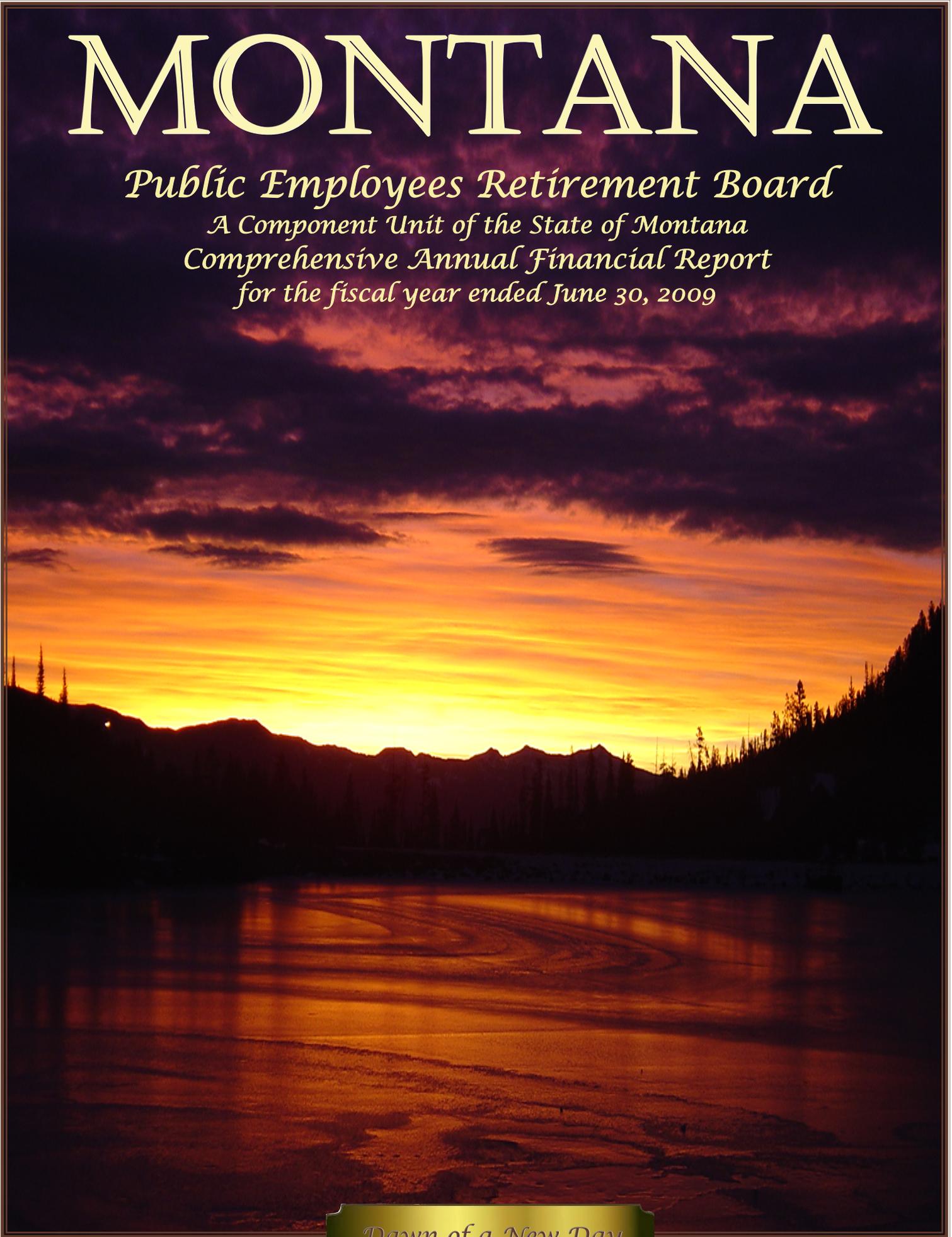


MONTANA

Public Employees Retirement Board

*A Component Unit of the State of Montana
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2009*



Dawn of a New Day

Dawn of a New Day

The cover photo was taken at dawn in Big Sky, Montana during the month of November. This picture is a representation of this year's Comprehensive Annual Financial Report. Every night ends and each new day brings the promise of change; however, even as the seasons change, the mountains remain.

Like the fleeting glory of the sunrise and the timelessness of the mountains, MPERA strives to be current with the times and provide a stable retirement benefit for members.

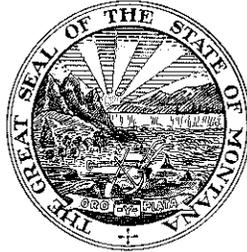


STATE OF MONTANA

Public Employees' Retirement Board

A Component Unit of the State of Montana

Comprehensive Annual Financial Report



**For the Fiscal Year Ended
June 30, 2009**

Public Employees' Retirement System - Defined Benefit Retirement Plan

Judges' Retirement System

Highway Patrol Officers' Retirement System

Sheriffs' Retirement System

Game Wardens' and Peace Officers' Retirement System

Municipal Police Officers' Retirement System

Firefighters' Unified Retirement System

Volunteer Firefighters' Compensation Act

Public Employees' Retirement System - Defined Contribution Retirement Plan

Deferred Compensation (457) Plan

**Prepared By:
The Fiscal Services Bureau
Public Employee Retirement Administration
100 North Park, Suite 200 ~ P O Box 200131
Helena, MT 59620-0131
(406) 444-3154**

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Mission Statement of the PERB

The Montana Public Employees' Retirement Board will fiducially administer its retirement plans and trust funds, acting in the best interest of the members and beneficiaries.

Mission Statement of the MPERA

The Montana Public Employee Retirement Administration will efficiently provide quality benefits, education and service to help our plan members and beneficiaries achieve a quality retirement.

A wilderness area can be defined as “The most intact, undisturbed wild natural areas left on our planet - those last truly wild places that humans do not control and have not developed with roads, pipelines or other industrial infrastructure.”

- The WILD Foundation.

Bear grass
- Photos courtesy of Barbara Quinn



Dolas waterfall near Deer Lodge
- photo courtesy of Angel Molyneux



A black bear
-photo courtesy of Shelly Pardis

PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION



BRIAN SCHWEITZER
GOVERNOR

STATE OF MONTANA

mpera.mt.gov



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PO BOX 200131
HELENA, MT 59620-0131

November 10, 2009

The Honorable Brian Schweitzer
Governor of Montana
Room 204, State Capitol
PO Box 200801
Helena, MT 59620-0801

Dear Governor Schweitzer:

The Public Employees' Retirement Board (PERB) and its staff, the Montana Public Employee Retirement Administration (MPERA), are pleased to submit this *Comprehensive Annual Financial Report* (CAFR) for the fiscal year ended June 30, 2009, in accordance with 19-2-407, Montana Code Annotated. The purpose of this letter is to introduce the basic financial statements and provide an analytical overview of the trust funds' financial activities.

The management of Montana Public Employee Retirement Administration assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. This CAFR was prepared in conformance with the principles of governmental accounting and reporting set forth by the Governmental Accounting Standards Board, including the Management's Discussion and Analysis (MD&A). Defined benefit and defined contribution transactions are reported on the accrual basis of accounting. The MD&A, beginning on page 21, is a management discussion of the financial position of the retirement plans. It provides an overview and analysis of the plans' basic financial statements. This letter of transmittal is intended to complement the MD&A and the two should be read in conjunction.

ORGANIZATIONAL STRUCTURE AND REPORT CONTENTS

The PERB is a discretely presented component unit Pension Trust Fund of the State of Montana financial reporting entity. For this reason, the financial statements contained in this report are also included in the State of Montana's *Comprehensive Annual Financial Report*. Fiduciary responsibility for the systems rests with the PERB, which consists of seven members, appointed by the Governor. The members are assigned five-year, staggered terms. The PERB is required to approve a final budget before the beginning of the fiscal year. The MPERA management develops the budget for all plans administered and presents it to the PERB. As gov-

INTRODUCTORY SECTION

erned by statute, the PERB's defined benefit administrative expenses may not exceed 1.5 percent of the total defined benefit plan retirement benefits paid. Costs for the PERB to administer the defined contribution plans are included as part of the administrative expenses of the plans. The budget is monitored throughout the year and quarterly updates are provided.

The PERB administers ten separate retirement plans, each reported in this CAFR. They include the *Public Employees' Retirement System-Defined Benefit Retirement Plan* (in its 65th year of operation) and *Public Employees' Retirement System-Defined Contribution Retirement Plan*, *Judges' Retirement System*, *Highway Patrol Officers' Retirement System*, *Sheriffs' Retirement System*, *Game Wardens' and Peace Officers' Retirement System*, *Municipal Police Officers' Retirement System*, *Firefighters' Unified Retirement System*, *Volunteer Firefighters' Compensation Act* and the *Deferred Compensation (457) Plan*.

ECONOMIC CONDITION AND OUTLOOK

The economic outlook of the plans is based primarily upon investment earnings. For fiscal year 2009, the PERS-DBRP experienced a negative 20.69 percent rate of return; for the last three years an average annualized rate of return of negative 3.80 percent; for the last five years an average annualized rate of return of 0.98 percent; and for the last ten years an average annualized rate of return of 1.89 percent. These longer term returns are below the annual actuarial return assumption of 8.00 percent and act to erode the funded status of the plan. The plans are required by law to be maintained on an actuarially sound basis which protects participants' future benefits.

Effective July 1, 2007, House Bill 131 addressed the funding issue by increasing employer contributions or setting a new Guaranteed Annual Benefit Adjustment (GABA) or both for new hires on or after July 1, 2007 in the PERS-DBRP, PERS-DCRP, SRS and GWPORS. Effective July 1, 2009, another increase in the employer contributions went into effect from House Bill 131.

In the 2009 Legislative Session, the PERB proposed three pieces of legislation: House Bill 12 requiring employer-only contributions on working retirees' compensation; House Bill 109 a general statutory revisions bill; and House Bill 170 a qualifications bill to ensure compliance with IRS requirements. House Bill 12 was not successful; House Bill 109 and House Bill 170 passed. A more detailed explanation of the 2009 Legislative Session can be found in the Legislative Highlights beginning on page 14.

The PERB is considering plan design options to address long-term plan sustainability during the negative investment returns in FY 2008 and FY 2009, and the slow recovery of the economy. Changes in benefit eligibility and benefit structure would be proposed for new hires only.

The actuarial valuations for the eight defined benefit plans, dated June 30, 2009, show four plans to be actuarially sound, three not actuarially sound, and one plan with an Actuarial Surplus. The amortization period for the Unfunded Liability (Actuarial Surplus) for the de-

INTRODUCTORY SECTION

defined benefit plans, as of June 30, 2009, are as follows:

PERS	Does Not Amortize	GWPORS	Does Not Amortize
JRS	30.0 years (Actuarial Surplus)	MPORS	22.1 years
HPORS	21.5 years	FURS	12.7 years
SRS	Does Not Amortize	VFCA	6.9 years

The funding status and funding progress of the individual retirement systems can be found in the *Financial Section* of this report on pages 42 and 80, respectively.

The PERB contracts with consultants for professional services, which are essential to the effective and efficient operation of the plans. A listing of PERB consultants may be found on page 91.

The PERS-DCRP was implemented July 1, 2002. New hires in PERS have the option of choosing participation in either the defined benefit retirement plan (DBRP) or the defined contribution retirement plan (DCRP) within 12 months of hire. University employees have a third option of joining the Optional Retirement Program (ORP) administered by the Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF New York, NY).

Education of our members and employers is a top priority and statutorily funded by a percentage of employer contributions. All new hires are offered Plan Choice Educational workshops. We continue to add workshops and provide additional member services through our website.

The PERS-DCRP investment options offered are selected by the PERB in compliance with its Investment Policy Statement and with the assistance of the statutorily-created Employee Investment Advisory Council and the advice of the third-party consultant. Participants of the PERS-DCRP direct the investment of their contributions and a portion of their employer's contributions among the offered investment options. The remaining portion of their employer's contributions is used to reduce the Plan Choice Rate unfunded actuarial liability, to fund the long-term disability benefits to participants of the DCRP and to fund a member education program.

The investments of the pension trust funds are governed by an investment standard known as the "prudent expert principle." The prudent expert principle is constitutionally and statutorily mandated and establishes a standard for all fiduciaries, which includes anyone having discretionary authority with respect to the pension trusts. The prudent expert principle states that fiduciaries will discharge their duties solely in the interest of the trust funds' participants and beneficiaries and with the degree of diligence, care and skill which prudent experts would ordinarily exercise under similar circumstances in a like position. By following the prudent expert principle and permitting further diversification of investments within a fund, the fund may reduce overall risk and increase returns. The prudent expert principle permits the Board of Investments (BOI) to establish an investment policy based upon certain investment crite-

INTRODUCTORY SECTION

ria and allows for the delegation of investment authority to the BOI staff. The statement of investment policy outlines the responsibility for the investment of the funds and the degree of risk that is deemed appropriate for the trust funds. Investment officers are to execute the investment policy in accordance with statutory authority but are to use full discretion within the policy and guidelines. A summary of the asset allocations can be found in the *Investment Section* of this annual report.

Pension trust funds are considered well-funded when there is enough money and contributions to amortize any unfunded liability in 30 years or less. It is the funding objective of the PERB that the retirement systems it administers become 100 percent funded. Once a system has achieved this objective, there needs to be a range of safety to absorb market volatility without creating unfunded actuarial liabilities. A single year's funded ratio, by itself, does not provide a measure of the direction the funding of the system is headed. Whenever, through the use of long-term cash flow projections, the amortization period of a system's unfunded liabilities is projected to exceed 30 years for two consecutive valuations and the PERB can not reasonably anticipate that the amortization period would decline without an increase in funding sources, it is the obligation of the PERB to recommend to the Legislature that funding be increased and/or system changes be made to address financial sustainability. A well-funded plan allows participants to see that their assets are committed to the payment of benefits. A detailed discussion of funding is provided in the *Actuarial Section* of this annual report.

The *Statistical Section* of this annual report includes the five objectives according to GASB Statement 44 - financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information; and incorporates statistics regarding retirees and employers' contributions, assets held and benefits or distributions paid.

Fiscal year 2009 accomplishments of MPERA include: realignment of the network drive to prepare for future projects/enhancements to better protect data and to make work processes more efficient; 457 Private Letter Ruling legislative compliance with federal law; continued work on the business process work flows; Employers Reporting All Employees (ERAE) Phase 2; Optional Membership project to determine if a member is working enough hours in one or more jobs to make it mandatory for them to become a member; and using technology to automate processes and enhance internal controls on the Retiree Database.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Montana Public Employees' Retirement Board for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the eleventh consecutive year that the Montana Public Employees' Retirement Board has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized *Comprehensive Annual Financial Report*. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current *Comprehensive Annual Financial*

INTRODUCTORY SECTION

Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

PUBLIC PENSION COORDINATING COUNCIL PUBLIC PENSION STANDARDS AWARD

MPERA has also received the Public Pension Coordinating Council (PPCC), Public Pension Standards Award for 2009 in recognition of meeting the professional standards for plan administration set forth in the Public Pension Standards. This is the seventh year the PPCC is offering the PPCC Standards Award Program to public retirement systems. The Public Pension Standards are intended to reflect minimum expectations for public retirement system management and administration, as well as serve as a benchmark by which all defined benefit public plans should be measured. The retirement systems and the state and local governments that sponsor them are encouraged to meet these standards. This year the standards have been separated into the Administrative Standards and the Funding Standard. A system may qualify for and receive a Recognition Certificate for either the Administrative or Funding Standard, or both. This is the fifth time MPERA has received this award.

ACKNOWLEDGEMENTS

The compilation of this report reflects the efforts of the fiscal services bureau accounting staff of the Montana Public Employee Retirement Administration. This report is intended to provide complete and reliable information to facilitate the management decision process, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the plans' funds. MPERA received an unqualified opinion from our independent auditors on the financial statements included in this report. This opinion provides assurance that the financial statements can be relied upon. The independent auditor's opinion letter can be found on page 19.

The reporting employers of each retirement system form the link between the plans and the members. Their cooperation contributes significantly to the success of the plans. We hope the employers and their employees find this report informative.

We would like to take this opportunity to express our gratitude to the staff, the advisors and the many people who have worked so diligently to assure the successful operation of the plans.

Respectfully submitted,

/s/ Roxanne Minnehan

Roxanne Minnehan, Executive Director
Montana Public Employee Retirement Administration

/s/ John P. Paull

John P. Paull, President
Public Employees' Retirement Board

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Montana Public Employees' Retirement Board

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R.", is written above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", is written above the title "Executive Director".

Executive Director



Public Pension Coordinating Council

***Recognition Award for Administration
2009***

Presented to

Montana Public Employee Retirement Administration

In recognition of meeting professional standards for
plan administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script that reads "Alan H. Winkle".

Alan H. Winkle
Program Administrator

INTRODUCTORY SECTION

Public Employees' Retirement Board *A Component Unit of the State of Montana*



Photo courtesy of Kim Flatow

Back Row: Darcy Halpin, Patrick McKittrick, Terrence Smith, and Dianna Porter.
Front Row: John Nielsen, John Paull, and Timm Twardoski.

John P. Paull, President
Butte
Active Public Employee
Firefighter
Term Expires 3/31/2010

Terrence Smith
Bozeman
PERS-DCRP Active Public
Employee
Financial Officer
Big Sky Water & Sewer
District
Term Expires 3/31/2014

John Nielsen, Vice President
Glendive
PERS Active Public
Employee
Term Expires 3/31/2012

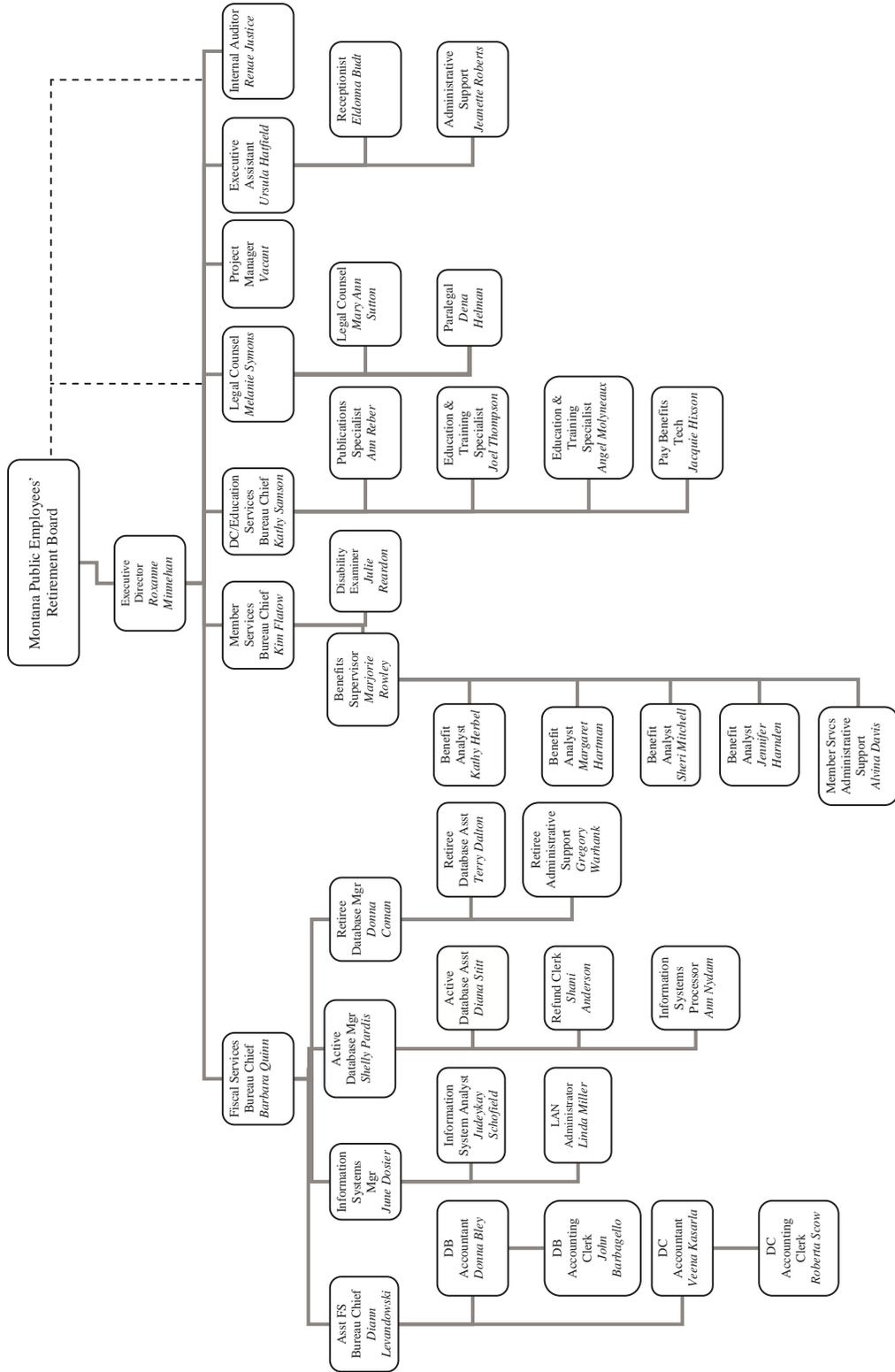
Darcy Halpin
Belgrade
PERS Retired Member
Term Expires 3/31/2013

Timm Twardoski
Helena
Public Representative
Term Expires 3/31/2011

Dianna Porter
Butte
Public Representative
Term Expires 3/31/2013

Patrick McKittrick
Great Falls
Experience in investment
management, counseling, or
financial planning, or other
similar experience.
Former Chief of the
Economic Development
Board
Term Expires 3/31/2014

Public Employees' Retirement Board
 A Component Unit of the State of Montana
 MPERA Organizational Chart



INTRODUCTORY SECTION

2009 Legislative Highlights

Because of the economy there were very few bills in the 2009 Legislative Session that dealt with retirement. Below is a discussion of the bills that did impact retirement in the 2009 Legislative Session.

General Revisions for all Systems — House Bill 109

Every legislative session, MPERA proposes changes to clarify statutes. The general revisions bill, effective July 1, 2009, highlights are:

- **Employers Reporting All Employees:** The employer requirements for reporting contributing members and non-contributing employees were clarified. The clarifications were intended to alleviate reporting errors that impact members.
- **Elimination of Carve-outs:** Some employers have employees that did not elect to be members of a retirement system or the employer chose to not include certain employee groups. HB 109 makes retirement mandatory to all employee groups of a new contracting public agency. This prevents adverse selection and provides equality for all employees of an employer.
- **PERS-DCRP Purchase of Service:** It is not uncommon for some members to switch retirement systems during their working career. A section of HB 109 clarifies the rights of members of the PERS-Defined Contribution Retirement Plan who move to another retirement system and wish to purchase service into the new system.
- **Temporary Employment:** Many members accept temporary secondary employment. HB 109 provides the option to retain current beneficiary designation when accepting temporary employment.

Qualification Bill for All Systems except VFCA — House Bill 170

Passage of HB 170 ensures the continued qualified status of all MPERA-administered retirement systems and is effective July 1, 2009. The highlights of the qualification bill, sorted by interest group, are:

- **Employers/New Employees - Election Periods:**

To comply with Internal Revenue Code, election windows will be 90 days, except for the PERS plan choice elections.

