC} \times \text{yrs of service}$ over 15 yrs <u>Pre 7/1/97:</u> HAC = current salary <u>Post 1/7/97 and those who elected GABA:</u> HAC = highest 36 months	$2.5\% \times \text{HAC} \times \text{yrs of service}$	$2.5\% \times \text{HAC} \times \text{yrs of service}$	$2.5\% \times \text{HAC} \times \text{yrs of service}$	$2.5\% \times \text{FAC} \times \text{yrs of service}$ <u>Pre-7/1/77:</u> FAC = monthly compensation of last year	$2.5\% \times \text{HAC} \times \text{yrs of service}$ <u>Pre-7/1/81 who did not elect GABA:</u> - with less than 20 yrs, greater of: $2.5\% \times \text{FAC} \times \text{yrs}$ or $2\% \times \text{HMC}^3 \times \text{yrs}$ - with more than 20 yrs: $50\% \times \text{HMC}$ plus 2% of HMC for each year over 20

System (Imp year)	Teachers' Retirement System (TRS) (1937)	PERS DEFINED BENEFIT (DB) PLAN (1945)	JUDGES' (JRS) (1967)	HIGHWAY PATROL (HPORS) (1971)	SHERIFFS' (SRS) (1974)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS) (1963)	MUNICIPAL POLICE (MPORS) (1974)	FIREFIGHTERS' UNIFIED (FURS) (1981)
		but <30 years: 1.785% of HAC30 yrs or more: 2% of HAC						
Benefit formula is actuarially reduced for early retirement	Yes Actuarially reduced benefit at age 50 with 5 yrs of service	Yes Actuarially reduced benefit at 25 years service any age or <July 1, 2011 age 50 >=July 1, 2011 Age 55	Yes: Actuarially reduced benefit at any age with 5 yrs service, if involuntarily terminated	No	Yes Actuarially reduced benefit at age 50 with 5 yrs service	No	No	No

Source: Title 19, Montana Code Annotated, 2011

* GABA = Guaranteed Annual Benefit Adjustment.

TABLE 2

DISABILITY BENEFITS

	Teachers' Retirement System TRS	PERS DEFINED BENEFIT PLAN	JUDGES' (JRS)	HIGHWAY PATROL (HPORS)	SHERIFFS' (SRS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)
Eligibility criteria for disability benefit	- at least 5 yrs of service - totally incapacitated from further performance of duties & permanent or of uncertain duration	- at least 5 yrs of service - totally unable to perform essential tasks of covered position - permanent or of uncertain duration	5 years vesting -disability defn same as PERS	No vesting -disability defn same as PERS	Line of Duty: no vesting Non-duty: 5 years -disability defn same as PERS	5 years vesting -disability defn same as PERS	No vesting -disability defn same as PERS	No vesting -disability defn same as PERS
Non-duty-related disability benefit	<u>Greater of:</u> - norm formula (1.6666%) or - 25% of AFC	<u>Pre-2/24/91:</u> greater of 90% of normal (1.786%) formula, or 25% of HAC <u>Post-2/24/91 or election:</u> normal retirement formula (based on age 60, no actuarial reduction) >=7/1/2011 Greater than 5 years but less than 10 years: 1.5% of HAC x years of service Greater than or equal to 10 years to less than 30 years: 1/56 x HAC x years of service 30 years or more: 2% x HAC x years of service	Actuarial equivalent of normal retirement formula (3.33% for first 15 yrs service and 1.785% after 15 years)	Actuarial equivalent of normal (2.5%) retirement formula	Actuarial equivalent of normal (2.5%) retirement formula	Actuarial equivalent of normal (2.5%) retirement formula	<u>Pre-7/1/77:</u> Normal (2.5%) retirement formula, but minimum of 50% of FMC <u>Post-7/1/77:</u> 50% FAC for 20 yrs or less and 2.5% FAC for each year over 20	50% HAC for 20 yrs or less and 2.5% HAC for each year over 20
Duty-related disability benefit	Same as non-duty related	Same as non-duty related	<u>Non-GABA:</u> 50% of current salary of sitting judge <u>With GABA:</u> 50% of HAC	< 20 years = 50% of HAC 20 years or more = 2.5% of HAC	< 20 years = 50% of HAC 20 years or more = 2.5% of HAC	< 20 years = 50% of HAC 20 years or more = 2.5% of HAC	Same as non-duty-related	Same as non-duty-related
Actuarial cost to plan (reported in June 30, 2011, actuarial valuation)	0.08%	0.34%	0.50%	1.82%	1.58%	1.13%	2.99%	2.52%

