

**MONTANA PUBLIC EMPLOYEES' RETIREMENT BOARD – ACTUARIAL SERVICES  
CONTRACT DOA09-1654L  
ADDENDUM 7**

This Addendum ("Addendum 7") to Contract Number DOA09-1654L (the "Contract"), is entered into by and between the State of Montana Public Employees' Retirement Board of the State of Montana (the "Board"), 100 North Park, Suite 200, P.O. Box 200131, Helena, MT 59620-0131, and Cheiron (the "Contractor"), 1750 Tysons Boulevard, Suite 1100, McLean, VA 22101. The Board and the Contractor may be referred to individually as "Party" or jointly as the "Parties."

**PURPOSE**

The purpose of this Addendum is to renew the Contract for a term of two fiscal years, make other modifications of the Contract as provided below and provide a fee schedule for the services to be provided.

**THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

**1. Renewal Term & Future Renewals.**

- a. The Contract is renewed for a term of two years, beginning July 1, 2014, and terminating June 30, 2016, unless terminated earlier in accordance with the terms of the Contract.
- b. Upon expiration of the renewal term and upon mutual agreement of the parties, the Contract may be renewed for any period advantageous to the Board. Pursuant to the Board's option under §18-4-132, MCA, to enter into contracts for actuarial services exempt from application of state procurement requirements, the "7 years total" term limitation set forth in Section 2.2 of the Contract is revoked.

**2. Termination of Contract Oversight by the Montana Department of Administration, Procurement Services Division.** Pursuant to the Board's option under §18-4-132, MCA, to enter into contracts for actuarial services exempt from application of state procurement requirements, upon expiration of the renewal term on June 30, 2016, the Contract is removed from oversight by the Montana Department of Administration, Procurement Services Division. At that point, submission of all notices, documentation, or other communications required of Contractor under the Contract, including Contractor's annual submissions of proofs of insurance, will be made directly to the Board's liaison.

**3. Liaison Update.** The Contract identifies the executive director of the retirement systems as the Board's liaison. Section 18 of the Contract is amended to replace the former executive director's name with the name of the new executive director, Dore Schwinden.

**4. Additional Services to be Provided to Comply with GASB Statements 67 and 68**

- a. GASB Statement 67. Contractor will perform actuarial analysis and provide information necessary for the Board to comply with financial reporting requirements set forth in GASB Statement 67.
- b. GASB Statement 68. Contractor will perform actuarial analysis and provide information necessary for the Board to provide plan information to MPERA for participating employers to allow the employers to comply with financial reporting requirements set forth in GASB Statement 68.
- c. In any given year, the Board may request and Contractor will provide upon request of the Board, one or more additional versions of all of the services/information required to comply with GASB Statements 67 and/or 68 using a different guaranteed annual benefit adjustment (GABA) rate than was used in providing the primary version of the services/information.

**5. Fee Schedule**

- a. In consideration for actuarial services provided, the Board will pay Contractor according to the following fee schedule for the next two fiscal years. Items denoted with an asterisk will be performed and services billed only if required and requested by the Board. The parties will negotiate appropriate fees for actuarial services to comply with GASB Statement 68 and amend the contract to include those fees for Fiscal Year 2015 once the scope of the associated work is finalized.

Fixed Price Projects	Contract Period Fixed Cost	
	FY 2015	FY 2016
Base Valuation Fee	\$72,000	\$74,000
HB 454 Calculations*	8,200	8,400
Supplemental PERS Valuation*	4,100	4,200
GASB 67 Fee	15,000	15,500

Travel	Fixed Travel Costs
FY 2015 – FY 2016	\$1,500 per trip

Position	Contract Period Hourly Cost	
	FY 2015	FY 2016
Primary Actuary	\$400	\$410
Consulting Actuary	300	310
Actuarial Analysts	185	190

6. **Written Notice of Requested Modifications or Intent Not to Renew Required.** A Party must provide written notice of any requested modifications for renewal of the Contract, or of intent not to renew the contract, to be received by the other Party no later than December 31<sup>st</sup> of the year preceding (six months before) the termination date of the contract.
7. **Amendment of Contract.** Except as expressly amended herein, all terms and conditions of the Contract now in effect shall remain in full force and effect.

**SIGNATURES**

**Public Employees' Retirement Board**

By: \_\_\_\_\_  
Scott E. Moore, President

\_\_\_\_\_  
Date

**Cheiron**

By:   
Fiona E. Liston, Vice President and  
Principal Consulting Actuary

5/30/14  
\_\_\_\_\_  
Date

Approved as to Legal Content:

\_\_\_\_\_  
Katherine E. Talley

Approved as to Form:

\_\_\_\_\_  
Steve Baiamonte, General Services Administrator  
State Procurement Bureau