Employees eligible for optional PERS membership who are hired or take office on or after July 1, 2009, will have **90 days** (previously 180 days) from their hire date to elect whether or not to join PERS. This window applies to:

- Legislators
- State and local elected officials

2009 Highlights (continued)

- Legislative branch employees who work less than 10 months a year
- Any employees who work less than 960 hours (cumulative) a year in PERS-covered positions
- Governor appointees
- Chief administrative officers of any city or county
- Employees of county hospitals or rest homes

Eligible PERS members whose employers pass an election to join either MPORS or FURS on or after July 1, 2009 will have **90 days** from the date of the employer's election to elect whether to join MPORS or FURS, or to remain in PERS. MPORS members previously had 30 days, while FURS members previously had 180 days.

Eligible Part-paid firefighters will have **90 days** from their hire date to elect whether to join FURS. Part-paid firefighters previously had 180 days to make their election.

• **Members - Refund and Death Benefit Rollovers**

Members who take a refund of their accumulated contributions may now have their contributions rolled over to any eligible retirement plan, including IRAs, Roth IRAs, IRC 403(a) and (b) tax sheltered annuities, and 457(b) deferred compensation plans. A member's surviving spouse, and a member's spouse or former spouse who is an alternate payee pursuant to a Family Law Order (FLO), have the same distribution options.

• **PERS - Defined Contribution Retirement Plan (DCRP) Family Law Orders**

Family Law Orders (FLOs) are legal instruments that divide a retirement system member's accumulated contributions, death payments, or retirement benefits between the member and a former spouse, pursuant to a divorce decree. Formerly, the ex-spouses could not receive their portion of the member's account until the member terminates employment, retires or dies.

Effective July 1, 2009, former spouses of PERS-**DCRP** members will receive their portion of the member's account upon approval of the FLO. Immediate distribution may reduce DCRP administrative fees and provide members with more favorable property settlement options than selling other personal assets. Immediate distribution is already available in the State's 457(b) deferred compensation plan. Immediate distribution is **not** available in the defined benefit plans.

• **PERS, SRS, GWPORS, and JRS Retirees - Option 2 Retirement Benefit**

Option 2, the 100% joint and survivor annuity, will no longer be available to retiring members wishing to name a non-spouse survivor more than 10 years younger than themselves. The age difference results in an actuarially-valued total payment that exceeds the member's life benefit. Option 3, the 100% joint and 50% survivor annuity, remains available.

INTRODUCTORY SECTION

2009 Highlights (continued)

- **Pop-Ups Available under Option 2 and 3**

Retirement members who elect either Option 2 or Option 3, must name a survivor to receive a continuing monthly retirement following the member's death. If the survivor dies prior to the member, or the survivor is the member's spouse and they divorce, the member can elect to:

- revert to the original Option 1 benefit, plus increases received since retirement;
- retain the Option 2 or Option 3 benefit, but name a new survivor; or
- select a different retirement benefit option and name a new survivor.

The election must be made within 18 months of the survivor's death or dissolution of the marriage.

If the member elects Option 2 or 3, a new retirement benefit will be calculated based on the member's and the new survivor's ages at the time of the election.

- **MPORS - Deferred Retirement Option Plan (DROP)**

Effective July 1, 2009, MPORS members who elected, or elect in the future, to participate in the DROP will receive interest on their DROP account at the MPORS' actuarially-assumed rate of return, currently 8 percent. The 3 percent GABA (guaranteed annual benefit adjustment) will continue to accrue after the member has participated in the DROP for one year.

Pension and Annuity Income - Exclusion from State Taxes for all Systems — House Bill 315

Representatives Anders Blewett and Janna Taylor and Senators John Brueggeman and Jesse Laslovich individually introduced bills to provide state tax relief for retirees. Representative Blewett's HB 315 prevailed, and was ultimately co-sponsored by the other three legislators. The final version of HB 315 provides inflation adjustments to the \$3,600 in benefits currently excluded from state taxes and to the \$30,000 adjusted gross income (AGI) cap, after which the exclusion is reduced \$2 for every \$1 of AGI.

Retirement Study — House Bill 659

Effective July 1, 2009, HB 659 requires the State Administration and Veterans' Affairs (SAVA) interim committee to examine and recommend to the 62nd Legislature funding and benefit changes in **all** the statewide public employees' and teachers' retirement systems. The bill provides an appropriation of \$200,000 to hire actuarial and other expert consulting services.

SAVA is charged with reviewing the current trends and best practices in public retirement plan design and funding.

SAVA is also charged with developing plan design changes as a part of the overall compensation package for public employees and must review, at a minimum:

1. the benefit formulas,
2. the minimum retirement age for full and reduced retirement benefits, and
3. the minimum years of service for both full and early retirement benefits.

2009 Highlights (continued)

Under Montana's Constitution, plan design changes are for new members only.

MPERA will assist SAVA by providing input, expertise and perspective throughout the interim in an effort to ensure that public employees continue to receive adequate retirement benefits.

INTRODUCTORY SECTION



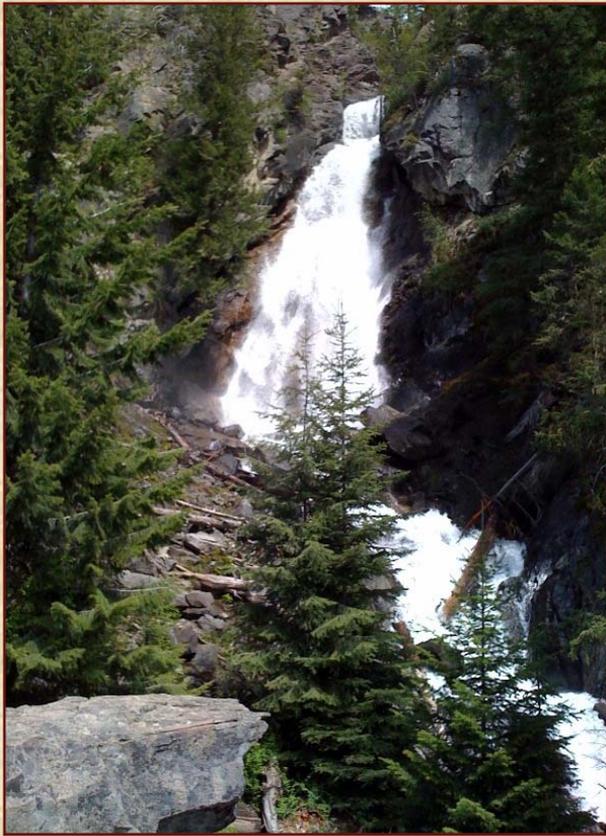
In Memory of
Larry P. Nachtsheim
Past Administrator
Montana Public Employees' Retirement Administration

This annual report is dedicated to Larry P. Nachtsheim, who passed away June 29, 2009, in Helena, Montana.

Larry, the former Administrator of the Public Employees' Retirement Administration, was born Lawrence Paul Nachtsheim in Minneapolis to Walter P. and Ruth E. (Eggert) Nachtsheim on January 8, 1933. Following high school, Larry attended Montana State University and the University of Montana. He served in the United States Army during the Korean Conflict. Larry married Laura Larson in Helena on May 1, 1971.

Larry was the administrator of the Public Employees' Retirement Division for the state of Montana from 1974 to 1993. He also served as president of the National Association of State Retirement Administrators in 1992. Larry was a champion of pensions and adamantly protected the retirement trusts for all public service employees.

Larry is remembered by present and former employees of the Public Employees' Retirement Administration as a compassionate and caring person.



Waterfall near Holland Lake, gateway to the Bob Marshall Wilderness.

-photo courtesy of Bradie Barr



Prairie dogs

- photo courtesy of Ann Nydam

The largest Montana wilderness area is the Bob Marshall Wilderness, designated in 1964, consists of over one million acres and is the most ecologically complete mountain wilderness in the United States. - Wilderness.net



Red Bluffs

- photo courtesy of Ann Nydam

Elk outside of West Yellowstone
- photo courtesy of Donna Bley



LEGISLATIVE AUDIT DIVISION

Tori Hunthausen, Legislative Auditor
Monica Huyg, Legal Counsel



Deputy Legislative Auditors:
James Gillett
Angie Grove

INDEPENDENT AUDITOR'S REPORT

The Legislative Audit Committee
of the Montana State Legislature:

We have audited the accompanying Statement of Fiduciary Net Assets – Pension Trust Funds of the Public Employees' Retirement Board, a component unit of the state of Montana, as of June 30, 2009, and the related Statement of Changes in Fiduciary Net Assets – Pension Trust Funds for the year ended June 30, 2009. These financial statements are the responsibility of the Public Employees' Retirement Board. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Public Employees' Retirement Board as of June 30, 2009, and the changes in fiduciary net assets for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis, the Schedule of Funding Progress, the Schedule of Funding Progress for OPEB, and the Schedule of Employer Contributions & Other Contributing Entities are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Public Employees' Retirement Board. The Schedules of Administrative Expenses, Investment Expenses, and Consultants; the Detail of Fiduciary Net Assets (PERS-DBRP and PERS-DBEd) and the Detail of Fiduciary Net Assets (PERS-DCRP, PERS-DCEd and PERS-DC Disability) as of June 30, 2009; and the related Detail of Changes in Fiduciary Net Assets (PERS-DBRP and PERS-DBEd) and the Detail of Changes in Fiduciary Net Assets (PERS-DCRP, PERS-DCEd and PERS-DC Disability) for the fiscal year then ended are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Legislative Audit Committee
of the Montana State Legislature:

At July 1, 2009, three retirement systems, Public Employees' Retirement System – Defined Benefit Retirement Plan, Game Wardens' and Peace Officers', and Sheriffs' were not actuarially sound. The amortization period for the unfunded actuarial accrued liability is infinite. The maximum allowable amortization period is 30 years.

The Introductory Section, Investment Section, Actuarial Section, and Statistical Section listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements. Such additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Respectfully submitted,

/s/ James Gillett

James Gillett, CPA
Deputy Legislative Auditor

November 10, 2009

Public Employees' Retirement Board

A Component Unit of the State of Montana

Management's Discussion and Analysis

This section presents management's discussion and analysis of the Montana Public Employees' Retirement Board's (PERB) financial presentation and performance of the plans administered by the PERB for the year ending June 30, 2009. It is presented as a narrative overview and analysis and should be read in conjunction with the Letter of Transmittal included in the Introductory Section, the financial statements and other information, which are presented in the Financial Section of this Component Unit Financial Report.

Financial Highlights

- ◆ *The PERB's combined total net assets of the defined benefit plans decreased by \$1.0 billion or 21.7 percent in fiscal year 2009. The decrease was primarily due to the negative investment income in each of the plans.*
- ◆ *The PERB's defined contribution plans combined total net assets decreased by \$17.5 million or 5.1 percent in fiscal year 2009. The total decrease in net assets was due to the negative investment income in both the PERS-defined contribution plan and the deferred compensation plan.*
- ◆ *Revenues (additions to plan net assets) for the PERB's defined benefit plans for fiscal year 2009 was (\$752.5) million, which includes member and employer contributions of \$215.4 million and a net investment loss of \$967.9 million.*
- ◆ *Revenues (additions to plan net assets) for the PERB's defined contribution plans for fiscal year 2009 was (\$3.3) million, which includes member and employer contributions of \$29.9 million and a net investment loss of \$33.2 million.*
- ◆ *Expenses (deductions to plan net assets) for the PERB's defined benefit plans increased from \$250.9 million in fiscal year 2008 to \$265.5 million in fiscal year 2009 or about 5.8 percent. The increase in 2009 is primarily due to an increase in total benefit recipients.*
- ◆ *Expenses (deductions to plan net assets) for the PERB's defined contribution plans decreased from \$17.3 million in fiscal year 2008 to \$14.7 million in fiscal year 2009 or about negative 15.0 percent. The decrease in expenses is due to a decrease in distributions.*
- ◆ *The PERB's defined benefit plans' funding objectives are to meet long-term benefit obligations. As of June 30, 2009, the date of the latest actuarial valuation, four of the plans can pay off the Unfunded Actuarial Liability within 30 years or less. They are the Highway Patrol Officers' Retirement System (HPORS), Municipal Police Officers' Retirement System (MPORS), Firefighters' Unified Retirement System (FURS), and the Volunteer Firefighters' Compensation Act (VFCA). The plans that are not able to pay off the Unfunded Actuarial Liability within 30 years are the Public Employees' Retirement System (PERS), Sheriffs' Retirement System (SRS) and the Game Wardens' and Peace Officers' Retirement System (GWORS). The Judges' Retirement System has a surplus. This*

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means there are more assets than liabilities in the plan. As a whole the plans were actuarially funded at an average of 87 percent. It is important to understand that this measure reflects the Actuarial Value of Assets for the defined benefit plans, which are currently more than the actual fair value published in the financial statements. Investment earnings are critical to the defined benefit plans. The actuary uses a four-year smoothing method for determining the Actuarial Value of Assets. This method is used to diminish the impact of the drastic ups and downs of the market. It is important to note that with smoothing, the losses experienced in the 2007-2008 and 2008-2009 plan years exceed the gains yet to be reflected from previous years.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the PERB's financial reporting which is comprised of the following components:

- (1) Financial Statements
- (2) Notes to the Financial Statements
- (3) Required Supplementary Information

Collectively, this information presents the combined net assets held in trust for pension benefits for each of the plans administered by the PERB as of June 30, 2009. This financial information also summarizes the combined changes in net assets held in trust for pension benefits for the year then ended. The information in each of these components is briefly summarized as follows:

- (1) Financial Statements for the fiscal year ended June 30, 2009, are presented for the fiduciary funds administered by the PERB. Fiduciary funds are used to ac-

count for resources held for the benefit of parties outside of the PERB. The fiduciary funds are held for participants in eight defined benefit plans and two defined contribution plans.

- The Statement of Fiduciary Net Assets is presented for the pension trust funds at June 30, 2009. These financial statements reflect the resources available to pay benefits to retirees and beneficiaries, at the end of the year reported.
 - The Statement of Changes in Fiduciary Net Assets is presented for the pension trust funds for the year ended June 30, 2009. These financial statements reflect the changes in the resources available to pay benefits to retirees and beneficiaries at the end of the year reported.
- (2) The Notes to the Financial Statements provide additional information that is essential for a full understanding of the data provided in the financial statements. The information in the Notes to the Financial Statements is described as follows:
 - Note A provides a summary of significant accounting policies, including the basis of accounting, capital assets and equipment used in operations, operating lease, GASB 50 Disclosures, GASB 45 Disclosures, summaries of investment vendors and other significant accounting policies or explanations.
 - Note B provides information about litigation.
 - Note C describes the plans' membership and descriptions of the plans administered by the PERB. Summaries of benefits and contribution information are also provided.

- (3) The required supplementary information consists of the schedules of funding progress and required contributions and related notes concerning actuarial information of the defined benefit pension plans administered by the PERB.

Financial Analysis of the Systems – Defined Benefit Plans

Investments

The State of Montana Board of Investments (BOI), as authorized by state law, invests the defined benefit plans' assets in investment pools. Each plan owns an equity position in the pools and receives proportionate investment income from the pool in accordance with respective ownership. The investment pools are: Montana Short Term Investment Pool, Montana Domestic Equity Pool, Retirement Fund Bond Pool, Montana International Equity Pool, Montana Real Estate Pool and Montana Private Equity Pool. Each plan's allocated share of the investment in the pools is shown in the Statement of Fiduciary Net Assets of the plan. Investment gains and losses are reported in the Statement of Changes in Fiduciary Net Assets.

ECONOMIC CONDITION

Over the most recent fiscal year we saw a dramatic decline in economic and capital market conditions. This led to extreme declines in valuations for all types of risk assets held in the investment portfolio, including public and private equity, corporate and other non-government bonds, and real estate. Investment performance for the fiscal year was -20.69% on a total return basis, as compared to -4.86% during fiscal year 2008, and 17.96% during fiscal year 2007. As a result of the recent bull market the longer term re-

turns fell to levels that were slightly positive, with annualized returns of 0.98% for five years and 1.89% for ten years. These longer term returns are significantly below the annual actuarial return assumption of 8.0% and act to erode the funded status of the plan.

The origins of the recent financial crisis and economic recession can be traced back to events in the fall of 2007 when a subprime residential mortgage finance problem began to spread. An overleveraged household and financial sector, lack of transparency regarding many complex financial instruments, and a sudden lack of confidence in the solvency of many of the world's largest financial institutions led to the market crisis.

The past fiscal year was a very difficult period for virtually all but the most conservative of investments. Since the spring of this year the public securities markets have begun to heal and have recovered many of the unrealized losses incurred during the worst of the storm. The private asset markets also now appear to be stabilizing. Given these developments there is reason to be more optimistic about the economy and investment returns going forward. Absent any negative surprises, there is a strong likelihood we will enjoy a positive investment return this fiscal year and begin to get back on track towards long term return expectations.

Defined Benefit Plans Total Investments

At June 30, 2009, the PERB's defined benefit plans held total investments of \$3.6 billion, a decrease of \$999 million from fiscal year 2008 investment totals. On the next page are the schedules of Net Assets and Changes in Net Assets for the defined benefit plans including comparative totals from fiscal year 2008.

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Analysis of Individual Systems

PERS-DBRP and Education

The PERS-DBRP provides retirement, disability and death benefits for covered employees of the State, local governments and certain employees of the university systems and school districts. Member and employer contributions and earnings on investments fund the benefits of the plan. The PERS-

DBRP and the DB Education Fund have been combined in these comparisons. The PERS-DBRP net assets held in trust for benefits at June 30, 2009 amounted to \$2.9 billion, a decrease of \$856 million (22.2 percent) from \$3.8 billion at June 30, 2008.

Additions to the PERS-DBRP net assets held in trust for benefits include employer, member and state contributions and investment

Fiduciary Net Assets - Defined Benefit Plans

As of June 30, 2009 - and comparative totals for June 30, 2008

(dollars in thousands)

	PERS		JRS		HPORS		SRS	
	2009	2008	2009	2008	2009	2008	2009	2008
Assets:								
Cash and Receivables	37,874	55,627	1,015	1,114	935	1,313	2,965	4,069
Securities Lending Collateral	276,933	234,521	4,390	3,610	7,023	5,915	14,255	11,583
Investments	2,961,222	3,799,302	45,631	57,692	73,641	94,986	148,581	184,861
Property and Equipment	1	1						
Intangible Assets	331	281	3	3	3	3	4	4
Total Assets	3,276,361	4,089,732	51,039	62,419	81,602	102,217	165,805	200,517
Liabilities:								
Securities Lending Collateral	276,933	234,521	4,390	3,610	7,023	5,915	14,255	11,583
Other Payables	1,068	1,035	8	7	30	27	103	95
Total Liabilities	278,001	235,556	4,398	3,617	7,053	5,942	14,358	11,678
Total Net Assets	2,998,360	3,854,176	46,641	58,802	74,549	96,275	151,447	188,839

Changes In Fiduciary Net Assets - Defined Benefit Plans

For the year ended June 30, 2009 - and comparative totals for June 30, 2008

(dollars in thousands)

	PERS		JRS		HPORS		SRS	
	2009	2008	2009	2008	2009	2008	2009	2008
Additions:								
Contributions	152,309	145,521	1,931	1,700	5,471	5,320	10,400	9,647
Investment Income (Loss)	(796,242)	(197,030)	(12,103)	(2,991)	(19,978)	(4,929)	(38,824)	(9,598)
Total Additions	(643,933)	(51,509)	(10,172)	(1,291)	(14,507)	391	(28,424)	49
Deductions:								
Benefits	196,402	180,815	1,972	1,829	7,127	6,814	7,858	7,243
Refunds	11,316	12,783			43	75	996	733
OPEB Expenses	70	72			1	1	2	2
Administrative Expenses	2,878	2,760	17	8	49	27	113	78
Miscellaneous Expenses	1,218	1,326						
Total Deductions	211,884	197,756	1,989	1,837	7,220	6,917	8,969	8,056
Incr/(Decr) in Net Assets	(855,817)	(249,265)	(12,161)	(3,128)	(21,727)	(6,526)	(37,393)	(8,007)
Prior Period Adjustments		5						

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income. For the fiscal year ended June 30, contributions increased to \$152.3 million in fiscal year 2009 from \$145.5 million in fiscal year 2008, an increase of \$6.8 million (4.7 percent). Contributions increased due to the employer rate increase on July 1, 2007 and an increase in active members. The plan had a net investment loss of \$796 million for the fiscal year ended June 30, 2009 compared with net investment loss of \$197 million for

the fiscal year ended June 30, 2008. The decrease in investment income is a result of negative investment returns due to the volatility of the stock market earlier in the fiscal year and slow economic recovery.

Deductions from the PERS-DBRP net assets held in trust for benefits primarily include retirement benefits, refunds and administrative expenses. For fiscal year 2009, benefits

GWPORS		MPORS		FURS		VFCA		TOTAL	
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
1,647	1,951	11,548	10,132	11,542	11,699	1,615	1,470	69,141	87,375
5,816	4,497	14,324	11,785	14,085	11,404	1,893	1,581	338,719	284,896
60,307	71,364	150,646	190,505	147,818	183,164	18,875	24,588	3,606,721	4,606,462
4	3	3	3	3	3	1	2	1	1
								352	302
67,774	77,815	176,521	212,425	173,448	206,270	22,384	27,641	4,014,934	4,979,036
5,816	4,497	14,324	11,785	14,085	11,404	1,893	1,581	338,719	284,896
78	70	155	156	68	59	55	45	1,565	1,494
5,894	4,567	14,479	11,941	14,153	11,463	1,948	1,626	340,284	286,390
61,880	73,248	162,042	200,484	159,295	194,807	20,436	26,015	3,674,650	4,692,646

GWPORS		MPORS		FURS		VFCA		TOTAL	
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
7,203	6,591	18,428	17,581	18,064	17,187	1,580	1,562	215,386	205,109
(15,133)	(3,653)	(40,907)	(10,262)	(39,421)	(9,733)	(5,304)	(1,275)	(967,912)	(239,471)
(7,930)	2,938	(22,479)	7,319	(21,357)	7,454	(3,724)	287	(752,526)	(34,362)
2,521	2,271	15,008	13,707	13,987	13,353	1,780	1,717	246,655	227,749
840	672	857	4,293	69	116			14,121	18,672
1	1	2	2	1	1	1	1	78	80
77	51	96	76	97	56	58	45	3,385	3,101
						17	14	1,235	1,340
3,439	2,995	15,963	18,078	14,154	13,526	1,856	1,777	265,474	250,942
(11,369)	(57)	(38,442)	(10,759)	(35,511)	(6,072)	(5,580)	(1,490)	(1,018,000)	(285,304)
									5

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amounted to \$196.4 million, an increase of \$15.6 million (8.6 percent) from fiscal year 2008. The increase in benefit payments was due to the increase in benefit recipients and the increase in the average recipient's benefit due to the guaranteed annual benefit adjustment (GABA). For fiscal year 2009, refunds amounted to \$11.3 million, a decrease of \$1.5 million (11.5 percent) from fiscal year 2008. The decrease in refunds was due to fewer refunds being processed resulting from the economy and people choosing to leave their money on account. For fiscal year 2009, the costs of administering the plan's benefits amounted to \$2.9 million, an increase of \$118 thousand (4.3 percent) from fiscal year 2008. The increase in administrative expenses for fiscal year 2009 was mainly due to increased computer processing costs related to the implementation of new programs, legal tax council fees for the IRS Cycle C filing and a major administrative rules revision project.

