

MONTANA PUBLIC EMPLOYEES' RETIREMENT BOARD

TITLE: Interest Rates

POLICY NO: BOARD Admin 03 EFFECTIVE DATE: 12/12/2024

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 for each fiscal year shall be the lesser of the average Short-Term Investment Pool (STIP) interest rate adopted by the Montana Board of Investments as of June 30th of the preceding fiscal year or 2.5%.
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

Originally Approved June 1992

Amended May 27, 1993

Amended April 20, 1998

Amended May 27, 2004

Amended June 09, 2016

Amended June 13, 2024

Amended December 12, 2024

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Reviewed December, 2009

Reviewed February, 2010

Reviewed April, 2016

Reviewed June, 2016

Reviewed June 13, 2024

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