TABLE 3

RETIREE AND BENEFIT RECIPIENT DATA
 (Based on June 30, 2011, Actuarial Valuations and TRS and MPERA data)

	Teachers' Retirement System (TRS)	PERS DEFINED BENEFIT (DB) PLAN	JUDGES' (JRS)	HIGHWAY PATROL (HPORS)	SHERIFFS' (SRS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)
Number of benefit recipients	12,889	18,183	58	302	441	145	676	552
Average age of current retirees	70.0 yrs	72.0 yrs	76.2 yrs	69.5 yrs	64.0 yrs	68.2 yrs	66.5 yrs	67.9 yrs
Average retirement age	57.8 yrs	59.2 yrs	63.2 yrs	49.6 yrs	52.9 yrs	55.5 yrs	47.3 yrs	50.5 yrs
Average years of service at retirement	25.13 yrs	19.8 yrs	15.9 yrs	24.3 yrs	19.9 yrs	21.9 yrs	19.8 yrs	24.2 yrs
Average monthly benefit (service retirement)	\$1,714	\$1,135	\$3,438	\$2,218	\$1,916	\$1,747	\$2,149	\$2,462
Post-retirement benefit adjustments	1.5% GABA* (paid on January 1 of each year after having been retired for at least 36 months, with the average retiree receiving their first adjustment 42 months after they retire)	3.0% GABA* (after 1 year) if hired before 7/1/07 1.5% GABA if hired on or after 7/1/07	<u>Pre-7/1/97:</u> benefits increased same as salary of sitting judge <u>All post-7/1/97 or who elected</u> GABA: 3.0% GABA (after 1 year)	<u>Pre-7/1/97 who did not elect</u> GABA: 2% of base salary of probationary officer <u>All post- 7/1/97 or who elected</u> GABA: 3.0% (after 1 year) <u>Pre-7/1/91:</u> supplemental lump sum to certain eligible recipients, paid from motor vehicle registration fees	3.0% GABA (after 1 year) if hired before 7/1/07 1.5% GABA if hired on or after 7/1/07	3.0% (after 1 year) if hired before 7/1/07 1.5% GABA if hired on or after 7/1/07	<u>Pre-7/1/97 who did not elect</u> GABA: monthly salary of new officer <u>All post- 7/1/97 or who elected</u> GABA: 3.0% (after 1 year)	<u>Pre-7/1/97 who did not elect</u> GABA: monthly salary of new firefighter <u>All post- 7/1/97 or who elected</u> GABA: 3.0% (after 1 year)
Social security coverage	Yes (most members)	Yes	Yes	No	Yes	Yes	No	No

* GABA = Guaranteed Annual Benefit Adjustment

TABLE 4

ACTIVE MEMBERSHIP DATA

(NOT including retirees and other benefit recipients)
(Based on June 30, 2011, Actuarial Valuations)

	Teachers' Retirement System (TRS)	PERS DEFINED BENEFIT (DB) PLAN	JUDGES' (JRS)	HIGHWAY PATROL (HPORS)	SHERIFFS' (SRS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)
Total active members	18,484	28,659	54	214	1,230	951	702	579
Average age of actives	46.2 yrs	49.03 yrs	59.2 yrs	41.32 yrs	40.41 yrs	41.84 yrs	38.26 yrs	39.48 yrs
Average years of service of actives	12.4 yrs	10.0 yrs	11.4 yrs	10.9 yrs	7.1 yrs	6.9 yrs	8.5 yrs	10.6 yrs
Average annual salary of actives	\$50,616	\$37,889	\$106,745	\$56,449	\$47,557	\$40,801	\$53,308	\$60,136
Number of participating employers	368	533	1	1	57	7	31	24
Employers annualized payroll (2011 Valuation)	\$703.9 million	\$1.1 billion	\$5.9 million	\$12.5 million	\$60.8 million	\$40.3 million	\$41.6 million	\$36.2 million