An actuarial valuation of the PERS-DBRP assets and benefit obligations is performed annually. At June 30, 2009, the date of the most recent actuarial valuation, the funded status of the plan decreased to 84 percent from 90 percent at June 30, 2008.

The PERS-DBRP actuarial value of assets is less than actuarial liabilities by \$790.6 million at June 30, 2009, compared with \$439.4 million at June 30, 2008. The increase in the unfunded actuarial liability as of the last actuarial valuation is a result of investment losses of \$329.5 million, liability losses of \$16.0 million resulting from salary increases different than assumed, \$6.3 million liability loss resulting from new entrants and a gain of \$7.6 million in other liability gains greater than the actuarial assumptions.

JRS

The JRS provides retirement, disability and

death benefits for all Montana judges of the district courts, justices of the Supreme Court and the Chief Water Judge. Member and employer contributions and earnings on investments fund the benefits of the plan. The JRS net assets held in trust for benefits at June 30, 2009 amounted to \$46.6 million, a decrease of \$12.2 million (20.7 percent) from \$58.8 million at June 30, 2008.

Additions to the JRS net assets held in trust for benefits include member and employer contributions and investment income. For the fiscal year ended June 30, 2009, contributions amounted to \$1.9 million, an increase of \$231 thousand (13.6 percent) from fiscal year 2008. Contributions increased due to the total compensation reported for active members increasing. The plan recognized a net investment loss of \$12.1 million for the fiscal year ended June 30, 2009 compared with a net investment loss of \$3.0 million for the fiscal year ended June 30, 2008. The decrease in investment income is a result of negative investment returns due to the volatility of the stock market earlier in the fiscal year and slow economic recovery.

Deductions from the JRS net assets held in trust for benefits mainly include retirement benefits and administrative expenses. For fiscal year 2009, benefits amounted to \$2.0 million, an increase of \$142.9 thousand (7.8 percent) from fiscal year 2008. The increase in benefits was due to an increase in the number of retirees and in the average recipient's benefit due to the guaranteed annual benefit adjustment (GABA) or the minimum benefit adjustment for non-GABA retirees. For fiscal year 2009, administrative expenses amounted to \$17 thousand, an increase of \$8.5 thousand (106.5 percent) from fiscal year 2008. The increase in administrative expenses for fiscal year 2009 was mainly due to increased computer processing costs related to the imple-

mentation of new programs, legal tax counsel fees for the IRS Cycle C filing and a major administrative rules revision project.

An actuarial valuation of the JRS assets and benefit obligations is performed annually. At June 30, 2009, the date of the most recent actuarial valuation, the funded status of the plan decreased to 148 percent from 157 percent at June 30, 2008. The JRS actuarial assets were more than actuarial liabilities by \$20.1 million at June 30, 2009, compared with a \$22.6 million actuarial surplus at June 30, 2008. The decrease in the actuarial surplus as of the last actuarial valuation is due to investment losses of \$5.0 million, a liability gain of \$591.9 thousand resulting from salary increases different than assumed and a \$489.8 thousand loss from other sources greater than the actuarial assumptions.

HPORS

The HPORS provides retirement, disability and death benefits for members of the Montana Highway Patrol. Member and employer contributions, registration fees, and earnings on investments fund the benefits of the plan. The HPORS net assets held in trust for benefits at June 30, 2009 amounted to \$74.5 million, a decrease of \$21.7 million (22.6 percent) from \$96.3 million at June 30, 2008.

Additions to the HPORS net assets held in trust for benefits include employer and member contributions, registration fees and investment income. For the fiscal year ended June 30, contributions increased to \$5.5 million in fiscal year 2009 from \$5.3 million in fiscal year 2008, an increase of \$151 thousand (2.8 percent). Contributions increased due to a slight increase in the number of participating members and an increase in the total compensation reported for active members. The plan recognized a net investment loss of \$20.0

million for the fiscal year ended June 30, 2009, compared with a net investment loss of \$4.9 million for the fiscal year ended June 30, 2008. The decrease in investment income is a result of negative investment returns due to the volatility of the stock market earlier in the fiscal year and slow economic recovery.

Deductions from the HPORS net assets held in trust for benefits mainly include retirement benefits, refunds and administrative expenses. For fiscal year 2009, benefits amounted to \$7.1 million, an increase of \$313.4 thousand (4.6 percent) from fiscal year 2008. The increase in benefit payments was primarily due to the increases in the average recipient's benefit due to the guaranteed annual benefit adjustment (GABA) or the minimum benefit adjustment for non-GABA retirees. For fiscal year 2009, refunds amounted to \$43 thousand, a decrease of \$32 thousand (42.6 percent) from fiscal year 2008. The decrease in refunds was due to fewer refunds being processed resulting from the economy and people choosing to leave their money on account. For fiscal year 2009, administrative expenses were \$49 thousand, an increase of \$22.5 thousand (83.2 percent) from fiscal year 2008. The increase in administrative expenses for fiscal year 2009 was mainly due to increased computer processing costs related to the implementation of new programs, legal tax counsel fees for the IRS Cycle C filing and a major administrative rules revision project.

An actuarial valuation of the HPORS assets and benefit obligations is performed annually. At June 30, 2009, the date of the most recent actuarial valuation, the funded status of the plan decreased to 72 percent from 75 percent at June 30, 2008. The HPORS actuarial assets were less than actuarial liabilities by \$38.2 million at June 30, 2009, compared with \$33.2 million at June 30, 2008. The in-

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crease in the unfunded actuarial liability as of the last actuarial valuation is a result of investment losses of \$8.2 million, a liability gain of \$840 thousand resulting from salary increases different than assumed, a \$140 thousand loss resulting from new entrants and \$2.1 million in other gains greater than the actuarial assumptions.

SRS

The SRS provides retirement, disability and death benefits for all Department of Justice criminal investigators hired after July 1, 1993, detention officers, and all Montana sheriffs. Member and employer contributions and earnings on investments fund the benefits of the plan. The SRS net assets held in trust for benefits at June 30, 2009 amounted to \$151.4 million, a decrease of \$37.4 million (19.8 percent) from \$188.8 million at June 30, 2008.

Additions to the SRS net assets held in trust for benefits include member and employer contributions and investment income. For the fiscal year ended June 30, contributions increased to \$10.4 million in fiscal year 2009 from \$9.6 million in fiscal year 2008, for an increase of \$753 thousand (7.8 percent). Contributions increased due to an increase in the total compensation reported for active members, the increase in the employer contribution rate and increased membership. The plan recognized a net investment loss of \$38.8 million for the fiscal year ended June 30, 2009 compared with a net investment loss of \$9.6 million for the fiscal year ended June 30, 2008. The decrease in investment income is a result of negative investment returns due to the volatility of the stock market earlier in the fiscal year and slow economic recovery.

Deductions from the SRS net assets held in trust for benefits mainly include retirement benefits, refunds and administrative ex-

penses. For fiscal year 2009, benefits amounted to \$7.9 million, an increase of \$615 thousand (8.5 percent) from fiscal year 2008. The increase in benefit payments was due to an increase in benefit recipients and an increase in the average recipient's benefit due to the guaranteed annual benefit adjustment (GABA). For fiscal year 2009, refunds amounted to \$996 thousand, an increase of \$263 thousand (35.9 percent) from fiscal year 2008. The increase in refunds was due to larger refund amounts being processed. For fiscal year 2009, administrative expenses amounted to \$113 thousand, an increase of \$34.7 thousand (44.5 percent) from fiscal year 2008. The increase in administrative expenses for fiscal year 2009 was mainly due to increased computer processing costs related to the implementation of new programs, legal tax counsel fees for the IRS Cycle C filing and a major administrative rules revision project.

An actuarial valuation of the SRS assets and benefit obligations is performed annually. At June 30, 2009, the date of the most recent actuarial valuation, the funded status of the plan decreased to 90 percent from 98 percent at June 30, 2008. The SRS actuarial assets were less than actuarial liabilities by \$23.2 million at June 30, 2009, compared with \$5.1 million at June 30, 2008. The decrease in the actuarial liability as of the last actuarial valuation is a result of investment losses of \$16.3 million, a liability loss of \$625 thousand resulting from salary increases different than assumed, a liability loss of \$587 thousand resulting from new entrants and \$1.2 million in other losses.

GWPORS

The GWPORS provides retirement, disability and death benefits for game wardens, warden supervisory personnel and state peace officers. Member and employer contributions

and earnings on investments fund the benefits of the plan. The GWPORS net assets held in trust for benefits at June 30, 2009, amounted to \$61.9 million, a decrease of \$11.4 million (15.5 percent) from \$73.2 million at June 30, 2008.

Additions to the GWPORS net assets held in trust for benefits include member and employer contributions and investment income. For the fiscal year ended June 30, contributions increased to \$7.2 million in fiscal year 2009 from \$6.6 million in fiscal year 2008, for an increase of \$612 thousand (9.3 percent). Contributions increased due to an increased number of participating members and an increase in the total compensation reported for active members. The plan recognized a net investment loss of \$15.1 million for the fiscal year ended June 30, 2009 compared with a net investment loss of \$3.7 million for the fiscal year ended June 30, 2008. The decrease in investment income is a result of negative investment returns due to the volatility of the stock market earlier in the fiscal year and slow economic recovery.

Deductions from the GWPORS net assets held in trust for benefits mainly include retirement benefits, refunds and administrative expenses. For fiscal year 2009, benefits amounted to \$2.5 million, an increase of \$250 thousand (11.0 percent) from fiscal year 2008. The increase in benefit payments was due to the increase in benefit recipients and the increase in the average recipient's benefit due to the guaranteed annual benefit adjustment (GABA). For fiscal year 2009, refunds amounted to \$840 thousand, an increase of \$168 thousand (24.9 percent) from fiscal year 2008. The increase in refunds was due to larger refund amounts being processed. For fiscal year 2009, administrative expenses amounted to \$77 thousand, an increase of \$26 thousand (51.3 percent) from fiscal year

2008. The increase in administrative expenses for fiscal year 2009 was mainly due to increased computer processing costs related to the implementation of new programs, legal tax counsel fees for the IRS Cycle C filing and a major administrative rules revision project.

An actuarial valuation of the GWPORS assets and benefit obligations is performed annually. At June 30, 2009, the date of the most recent actuarial valuation, the funded status of the plan decreased to 88 percent from 93 percent at June 30, 2008. The GWPORS actuarial assets were less than actuarial liabilities by \$10.9 million at June 30, 2009, compared with \$5.9 million at June 30, 2008. The increase in unfunded actuarial liability as of the last actuarial valuation is a result of investment losses of \$6.5 million, a liability loss of \$48.5 thousand resulting from salary increases different than assumed, a loss of \$458 thousand due to new entrants and \$1.8 million in other gains greater than the actuarial assumptions.

MPORS

The MPORS provides retirement, disability and death benefits for municipal police officers employed by first- and second-class cities, and other cities that adopt the plan. MPORS also has an option for members to participate in a Deferred Retirement Option Plan (DROP). Member, employer and state contributions and earnings on investments fund the benefits of the plan. The MPORS net assets held in trust for benefits at June 30, 2009 amounted to \$162.0 million, a decrease of \$38.4 million (19.2 percent) from \$200.5 million at June 30, 2008.

Additions to the MPORS net assets held in trust for benefits include employer, member, and state contributions and investment income. For the fiscal year ended June 30, con-

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tributions increased to \$18.4 million in fiscal year 2009 from \$17.6 million in fiscal year 2008, for an increase of \$847 thousand (4.8 percent). Contributions increased because the total compensation reported for active members increased, and membership increased due to two new employers participating in the retirement system. The plan recognized a net investment loss of \$40.9 million for the fiscal year ended June 30, 2009 compared with a net investment loss of \$10.3 million for fiscal year ended June 30, 2008. The decrease in investment income is a result of negative investment returns due to the volatility of the stock market earlier in the fiscal year and slow economic recovery.

Deductions from the MPORS net assets held in trust for benefits mainly include retirement benefits, refunds and administrative expenses. For fiscal year 2009, benefits amounted to \$15.0 million, an increase of \$1.3 million (9.5 percent) from fiscal year 2008. The increase in benefit payments was due to the increase in benefit recipients and the increase in the average recipient's benefit due to the guaranteed annual benefit adjustment (GABA) or the minimum benefit adjustment for non-GABA retirees. For fiscal year 2009, refunds amounted to \$857 thousand, a decrease of \$3.4 million (80.1 percent) from fiscal year 2008. The decrease in refunds was due to the significant drop in the interest rate for DROP, resulting in fewer refunds at a lower dollar amount. For fiscal year 2009, administrative expenses were \$96 thousand, an increase of \$20 thousand (26.3 percent) from fiscal year 2008. The increase in administrative expenses for fiscal year 2009 was mainly due to increased computer processing costs resulting from the implementation of new programs, legal tax counsel fees for the IRS Cycle C filing and a major administrative rules revision project.

An actuarial valuation of the MPORS assets and benefit obligations is performed annually. At June 30, 2009, the date of the most recent actuarial valuation, the funded status of the plan decreased to 62 percent from 65 percent at June 30, 2008. The MPORS actuarial assets were less than actuarial liabilities by \$130.9 million at June 30, 2009, compared with \$115.2 million at June 30, 2008. The increase in the actuarial liability as of the last actuarial valuation is a result of investment losses of \$17.6 million, a liability loss of \$2.9 million resulting from salary increases different than assumed, a loss of \$430 thousand due to new entrants and \$4.7 million of other gains greater than the actuarial assumptions.

FURS

The FURS provides retirement, disability and death benefits for firefighters employed by first- and second-class cities, other cities and rural fire departments that adopt the plan, and firefighters hired by the Montana Air National Guard (MANG) on or after October 1, 2001. Member, employer, and state contributions, and earnings on investments fund the benefits of the plan. The FURS net assets held in trust for benefits at June 30, 2009, amounted to \$159.3 million, a decrease of \$35.5 million (18.2 percent) from \$194.8 million at June 30, 2008.

Additions to the FURS net assets held in trust for benefits include employer, member, and state contributions and investment income. For the fiscal year ended June 30, contributions increased to \$18.1 million in fiscal year 2009 from \$17.2 million in fiscal year 2008, an increase of \$877 thousand (5.1 percent). Contributions increased because the total compensation reported for active members increased, and membership increased due to two new employers participating in the retirement system. The plan recognized a net investment loss of \$39.4 million for the fiscal

year ended June 30, 2009, compared with a net investment loss of \$9.7 million for the fiscal year ended June 30, 2008. The decrease in investment income is a result of negative investment returns due to the volatility of the stock market earlier in the fiscal year and slow economic recovery.

Deductions from the FURS net assets held in trust for benefits mainly include retirement benefits, refunds, and administrative expenses. For fiscal year 2009, benefits amounted to \$14.0 million, an increase of \$634 thousand (4.7 percent) from fiscal year 2008. The increase in benefit payments was due to the increase in benefit recipients, and the increase in the average recipient's benefit due to the guaranteed annual benefit adjustment (GABA) or the minimum benefit adjustment for non-GABA retirees. For fiscal year 2009, refunds amounted to \$69 thousand, a decrease of \$47 thousand (40.1 percent) from fiscal year 2008. The decrease in refunds was due to fewer refunds being processed because of the economy and people choosing to leave their money on account. For fiscal year 2009, administrative expenses were \$97 thousand, an increase of \$41 thousand (73.1 percent). The increase in administrative expenses for fiscal year 2009 was mainly due to increased computer processing costs for the implementation of new programs, legal tax counsel fees for the IRS Cycle C filing, and a major administrative rules revision project.

An actuarial valuation of the FURS assets and benefit obligations is performed annually. At June 30, 2009, the date of the most recent actuarial valuation, the funded status of the plan decreased to 69 percent from 72 percent at June 30, 2008. The FURS actuarial assets were less than actuarial liabilities by \$96.5 million at June 30, 2009, compared with \$81.1 million at June 30, 2008. The in-

crease in unfunded actuarial liability as of the last actuarial valuation is a result of investment losses of \$17 million, a liability loss of \$3.2 million resulting from salary increases different from the actuarial assumptions, a loss of \$260 thousand due to new entrants, a loss of \$302 thousand representing the liability of prior service at the valuation date for the addition of new employers and \$881 thousand of other gains greater than the actuarial assumptions.

VFCA

The VFCA provides retirement, disability and death benefits for volunteer firefighters who are members of eligible volunteer fire companies in unincorporated areas. State contributions and earnings on investments fund the benefits of the plan. The VFCA net assets held in trust for benefits at June 30, 2009 amounted to \$20.4 million, a decrease of \$5.6 million (21.4 percent) from \$26.0 million at June 30, 2008.

Additions to the VFCA net assets held in trust for benefits include state contributions and investment income. For the fiscal year ended June 30, contributions increased to \$1.58 million in fiscal year 2009 from \$1.56 million in fiscal year 2008, an increase of \$18 thousand (1.1 percent). Contributions increased because there was a increase in the fire insurance premium taxes distributed to the VFCA. The plan recognized a net investment loss of \$5.3 million for the fiscal year ended June 30, 2009 compared with a net investment loss of \$1.3 million for the fiscal year ended June 30, 2008. The decrease in investment income is a result of negative investment returns due to the volatility of the stock market earlier in the fiscal year and slow economic recovery.

Deductions from the VFCA net assets held in trust for benefits include retirement benefits,

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administrative expenses and supplemental insurance payments. For fiscal year 2009, benefits amounted to \$1.8 million, an increase of \$63 thousand (3.7 percent) from fiscal year 2008. The increase in benefit payments was due to an increase in benefit recipients. For fiscal year 2009, administrative expenses amounted to \$58 thousand, an increase of \$12.7 thousand (28.2 percent) from fiscal year 2008. The increase in administrative expenses for fiscal year 2009, was mainly due to increased costs related to the implementation of new computer programs, legal tax counsel fees for the IRS Cycle C filing, and a major administrative rules revision project. For fiscal year 2009, supplemental insurance payments amounted to \$17.0 thousand, an increase of \$2,700 from fiscal year 2008.

An actuarial valuation of the VFCA assets and benefit obligations is performed annually. At June 30, 2009, the date of the most recent actuarial valuation, the funded status of the plan decreased to 81 percent from 84 percent at June 30, 2008. The VFCA actuarial assets were less than actuarial liabilities by \$6.3 million at June 30, 2009, compared with \$5.2 million at June 30, 2008. The decrease in unfunded actuarial liability as of the last actuarial valuation is a result of investment losses of \$2.3 million, and a net liability loss of \$1.9 million comprised of a loss of \$449 thousand from new volunteers and a gain of \$845 thousand due to other experiences different from the actuarial assumptions.

Actuarial Valuations and Funding Progress

An actuarial valuation of each of the PERB's defined benefit plans is performed annually. At the date of the most recent actuarial valua-

tion, June 30, 2009, the funded status of each of the plans is shown in the Schedule of Funding Progress on pages 80 and 81.

The PERB funding objective is to meet long-term benefit obligations through investment income and contributions. Accordingly, the collection of employer and member contributions and the income from investments provide the reserves needed to finance future retirement benefits. Since investment earnings are critical to the defined benefit plans' funding, market decline and investment losses deteriorate the plans' funding. Market losses were experienced in fiscal years 2001 through 2003 and fiscal years 2008 and 2009. Positive returns were experienced in fiscal years 2004 through 2007. The funding status decreased for all defined benefit plans in the latest valuation. Public pension plans are considered actuarially sound if the unfunded accrued actuarial liability amortization period is less than 30 years. Montana's constitution requires that public retirement plans be funded on an actuarially sound basis.

All systems were actuarially funded within the required 30 years in 2007 and 2008. This was due to positive investment returns, recognition of all losses experienced in 2001 to 2003, and the cash infusion of \$25 million in the PERS-DBRP. For three of the systems, PERS-Defined Benefit Retirement Plan (PERS-DBRP), the Game Wardens' and Peace Officers' Retirement System (GWPORS), and the Sheriffs' Retirement System (SRS), the impact either increased employer contribution rates or decreased guaranteed annual benefit adjustment (GABA) for new hires or both effective July 1, 2007. Effective July 1, 2009, PERS-DBRP and SRS will receive the last employer contribution increase under the 2007 Legislative Session House Bill 131. Based on economic conditions of the past year and according to

the PERB's June 30, 2009 Actuarial Valuations, the unfunded liability in PERS-DBRP, GWPORS and SRS will not amortize within 30 years.

Funding ratios range from a high of 148 percent (JRS) to a low of 62 percent (MPORS). The Schedule of Funding Progress on pages 80 and 81 shows the funding for the last six fiscal years. The table also shows the amount by which actuarial assets exceeded or fell short of actuarial liabilities. The actuary performs a smoothing of investment gains or losses over a period of four years. At June 30, 2009, the actuarial value of assets of all plans was more than the market value of assets by \$1.2 billion due to a negative 20.69 percent market return in fiscal year 2009. The current smoothing reserve has a negative balance which will gradually be reflected in the Actuarial Value of Assets in future valuations.

Defined Contribution Plans

The PERB administers two defined contribution plans: The Public Employees' Retirement System-Defined Contribution Retirement Plan (PERS-DCRP) and the Deferred Compensation (457) Plan. The schedules of Net Assets and Changes in Net Assets for the two defined contribution plans are on page 35.

PERS-DCRP

The PERS-DCRP is established under section 401(a) of the Internal Revenue Code. This plan provides retirement, disability and death benefits for plan members. This plan was available to all active PERS members effective July 1, 2002. All new hires to PERS have a 12-month window to file an irrevocable election to join the plan. The plan member and employer contributions and earnings on

investments fund the benefits of the plan. The plan net assets held in trust for benefits at June 30, 2009 amounted to \$45.5 million, an increase of \$584 thousand (1.3 percent) from \$44.9 million at June 30, 2008.

Additions to the PERS-DCRP net assets held in trust for benefits include contributions and investment income. Contributions increased \$994 thousand (11.1 percent) from \$8.9 million in fiscal year 2008 to \$9.9 million in fiscal year 2009. The increase in contributions is due to increased membership and participating employers. The plan recognized a net investment loss of \$6.8 million for fiscal year ended 2009, compared with a net investment loss of \$3.0 million in fiscal year 2008. The decrease in investment income is a result of negative investment returns due to the volatility of the stock market earlier in the fiscal year and slow economic recovery.

