

MONTANA PUBLIC EMPLOYEES' RETIREMENT BOARD

TITLE: Requests for Actuarial Information

POLICY NO: BOARD Admin 02 EFFECTIVE DATE: 3/24/05

I. POLICY AND OBJECTIVES

The Public Employees' Retirement Board (the Board) is responsible for maintaining actuarially sound retirement systems and plans. As part of this responsibility, the Board must retain actuarial services from a competent actuary who is an enrolled member of the American Academy of Actuaries and is familiar with public pension systems.

Competent actuarial services are costly. It is the objective of the Board to obtain competent actuarial services at the most reasonable rate possible, without compromising the quality or timeliness of the services.

II. PROCEDURES

A. Requests for Actuarial Information

1. In order to secure an actuarial contract at a reasonable rate, the Board will negotiate a provision limiting the number of hours the actuary will spend calculating the actuarial costs of prospective legislation.
2. In order to avoid unnecessary costs to the actuary and the Montana Public Employee Retirement Administration (MPERA), the Board will request the actuary to cost all proposals for benefit enhancements when:
 - a. they are presented in bill form and pre-filed with the Legislative Services Office; and
 - b. public employee groups formally request actuarial valuations of identified legislative changes they intend to pursue.

3. This procedure is advantageous for several reasons:
 - a. The requestors will have the actuarial information before the session.
 - b. The actuary will not have to calculate and recalculate proposals and amended proposals.
 - c. The MPERA will be able to concentrate on late bills as they are proposed during the session.

B. Individual Requests for Actuarial Present Value

1. Individuals requesting the present value of the retirement benefit will be encouraged to obtain the information themselves from an independent actuary or other competent professional.
2. Individuals who must obtain the present value of their retirement benefit from the Board's actuary will be billed the actual cost of obtaining that information.

C. Biennial Actuarial Valuations

The Board will conduct biennial actuarial valuations as long as the Montana Legislature continues to meet biennially or until this policy is amended.

III. CROSS REFERENCE GUIDE

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

Montana Constitution Article VIII, Section 15
Section 19-2-405, MCA
Section 19-2-409, MCA
ARM 2.43.304
Board Policy O8-93 Actuarial Studies
Board Policy O1-01 Actuarial Assumptions

IV. HISTORY

G2-89 Individual Requests for Actuarial Present Value

Originally approved February 1989

Amended March 24, 2005

G3-92.3 Requests for Actuarial Information

Originally approved March 1992

Amended March 24, 2005

G9-92 General Principles Governing the Board's Evaluation of Legislative Proposals

Originally approved September 1992

Amended March 24, 2005