TABLE 5

CONTRIBUTIONS, COSTS, AND ACTUARIAL DATA

(Based on June 30, 2011, Actuarial Valuations)

	Teachers' Retirement System (TRS)	PERS DEFINED BENEFIT (DB) PLAN	JUDGES' (JRS)	HIGHWAY PATROL (HPORS)	SHERIFFS' (SRS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)
Employer contribution as percentage of payroll	School Districts: 7.47% State agencies & University System: 9.85% State General Fund: 2.49%	<u>7.17%</u> School Districts: 6.8% <u>State: 0.37%</u> Local Government Employers: 7.07% <u>State: 0.1%</u>	25.81%	26.15%	10.115%	9.0%	14.41%	14.36%
Employee contribution as percentage of salary	7.15%	<u><7/1/2011</u> 6.9% <u>>=7/1/2011</u> 7.9%	7%	<u>Pre-7/1/97 not electing GABA:</u> 9.0% <u>Post-7/1/97 or electing GABA:</u> 9.05%	9.245%	10.56%	<u>Non-GABA:</u> <u>Pre-7/1/79:</u> 7.0% <u>Pre-7/1/97:</u> 8.5% <u>With GABA:</u> 9%	<u>Pre-7/1/97 not electing GABA:</u> 9.5% <u>Post-7/1/97 or electing GABA:</u> 10.7%
Additional funding from other sources as a percentage of payroll	University System – 4.72% of ORP payroll	None	None	Driver's license fees: 10.18%	None	None	State General Fund: 29.37%	State General Fund: 32.61%
Total statutory contributions as percentage of payroll	17.11%	14.070% (0.04% transferred to education fund)	32.81%	45.38%	19.36%	19.56%	52.78%	57.66%
Normal costs as percentage of payroll	9.64%	12.59%	24.13%	24.14%	18.88%	19.33%	26.26%	26.54%
Percentage used to fund unfunded liabilities	7.47%	1.48%	8.68%	21.24%	0.48%	0.23%	26.52%	31.12%

	Teachers' Retirement System (TRS)	PERS DEFINED BENEFIT (DB) PLAN	JUDGES' (JRS)	HIGHWAY PATROL (HPORS)	SHERIFFS' (SRS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)
Actuarial liabilities (rounded)	\$4.7 billion	\$5.4 billion	\$43 million	\$156 million	\$267 million	\$120 million	\$401 million	\$355 million
Actuarial Value Funded ratio (rounded) (percentage of liabilities covered by reported assets)	61.5%	70.2%	141.1%	61.2%	76.4%	75.4%	55.2%	61.9%
Unfunded liability (surplus) (rounded)	\$1.79 billion	\$1.6 billion	(\$18 million)	\$60 million	\$63 million	\$29 million	\$180 million	\$135 million
Years to amortize unfunded liability	71.0 yrs	Does not Amortize	(30) (surplus)	48.2 yrs	Does not Amortize	Does not Amortize	25 yrs	16 yrs
Market value of assets (rounded)	\$2.97 billion	\$3.9 billion	\$63.6 million	\$98.8 million	\$211.6 million	\$94.2 million	\$229.0 million	\$227.5 million
Market Value Funded ratio (rounded) (percentage of liabilities covered by reported assets)	63.81%	73%	146.6%	63.5%	79.4%	78.6%	57.1%	64.1%