Deductions from the PERS-DCRP net assets include retirement benefits, member distributions, administrative expenses and miscellaneous expenses. Benefits were \$7 thousand in fiscal year 2009. This is the first year that the system has experienced a disability retirement. Distributions decreased from \$2.5 million in fiscal year 2008 to \$1.9 million in fiscal year 2009. The \$623 thousand (24.8 percent) decrease in distributions from 2008 to 2009 was due to fewer defined contribution members taking a distribution. The costs of administering the plan increased from \$246 thousand in fiscal year 2008 to \$402 thousand in fiscal year 2009, an increase of \$156 thousand (63.3 percent) from fiscal year 2008. The increase in administrative costs was mainly due to increased computer processing costs for the implementation of new programs, legal tax counsel fees for the IRS Cycle C filing, and a major administrative rules revision project. The miscellaneous expenses, the fees charged by the vendors to administer

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the plan, increased from \$216 thousand in fiscal year 2008 to \$222 thousand in fiscal year 2009, an increase of \$6 thousand (3.0 percent) from fiscal year 2008. The increase in miscellaneous expenses was due to the increase in plan participant accounts and an increase in the average account balance.

Deferred Compensation (457) Plan

The Deferred Compensation Plan is established under section 457 of the Internal Revenue Code. This plan is a voluntary supplemental retirement savings plan for those who choose to participate. The Deferred Compensation Plan is funded by contributions and by investment earnings. The plan's net assets held in trust for benefits at June 30, 2009 amounted to \$279.3 million, a decrease of \$18.1 million (6.1 percent) from \$297.4 million at June 30, 2008.

Additions to the Deferred Compensation Plan net assets held in trust for benefits include contributions and investment income. For fiscal year 2009, contributions increased to \$20.1 million from \$19.6 million in fiscal year 2008, an increase of \$468 thousand (2.4 percent). Contributions increased because of an increased number of members participating in the plan due to new employers joining the plan and an increase in deferrals. The plan recognized a net investment loss of \$26.4 million for fiscal year 2009 compared with net investment income of \$3.3 million for fiscal year 2008. The decreased investment income is a result of the volatility of the stock market earlier in the fiscal year and slow economic recovery.

Deductions from the Deferred Compensation Plan net assets mainly include member and beneficiary distributions, administrative expenses and miscellaneous expenses. For fiscal year 2009, distributions amounted to \$11.0 million, a decrease of \$2.3 million (17.1 percent) from \$13.3 million at June 30, 2008. The decrease in distributions was due to fewer deferred compensation members taking a distribution. The costs of administering the plan increased from \$240 thousand in fiscal year 2008 to \$311 thousand in fiscal year 2009, an increase of \$71 thousand (29.4 percent) from fiscal year 2008. The increase in administrative costs was due to time spent on development and maintenance of the Deferred Compensation Plan web payroll reporting system. Miscellaneous expenses, the fees charged by the vendors to administer the plan, increased from \$813 thousand in fiscal year 2008 to \$865 thousand in fiscal year 2009, an increase of \$52 thousand (6.4 percent) from fiscal year 2008. The increase in miscellaneous expenses was due to increased membership and an increase in the average account balance.

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Fiduciary Net Assets - Defined Contribution Plans

As of June 30, 2009 - and comparative totals for June 30, 2008

(dollars in thousands)

	PERS-DCRP		457-PLAN		TOTAL	
	2009	2008	2009	2008	2009	2008
Assets:						
Cash and Receivables	2,667	2,220	714	657	3,380	2,877
Securities Lending Collateral	162	88	50	31	212	119
Investments	43,223	42,939	278,885	296,968	322,109	339,907
Intangible Assets	8	4	5	14	13	18
Total Assets	46,060	45,251	279,654	297,670	325,714	342,921
Liabilities:						
Securities Lending Collateral	162	88	50	31	212	119
Other Payables	374	223	274	230	648	453
Total Liabilities	536	311	324	261	860	572
Total Net Assets	45,524	44,940	279,330	297,409	324,854	342,349

Changes In Fiduciary Net Assets - Defined Contribution Plans

For the year ended June 30, 2009 - and comparative totals for June 30, 2008

(dollars in thousands)

	PERS-DCRP		457-PLAN		TOTAL	
	2009	2008	2009	2008	2009	2008
Additions:						
Contributions	9,921	8,927	20,061	19,593	29,982	28,520
Investment Income (Loss)	(6,801)	(2,988)	(26,444)	3,287	(33,244)	299
Total Additions	3,120	5,939	(6,383)	22,880	(3,262)	28,819
Deductions:						
Benefits	7				7	
Distributions	1,896	2,519	11,024	13,302	12,920	15,821
OPEB Expenses	9	7	7	5	16	12
Administrative Expenses	402	246	311	240	712	486
Miscellaneous Expenses	222	216	865	813	1,088	1,029
Total Deductions	2,536	2,988	12,207	14,360	14,744	17,348
Incr/(Decr) in Net Assets	584	2,951	(18,590)	8,520	(18,006)	11,471
Prior Period Adjustments			510		510	

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Public Employees' Retirement Board

A Component Unit of the State of Montana

Statement of Fiduciary Net Assets - Pension Trust Funds

as of June 30, 2009

	PERS-DBRP	JRS	HPORS	SRS	GWPORS	MPORS
Assets						
Cash and Short-term Investments	\$ 29,891,907	917,955	778,745	2,438,488	1,518,991	928,243
Securities Lending Collateral (Note A6)	276,932,948	4,389,950	7,023,169	14,255,375	5,816,085	14,323,803
Receivables						
Interest	6,360,516	97,134	155,986	316,248	128,385	318,885
Accounts Receivable	1,185,408			210,552		114,762
Due from Other Funds	361,108					
Due from Primary Government	24,141					10,185,974
Notes Receivable	51,315					
<i>Total Receivables</i>	<i>7,982,488</i>	<i>97,134</i>	<i>155,986</i>	<i>526,800</i>	<i>128,385</i>	<i>10,619,621</i>
Investments, at fair value (Note A6)						
Montana Domestic Equity Pool (MDEP)	1,070,435,421	16,507,206	26,679,973	53,629,795	21,722,419	54,681,205
Retirement Fund Bond Pool (RFBP)	876,389,757	14,018,860	22,471,295	45,692,533	18,518,446	45,994,651
Montana International Pool (MTIP)	494,790,123	7,551,017	12,387,487	24,673,042	9,999,504	25,206,793
Montana Private Equity Pool (MPEP)	338,517,001	5,224,289	8,419,126	17,059,569	6,948,639	17,242,238
Montana Real Estate Pool (MTRP)	145,478,002	2,246,796	3,612,804	7,311,423	2,980,788	7,437,423
Real Estate Investments	8,936,962					
Mortgages & Commercial Loans						
net of Accumulated Mortgage Discount	24,055,497					
Structured Investment Vehicles (SIV)	2,618,581	82,847	70,215	215,060	137,389	83,483
Defined Contributions Fixed Investments						
Defined Contributions Variable Investments						
Deferred Compensation Life Insurance						
<i>Total Investments</i>	<i>2,961,221,344</i>	<i>45,631,015</i>	<i>73,640,900</i>	<i>148,581,422</i>	<i>60,307,185</i>	<i>150,645,793</i>
Capital Assets						
Property and Equipment, at cost,						
net of Accumulated Depreciation (Note A2)	513					
Intangible Assets, at cost,						
net of Amortization Expense (Note A2)	331,391	3,090	3,155	3,522	3,414	3,338
<i>Total Capital Assets</i>	<i>331,904</i>	<i>3,090</i>	<i>3,155</i>	<i>3,522</i>	<i>3,414</i>	<i>3,338</i>
Total Assets	3,276,360,591	51,039,144	81,601,955	165,805,607	67,774,060	176,520,798
Liabilities						
Securities Lending Collateral Liability	276,932,948	4,389,950	7,023,169	14,255,375	5,816,085	14,323,803
Accounts Payable	364,278	30	30	15,272	21,131	20,378
Due to Other Funds	123,424	7,798	28,536	83,495	53,730	70,884
Due to Primary Government	65,908					
Deferred Revenue	103,927		141	335		59,951
Compensated Absences	268,723					
OPEB Implicit Rate Subsidy LT	141,866	267	1,334	4,221	2,879	3,592
<i>Total Liabilities</i>	<i>278,001,074</i>	<i>4,398,045</i>	<i>7,053,210</i>	<i>14,358,698</i>	<i>5,893,825</i>	<i>14,478,608</i>
Net Assets Held in Trust for Pension Benefits						
(see schedule of funding progress, page 80)	\$ 2,998,359,517	46,641,099	74,548,745	151,446,909	61,880,235	162,042,190

The notes to the financial statements are an integral part of this statement.

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Defined Benefit Pension Plans			Defined Contribution Plans			Total Pension Trust Funds
FURS	VFCA	Total Defined Benefit Pension Plans	PERS-DCRP	457 Plan	Total Defined Contribution Plans	2009
1,273,238	1,575,117	39,322,684	2,516,099	713,101	3,229,200	42,551,884
14,084,699	1,892,710	338,718,739	161,664	50,050	211,714	338,930,453
313,304	40,149	7,730,607	1,506	477	1,983	7,732,590
123,578		1,634,300	25,813	21	25,834	1,660,134
		361,108	123,424		123,424	484,532
9,831,417		20,041,532				20,041,532
		51,315				51,315
10,268,299	40,149	29,818,862	150,743	498	151,241	29,970,103
53,531,678	6,836,212	1,304,023,909				1,304,023,909
45,159,503	5,742,231	1,073,987,276				1,073,987,276
24,861,806	3,140,390	602,610,162				602,610,162
16,889,923	2,115,483	412,416,268				412,416,268
7,259,766	897,961	177,224,963				177,224,963
		8,936,962				8,936,962
		24,055,497				24,055,497
115,065	142,478	3,465,118	204,976	63,459	268,435	3,733,553
			4,819,892	189,421,495	194,241,387	194,241,387
			38,198,489	89,388,165	127,586,654	127,586,654
				12,316	12,316	12,316
147,817,741	18,874,755	3,606,720,155	43,223,357	278,885,435	322,108,792	3,928,828,947
		513				513
3,271	929	352,110	7,736	4,852	12,588	364,698
3,271	929	352,623	7,736	4,852	12,588	365,211
173,447,248	22,383,660	4,014,933,063	46,059,599	279,653,936	325,713,535	4,340,646,598
14,084,699	1,892,710	338,718,739	161,664	50,050	211,714	338,930,453
30		421,149	328,435	237,785	566,220	987,369
60,987	52,316	481,170	2,341	1,021	3,362	484,532
		65,908	3,112	1,102	4,214	70,122
3,758		168,112		3,567	3,567	171,679
		268,723	24,153	18,688	42,841	311,564
2,862	2,817	159,838	15,778	11,869	27,647	187,485
14,152,336	1,947,843	340,283,639	535,483	324,082	859,565	341,143,204
159,294,912	20,435,817	3,674,649,424	45,524,116	279,329,854	324,853,970	3,999,503,394

FINANCIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Statement of Changes in Fiduciary Net Assets - Pension Trust Funds for the year ended June 30, 2009

	PERS-DBRP	JRS	HPORS	SRS	GWPORS	MPORS
Additions						
Contributions (Note C)						
Employer	\$ 75,826,940	1,346,595	4,150,666	5,193,134	3,291,996	5,056,037
Plan Member	75,867,558	569,894	1,034,600	5,176,327	3,900,558	3,183,784
Membership Fees	196					
Interest Reserve Buyback	135,548	14,346		31,035	11,421	2,675
Retirement Incentive Program	120,782					
Miscellaneous Revenue	560					
State Contributions	357,260		285,517			10,185,974
Nonvested Member Forfeitures						
Total Contributions	152,308,844	1,930,835	5,470,783	10,400,496	7,203,975	18,428,470
Investments (Note A6)						
Net Appreciation (Depreciation)						
in Fair Value of Investments	(865,333,751)	(13,120,459)	(21,662,179)	(42,230,847)	(16,550,905)	(44,864,916)
Interest	67,243,671	986,667	1,633,033	3,307,589	1,377,378	3,845,277
Dividends	16,442,729	251,458	411,162	807,340	318,641	844,235
Investment Expense	(17,758,038)	(270,531)	(440,340)	(869,693)	(343,297)	(897,048)
Net Investment Income	(799,405,389)	(12,152,865)	(20,058,324)	(38,985,611)	(15,198,183)	(41,072,452)
Securities Lending Income						
Securities Lending Income	5,640,661	88,854	143,506	287,738	115,456	293,559
Securities Lending Rebate and Fees	(2,477,348)	(38,913)	(62,954)	(125,808)	(50,257)	(128,797)
Net Securities Lending Income	3,163,313	49,941	80,552	161,930	65,199	164,762
Total Net Investment Income	(796,242,076)	(12,102,924)	(19,977,772)	(38,823,681)	(15,132,984)	(40,907,690)
Total Additions	(643,933,232)	(10,172,089)	(14,506,989)	(28,423,185)	(7,929,009)	(22,479,220)
Deductions (Note C)						
Benefits	196,401,589	1,971,931	7,127,383	7,858,026	2,520,735	15,008,432
Refunds/Distributions	10,821,072		26,240	967,520	839,813	794,211
Refunds to Other Plans	495,040		16,822	28,732		62,344
Transfers to DCRP	1,043,374					
Transfers to ORP	174,259					
Supplemental Insurance Payments						
OPEB Expenses	70,206	143	691	2,142	1,450	1,762
Administrative Expenses	2,877,899	16,519	48,465	112,687	77,180	96,017
Miscellaneous Expenses						
Total Deductions	211,883,439	1,988,593	7,219,601	8,969,107	3,439,178	15,962,766
Net Increase (Decrease)	(855,816,671)	(12,160,682)	(21,726,590)	(37,392,292)	(11,368,187)	(38,441,986)
Net Assets Held in Trust for Pension Benefits						
Beginning of Year	3,854,176,079	58,801,781	96,275,335	188,839,201	73,248,422	200,484,176
Prior Period Adjustment	109					
End of Year	\$ 2,998,359,517	46,641,099	74,548,745	151,446,909	61,880,235	162,042,190

The notes to the financial statements are an integral part of this statement.

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Defined Benefit Pension Plans			Defined Contribution Plans			Total Pension Trust Funds
FURS	VFCA	Total Defined Benefit Pension Plans	PERS-DCRP	457 Plan	Total Defined Contribution Plans	2009
4,531,243		99,396,611	3,730,213	65,226	3,795,439	103,192,050
3,642,020		93,374,741	5,723,408	19,660,721	25,384,129	118,758,870
		196				196
59,213		254,238				254,238
		120,782				120,782
		560	201,453	335,067	536,520	537,080
9,831,417	1,579,887	22,240,055				22,240,055
			265,972		265,972	265,972
18,063,893	1,579,887	215,387,183	9,921,046	20,061,014	29,982,060	245,369,243
			(8,396,771)	(38,199,415)	(46,596,186)	(46,596,186)
(42,998,296)	(5,679,187)	(1,052,440,540)				(1,052,440,540)
3,473,552	359,893	82,227,060	33,615	11,470	45,085	82,272,145
820,045	108,005	20,003,615	1,559,707	12,309,769	13,869,476	33,873,091
(877,807)	(114,101)	(21,570,855)		(566,608)	(566,608)	(22,137,463)
(39,582,506)	(5,325,390)	(971,780,720)	(6,803,449)	(26,444,784)	(33,248,233)	(1,005,028,953)
286,964	38,461	6,895,199	4,285	1,462	5,747	6,900,946
(125,706)	(16,803)	(3,026,586)	(1,440)	(491)	(1,931)	(3,028,517)
161,258	21,658	3,868,613	2,845	971	3,816	3,872,429
(39,421,248)	(5,303,732)	(967,912,107)	(6,800,604)	(26,443,813)	(33,244,417)	(1,001,156,524)
(21,357,355)	(3,723,845)	(752,524,924)	3,120,442	(6,382,799)	(3,262,357)	(755,787,281)
13,986,547	1,779,708	246,654,351	7,310		7,310	246,661,661
69,477		13,518,333	1,895,616	11,024,360	12,919,976	26,438,309
		602,938				602,938
		1,043,374				1,043,374
		174,259				174,259
	16,725	16,725				16,725
1,481	1,485	79,360	9,241	7,092	16,333	95,693
96,919	57,694	3,383,380	401,736	310,635	712,371	4,095,751
			222,396	864,738	1,087,134	1,087,134
14,154,424	1,855,612	265,472,720	2,536,299	12,206,825	14,743,124	280,215,844
(35,511,779)	(5,579,457)	(1,017,997,644)	584,143	(18,589,624)	(18,005,481)	(1,036,003,125)
194,806,691	26,015,274	4,692,646,959	44,939,973	297,409,260	342,349,233	5,034,996,192
		109		510,218	510,218	510,327
159,294,912	20,435,817	3,674,649,424	45,524,116	279,329,854	324,853,970	3,999,503,394

Public Employees' Retirement Board

A Component Unit of the State of Montana

Notes to the Financial Statements

for the Fiscal Year Ended June 30, 2009

The Public Employees' Retirement Board (PERB) administers ten retirement plans and the related member education funds. The retirement plans are eight defined benefit plans and two defined contribution plans. The *defined benefit* retirement plans are the Public Employees' Retirement System (PERS-DBRP), Judges' Retirement System (JRS), Highway Patrol Officers' Retirement System (HPORS), Sheriffs' Retirement System (SRS), Game Wardens' and Peace Officers' Retirement System (GWPORS), Municipal Police Officers' Retirement System (MPORS), Firefighters' Unified Retirement System (FURS), and the Volunteer Firefighters' Compensation Act (VFCA). The *defined contribution* retirement plans are the Public Employees' Retirement System (PERS-DCRP) and the Deferred Compensation (IRC §457) Plan. The PERS-DCRP was implemented July 1, 2002. All new PERS members, after July 1, 2002, have a 12-month window to file an irrevocable plan choice election. The Deferred Compensation Plan is available to employees of the state and university system and to local political subdivisions that contract with the PERB.

PERS members are provided member education as a tool to help them decide between participation in the Defined Benefit Retirement Plan (PERS-DBRP) or the Defined Contribution Retirement Plan (PERS-DCRP). If members are employees of the university system they have a third choice, the Optional Retirement Program (ORP). The plan choice is a one-time irrevocable election. Further education is provided for the members who

choose the PERS-DCRP, including information on investment choices. The Montana Public Employee Retirement Administration (MPERA) participates as an employer in the PERS-DBRP, PERS-DCRP and the Deferred Compensation plan.

The assets of each plan are maintained separately, including member education funds. The assets may be used only for the payment of benefits to the members and administrative expenses of the appropriate plan, in accordance with the terms of each plan as prescribed in Title 19 of the Montana Code Annotated (MCA). The financial statements are presented by combining the PERS-DBRP and the DBRP Education Fund and by combining the PERS-DCRP, the DCRP Education Fund and the DCRP Disability Fund. A presentation of each individual fund is shown at the end of the financial section on pages 92 to 94.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The PERB is a discretely presented component unit Pension Trust Fund of the State of Montana financial reporting entity. The MPERA, staff of the PERB, prepares the accounting records and financial statements for the fiduciary pension trust funds using the accrual basis of accounting. For the pension trust funds, member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal com-

mitment to provide the contributions. Revenues are recognized in the accounting period in which they are earned and become measurable. Benefits and refunds/distributions are recognized in the accounting period in which they are due and payable. Expenses are recognized in the period incurred. Administrative expenses are financed through investment earnings on the pension trust fund for the defined benefit plans. Interfund receivables and payables exist at year-end because all defined benefit administrative expenses are accounted for within PERS-DBRP and allocated to the other defined benefit plans at year-end.

Adjustments to the fiscal year 2009 financial statements consist of a prior period adjustment to the PERS-DBRP plan for prior years' employer reporting errors of lump sum vacation payouts without termination. A prior period adjustment to the fiscal year 2009 financial statements for the Deferred Compensation (457) Plan was for prior years' reserved interest earnings calculation errors.

Participants of the PERS-DCRP are charged, on a quarterly basis, a flat fee plus a basis point fee on their account balance. The flat fee covers the recordkeeping provided by Great West Retirement Services (Great West). The basis point fee is remitted to the PERB to cover the PERB's administrative expenses of the plan. The fees returned to the PERB are recorded as *Miscellaneous Revenue* in the financial statements.

Participants of the Deferred Compensation plan are charged quarterly basis point fees based on individual account balances. The record keeper, Great West, withholds the fees from participants' accounts and

after payment of Great West's contractual expenses, the remaining fees are remitted to the PERB. The remaining fees, recorded as *Miscellaneous Revenue* in the financial statements, are used to pay the PERB's related administrative expenses.

2. CAPITAL ASSETS AND EQUIPMENT USED IN OPERATIONS

Assets under \$5,000 are expensed in the year purchased. Assets valued at \$5,000 or more are recorded at cost less straight-line depreciation over the estimated useful life of five to ten years. Equipment consists of a server. Capital assets include the web-based employer reporting software and the MPERA website.

A new server was purchased in September 2005. The accumulated depreciation of the server as of June 30, 2009 is \$7,632 and the carrying value is \$332. The accumulated depreciation on the web-based employer reporting system is \$1,378,934 as of June 30, 2009 and the carrying value as of June 30, 2009 is \$322,676. During fiscal year 2009, another stage of this process was implemented, thus increasing the cost of the web-based employer reporting system by \$143,658. For the Deferred Compensation web-based employer reporting system the accumulated depreciation as of June 30, 2009 is \$186,087 and the carrying value is \$1,500. The accumulated depreciation on the MPERA website as of June 30, 2009 is \$75,460 and the carrying value is \$40,191. During fiscal year 2009, another stage of this process was implemented, thus increasing the cost of the website by \$22,593.

3. OPERATING LEASE

Operating leases are rental agreements

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where the payments are chargeable as rent and recorded as administrative expenses. The MPERA entered into a 10-year lease for office space in November 2003, at the location of 100 North Park. The lease is payable monthly and includes inflationary adjustments over the period of the lease.

4. FUNDED STATUS AND FUNDING PROGRESS

Effective June 30, 2007, MPERA implemented the provision of the Governmental Accounting Standards Board (GASB) Statement No. 50 - Pension Disclosures. The disclosures are amendments to GASB Statement No. 25 and present the disclosures of the actuarial methods, assumptions and funded status of the plan in the financial notes.

The funded status of the eight defined benefit retirement plans, as of the most recent actuarial valuation date, appear in the table below.

The net Funded Ratio decreased in fiscal year 2009 for all retirement plans.

Funded Ratio as of June 30, 2009	
PERS-DBRP	84%
JRS	148%
HPORS	72%
SRS	90%
GWPORS	88%
MPORS	62%
FURS	69%
VFCA	81%

The required supplementary information (RSI), following the notes to the financial statements, presents similar information but uses a multi-year format to show trend information. These trends indicate whether the actuarial values of the plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities.

The information on the next page is general and applicable to each defined benefit plan, except the VFCA's amortization

Funded Status as of June 30, 2009						
(dollar amounts are in thousands)						
System	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PERS-DBRP	\$4,002,212	\$4,792,819	\$790,607	83.50%	\$1,003,215	78.81%
JRS	61,929	41,848	(20,081)	147.98%	5,110	-392.99%
HPORS	99,652	137,815	38,163	72.31%	11,425	334.03%
SRS	200,690	223,893	23,203	89.64%	51,457	45.09%
GWPORS	81,177	92,155	10,978	88.09%	36,023	30.48%
MPORS	214,345	345,261	130,916	62.08%	34,687	377.42%
FURS	209,775	306,236	96,460	68.50%	30,160	319.83%
VFCA	27,226	33,548	6,322	81.16%	N/A*	N/A*

*Covered payroll is not applicable to VFCA because members are unpaid volunteers.

