

MONTANA PUBLIC EMPLOYEES' RETIREMENT BOARD

TITLE: Interest Rates

POLICY NO: BOARD Admin 03

EFFECTIVE DATE: 01/1/2017

I. POLICY AND OBJECTIVE

The Public Employees' Retirement Board (the Board) establishes interest rates for all defined benefit retirement systems or plans administered by the Montana Public Employee Retirement Administration (MPERA) pursuant to this policy. It is intended that this policy comply with section 19-2-403, MCA.

II. PROCEDURES

A. Interest Credited to Member Accounts

1. The interest rate used to credit interest to member accounts shall be the short term investment pool (STIP) interest rate adopted by the Montana Board of Investments.
2. Interest on a member's account is compounded annually and credited monthly.

B. Interest Rate for Installment Payments

Beginning July 1, 1993, the interest rate for purchasing service on installment contracts shall be set at the actuarially required rate of return as established by the Board.

III. CROSS REFERENCES

The following laws, rules or policies may contain provisions that apply to this policy. The list should not be considered exhaustive – others may also apply.

Section 19-2-303(1) and (34), MCA

Section 19-2-403(10), MCA

Section 19-2-506, MCA

Section 19-2-602, MCA
Section 19-2-704, MCA
ARM 2.43.2317
ARM 2.43.2901
ARM 2.43.2114

VI. HISTORY

G6.92.1 – Interest Rates
Originally Approved June 1992
Amended May 27, 1993
Amended April 20, 1998
Amended May 27, 2004
Amended June 09, 2016
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Reviewed December, 2009
Reviewed February, 2010
Reviewed April, 2016
Reviewed June, 2016