Sources: June 30, 2011, Actuarial Valuations

TABLE 6

INVESTMENT DATA

* Actuarial Rate of Return: 7.75%

	Teachers' Retirement System (TRS)	PERS DEFINED BENEFIT RETIREMENT PLAN (DBRP)	JUDGES' (JRS)	HIGHWAY PATROL (HPORS)	SHERIFFS' (SRS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)
Amount invested, rounded (market value, on 6/30/2011)	\$2.97 billion	\$3.9 billion	\$63.5 million	\$98.5 million	\$210.8 million	\$93.9 million	\$217.0 million	\$215.7 million
Market rate of return for composite index, FY 2011	21.62%	21.56%	21.47%	21.51%	21.43%	21.43%	21.30%	21.31%
Market rate of return on the fund in 2011, all assets	21.67%	21.79%	21.73%	21.80%	21.69%	21.68%	21.63%	21.63%
Market rate of return for composite index, 5-year period	4.22%	4.31%	4.34%	4.32%	4.32%	4.30%	4.24%	4.28%
Rate of return on the fund, 5- year period	4.12%	4.12%	4.13%	4.13%	4.11%	4.10%	4.05%	4.10%
Asset allocation objectives:								
Fixed Income	22 - 32%	22 - 32%	22 - 32%	22 - 32%	22 - 32%	22 - 32%	22 - 32%	22 - 32%
Real Estate	0 - 8%	4 - 10%	4 - 10%	4 - 10%	4 - 10%	4 - 10%	4 - 10%	4 - 10%
Equity	60 - 70%	60 - 70%	60 - 70%	60 - 70%	60 - 70%	60 - 70%	60 - 70%	60 - 70%
Actual Asset allocation:								
Fixed Income	28.5%	24.7%	26.5%	26.2%	26.6%	26.7%	25.9%	26.0%
Real Estate	5.4%	6.5%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%
Equity	63.5%	67.3%	67.1%	67.4%	67.0%	66.9%	67.6%	67.5%
Percentage growth in total liabilities between 2010 valuation and 2011 valuation	3.1 %	3.2 %	2.1%	3.0%	8.0 %	5.3%	5.5%	5.9%
Percentage change in total assets between 2010 valuation and 2011 valuation	-3.05%	18.9%	21.2%	19.4%	22.5%	27.3%	23.4%	24.6%

Sources: TRS & Public Employees' Retirement Boards, Financial and Actuarial Reports, and Title 19, Montana Code Annotated, 2011; FY2011 Montana Board of Investments information.

TABLE 7

VOLUNTEER FIREFIGHTERS' COMPENSATION ACT
(Based on June 30, 2011, Actuarial Valuation)

PENSION PLAN FEATURES	VOLUNTEER FIREFIGHTERS' PENSION FUND (1965)
Minimum service and age for normal (unreduced) retirement	Age 55 and 20 years of service; or Age 60 and 10 years of service
Vested	10 years
Basic benefit formula	\$7.50 per year of service, up to maximum of \$225 per month. Members that retire on or after 7/1/2011 can increase their benefit for over 30 years of service if the system is funded in 20 years or less.
Disability	\$7.50 per year of service, with a minimum of \$75 per month up to a maximum of \$225 per month
Death benefit	\$7.50 per year of service (maximum of 40 months including any amounts retiree received)
Membership	1,183 retirees and beneficiaries 2,105 active members <u>870 vested inactive (terminated) members</u> 4,158 total members
Average age of active members	45.21 years old
Average years of service of active members	9.5 years
Average benefit for service retirees	\$138 per month
Contributions	5% of insurance premium taxes collected (See Section 19-17-301, MCA)
Actuarial liabilities	\$35.1 million
Actuarial value of assets	\$26.1 million
Unfunded liability	\$9.0 million
Years to Amortize	8.8 yrs
Funded ratio	74.4%

TABLE 8

PERS DEFINED CONTRIBUTION RETIREMENT PLAN (DCRP)

Operational July 1, 2002.