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method is a level dollar amount instead of a level percent of payroll like the other plans.

General to each DB Retirement System	
Valuation date	June 30, 2009
Actuarial cost method	Entry Age
Amortization method	Level percent payroll, open
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	8%
Projected salary increases:	
General Wage Growth*	4.25%
*includes inflation rate at	3.25%
Guaranteed annual benefit adjustment (GABA), except VFCA	3% after 1 year. Effective July, 1, 2007, 1.5% GABA for new hires of PERS, SRS and GWPORS.

Remaining Amortization Period	
PERS-DBRP	Does not amortize
JRS	N/A*
HPORS	21.5 years
SRS	Does not amortize
GWPORS	Does not amortize
MPORS	22.1 years
FURS	12.7 years
VFCA	6.9 years
* Currently the surplus is not expected to be exhausted.	

Merit Projected Salary Increases	
PERS-DBRP	0% - 6%
JRS	0%
HPORS	0% - 7.3%
SRS	0% - 7.3%
GWPORS	0% - 7.3%
MPORS	0% - 7.3%
FURS	0% - 7.3%
VFCA	N/A

The minimum benefit adjustment (non-GABA) for PERB's retirement systems

only affects four systems: JRS, HPORS, MPORS and FURS. A table showing the non-GABA adjustment for these systems follows.

Minimum Benefit Adjustment (non-GABA)	
Retiree benefit adjustment uses:	
JRS	Biennial increase to salary of active member in like position
HPORS	2% per year of service, not to exceed 5%, for probationary officer's base pay
MPORS	50% of newly confirmed officer's pay
FURS	50% of newly confirmed officer's pay

5. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Beginning with the fiscal year ending June 30, 2008, the State of Montana implemented Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions. This statement requires the disclosure of employer liability for retiree medical subsidies and other post-employment benefits. The OPEB liability at June 30, 2008 and June 30, 2009 are \$91,792 and \$187,485, respectively.

Plan Description: MPERA employees and dependents are eligible to receive health care through the State Group Benefits Plan administered by the Montana Department of Administration. In accordance with section 2-18-704, MCA, the State provides optional post-employment medical, vision and dental health care benefits to the following employees and dependents who elect to continue cover-

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age and pay administratively established premiums: (1) employees who retire under applicable retirement provisions, and their dependents; and (2) surviving dependents of deceased employees. For GASB Statement No. 45 reporting, the State Group Benefits Plan is considered an agent multiple-employer plan and MPERA is considered to be a separate employer participating in the plan.

In addition to the retirement plans, the following post-employment benefits are provided. Montana Department of Administration established retiree medical premiums that vary between \$182 and \$836 per month depending on the medical plan selected, family coverage, and Medicare eligibility. Administratively established dental premiums that vary between \$34.10 and \$58.00; vision premiums vary between \$7.64 and \$22.26; both premiums vary depending on the coverage selected. Basic life insurance in the amount of \$14,000 is provided until age 65 at a cost of \$1.90 per month to the retiree. The State Benefit Plan reimburses all validated medical claims net of member obligations (annual deductibles and coinsurance of the members' selected medical plan). Dental claims are reimbursed at 50 percent to 100 percent of the allowable charges, depending on the services provided. The State acts as secondary payer for retired Medicare-eligible claimants.

Benefits Not Included in the Valuation: Retirees pay 100 percent of dental premiums. Thus, there is no liability for dental valued in this valuation. The vision benefit is fully-insured and retirees pay 100 percent of the cost. Thus, there is no liability for vision valued in this valuation. The life insurance benefit is a fully-insured benefit that is payable until age 65

with the retiree required to pay the full premium. There is no liability value reported in this valuation for the retirees, though the required premium is an active/retiree blended premium. This liability would be insignificant to the overall results of this valuation.

Funding Policy: The following estimates were prepared based on an actuarial valuation prepared as of January 1, 2007 for the Department of Administration and the resulting State of Montana Actuarial Valuation of Other Post-Employment Benefits Plan (plan) contains the MPERA data and is available through:

Montana Department of Administration
State Accounting Division
RM 255, Mitchell Building
125 N Roberts Street
PO Box 200102
Helena, MT 59620-0102.

GASB Statement No. 45 requires the plan's participants, including MPERA, to report each year the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year of retiree health care costs and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The 2008 ARC is calculated for all the State plan's participants and then individually allocated to individual participants. The MPERA 2008 ARC is estimated at \$91,792 and is based on the plan's current ARC rate of 7.99 percent of participants' annual covered payroll. The MPERA 2008 ARC is equal to an annual

amount required each year to fully fund the liability over thirty years.

The amount of the estimated OPEB actuarial accrued liability at transition was determined in accordance with the GASB Statement No. 45, and liability is estimated at \$1,047,666 for MPERA. (The actuarial accrued liability is the present value of future retiree and active employees who will retire and be eligible for benefits and expenses.)

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in the actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress for OPEB, presented as required supplementary information following the notes to the financial statements, presents information that shows

the actuarial value of plan assets and liabilities. In the December 31, 2007, actuarial valuation, the projected unit credit funding method is used. The actuarial assumptions did not include an investment rate of return since no assets meet the definition of plan assets under GASB Statements No. 43 or No. 45. Annual healthcare cost trend rates of 8 percent for medical and 15 percent for prescription claims are used. The unfunded actuarial accrued liability is amortized following a 30-year level percentage of payroll amortization schedule on an open basis beginning January 1, 2007.

The State finances claims on a pay-as-you-go basis and does not advance-fund the OPEB liability. While this liability is disclosed for financial statement purposes it does not represent a legal liability of the State of Montana or MPERA. Therefore, the following cost information shows no cost contributions or plan assets made by MPERA.

Annual OPEB Cost: PERB's allocated annual OPEB cost (expense) for year ending June 30, 2009 was \$187,485. The interest on the net OPEB obligation for year ending June 30, 2009 was \$3,901. For 2008, PERB's allocated annual OPEB cost (expense) of \$91,792 was equal to the ARC. The cost that was allocated to the PERB for the years ended June 30, 2008 and June 30, 2009 was \$91,792 and \$95,693, respectively.

The PERB annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2009 and 2008 are as follows on the top of the next page:

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Annual OPEB Cost			
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2008	91,792	0.00%	91,792
6/30/2009	95,693	0.00%	187,485

Funded Status and Funding Progress: As of June 30, 2009, the most recent actuarial valuation available was completed by the State of Montana for the calendar year ending December 31, 2007, the MPERA allocation of the plan was as follows: Actuarial Accrued Liability (AAL) is \$1,047,666; Actuarial Value of Plan Assets is \$0; Unfunded Actuarial Accrued Liability (UAAL) is \$1,047,666; Funded Ratio (Actuarial Value of Plan Assets/AAL) is 0 percent; Covered Payroll (Active Plan Members) is \$1,326,012; and the UAAL as a Percentage of Covered Payroll is 79.03 percent.

6. METHOD USED TO VALUE INVESTMENTS

According to Article VIII, section 13, of the Montana Constitution and section 19-2-504, MCA, the BOI has a fiduciary responsibility for investing the defined benefit retirement plan assets on behalf of the defined benefit plans. Investments are determined in accordance with the statutorily and constitutionally mandated "prudent expert principle." Pursuant to Article VIII, Section 15 of the Montana Constitution and sections 19-2-502 and 19-2-503, MCA, the PERB has a fiduciary responsibility for the administration of the pension trust funds. Investments are reported at fair value. As of June 30, 2009, there were six major diversified pools, Montana Short Term Investment Pool (STIP), Montana Domestic Equity

Pool (MDEP), Retirement Funds Bond Pool (RFBP), Montana International equity Pool (MTIP), Montana Private Equity Pool (MPEP) and Montana Real Estate Investment Pool (MTRP).

The PERS-DCRP's fixed investments were invested and managed on behalf of the plan by Pacific Investment Management Company (PIMCO), the investment manager.

The Deferred Compensation plan's fixed investments were invested and managed on behalf of the plans by PIMCO and the custodial bank State Street Bank Kansas City (SSKC).

For both the PERS-DCRP and Deferred Compensation plan the third party record keeper, Great West Retirement Services, tracks and reports the daily trading and valuations of all investment options including the assets held by the individual mutual fund companies.

In addition to the laws cited above, the PERS-DCRP investments are also governed by section 19-3-2122, MCA. There are separate investment policies for the Deferred Compensation and PERS-DCRP plans. The investment policies are reviewed by the PERB on an annual basis and the investment options are reviewed quarterly by an independent third party consultant and investment analyst. In the review, each investment alternative is compared to its peers and the appropriate benchmark and the relevant Investment Policy Statement. In addition, each investment alternative is reviewed for other indicators including, but not limited to: style drift, duplication, and fund manager or other organizational changes. Investment alternatives that are determined to

have a sub-standard performance rating or other negative indicators may be recommended for probation or termination. Investments are reported at fair value as of June 30, 2009.

The following are the summaries of the BOI's fiscal year end statements, the PIMCO/SSKC contracts and a statement about the variable investments. The BOI had investment losses in fiscal year 2009. The BOI fiscal year statements and information on these losses can be obtained by contacting BOI.

STIP portfolio may include asset-backed securities, commercial paper, corporate and U.S. government direct obligations, U.S. government agency securities, repurchase agreements, institutional money market funds, certificates of deposit and variable-rate (floating-rate) instruments. The purpose of STIP is the preservation of principal, while obtaining money market type returns and 24-hour liquidity. The BOI has as policy that STIP will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. In meeting certain conditions, STIP, as a 2a7-like pool, is allowed to use amortized cost rather than fair value to report net assets to compute unit values. The portfolio is carried at amortized cost or book value with a constant unit value of \$1.00. State agencies with accounts that retain interest earnings are legally required to invest in STIP and the PERB elects to have all STIP income automatically reinvested. For fiscal year 2009 income was distributed on the first calendar day of each month. *Credit Risk* is that the issuer of a STIP security may default in making timely principal and interest payments. Obligations of the U.S. government or obligations explicitly

guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. For *Custodial Credit Risk* as of June 30, 2009, all the STIP securities were registered in the nominee name for the BOI and held in the possession of the BOI's custodial bank, State Street Bank. The PERB portion of STIP is 1.73 percent.

At June 30, 2009, the STIP balance included Structure Investment Vehicles (SIVs) that were no longer liquid. As a result these are no longer considered cash equivalents and are reclassified from cash to investments based on a pro rata share of the pension funds' investment in the pool.

MDEP may include common stock, equity index shares, preferred stock, convertible equity securities, American Depositary Receipts (ADR's), equity derivatives and commingled funds. The MDEP portfolio is limited to domestic stock or ADR investments. ADR investments are receipts issued by a U.S. depository bank representing shares of a foreign stock or bonds held abroad by the foreign subcustodian of the American depository bank. For *Custodial Credit Risk* as of June 30, 2009, all the MDEP securities were registered in the nominee name for the BOI and held in the possession of the BOI's custodial bank, State Street Bank. The PERB portion of MDEP is 61.50 percent.

RFBP portfolio includes corporate and foreign government bonds; U.S. government direct obligations and U.S. government agency securities; and cash equivalents. U.S. government direct obligations include U.S. Treasury securities and debt explicitly guaranteed by the U.S. govern-

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ment. U.S. government agency securities include U.S. government agency and mortgage-backed securities. U.S. government mortgage-backed securities reflect participation in a pool of residential mortgages. The bond pools also include structured financial instruments known as Real Estate Mortgage Investment Conduits (REMIC) securities. These investments are pass-through vehicles for multi class mortgage-backed securities and some may be interest-only strips. These investments represent the separate purchase of the principal and interest cash flows of a mortgage security and receive cash flows from the interest payment component on underlying mortgage loans. *Credit Risk* is that the issuer of a fixed income security may default in making timely principal and interest payments. With the exception of the U.S. government securities, the RFBP fixed income instruments have credit risk as measured by major credit rating services. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. For *Custodial Credit Risk* as of June 30, 2009, all the fixed income securities were registered in the nominee name for the BOI and held in the possession of the BOI's custodial bank, State Street Bank. The State Street repurchase agreement was purchased in the State of Montana BOI name. The RFBP investment policy does not formally address *Interest Rate Risk*. In accordance with GASB Statement No. 40, the BOI has selected the effective duration method to disclose interest rate risk. The fair value of total fixed income investments is \$1,707,369,797 with an effective duration of 4.08. The PERB portion of RFBP is 61.85 percent.

MTIP may include common stock, equity index shares, preferred stock, convertible equity securities, American Depositary Receipts (ADR's), equity derivatives and commingled funds. ADR investments are receipts issued by a U.S. depository bank representing shares of a foreign stock or bonds held abroad by the foreign sub-custodian of the American depository bank. The MTIP portfolio may include holdings of securities of foreign-based corporations listed on legal and recognized foreign exchanges as well as domestic exchanges. The MTIP portfolio invests in both developed and emerging markets. For *Custodial Credit Risk* as of June 30, 2009, all MTIP securities were registered in the nominee name for the Montana BOI and held in the possession of the BOI's custodial bank, State Street Bank. *Foreign Currency Risk* is the risk that changes in exchange rates will adversely affect the fair value of an investment. The MTIP has significant investments in multiple foreign countries. Future economic and political developments in these countries could adversely affect the liquidity or value, or both, of the securities in which MTIP is invested. The PERB portion of MTIP is 61.56 percent.

MPEP portfolio may include venture capital, leveraged buyout, mezzanine, distressed debt, special situation and secondary investments. These investments are made via Limited Partnership Agreements in which the BOI and other institutional investors invest as Limited Partners in funds managed by a General Partner. These investments are riskier with higher potential return than public equity investments and are less liquid because the funds are usually committed for at least ten years. Realized capital gains are not distributed unless the gains are needed to

pay management fees. Income due participants is distributed monthly on the first calendar day of each month. For *Custodial Credit Risk* as of June 30, 2009, all MPEP investments were recorded in the name of the Montana BOI and held in the possession of the BOI's custodial bank, State Street Bank. *Foreign Currency Risk* is the risk that changes in exchange rates will adversely affect the fair value of an investment. The MPEP includes securities subject to foreign currency risk. The PERB portion of MPEP is 61.52 percent.

MTRP portfolio includes investments in private core, value-added, and opportunistic real estate. Core investments are the least risky with the lowest return and are usually managed in commingled accounts in which the investor purchases shares. Value-added and opportunistic real estate investments provide more risk and return and are less liquid than core investments. These investments are usually made through Limited Partnership Agreements. The MTRP invests its cash in STIP. Realized capital gains are not distributed unless the gains are needed to pay management fees. Income due participants is distributed monthly on the first calendar day of each month. *Custodial Credit Risk* as of June 30, 2009, all MTRP investments were recorded in the name of the Montana BOI and held in the possession of the BOI's custodial bank, State Street Bank. *Foreign Currency Risk* is the risk that changes in exchange rates will adversely affect the fair value of an investment. The MTRP includes securities subject to foreign currency risk. The PERB portion of MTRP is 61.56 percent.

All Other Funds (AOF) Investments portfolio for the pension plans includes an equity index fund, real estate buildings, residential mortgages and commercial loans. Fair values are determined, primarily, by reference to market prices supplied to the BOI by its custodial bank, State Street Bank. The real estate investments and residential and multi-family mortgages are valued based on a discounted cash flow. The mortgages receivable funded by the retirement systems consist of residential mortgages. As of June 30, 2009, there were no uncollectible account balances for mortgages. Real estate investments held, in part, for the PERS include a building at 100 North Park Avenue in Helena, MT; a building at 2273 Boot Hill Court in Bozeman, MT; a building at 2401 Colonial Drive in Helena, MT; and property located on California Street in Helena, MT. The BOI also holds the building located at 1712 Ninth Avenue in Helena, MT for the sole benefit of the PERS. *Credit Risk*: As of June 30, 2009, the PERB had a credit quality rating for the total fixed income investments of AA. *Custodial Credit Risk* as of June 30, 2009, has real estate and mortgage investments registered in the name of the Montana BOI. There is no *Concentration of Credit Risk* for the PERB.

Securities Lending Collateral, governed under the provisions of state statutes, BOI authorized the custodial bank, State Street Bank, to lend the BOI securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The custodial bank is required to maintain collateral equal to 102 percent of the fair value of domestic securities and 105 percent of the fair value of international se-

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curities while the securities are on loan. The BOI and the custodial bank split the earnings on security lending activities. The securities lending collateral, securities lending collateral liability, securities lending income and securities lending expense consist of allocations to PERB on a pro rate basis of its ownership share of each pool with securities lending activity. At June 30, 2009, the BOI had no credit risk exposure to borrowers because the collateral pledged by the borrowers exceeded the value of the securities borrowed. The private equity and real estate pools do not participate in securities lending.

Fixed Investments for the PERS-DCRP and the Deferred Compensation Plan, a guarantee of principal is provided by Aegon, the insurance wrapper. Aegon sets a fixed quarterly rate of return based on the investment manager's portfolio yield and duration. For the PERS-DCRP, fixed investments are administered by Pacific Investment Management Company (PIMCO), the investment manager. For the Deferred Compensation Plan the fixed investments are administered and directed through PIMCO, the investment manager, and State Street Bank Kansas City (SSKC), the custodial bank.

The PERS-DCRP fixed investments are invested in a PIMCO Moderate Duration mutual fund. The Fund seeks to achieve its investment objective by investing under normal circumstances at least 65 percent of its total assets in a diversified portfolio of Fixed Income instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. The average portfolio duration of this Fund normally varies within two

years (plus or minus) of the Barclays Capital Intermediate Government/Credit Index which as of June 30, 2009 was 4.2 years. The Fund invests primarily in investment grade debt securities but may invest up to 10 percent of its total assets in high yield securities ("junk bonds") rated B or higher by Moody's, or equivalently rated by S&P or Fitch, or, if unrated, determined by PIMCO to be of comparable quality. The Fund may invest up to 30 percent of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers. The Fund may invest up to 15 percent of its total assets in securities and instruments that are economically tied to emerging market countries. The Fund will normally limit its foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) to 20 percent of its total assets. The Fund may invest all of its assets in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage-backed or asset-backed securities. The Fund may, without limitation, seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs or dollar rolls). The "total return" sought by the Fund consists of income earned on the Fund's investments, plus capital appreciation, if any, which generally arises from decreases in interest rates, foreign currency appreciation, or improving credit fundamentals for a particular sector or security. The Fund may also invest up to 10 percent of its total assets in preferred stocks. *Concentration of Credit Risk* is not addressed in the investment policy and investments in mutual funds are not required to be disclosed.

Variable Investments for the PERS-DCRP and Deferred Compensation Plan are held and managed by a selection of retail and institutional mutual funds, which cover all standard asset classes and categories. The selection of offered mutual funds is designed to provide participants with the ability to diversify and meet their individual investment goals and strategies. The PERB, with the advice of the statutorily created Employee Investment Advisory Council and the assistance of an independent third-party consultant and investment analyst, conducts quarterly reviews of the offered mutual funds. The goal of the reviews is to ensure that the offered mutual funds meet standards established in the Investment Policy Statement adopted by the PERB. The investment policy states that “Participants make individual investment decisions, subject to the investments offered under the plan and, ultimately, bear the risks and rewards of investment returns.” In the reviews, each investment alternative is compared to its peers and the appropriate benchmark. In addition, each investment alternative is reviewed for other indicators including, but not limited to: style drift, duplication, and fund manager or other organizational changes. Investment alternatives that are determined to have a sub-standard performance rating or other negative indicators may be recommended for probation or termination. During the reviews, the PERB may decide to retain, replace or place in a probation status any of the offered mutual funds. *Concentration of Credit Risk* is not addressed in the investment policy and investments in mutual funds are not required to be disclosed.

Investments are reported at fair value as of June 30, 2009. Available mutual funds

are listed on pages 72 and 76 or a listing can be obtained by contacting MPERA.

B. LITIGATION

Each of the plans administered by the PERB may be involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management and legal counsel, the disposition of those matters will not have a material, adverse affect on any plans’ financial position as a whole.

John Crossman, et al. v. MPERA The claimants are former volunteer firefighters who are contesting MPERA’s refusal to increase their retirement benefits based on changes to section 19-17-404, MCA. In both 2003 and 2005 the Legislature amended section 19-17-404, MCA to increase retirement benefits to members who continued as volunteer firefighters for more than twenty years. The claimants, who allege they all served as volunteer firefighters for more than twenty years, demand that their retirement benefits be recalculated according to the new benefit structure provided in the amended version of section 19-17-404, MCA. Because the claimants all retired prior to the effective date of the amendments, MPERA determined that they are not eligible to have their retirement benefits recalculated. Cross motions for summary judgment were filed in a contested case proceeding, following which the hearings examiner issued a proposed order as its Final Order on December 12, 2008. The claimants filed a petition for judicial review in the First Judicial District, Judge Dorothy McCarter presiding. Briefing concludes October 30, 2009. The probability of the claimants prevailing is remote, although there could be a material

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actuarial impact on the VFCA fund if the claimants prevail and the matter is considered as a class action. The total potential actuarial impact has not yet been determined.

C. v. State ex rel. PERB and the State of Montana In June 2009, claimants filed a complaint with the Human Rights Bureau alleging age discrimination against PERB and the State of Montana. The complaint is based on §19-13-104(5), (6) and (9), MCA, which through reference to §7-33-4107, MCA, limits participation in the Firefighters' Unified Retirement System (FURS) to individuals who are no more than 34 years of age at the time of original appointment as a firefighter. Claimants are firefighters with a rural fire district, which did not resolve to join FURS until September 2009. While the Human Rights Bureau was investigating the complaint of discrimination, the Montana Supreme Court issued *Jaksha v. Butte-Silver Bow County*, 2009 MT 263. That Court found §7-33-4107, MCA to be unconstitutional. Thereafter, the investigator for the Human Rights Bureau asked for statement regarding the impact of *Jaksha* on C. matter. PERB determined and stated that because of *Jaksha*, we will no longer enforce the age 34 requirement for FURS members. Claimants agreed and have requested retroactive damages. As of October 19, 2009, C. remained before the Human Rights Bureau. If retroactive damages are ultimately awarded, claimants and the matter are considered as a class action, C., could result in a material actuarial impact to FURS. C., coupled with *Jaksha*, could also result in a material actuarial impact on the FURS fund in the event disability claims significantly increase. FURS members are entitled to a 50% disability from their first day of covered employment, regardless whether the disability is

work-related or not. The total cost to the FURS will depend upon the actual numbers of older firefighters hired, as well as their ages. The percentage varies by the age at hire. The normal cost of each individual is a percentage of payrolls increasing from about 25% at ages 25 and 30 to over 30% at age 45, and over 35% at age 50.

C. PLAN MEMBERSHIP, DESCRIPTIONS AND CONTRIBUTION INFORMATION

The plans are established and amended statutorily by the Legislature. In all defined benefit plans (except VFCA), if a member leaves covered employment before retirement, the member contributions plus accrued interest may be refunded to the member. If a member returns to service and repays the withdrawn contributions plus the interest the contributions would have earned had they remained on deposit, membership service is restored. Membership of each plan as of June 30, 2009 and June 30, 2008 is detailed in the following charts at the top of the next page:

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PERS-DBRP Membership					
	<u>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>
Number of participating employers	529	528			
Active plan members	28,983	28,293	Retirees and beneficiaries receiving benefits		
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	16,437	15,991
Vested	2,476	2,579	Disability Retirements	279	290
Non-vested	5,670	6,268	Survivor Benefits	359	346
	8,146	8,847		17,075	16,627

JRS Membership					
	<u>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>
Number of participating employers	1	1			
Active plan members	51	51	Retirees and beneficiaries receiving benefits		
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	53	48
Vested	1	5	Disability Retirements	-	-
Non-vested	-	-	Survivor Benefits	2	2
	1	5		55	50

HPORS Membership					
	<u>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>
Number of participating employers	1	1			
Active plan members	222	212	Retirees and beneficiaries receiving benefits		
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	273	271
Vested	14	13	Disability Retirements	6	8
Non-vested	8	7	Survivor Benefits	12	11
	22	20		291	290

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	SRS Membership			<u>2009</u>	<u>2008</u>
	<u>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>
Number of participating employers	57	57			
Active plan members	1,185	1,109	Retirees and beneficiaries receiving benefits		
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	353	344
Vested	41	46	Disability Retirements	35	34
Non-vested	155	139	Survivor Benefits	18	16
	<u>196</u>	<u>185</u>		<u>406</u>	<u>394</u>

	GWPORS Membership			<u>2009</u>	<u>2008</u>
	<u>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>
Number of participating employers	7	7			
Active plan members	950	885	Retirees and beneficiaries receiving benefits		
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	122	116
Vested	40	40	Disability Retirements	-	-
Non-vested	103	115	Survivor Benefits	5	4
	<u>143</u>	<u>155</u>		<u>127</u>	<u>120</u>

	MPORS Membership			<u>2009</u>	<u>2008</u>
	<u>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>
Number of participating employers	29	27			
Active plan members	692	673	Retirees and beneficiaries receiving benefits		
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	600	592
Vested	48	34	Disability Retirements	17	15
Non-vested	59	58	Survivor Benefits	29	29
	<u>107</u>	<u>92</u>		<u>646</u>	<u>636</u>

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FURS Membership					
	<u>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>
Number of participating employers	21	19			
Active plan members	558	525	Retirees and beneficiaries receiving benefits		
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	516	508
Vested	9	9	Disability Retirements	5	5
Non-vested	49	52	Survivor Benefits	21	22
	<u>58</u>	<u>61</u>		<u>542</u>	<u>535</u>

VFCA Membership					
	<u>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>
Number of participating companies	215	210			
Active plan members	2,253	2,301	Retirees and beneficiaries receiving benefits		
Terminated plan members entitled to but not yet receiving benefits			Service Retirements	1,103	1,081
Vested	840	793	Disability Retirements	-	-
			Survivor Benefits	0	1
				<u>1,103</u>	<u>1,082</u>

PERS-DCRP Membership					
	<u>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>
Number of participating employers	271	233			
Active plan members	1,979	1,769	Retirees and beneficiaries receiving benefits		
Terminated plan members entitled to but not yet receiving benefits or a refund			Benefit Payments	3	6
Vested	108	131	Disability Payments	1	-
Non-vested	255	350	Survivor Payments	-	-
	<u>363</u>	<u>481</u>		<u>4</u>	<u>6</u>

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Deferred Compensation (457) Membership					
	<u>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>
Number of participating employers	19*	17*	Number of participating plan members	8,053	8,001
Number of participating employers that provide contributions on members' behalf	2	2	Number of participating plan members that are actively contributing to their deferred compensation accounts	5,243	5,346
*State is one employer.					

Public Employees’ Retirement System-DBRP (PERS-DBRP)_____

Plan Description: The PERS-Defined Benefit Retirement Plan (DBRP) is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan covers the State, local governments and certain employees of the university system and school districts.

All new hires are initially members of the PERS-DBRP. New members have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP. Members may not be members of both the *defined benefit* and *defined contribution* retirement plans. The choice is irrevocable. All new members from the uni-

versities also have a third option to join the university system’s Optional Retirement Program (ORP). For members that choose to join the PERS-DCRP or the ORP, a percentage of the employer contribution will be used to maintain the funding of the PERS-DBRP.

The PERS-DBRP provides retirement, disability and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the Legislature. Benefits are based on eligibility, years of service and highest average compensation. Member rights are vested after five years of service. A brief summary of eligibility and benefits follows:

PERS-DBRP Summary of Benefits

Member’s highest average compensation (HAC)

Highest average compensation during any consecutive 36 months

Eligible for benefit

Service retirement:

- 30 years of membership service, any age;
- Age 60, 5 years of membership service; or
- Age 65, regardless of membership service

Early retirement, actuarially reduced:

- Age 50, 5 years of membership service; or
- Any age, 25 years of membership service

Vesting 5 years of membership service

Monthly benefit formula

Less than 25 years of membership service: 1.785% of HAC per year of service credit;
25 years of membership service or more: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, the member’s benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member’s benefit

- 3.0% for members hired before July 1, 2007
- 1.5% for members hired on or after July 1, 2007

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At June 30, 2009 PERS had 529 participating employers, one more than FY2008. The participating employers consist of:

PERS-DBRP EMPLOYERS		
<u>Employers</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
State Agencies	34	34
Counties	55	55
Cities and Towns	96	96
Colleges and Universities	5	5
School Districts	232	233
High Schools	5	6
Other Agencies	<u>102</u>	<u>99</u>
Total	529	528

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. The member contribution rate for fiscal year 2009 was 6.9% of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. An individual account is established for each member's contributions and interest allocations until a request for retirement or refund is processed.

Each state agency and university system employer contributed 7.035% of PERS-covered payroll during fiscal year 2009. Participating local governments contributed 6.935% of PERS-covered payroll during fiscal year 2009. The State contributed the remaining 0.1% for local governments. Participating school districts contribute 6.8% of PERS-covered payroll during fiscal year 2009. The state contributed the remaining 0.235% from the general fund. A percentage of the employers' contributions is used to fund the employee education program. (Reference Schedule of Contribution Rates on page 79).

Under section 19-3-316 (3), MCA and effective July 1, 2009, State and University employers shall contribute an additional employer contribution equal to 0.27% making a total contribution of 7.17%. Local government (except school districts) employer rates increased 0.27%, making a total contribution rate of 7.07%. State contribution rates for School District employers increased by 0.27%, making a total contribution of 0.37%.

PERS-DBRP Active Membership by Employer Type		
<u>Employer Type</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
State Agencies	11,074	10,878
Counties	5,370	5,297
Cities	3,196	3,201
Universities	2,666	2,576
High Schools	57	52
School Districts	5,459	5,182
Other Agencies	<u>1,161</u>	<u>1,107</u>
Total	28,983	28,293

Plan Membership Elections: MPERA has included in the financial statements transfers of \$1,043,374 in Transfers to DCRP and

\$174,259 in Transfers to ORP. These transfers reflect the DCRP and ORP contributions of participants that filed elections at or near the June 30 cutoff date. The contributions were transferred in early fiscal year 2010.

Additional Service Purchase Due to a Reduction in Force: Section 19-2-706, MCA related to the Employee Protection Act allows state and university system employees who are eligible for a service retirement and whose positions have been eliminated to have their employer pay a portion of the total cost of purchasing up to three years of “1-for-5” additional service. The employees participating under section 19-2-706, MCA increased from 183 in fiscal year 2008 to 192 in fiscal year 2009. The employer has up to ten years to complete payment for the service purchases and is charged 8% interest on the unpaid balance. The retirement incentive contributions received (including interest) during fiscal year 2009 totaled \$120,782. The outstanding balance at June 30, 2009, totaled \$23,787.

Public Employees’ Retirement System-DBRP Education Fund: Education is provided to all members of the PERS regardless of plan choice as governed by section 19-3-112, MCA. The education must be presented with impartial and balanced information about plan choices, investments and retirement planning.

Judges’ Retirement System (JRS)

Plan Description: The JRS is a single-employer defined benefit plan established in 1967, and governed by Title 19, chapters 2 & 5 of the MCA. This system provides benefits for all Montana judges of the district courts, justices of the Supreme Court, and the Chief Water Judge. Benefits are established by state law and can only be amended by the Legisla-

The education program consists of three primary components:

- 1) initial transfer education — complete as of July 1, 2003.
- 2) ongoing transfer education — for new members after the July 1, 2002 plan start date; and
- 3) ongoing investment/retirement planning education — for all active members.

The education program was funded by 0.04% of PERS-covered payroll in fiscal year 2009.

Actuarial Status: The statutory funding rate is tested in the valuation to determine if it is sufficient to cover the Normal Cost Rate plus an amortization payment of the Unfunded Actuarial Liability, if any, over no more than 30 years. As of June 30, 2009, the statutory contribution rates are not sufficient to amortize the unfunded actuarial accrued liability. During the year ended June 30, 2009, the PERS experienced a loss of 20.9% on assets. However, due to the asset-smoothing technique which recognizes only a portion of the gains and losses, the return on the actuarial asset value was a negative 0.2%. This return was below the actuarial assumed rate of return of 8.0% and resulted in an actuarial loss on investments of \$329 million.

ture. The JRS provides retirement, disability and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service and compensation. Member rights are vested after five years of service. A brief summary of eligibility and benefits is on the following page:

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JRS Summary of Benefits

Member's current salary¹ or highest average compensation (HAC)²

¹Hired prior to July 1, 1997 and non-GABA prior to January 1, 1988 or December 1, 2005 — monthly compensation at time of retirement;

²Hired after June 30, 1997 or electing GABA prior to January 1, 1988 or December 1, 2005 — HAC during any consecutive 36 months

Eligibility for benefit

Age 60, 5 years of membership service;

Any age with 5 years of membership service — involuntary termination, actuarially reduced

Vesting 5 years of membership service

Monthly benefit formula

3-1/3% of current salary¹ (non-GABA) OR HAC² (GABA) per year of service credit for the first 15 years, plus 1.785% per year for each year after 15 years.

Guaranteed Annual Benefit Adjustment (GABA)

Hired after July 1, 1997, or those electing GABA — after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3.0% each January, inclusive of all other adjustments to the member's benefit.

Minimum benefit adjustment (non-GABA)

Hired prior to July 1, 1997 — current salary of an active member in same position is used in the calculation of the monthly benefit each time the Legislature increases salaries for active judges.

At June 30, 2009 JRS had one participating employer, the same as FY2008. The participating employer consists of:

JRS EMPLOYERS		
<u>Employer</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
State Agency — Supreme Court	<u>1</u>	<u>1</u>
Total	1	1

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. The member contribution rate for fiscal year 2009 was 7.0% of the member's monthly compensation. Contributions are deducted

from each member's salary and remitted by the participating employer. An individual account is established for each member's contributions and interest allocations until a retirement or refund request is processed.

As the employer, the State contributed 25.81% of the total JRS-covered payroll to the retirement plan during fiscal year 2009. (Reference Schedule of Contribution Rates on page 79).

Employee Type	June 30, 2009	June 30, 2008
GABA	37	37
Non-GABA	14	14
Total	51	51

Highway Patrol Officers’ Retirement System (HPORS)

Plan Description: The HPORS is a single-employer, defined benefit plan established July 1, 1971, and governed by Title 19, chapters 2 & 6 of the MCA. This system provides retirement benefits to all members of the Montana Highway Patrol, including supervisory personnel. Benefits are established by state law and can only be amended by the

Legislature. The HPORS provides retirement, disability and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service and highest average compensation. Member rights for death and disability are vested immediately. All other rights are vested after five years of service. A brief summary of eligibility and benefits follows:

HPORS Summary of Benefits

Member’s highest average compensation (HAC)

Highest average compensation during any consecutive 36 months

Eligibility for benefit

20 years of membership service, regardless of age

Early Retirement

5 years of membership service, actuarially reduced from age 60

Vesting 5 years of membership service

Monthly benefit formula

2.5% of HAC per year of service credit

Guaranteed Annual Benefit Adjustment (GABA)

Hired after July 1, 1997, or those electing GABA — after the member has completed 12 full months of retirement, the member’s benefit increases by a maximum of 3.0% each January, inclusive of all other adjustments to the member’s benefit.

Minimum benefit adjustment (non-GABA)

Hired prior to July 1, 1997 — monthly benefits for non-GABA members are increased each July when they fall below a statutorily guaranteed minimum. Any annual increase is limited to 5% over the current benefit and may not exceed 60% of the current base salary of a probationary officer.

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At June 30, 2009 HPORS had one participating employer, the same as FY2008. The participating employer consists of:

HPORS EMPLOYERS		
<u>Employer</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
State Agency — Department of Justice	<u>1</u>	<u>1</u>
Total	1	1

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. The member contribution rate for fiscal year 2009 is 9.05% of the member's total compensation if hired after June 30, 1997 or for members electing GABA, and 9.0% for those members hired prior to July 1, 1997 and not electing GABA (all active members hired prior to July 1, 1997 have elected GABA). Contributions are deducted from each member's salary and remitted by the participating employer. An individual account is established for each member's contributions and interest allocations until a retirement or refund request is processed.

As the employer, the State contributed 36.33% of the total HPORS-covered payroll during fiscal year 2009. The first 26.15% is payable from the same source used to pay members' compensation. The remaining amount, equal to 10.18%, is payable from a portion of the fees collected from drivers' license and duplicate drivers' license applica-

tions. (Reference Schedule of Contribution Rates on page 79).

Additional Service Purchase Due to a Reduction in Force: Section 19-2-706, MCA related to the Employee Protection Act allows state and university system employees who are eligible for a service retirement and whose positions have been eliminated to have their employer pay a portion of the total cost of purchasing up to three years of "1-for-5" additional service. The employer has up to ten years to complete payment for the service purchases and is charged 8% interest on the unpaid balance. No employees have taken advantage of this provision to date.

Supplemental Benefit for Retirees: Section 19-6-709, MCA provides eligible Montana highway patrol officers retired prior to July 1, 1991, or their survivors, an annual supplemental lump-sum payment distributed each September. This lump-sum payment is funded by registration fees requested by the PERB from the general fund. Factors impacting eligibility include the number of years the recipient has received a service retirement benefit or disability benefit, the recipient's age, and whether the recipient is employed in a position covered by a retirement system under Title 19.

HPORS Active Membership by Employee Type		
<u>Employee Type</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
GABA	222	212
Non-GABA	0	0
Total	<u>222</u>	<u>212</u>

Sheriffs' Retirement System (SRS)

Plan Description: The SRS is a multiple-employer, cost-sharing defined benefit plan established July 1, 1974, and governed by Title 19, chapters 2 & 7, MCA. This plan provides retirement benefits to all Department of Justice criminal and gambling investigators hired after July 1, 1993, all detention officers hired after July 1, 2005, and to all Montana sheriffs. Benefits are established by

state law and can only be amended by the Legislature. The SRS provides retirement, disability and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service and highest average compensation. Member rights are vested after five years of service. A brief summary of eligibility and benefits follows:

SRS Summary of Benefits

Member's highest average compensation (HAC)

Highest average compensation during any consecutive 36 months

Eligibility for benefit

20 years of membership service, regardless of age

Early Retirement

Age 50, 5 years of membership service, actuarially reduced

Vesting 5 years of membership service

Monthly benefit formula

2.5% of HAC per year of service credit

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit

- 3.0% for members hired before July 1, 2007
- 1.5% for members hired on or after July 1, 2007

At June 30, 2009 SRS had 57 participating employers, the same as FY2008. The participating employers consist of:

SRS EMPLOYERS		
<u>Employers</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
State Agencies — Department of Justice	1	1
Counties	<u>56</u>	<u>56</u>
Total	57	57

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Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. The member contribution rate for fiscal year 2009 was 9.245% of member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. An individual account is established for each member's contributions and interest allocations until a retirement or refund request is processed.

The employer contribution for fiscal year 2009 was 9.825%. Under section 19-7-404 (3), MCA and effective July 1, 2009, each employer shall contribute to the system an additional employer contribution equal to 0.58%, making a total contribution of 10.115%. (Reference Schedule of Contribution Rates on page 79).

SRS Active Membership by Employer Type		
Employer Type	June 30, 2009	June 30, 2008
Dept of Justice	46	46
Counties	1,139	1,063
Total	1,185	1,109

Additional Service Purchase Due to a Reduction in Force: Section 19-2-706, MCA related to the Employee Protection Act

Game Wardens' and Peace Officers' Retirement System (GWPORS)__

Plan Description: The GWPORS is a multiple-employer, cost-sharing defined benefit plan established in 1963 and governed by Title 19, chapters 2 & 8, MCA. This system provides retirement benefits to all persons employed as a game warden, warden supervisory personnel, or state peace officer. Benefits are established by state law and can only be amended by the Legislature. The GWPORS provides retirement, disability and

allows state employees who are eligible for a service retirement and whose positions have been eliminated to have their employer pay a portion of the total cost of purchasing up to three years of "1-for-5" additional service. The employer has up to ten years to complete payment for the service purchases and is charged 8% interest on the unpaid balance. Three employees have taken advantage of this provision to date.

Actuarial Status: The statutory funding rate is tested in the valuation to determine if it is sufficient to cover the Normal Cost Rate plus an amortization payment of the Unfunded Actuarial Liability, if any, over no more than 30 years. As of June 30, 2009 the statutory contribution rates are not sufficient to amortize the unfunded actuarial accrued liability. During the year ending June 30, 2009, SRS experienced a loss of 20.5% on assets. However, due to the asset-smoothing technique which recognizes only a portion of the gains and losses, the return on the actuarial asset value was a negative 0.2%. This return was below the actuarial assumed rate of 8.0% and resulted in an actuarial loss on investments of \$16 million.

death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service and highest average compensation. Member rights are vested after five years of service. A brief summary of eligibility and benefits follows on top of the next page:

GWPORS Summary of Benefits

Member’s highest average compensation (HAC)

Highest average compensation during any consecutive 36 months

Eligibility for benefit

Age 50, 20 years of membership service

Early Retirement

Age 55, 5 years of membership service

Vesting 5 years of membership service

Monthly benefit formula

2.5% of HAC per year of service credit

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, the member’s benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member’s benefit

- 3.0% for members hired before July 1, 2007
- 1.5% for members hired on or after July 1, 2007

At June 30, 2009 GWPORS had seven participating employers, the same as FY2008. The participating employers consist of:

GWPORS EMPLOYERS		
<u>Employers</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
State Agencies	4	4
Colleges and Universities	<u>3</u>	<u>3</u>
Total	7	7

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. The member contribution rate for fiscal year 2009 was 10.56% of member’s compensation. Contributions are deducted from each member’s salary and remitted by participating employers. An individual account is established for each member’s contributions

and interest allocations until a retirement or refund request is processed.

Each state agency and university employer contributed 9.0% of total GWPORS-covered payroll to the retirement plan during fiscal year 2009. (Reference Schedule of Contribution Rates on page 79).

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GWPORS Active Membership by Employer		
Employer	June 30, 2009	June 30, 2008
Dept of Corrections	692	634
Dept FW&P	103	104
Dept of Livestock	33	30
Dept of Trans.	88	89
Universities	34	28
Total	950	885

Additional Service Purchase Due to a Reduction in Force: Section 19-2-706, MCA related to the Employee Protection Act allows state and university system employees who are eligible for a service retirement and whose positions have been eliminated to have their employer pay a portion of the total cost of purchasing up to three years of “1-for-5” additional service. The employer has up to ten years to complete payment for the service

purchases and is charged 8% interest on the unpaid balance. No employees have taken advantage of this provision to date.

Actuarial Status: The statutory funding rate is tested in the valuation to determine if it is sufficient to cover the Normal Cost Rate plus an amortization payment of the Unfunded Actuarial Liability, if any, over no more than 30 years. As of June 30, 2009, the statutory contribution rates are not sufficient to amortize the unfunded actuarial accrued liability. During the year ending June 30, 2009, GWPORS’ experienced a loss of 20.2% on assets. However, due to the asset-smoothing technique which recognizes only a portion of the gains and losses, the return on the actuarial asset value was a negative 0.2%. This return was below the actuarial assumed rate of 8.0% and resulted in an actuarial loss on investments of \$7 million.

Municipal Police Officers’ Retirement System (MPORS)

Plan Description: The MPORS is a multiple employer, cost-sharing defined benefit plan established in 1974 and is governed by Title 19, chapters 2 & 9 of the MCA. This plan covers all municipal police officers employed by first- and second-class cities and other cities that adopt the plan. Benefits are established by state law and can only be

amended by the Legislature. The MPORS provides retirement, disability and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service and compensation. Member rights for death and disability are vested immediately. All other rights are vested after five years of service. A brief summary of eligibility and benefits follows:

MPORS Summary of Benefits

Member’s final average compensation (FAC)

Hired prior to July 1, 1977 — average monthly compensation of final year of service;
Hired after June 30, 1977 — final average compensation (FAC) for last consecutive 36 months

Eligibility for benefit

20 years of membership service, regardless of age

Early Retirement

Age 50, 5 years of membership service

MPORS Summary of Benefits (continued)

Vesting 5 years of membership service

Monthly benefit formula

2.5% of FAC per year of service credit

Guaranteed Annual Benefit Adjustment (GABA)

Hired after June 1, 1997, or those electing GABA — after the member has completed 12 full months of retirement, the member’s benefit increases by a maximum of 3.0% each January, inclusive of all other adjustments to the member’s benefit.

Minimum benefit adjustment (non-GABA)

If hired before July 1, 1997 and member did not elect GABA, the monthly retirement, disability or survivor’s benefit may not be less than ½ the compensation of a newly confirmed officer in the city where the member was last employed.

At June 30, 2009 MPORS had 29 participating employers, two more than FY2008. The participating employers consist of:

MPORS EMPLOYERS		
<u>Employers</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Cities	<u>29</u>	<u>27</u>
Total	29	27

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. Member contribution rates are dependent upon date of hire as a police officer. For fiscal year 2009, member contributions as a percentage of salary were 5.8% if employed on or before June 30, 1975; 7.0% if employed after June 30, 1975 and prior to July 1, 1979; 8.5% if employed after June 30, 1979 and prior to July 1, 1997; and, 9.0% if employed on or after July 1, 1997 and for members electing GABA. Contributions are deducted from each member’s salary and remitted by participating employers. An individual account is established for each member’s contributions and interest allocations until a retirement or refund request is processed.

Employer contributions to the retirement plan are 14.41% of total MPORS-covered payroll. The State contributions are requested at the beginning of the fiscal year based on the previous fiscal year compensation and are due no later than November 1. The State’s contribution rate for fiscal year 2009 was 29.37%. (Reference Schedule of Contribution Rates on page 79).