Membership	All active PERS members have 12 months to make a one-time, irrevocable choice between the DBRP and DCRP plans.
Employee Contributions	Before 7/1/2011: 6.9% of salary. On or after 7/1/2011: 7.9% of salary.
Employer Contributions	7.17% of salary allocated as follows: -- 0.04% to an educational fund -- 2.37% to PERS DB plan as plan choice rate -- 4.19% to member accounts -- 0.3% to disability trust fund -- 0.27% to the DB plan to reduce the plan choice rate unfunded actuarial liability; then to the long-term disability plan trust fund once the PCR UAL is retired
Total contributions to member accounts	11.09% of salary
Investment choices	15 funds
Vesting	5 years for employer contributions and investment earnings on those contributions, but members have immediate control over how employer and employee contributions are invested
Benefits	Contributions plus investment earnings, minus administrative expenses; payable at any time after termination, with a possible federal tax penalty for withdrawal before age 59 1/2.
Disability benefit	A defined disability benefit based on a $1/56 \times \text{HAC} \times \text{years of service}$ formula, similar to what is provided in the PERS DBRP.
Death/survivorship benefit	Member's account balance
Plan administration	- PERB is the plan's board of trustees - Great-West Retirement Services is the plan's record keeper

TABLE 9

UNIVERSITY SYSTEM OPTIONAL RETIREMENT PLAN - TRS ELIGIBLE MEMBERS

(As of June 30, 2011)

PLAN FEATURES	OPTIONAL RETIREMENT PROGRAM (ORP) (A Defined Contribution Retirement Plan)																
Membership	All administrative, scientific, and instructional staff of the University System that would otherwise be eligible for member in TRS. Active membership: X,XXX																
Retirement eligibility	A plan member may "retire" (i.e., access the ORP account) any time after service is terminated. There are federal tax penalties for withdrawal prior to age 59 1/2.																
Benefit	An ORP member's benefit depends on total contributions to the member's individual account, plus investment earnings, minus administrative expenses. The ORP is administered by TIAA-CREF.																
Disability benefits	All University System employees are covered under a long-term disability insurance plan. The basic plan is entirely employer-paid and provides disability payments up to 60% of monthly earnings, offset against other income, such as pension benefits, social security, workers' compensation insurance, etc.																
Death and survivor benefits	The full current value in a member's annuity account is payable to the beneficiary before retirement. The benefit can be paid in a single sum, as an annuity income to the beneficiary for life, or as an annuity income for a fixed period of years. The annuity may also be deferred as federal law permits.																
Total ORP payroll covered	\$173.8 million																
Employer contribution as a percentage of payroll	5.956%																
Employee contribution as a percentage of salary	7.044%																
Total contributions to member accounts	13.0%																
Supplemental employer contribution to TRS for unfunded liability. Rate is subject to periodic review and adjustment to maintain amortization schedule.	<table> <tbody> <tr> <td>4.503%</td> <td>7/1/1989 through 6/30/1993</td> </tr> <tr> <td>2.503%</td> <td>7/1/1993 through 6/30/1998</td> </tr> <tr> <td>2.810%</td> <td>7/1/1997 through 6/30/1998</td> </tr> <tr> <td>3.120%</td> <td>7/1/1998 through 6/30/1999</td> </tr> <tr> <td>3.420%</td> <td>7/1/1999 through 6/30/2000</td> </tr> <tr> <td>3.730%</td> <td>7/1/2000 through 6/30/2001</td> </tr> <tr> <td>4.040%</td> <td>7/1/2001 through 6/30/2007</td> </tr> <tr> <td>4.720%</td> <td>7/1/2007 – 7/1/2033.</td> </tr> </tbody> </table>	4.503%	7/1/1989 through 6/30/1993	2.503%	7/1/1993 through 6/30/1998	2.810%	7/1/1997 through 6/30/1998	3.120%	7/1/1998 through 6/30/1999	3.420%	7/1/1999 through 6/30/2000	3.730%	7/1/2000 through 6/30/2001	4.040%	7/1/2001 through 6/30/2007	4.720%	7/1/2007 – 7/1/2033.
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