MPORS Active Membership by Employee Type		
<u>Employee Type</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
GABA	683	664
Non-GABA	<u>9</u>	<u>9</u>
Total	692	673

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Deferred Retirement Option Plan (DROP): Beginning July 2002, eligible members of MPORS can participate in the DROP by filing a one-time irrevocable election with the PERB. The DROP is governed by Title 19, chapter 9, part 12, MCA. A member must have completed at least twenty years of membership service to be eligible. They may elect to participate in the DROP for a minimum of one month and a maximum of 60 months and may participate in the DROP only once. A participant remains a member of the MPORS, but will not receive membership service or service credit in the system for the duration of the member's DROP period. During the participation in the DROP, all mandatory contributions continue to the retirement system. A monthly benefit is calculated based on salary and years of service to date of the beginning of the DROP period. The monthly benefit is paid into the members' DROP account until the end of the DROP period. At the end of the DROP period, the participant may receive the balance of the DROP account in a lump-sum payment or in a direct rollover to another eligible plan, as allowed by the IRS. If the participant continues employment after the DROP period

ends, they will again accrue membership service and service credit. The DROP account cannot be distributed until employment is formally terminated. As of June 30, 2009, a total of 70 members have participated in the DROP.

	6/30/2009	6/30/2008
Participants Beginning of Year	30	45
Participants Added	4	5
Completed DROP	5	20
Participants End of Year	29	30
DROP Distributions	\$408,121	\$3,777,214

Firefighters' Unified Retirement System (FURS)

Plan Description: The FURS is a multiple-employer, cost-sharing defined benefit plan established in 1981, and governed by Title 19, chapters 2 & 13, MCA. This system provides retirement benefits to firefighters employed by first- and second-class cities, other cities and rural fire district departments that adopt the plan, and to firefighters hired by the Montana Air National Guard (MANG) on or after October 1, 2001. Benefits are estab-

lished by state law and can only be amended by the Legislature. The FURS provides retirement, disability and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service and compensation. Member rights for death and disability are vested immediately. All other member rights are vested after five years of service. A brief summary of eligibility and benefits follows on top of the next page:

FURS Summary of Benefits

Member's compensation

Hired prior to July 1, 1981 and not electing GABA — highest monthly compensation (HMC);
Hired after June 30, 1981 and those electing GABA — highest average compensation (HAC)
during any consecutive 36 months

Eligibility for benefit

20 years of membership service, regardless of age

Early Retirement

Age 50, 5 years of membership service

Vesting 5 years of membership service

Monthly benefit formula

1. Members hired prior to July 1, 1981 and not electing GABA are entitled to the greater of:
2.5% of HAC per year of service; OR
i) if less than 20 years of service —
2% of HMC for each year of service;
ii) if more than 20 years of service —
50% of the member's HMC plus 2% of the member's HMC for each year of service over
20 years
2. Members hired after June 30, 1981 and those electing GABA:
2.5% of HAC per year of service

Guaranteed Annual Benefit Adjustment (GABA)

Hired after July 1, 1997, or those electing GABA — after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3.0% each January, inclusive of all other adjustments to the member's benefit.

Minimum benefit adjustment (non-GABA)

If hired before July 1, 1997 and member did not elect GABA, the monthly retirement, disability or survivor's benefit may not be less than ½ the compensation of a newly confirmed firefighter employed by the city that last employed the member (provided the member has at least ten years of service credit).

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At June 30, 2009 FURS had 21 participating employers, two more than in FY2008. The participating employers consist of:

FURS EMPLOYERS		
<u>Employers</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
State Agencies - Department of Military Affairs	1	1
Cities	16	16
Rural Fire Districts	<u>4</u>	<u>2</u>
Total	21	19

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. The member contribution rates for fiscal year 2009 are 9.5% for members hired prior to July 1, 1997 and not electing GABA coverage, and 10.7% for members hired after June 30, 1997 and members electing GABA coverage. Contributions are deducted from each member's salary and remitted by participating employers. An individual account is established for each member's contributions and interest allocations until a retirement or refund request is processed.

Employer contribution rates for fiscal year 2009 were 14.36% of the total FURS-covered payroll.

The State contribution was 32.61% of total compensation for all covered firefighters in fiscal year 2009. State contributions are requested at the beginning of each fiscal year based on previous fiscal year salary and are

due no later than November 1. (Reference Schedule of Contribution Rates on page 79).

FURS Active Membership by Employee Type		
<u>Employee Type</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
GABA	552	519
Non-GABA	<u>6</u>	<u>6</u>
Total	558	525

Additional Service Purchase Due to a Reduction in Force: Section 19-2-706, MCA related to the Employee Protection Act allows state and university system employees who are eligible for a service retirement and whose positions have been eliminated to have their employer pay a portion of the total cost of purchasing up to three years of "1-for-5" additional service. The employer has up to ten years to complete payment for the service purchases and is charged 8% interest on the unpaid balance. No employees have taken advantage of this provision to date.

Volunteer Firefighters' Compensation Act (VFCA)_____

Plan Description: The VFCA is a state-wide retirement and disability plan. This compensation plan was established in 1965 and is governed by Title 19, chapter 17, MCA. All members are unpaid volunteers

and the State of Montana is the only contributor to the plan. Benefits are established by state law and can only be amended by the Legislature. The VFCA provides pension, disability and survivorship benefits for all

volunteer firefighters who are members of qualified volunteer fire companies in unincorporated areas, towns or villages and includes volunteer fire departments, fire districts, and fire service areas under the laws of the State of Montana. Benefits are based on eligibility and years of service. Member rights are vested after ten years of credited service. VFCA also provides limited benefits for death or injuries incurred in the line of duty.

A member that chooses to retire and draw a pension benefit may return to service with the volunteer fire department without loss of benefits. A returning retired member may not be considered an active member accruing service credit.

A brief summary of eligibility and benefits follows:

VFCA Summary of Benefits

Eligibility for benefit

Age 55, 20 years of service credit;
Age 60, 10 years of service credit.

Additional Benefit

Members who retire after April 25, 2005 and have greater than 20 years of service credit (with a maximum of 30 years) may receive additional benefits (maximum benefit \$225).

Vesting 10 years of service credit

Monthly benefit formula

\$7.50 per year of service credit, maximum benefit \$225 (no more than 30 years).

Contributions: The State is the only contributor to the VFCA. Contributions are 5% of fire insurance premium taxes collected on certain fire risks. The State Auditor makes annual payments to the Volunteer Firefighters' Compensation Act fund. (Reference Schedule of Contribution Rates on page 79).

Group Insurance Payments: Supplemental payments are available to qualified volun-

teer fire companies that provide additional group medical insurance for their members in case of death or injury incurred while in the line of duty. The payment is made to the volunteer fire companies and is equal to \$75 per year for each mobile firefighting unit owned by the volunteer fire company, up to a maximum of two units.

Public Employees' Retirement System-DCRP (PERS-DCRP)_____

Plan Description: The PERS Defined Contribution Retirement Plan (DCRP) is a multiple employer plan established July 1, 2002 and governed by Title 19, chapters 2 & 3, MCA. This plan is available to eligible em-

ployees of the State, university system, local governments and school districts. All new PERS members are members of the PERS-DBRP. They have a 12-month window during which they may choose to transfer to the

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PERS-DCRP or remain in the PERS-DBRP. The choice is irrevocable. Members may not be members of both the PERS-DCRP and PERS-DBRP retirement plans. The PERS-DCRP provides retirement, disability and death benefits to participants and their beneficiaries. Contribution rates can only be amended by the Legislature. Benefits are based on eligibility and account balance.

The investment options offered are selected by the PERB in compliance with their Investment Policy Statement and with the assistance of the statutorily-created Employee Investment Advisory Council and the advice of a third-party consultant. Participants of the PERS-DCRP direct their contributions and a portion of their employer's contributions among the offered investment options. The remaining portion of their employer's contributions is used to reduce the Plan Choice Rate unfunded actuarial liability, to fund the long-term disability benefits to participants of the DCRP and to fund an employee education program. Participants may invest in any or all of the offered options and transfer between options on a daily basis, if desired.

The offered investment options fall into two primary types: (1) the fixed investment option and (2) the variable investment options. The variable investment options include mutual funds and bond funds and range from aggressive to conservative. The mutual funds cover all standard asset classes and categories. The investment options as of June 30, 2009 are as follows:

PERS-DCRP Investment Options

International Stock Funds
American Funds New Perspective
Oakmark International
SSGA International

Small Company Stock Funds

Manager AMG Essex
Vanguard Small Cap Index Signal
Target Small Cap Value
Hotchkis and Wiley Small Cap

Mid-Sized Company Stock Funds

Munder Mid-Cap Select
Janus Mid Cap Value Investors

Large Company Stock Funds

American Funds Growth Fund A
Vanguard Equity-Income Adm
Vanguard Growth & Income Adm
BGI Equity Index - Collective F

Balanced Funds

Vanguard Balanced Index

Bond Funds

Vanguard Total Bond Market Index

Fixed Investment Options

DCRP Fixed Fund

Fixed investment: The fixed investment option guarantees both principal (the deferred salary) and a quarterly rate of return. The fixed investment option requires the services of two external providers who were selected through the State's competitive bidding process. The external providers are Aegon and Pacific Investment Management Company (PIMCO). Aegon, the insurance wrapper, provides a guarantee of principal and sets a quarterly rate of return based upon the investment manager's portfolio yield and duration. PIMCO, the investment manager, invests the assets in a PIMCO mutual fund.

Administrative expenses and revenues that fund them are accounted for within the plan. Expenses for the DCRP can generally be classified as 1) administrative and 2) miscel-

laneous. Following is a summary of revenues and expenses:

Administrative funding: PERB's administrative fee is a basis point (or percent) fee based on account balances. On a quarterly basis, the record keeper, Great West Retirement Services (Great West), withholds the basis point fee from each plan participant's account and submits the remainder to the PERB after paying Great West fees. They are recorded as *Miscellaneous Revenue*.

Record keeping fees: The record keeper, Great West, charges a set administrative fee to all plan participants. On a quarterly basis, the fees are withheld from each plan participant's account. They are recorded as *Miscellaneous Expense*.

Fixed investment fees: Fees on the fixed investments are charged by each of the providers, PIMCO and Aegon. The fees are defined per each contract for specific services. The fixed investment credited rate is declared net of expenses.

The fees charged by PIMCO are held in a mutual fund and the income is net of fees; therefore, are not presented in the financial statements. Because the fees charged by Aegon are explicit and not net from assets, they are classified as *Administrative Expense*.

Mutual fund/variable investments: All of the variable investments have investment management fees; some may have additional administrative fees. These fees are not presented on the financial statements. Mutual fund earnings are declared net of all expenses, both investment management and administrative, in accordance with the Securities and Exchange Commission and other regulatory authorities. Current reporting standards for mutual fund companies do not require costs to be made available in the detailed cost reports.

A brief summary of eligibility and benefits follows:

PERS-DCRP Summary of Benefits

Eligibility for Benefit

Termination of service

Vesting

Immediate for participant's contributions and attributable income;
5 years of membership service for the employer's contributions to individual accounts and attributable income.

Benefit

Dependent upon individual account balance;
Various payout options available, including: taxable lump sums, periodic payments per participant direction and IRS permitted rollovers.

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature.

The member contribution rate for fiscal year 2009 was 6.9% of member's compensation. Contributions are deducted from each mem-

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ber's salary and remitted by participating employers. The entire amount of the member's contribution is credited to the individual account which is maintained by the record keeper.

Each state agency and university system employer contributed 7.035% of PERS-covered payroll during fiscal year 2009. Participating local governments employers contribute 6.935% of PERS-covered payroll during fiscal year 2009. The State contributes the remaining 0.1% for local governments from the state general fund. School district employers contribute 6.8%, while the State contributes the remaining 0.235%. (Reference Schedule of Contribution Rates on page 79).

The employer rate of 7.035% is allocated as follows: 4.19% allocated to the member's retirement account, 2.505% allocated to the defined benefit plan choice rate, 0.04% allocated to the defined contribution education fund and 0.3% allocated to the long-term disability plan.

Under section 19-3-316 (3), MCA and effective July 1, 2009, State and University employers shall contribute an additional employer contribution equal to 0.27% making a total contribution of 7.17%. Local government (except school districts) employer rates increased 0.27%, making a total contribution rate of 7.07%. State contribution rates for School District employers increased by 0.27%, making a total contribution of 0.37%.

Plan Membership Elections: Included in the financial statements are employer contribution transfers of \$11,316 and member contribution transfers of \$18,365. These transfers reflect the contribution transfers of DCRP participants that filed elections at or near the June 30 cutoff date but the contributions were moved in early fiscal year 2010.

DCRP Education Fund: Implemented July 1, 2002, the DCRP Education Fund (DCEd), as governed by section 19-3-112, MCA, was established to provide funding for the required education programs for the members who have joined the PERS-DCRP. The DCEd was funded by 0.04% of the employers' contributions in fiscal year 2009.

DCRP Disability Fund: Implemented July 1, 2002, the DCRP Disability Fund (DC Disability), as governed by section 19-3-2117, MCA, will provide disability benefits to eligible members who have joined the PERS-DCRP. The DC Disability was funded by 0.3% of the employers' contribution.

PERS-DCRP Active Membership by Employer Type		
Employer Type	June 30, 2009	June 30, 2008
State Agencies	919	809
Counties	356	322
Cities	246	236
Universities	99	77
High Schools	2	2
School Districts	225	202
Other Agencies	132	121
Total	1,979	1,769

The reporting employers for the DCRP are listed on the top of the next page.

At June 30, 2009 PERS-DCRP had 271 reporting employers, 38 more than in FY2008. The participating employers consist of:

PERS-DCRP EMPLOYERS		
<u>Employers</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
State Agencies	31	28
Counties	45	42
Cities and Towns	46	42
Universities	5	4
School Districts	103	84
High Schools	3	2
Other Agencies	<u>38</u>	<u>31</u>
Total	271	233

Deferred Compensation Plan (457)

Plan Description: The Deferred Compensation (457) Plan is a voluntary supplemental retirement savings plan established in 1976. The Deferred Compensation Plan is governed by Title 19, chapter 50, MCA, in accordance with Internal Revenue Service Code (IRC) §457. All employees of the State, the Montana University System and contracting political subdivisions are eligible to participate.

Assets of the Deferred Compensation Plan are required to be held in trusts, custodial accounts or insurance company contracts for the exclusive benefit of participants and their beneficiaries. The record keeper for the plan is Great West Retirement Services (Great West). Participants elect to defer a portion of their salary, within Internal Revenue Code limits. The deferred salary is not available to employees until separation from service, retirement, death, or upon an unforeseeable emergency while still employed, provided IRS-specified criteria are met.

Plan participants direct their deferred salary among the offered investment options. The investment options offered are selected by the PERB in compliance with their Investment Policy Statement and with the assistance of the statutorily-created Employee Investment Advisory Council and the advice of a third-party consultant. Participants may invest in all of the offered options and transfer between options on a daily basis, if desired.

The offered investment options fall into two primary types: (1) the fixed investment option and (2) the variable investment options. The variable investment options include mutual funds, bond funds and asset allocation funds. All options range from aggressive to conservative. The mutual funds cover all standard asset classes and categories. The asset allocation funds are preset funds that invest in underlying mutual funds to achieve a set investment objective. The investment options as of June 30, 2009 are as follows:

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Deferred Compensation (457) Plan Investment Options

International Stock Funds

Artisan International
Mutual Discovery Z
Dodge & Cox International
American Funds New Perspective

Small Company Stock Funds

Neuberger Berman Genesis
Manager AMG Essex
Vanguard Small Cap Index
Munder Small Cap Value

Mid-Sized Company Stock Funds

Munder Mid-cap Select
Columbia Mid-cap Value Fund

Large Company Stock Funds

Davis NY Venture A
Fidelity Contrafund
Vanguard 500 Index
Calvert Social Investors

Balanced Funds

Dodge & Cox Balanced

Bond Funds

Neuberger Berman High Income
PIMCO Total Return Admin

Fixed Investment Options

Montana Fixed Fund

Asset Allocation Funds

Moderately Aggressive
Moderate
Conservative

In addition to the investments listed, plan participants previously had the option to direct a portion of their deferrals to a term life insurance policy provided through Allianz Life Insurance. The ability to invest in life insur-

ance is allowed under the IRC and was offered to plan participants prior to life insurance being offered as a standard component of health insurance benefit packages. This investment option has been discontinued; however, plan participants who had previously elected this option may continue.

Fixed investment: The fixed investment option guarantees both principal (the deferred salary) and a quarterly rate of return. The fixed investment option requires the services of three external providers who were selected through the State's competitive bidding process. The external providers are Aegon, Pacific Investment Management Company (PIMCO) and State Street Bank Kansas City (SSKC). Aegon, the insurance wrapper, provides a guarantee of principal and sets a quarterly rate of return based upon the investment manager's portfolio yield and duration. PIMCO, the investment manager, directs the investment of the assets. Assets are invested in accordance with established guidelines for credit quality, duration and issue concentration. SSKC is PIMCO's custodial bank and holder of the assets. SSKC exchanges the assets as directed by PIMCO.

Administrative expenses and the revenues that fund them are accounted for within the plan. Expenses for the Deferred Compensation Plan can generally be classified as 1) administrative (including miscellaneous) or 2) investment management. Following is a summary of all expenses:

Administrative funding: The PERB receives 12(b)(1) or re-allotment fees from certain mutual fund companies. These fees are normally charged by the mutual funds for the purpose of individual record keeping or marketing. Because the mutual fund companies involved in the Deferred Compensation Plan do not need to keep records of participants'

accounts and do not market the plan, the fees are returned to the PERB. The PERB uses 12 (b)(1) fees to pay administrative expenses associated with the Deferred Compensation Plan. These amounts are recorded as *Miscellaneous Revenue*.

Record keeping fees: The record keeper, Great West Retirement Services (Great West), charges a set administrative fee to all plan participants. On a quarterly basis, the fees are withheld from each plan participant's account. These amounts are recorded as *Miscellaneous Expense*.

Fixed investment fees: Fees on the fixed investments are charged by each of the three providers, PIMCO, SSKC and Aegon. The fees are defined per each contract for specific services. The fixed investment credited rate is declared net of expenses.

The fees charged by PIMCO and SSKC for the externally managed fixed investments are classified as *Investment Expense*. Because the

fees charged by Aegon are explicit and not net from assets, they are classified as *Miscellaneous Expense*.

Mutual fund/variable investments fees: All of the variable investments have investment management fees; some may have additional administrative fees. These fees are not presented on the financial statements. Mutual fund earnings are declared net of expenses, both investment management and administrative, in accordance with the Securities Exchange Commission and other regulatory authorities. Current reporting standards for mutual companies do not require costs to be made available in the detailed cost reports.

A brief summary of eligibility and benefits follows:

Deferred Compensation Plan Summary

Contribution

Voluntary, tax-deferred

Eligibility of Benefit

Not available to participant until separation from service, retirement, death, or upon an unforeseeable emergency, while still employed, provided IRS-specified criteria are met.

Vesting

Participants are fully vested in their accounts at the time of crediting

Benefit

Lump sum or periodic benefit payment, at the option of the participant. Based on individual account balances and plan provisions. IRS permitted rollovers are also possible.

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At June 30, 2009 the Deferred Compensation Plan had 19 participating employers, an increase of two from FY 2008. The participating employers consist of:

DEFERRED COMPENSATION EMPLOYERS		
<u>Employers</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
State of Montana *	1	1
Counties	2	2
Colleges and Universities	6	6
School Districts	3	2
Cities	4	3
Other	<u>3</u>	<u>3</u>
Total	19	17

*The State of Montana includes 34 agencies; however, due to the nature of the reporting for the 457 plan we are unable to specifically determine which agencies have participating employees.

Contributions: The Deferred Compensation Plan is a voluntary, tax-deferred retirement plan designed to supplement retirement, Social Security and other

retirement plans and savings. Participants designate the amount to contribute within IRC limitations.

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<i>FY 2009 Schedule of Contribution Rates</i>			
System	Member	Employer*	State
PERS-DBRP*	6.9% [19-3-315, MCA]	7.035% State & University 6.935% Local Governments 6.8% School Districts (K-12) [19-3-316, MCA]	0.1% of local government payroll – paid from the General Fund 0.235% School Districts (K-12) payroll – paid from the General Fund [19-3-319, MCA]
PERS-DCRP*	6.9% [19-3-315, MCA]	7.035% State & University 6.935% Local Governments 6.8% School Districts (K-12) [19-3-316, MCA]	0.1% of local government payroll – paid from the General Fund 0.235% School Districts (K-12) payroll – paid from the General Fund [19-3-319, MCA]
JRS	7.0% [19-5-402, MCA]	25.81% [19-5-404, MCA]	
HPORS	9.0% - hired prior to 7-01-97 & not electing GABA 9.05% - hired after 6-30-97 & members electing GABA [19-6-402, MCA]	26.15% [19-6-404(1), MCA] 10.18% of salaries – paid from the General Fund [19-6-404(2), MCA]	
SRS*	9.245% [19-7-403, MCA]	9.825% [19-7-404, MCA]	
GWPORS	10.56% [19-8-502, MCA]	9.0% [19-8-504, MCA]	
MPORS	5.8% - hired on or before 6-30-75 & not electing GABA [19-9-710(a), MCA] 7.0% - hired after 6-30-75 & prior to 7-1-79 & not electing GABA [19-9-710(b), MCA] 8.5% - hired after 6-30-79 and prior to 7-1-97 & not electing GABA [19-9-710(c), MCA] 9.0% - hired after 6-30-97 & members electing GABA [19-9-710(d), MCA & 19-9-710(2), MCA]	14.41% [19-9-703, MCA]	29.37% of salaries – paid from the General Fund [19-9-702, MCA]
FURS	9.5% - hired prior to 7-1-97 & not electing GABA [19-13-601(2)(a), MCA] 10.7% - hired after 06-30-97 & members electing GABA [19-13-601(2)(b), MCA]	14.36% [19-13-605, MCA]	32.61% of salaries – paid from the General Fund [19-13-604, MCA]
VFCA			5.0% of fire insurance premiums, paid from the General Fund [19-17-301, MCA]

*The employer contribution rate increases on July 1, 2009 for PERS-DBRP, PERS-DCRP and SRS.

FINANCIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Required Supplementary Information

Schedule of Funding Progress

(in thousands)

System	Actuarial Valuation Date	Actuarial Value of Assets [*] (a)	Actuarial Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio % (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PERS-DBRP	06/30/04	\$ 3,047,287	\$ 3,514,085	\$ 466,798	86.72	\$ 832,847	56.05
	06/30/05	3,179,010	3,719,998	540,988	85.46	847,431	63.84
	06/30/06	3,459,084	3,919,313	460,229	88.26	880,708	52.26
	06/30/07	3,825,234	4,201,251	376,017	91.05	907,424	41.44
	06/30/08	4,065,307	4,504,743	439,436	90.25	955,113	46.01
	06/30/09	4,002,212	4,792,819	790,607	83.50	1,003,215	78.81
JRS	06/30/04	45,134	34,724	(10,410)	129.98	4,403	-236.43
	06/30/05	47,552	34,525	(13,027)	137.73	4,462	-291.95
	06/30/06	51,808	37,159	(14,649)	139.42	4,762	-307.62
	06/30/07	57,778	36,863	(20,915)	156.74	4,841	-432.04
	06/30/08	62,040	39,435	(22,605)	157.32	5,096	-443.58
	06/30/09	61,929	41,848	(20,081)	147.98	5,110	-392.99
HPORS	06/30/04	79,104	104,069	24,965	76.01	7,844	318.27
	06/30/05	82,050	112,938	30,888	72.65	9,104	339.28
	06/30/06	87,189	112,002	24,813	77.85	7,878	314.97
	06/30/07	95,758	128,306	32,548	74.63	9,858	330.17
	06/30/08	101,500	134,683	33,183	75.36	10,866	305.38
	06/30/09	99,652	137,815	38,163	72.31	11,425	334.03
SRS	06/30/04	141,022	148,608	7,586	94.90	27,373	27.71
	06/30/05	148,458	159,347	10,889	93.17	28,423	38.31
	06/30/06	163,003	171,841	8,838	94.86	34,242	25.81
	06/30/07	183,894	189,036	5,142	97.28	43,611	11.79
	06/30/08	199,453	204,549	5,096	97.51	47,196	10.80
	06/30/09	200,690	223,893	23,203	89.64	51,457	45.09

Analysis of the dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of the plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

*Refer to the "Notes to the Required Supplementary Information" for the Actuarial Asset Valuation Method (Page 86).

FINANCIAL SECTION

System	Actuarial Valuation Date	Actuarial Value of Assets [*] (a)	Actuarial Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio % (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
GWPORS	06/30/04	\$ 45,210	\$ 50,310	\$ 5,100	89.86	\$ 21,442	23.79
	06/30/05	50,961	56,414	5,453	90.33	22,496	24.24
	06/30/06	58,813	64,183	5,370	91.63	25,846	20.78
	06/30/07	68,755	72,992	4,237	94.20	28,799	14.71
	06/30/08	77,511	83,449	5,938	92.88	32,365	18.35
	06/30/09	81,177	92,155	10,978	88.09	36,023	30.48
MPORS	06/30/04	149,510	260,094	110,584	57.48	24,531	450.79
	06/30/05	159,417	276,379	116,962	57.68	26,198	446.45
	06/30/06	175,919	291,099	115,180	60.43	27,644	416.65
	06/30/07	198,310	310,423	112,113	63.88	29,547	379.44
	06/30/08	212,312	327,556	115,244	64.82	32,181	358.11
	06/30/09	214,345	345,261	130,916	62.08	34,687	377.42
FURS	06/30/04	142,109	227,599	85,490	62.44	20,248	422.21
	06/30/05	151,393	238,157	86,764	63.57	20,474	423.78
	06/30/06	167,343	255,513	88,170	65.49	22,917	384.74
	06/30/07	188,545	269,399	80,854	69.99	24,250	333.42
	06/30/08	206,127	287,218	81,091	71.77	29,158	278.11
	06/30/09	209,775	306,236	96,460	68.50	30,160	319.83
VFCA	06/30/04	20,058	28,680	8,622	69.94	N/A	N/A
	06/30/05	21,311	30,773	9,462	69.25	N/A	N/A
	06/30/06	23,238	31,883	8,645	72.89	N/A	N/A
	06/30/07	25,862	31,599	5,737	81.84	N/A	N/A
	06/30/08	27,544	32,735	5,191	84.14	N/A	N/A
	06/30/09	27,226	33,548	6,322	81.16	N/A	N/A

Covered payroll is not applicable to VFCA because members are unpaid volunteers.

Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

FINANCIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Required Supplementary Information

Schedule of Funding Progress for OPEB

(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio % (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2007	\$ -	\$ 1,048	\$ 1,048	0.00	\$ 1,326	79.03%

Projected unit credit funding method

As of June 30, 2009, the most recent actuarial valuation available was completed by the State of Montana for the calendar year ending December 31, 2007. Since 2008 was the OPEB reporting implementation year and the year of transition, there is no previous years' information available to report as required by Governmental Accounting Standards Board Statement 45. The State of Montana finances claims on a pay-as-you-go basis and does not advance fund the OPEB liability. Therefore, the funded ratio remains at 0% at June 30, 2009.

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FINANCIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Required Supplementary Information

Schedule of Employer Contributions & Other Contributing Entities

System	Year Ended June 30	Annual Required Contributions	Actuarial Required Contribution Rate	Percentage Contributed	Annual Required State Contribution ¹	Percentage Contributed
PERS-DBRP	2004	67,044,215	8.05	86.20	402,566	100.00
	2005	71,523,156	8.44	82.06	420,658	100.00
	2006	69,311,689	7.87	91.54	442,994	100.00
	2007	60,252,960	6.64	110.41	445,798	100.00
	2008	65,425,225	6.85	110.42	377,713	100.00
	2009	95,506,044	9.52	79.39	357,260	100.00
JRS	2004	304,277	6.91	373.52		
	2005	143,222	3.21	811.43		
	2006	112,854	2.37	1,089.03		
	2007	(230,425)	(4.76)	(542.23)		
	2008	(274,152)	(5.38)	(479.74)		
	2009	(380,675)	(7.45)	(353.74)		
HPORS	2004	2,849,545	36.33	100.32	348,137	100.00
	2005	3,307,439	36.33	100.50	668,748	100.00
	2006	2,862,188	36.33	101.50	277,178	100.00
	2007	3,581,499	36.33	101.48	284,631	100.00
	2008	3,947,723	36.33	100.03	289,515	100.00
	2009	2,500,911	21.89	165.97	285,517	100.00
SRS	2004	3,198,485	11.69	84.57		
	2005	3,474,750	12.23	80.95		
	2006	3,896,731	11.38	90.42		
	2007	4,175,763	9.58	105.04		
	2008	4,443,543	9.42	108.78		
	2009	6,506,675	12.65	79.81		

Refer to the "Notes to the Required Supplementary Information" (Page 86).

This schedule was revised in FY2005 to reflect the actuarially calculated ARC rather than the statutory rate that was previously used.

¹The Annual Required State Contribution for HPORS includes the required registration fees. For MPORS and FURS it is based on covered payroll, which includes payroll adjustments.

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System	Year Ended June 30	Annual Required Contributions	Actuarial Required Contribution Rate ¹	Percentage Contributed	Annual Required State Contribution ²	Percentage Contributed
GWPORS	2004	1,979,117	9.23	102.12		
	2005	2,083,154	9.26	98.58		
	2006	2,336,515	9.04	102.34		
	2007	2,217,558	7.70	118.94		
	2008	2,540,673	7.85	117.23		
	2009	3,490,652	9.69	94.31		
MPORS	2004	3,534,920	14.41	102.68	7,204,760	100.05
	2005	3,775,191	14.41	100.41	7,694,474	100.14
	2006	3,983,471	14.41	101.30	8,118,982	100.77
	2007	4,258,134	14.41	100.58	8,678,793	100.00
	2008	4,637,223	14.41	111.19	9,451,808	100.00
	2009	3,454,837	9.96	146.35	10,185,974	100.00
FURS	2004	2,876,584	14.36	100.09	6,532,410	100.00
	2005	2,940,092	14.36	100.65	6,676,629	100.63
	2006	3,290,840	14.36	101.14	7,473,141	100.80
	2007	3,482,288	14.36	101.09	7,907,898	100.63
	2008	4,187,118	14.36	106.68	9,568,388	100.63
	2009	117,622	0.39	3852.37	9,831,417	100.00
VFCA	2004				1,434,068	100.00
	2005				1,527,264	100.00
	2006				1,610,462	100.00
	2007				1,660,695	100.00
	2008				1,562,019	100.00
	2009				1,579,887	100.00

FINANCIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Notes to the Required Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of latest actuarial valuation follows:

	PERS-DBRP	JRS	HPORS
Valuation date	June 30, 2009	June 30, 2009	June 30, 2009
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
Remaining amortization period in years:			
Unfunded Liability	Does not amortize ²		21.5
Unfunded Credit ¹		30	
Asset valuation method	4-Year smoothed market	4-Year smoothed market	4-Year smoothed market
Actuarial assumptions:			
Investment rate of return compounded annually	8%	8%	8%
Projected salary increases			
General Wage Growth*	4.25%	4.25%	4.25%
Merit	0% - 6%	None	0% - 7.3%
*Includes inflation at	3.25%	3.25%	3.25%
Benefit Adjustments			
GABA	3% or 1.5% for new hires on or after July 1, 2007, after 1 year	3% after 1 yr	3% after 1 yr
Non-GABA	N/A	Biennial increase to salary of active member in like position	2% per yr service, not to exceed 5%, for probationary officer's base pay

¹ Assets are larger than the past service liability – creating an unfunded credit; the credit is amortized over future costs and the amortization period may not exceed 30 years.

² The amortization period for the unfunded actuarial liability in the PERS, SRS and GWPORS exceeds 30 years.

FINANCIAL SECTION

SRS	GWPORS	MPORS	FURS	VFCA
June 30, 2009 Entry Age	June 30, 2009 Entry Age	June 30, 2009 Entry Age	June 30, 2009 Entry Age	June 30, 2009 Entry Age
Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open	Level dollar amount, open
Does not amortize ²	Does not amortize ²	22.1	12.7	6.9 Based on Current Revenue
4-Year smoothed market	4-Year smoothed market	4-Year smoothed market	4-Year smoothed market	4-Year smoothed market
8%	8%	8%	8%	8%
4.25%	4.25%	4.25%	4.25%	N/A
0% - 7.3%	0% - 7.3%	0% - 7.3%	0% - 7.3%	N/A
3.25%	3.25%	3.25%	3.25%	
3% or 1.5% for new hires on or after July 1, 2007, after 1 year	3% or 1.5% for new hires on or after July 1, 2007, after 1 year	3% after 1 yr	3% after 1 yr	N/A
N/A	N/A	50% newly confirmed officer	50% newly confirmed officer	N/A

FINANCIAL SECTION

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Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Administrative Expenses

Year Ended June 30, 2009

	Defined Benefit Plans	PERS-DBRP Education Fund	Defined Contribution PERS-DCRP	Deferred Compensation (457) Plan
Personal Services				
Salaries	\$ 1,195,987	\$ 109,576	\$ 140,421	\$ 110,624
Board Members' Per Diem	6,437		910	753
Employee Benefits	375,419	38,743	45,975	35,767
Total Personal Services	1,577,843	148,319	187,306	147,144
Other Services				
Consulting Services	403,672	157	92,541	68,670
Legal Fees and Court Costs	29,088		3,130	12,301
Payroll Fees	9,654	889	1,270	889
Audit Fees	21,612		2,636	2,109
Medical Services	9,798			
Records Storage	16,266		20,519	3
Pre-Retirement Seminars		1,500		
Computer Processing	320,825	2,901	16,520	16,845
Printing and Photocopy Charges	65,347	22,603	5,205	1,080
Warrant Writing Services	46,670		5,691	4,554
Other	7,312	673		
Total Other Services	930,244	28,723	147,512	106,451
Communications				
Recruitment Costs	2,214		221	140
Postage and Mailing	135,630	13,684	1,880	1,484
Telephone	21,491	2,438	2,834	1,982
Total Communications	159,335	16,122	4,935	3,606
Other Expenses				
Supplies and Materials	60,652	6,591	6,702	4,668
Travel	20,473	15,123	6,588	6,190
Rent	185,181	18,319	24,366	17,056
Repairs and Maintenance	972	86	122	86
Depreciation/Amortization	111,171	137		9,525
Compensated Absences	17,530	(2,371)	9,147	7,160
Miscellaneous	82,426	6,504	15,058	8,749
Total Other Expenses	478,405	44,389	61,983	53,434
Total Administrative Expenses	\$ 3,145,827	\$ 237,553	\$ 401,736	\$ 310,635

FINANCIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Investment Expenses

Year Ended June 30, 2009

<u>Plan</u>	<u>Investment Manager</u>	<u>Fees</u>
PERS-DBRP	Board of Investments	\$ 17,758,038
JRS	Board of Investments	270,531
HPORS	Board of Investments	440,340
SRS	Board of Investments	869,693
GWPORS	Board of Investments	343,297
MPORS	Board of Investments	897,048
FURS	Board of Investments	877,807
VFCA	Board of Investments	114,101
457	PIMCO	492,746
	State Street Bank	<u>73,862</u>
Total Investment Expense		<u>\$ 22,137,463</u>

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Consultants

Year Ended June 30, 2009

<u>Individual or Firm</u>	<u>Nature of Service</u>	<u>Amount Paid</u>
AMDEC Software	Computer Programming Services	\$ 382,848
Milliman	Actuarial Consultant	169,117
Wilshire Associates Inc	Mutual Funds Performance Review	96,710
Ice Miller	Tax Consultant	73,372
Legislative Audit Division, Legislative Branch	Independent Auditors	26,357
Legal Services Division, Department of Justice	Legal Services	14,280
Robert N. Mitgang, MD	Medical Consultant	6,718
Professional Development Center, Department of Administration	Retirement Planning Seminars	1,500

FINANCIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Detail of Fiduciary Net Assets (PERS-DBRP and PERS-DBEd) as of June 30, 2009

	PERS-DBRP	PERS-DBEd	TOTAL
Assets			
Cash and Short-term Investments	\$ 28,173,148	\$ 1,718,759	\$ 29,891,907
Securities Lending Collateral	276,810,160	122,788	276,932,948
Receivables			
Interest	6,359,372	1,144	6,360,516
Accounts Receivable	1,185,387	21	1,185,408
Due from Other Funds	359,720	1,388	361,108
Due from Primary Government	24,141		24,141
Notes Receivable	51,315		51,315
<i>Total Receivables</i>	7,979,935	2,553	7,982,488
Investments, at fair value			
Montana Domestic Equity Pool (MDEP)	1,070,435,421		1,070,435,421
Retirement Fund Bond Pool (RFBP)	876,389,757		876,389,757
Montana International Pool (MTIP)	494,790,123		494,790,123
Montana Private Equity Pool (MPEP)	338,517,001		338,517,001
Montana Real Estate Pool (MTRP)	145,478,002		145,478,002
Real Estate Investments	8,936,962		8,936,962
Mortgages & Commercial Loans net of Accumulated Mortgage Discount	24,055,497		24,055,497
Structured Investment Vehicles (SIV)	2,462,896	155,685	2,618,581
<i>Total Investments</i>	2,961,065,659	155,685	2,961,221,344
Capital Assets			
Property and Equipment, at cost, net of Accumulated Depreciation	513		513
Intangible Assets, at cost, net of Amortization Expense	331,368	23	331,391
<i>Total Capital Assets</i>	331,881	23	331,904
Total Assets	3,274,360,783	1,999,808	3,276,360,591
Liabilities			
Securities Lending Collateral Liability	276,810,160	122,788	276,932,948
Accounts Payable	354,467	9,811	364,278
Due to Other Funds	122,291	1,133	123,424
Due to Primary Government	63,284	2,624	65,908
Deferred Revenue	103,927		103,927
OPEB Implicit Rate Subsidy LT	128,220	13,646	141,866
Compensated Absences	258,177	10,546	268,723
Total Liabilities	277,840,526	160,548	278,001,074
Net Assets Held in Trust for Pension Benefits	\$ 2,996,520,257	\$ 1,839,260	\$ 2,998,359,517

FINANCIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

**Detail of Changes in Fiduciary Net Assets (PERS-DBRP and PERS-DBEd)
for the Fiscal Year Ended June 30, 2009**

	PERS-DBRP	PERS-DBEd	TOTAL
Additions			
Contributions			
Employer	\$ 75,414,617	\$ 412,323	\$ 75,826,940
Plan Member	75,867,558		75,867,558
Membership Fees	196		196
Interest Reserve Buyback	135,548		135,548
Retirement Incentive Program	120,782		120,782
Miscellaneous Revenue	384	176	560
State Contributions	357,260		357,260
<i>Total Contributions</i>	151,896,345	412,499	152,308,844
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments	(865,333,751)		(865,333,751)
Interest	67,217,220	26,451	67,243,671
Dividends	16,442,729		16,442,729
Investment Expense	(17,758,038)		(17,758,038)
<i>Net Investment Income</i>	(799,431,840)	26,451	(799,405,389)
Securities Lending Income			
Securities Lending Income	5,637,289	3,372	5,640,661
Securities Lending Rebate and Fees	(2,476,215)	(1,133)	(2,477,348)
<i>Net Securities Lending Income</i>	3,161,074	2,239	3,163,313
Total Net Investment Income	(796,270,766)	28,690	(796,242,076)
Total Additions	(644,374,421)	441,189	(643,933,232)
Deductions			
Benefits	196,401,589		196,401,589
Refunds/Distributions	10,821,072		10,821,072
Refunds to Other Plans	495,040		495,040
Transfers to DCRP	1,043,374		1,043,374
Transfers to ORP	174,259		174,259
OPEB Expenses	62,010	8,196	70,206
Administrative Expenses	2,640,347	237,552	2,877,899
Total Deductions	211,637,691	245,748	211,883,439
Net Increase (Decrease)	(856,012,112)	195,441	(855,816,671)
Net Assets Held in Trust for Pension Benefits			
Beginning of Year	3,852,532,260	1,643,819	3,854,176,079
Prior Period Adjustment	109		109
End of Year	\$ 2,996,520,257	\$ 1,839,260	\$ 2,998,359,517

FINANCIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Detail of Fiduciary Net Assets (PERS-DCRP, PERS-DCEd and PERS-DC Disability) as of June 30, 2009

	PERS-DCRP	PERS-DCEd	PERS-DC DISABILITY	TOTAL
Assets				
Cash and Short-term Investments	\$ 1,321,570	\$ 127,934	\$ 1,066,595	\$ 2,516,099
Cash Collateral - SI	76,323	9,076	76,265	161,664
Receivables				
Interest	715	85	706	1,506
Accounts Receivables	25,810	3		25,813
Due from Other Funds	119,703	1,133	2,588	123,424
Total Receivables	146,228	1,221	3,294	150,743
Investments, at fair value				
Defined Contributions Fixed Investments	4,819,892			4,819,892
Defined Contributions Variable Investments	38,198,489			38,198,489
Structured Investment Vehicles (SIV)	96,769	11,520	96,687	204,976
Total Investments	43,115,150	11,520	96,687	43,223,357
Intangible Assets, at cost, net of Amortization Expense	7,736			7,736
Total Assets	44,667,007	149,751	1,242,841	46,059,599
Liabilities				
Accounts Payable	327,818	617		328,435
Due to Other Funds	872	1,469		2,341
Due to Primary Government	3,047	65		3,112
Compensated Absences	23,444	709		24,153
Securities Lending Collateral Liability	76,323	9,076	76,265	161,664
OPEB Implicit Rate Subsidy LT	15,089	689		15,778
Total Liabilities	446,593	12,625	76,265	535,483
Net Assets Held in Trust for Pension Benefits	\$ 44,220,414	\$ 137,126	\$ 1,166,576	\$ 45,524,116

Public Employees' Retirement Board

A Component Unit of the State of Montana

Detail of Changes in Fiduciary Net Assets (PERS-DCRP, PERS-DCEd and PERS-DC Disability) for the Fiscal Year Ended June 30, 2009

	PERS-DCRP	PERS-DCEd	PERS-DC DISABILITY	TOTAL
Additions				
Contributions				
Employer	\$ 3,445,070	\$ 40,606	\$ 244,537	\$ 3,730,213
Plan Member	5,723,408			5,723,408
Miscellaneous Revenue	201,453			201,453
Forfeiture of Nonvested Member	265,972			265,972
Total Contributions	9,635,903	40,606	244,537	9,921,046
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	(8,396,771)			(8,396,771)
Interest	1,576,206	1,877	15,239	1,593,322
Net Investment Income	(6,820,565)	1,877	15,239	(6,803,449)
Securities Lending Income				
Securities Lending Income	2,103	239	1,943	4,285
Securities Lending Rebate and Fees	(707)	(80)	(653)	(1,440)
Net Securities Lending Income	1,396	159	1,290	2,845
Total Net Investment Income	(6,819,169)	2,036	16,529	(6,800,604)
Total Additions	2,816,734	42,642	261,066	3,120,443
Deductions				
Distributions	1,895,616			1,895,616
Benefits			7,310	7,310
OPEB Expensee	9,241			9,241
Administrative Expenses	382,812	18,924		401,736
Miscellaneous Expenses	222,396			222,396
Total Deductions	2,510,065	18,924	7,310	2,536,299
Net Increase (Decrease)	306,669	23,718	253,756	584,143
Net Assets Held in Trust for Pension Benefits				
Beginning of Year	43,913,746	113,407	912,820	44,939,973
Prior Period Adjustment				-
End of Year	\$ 44,220,415	\$ 137,125	\$ 1,166,576	\$ 45,524,116



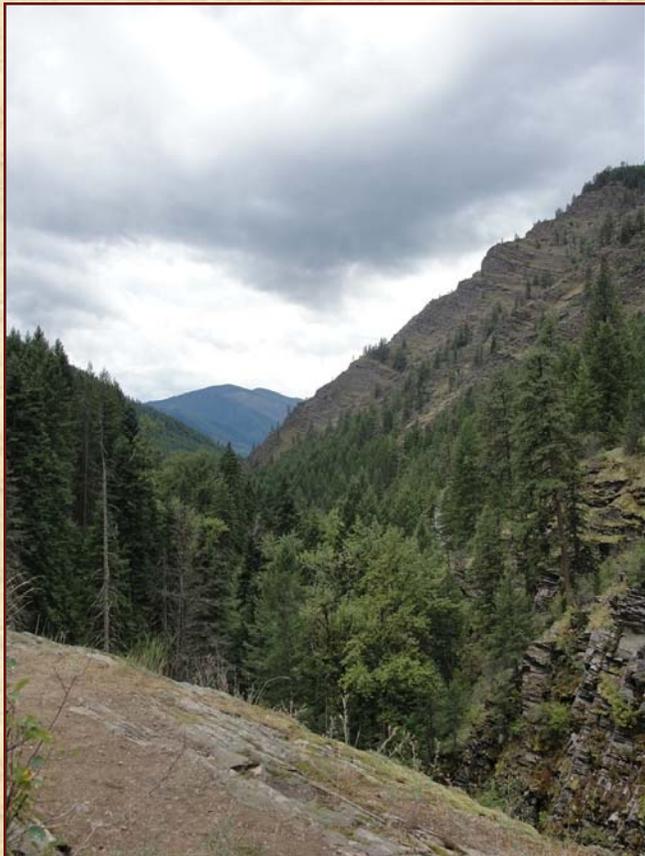
Bighorn Sheep
- photo courtesy of Roxanne Minnehan

Graves Creek near Thompson Falls
- photo courtesy of Sam Mason



Montana has more than 15 wilderness areas, for a total of over 3 million acres. This is roughly 3.7% of the total Montana landbase.

- Montana Wilderness Association.



Cabinet Mountains near Thompson Falls
- photo courtesy of Sam Mason

A grizzly bear
- photo courtesy of Roxanne Minnehan



Public Employees' Retirement Board

A Component Unit of the State of Montana

Report on Investment Activity

INTRODUCTION

The Montana Constitution and various Montana statutes govern the investment activity of the retirement funds administered by the Public Employees' Retirement Board (PERB). The "prudent expert principle," contained in the Montana Constitution and Montana statute, requires the fiduciaries of the funds, including the Montana Board of Investments (BOI), to discharge their duties in the same manner that a prudent expert acting in a fiduciary capacity and under the same circumstances exercises in the conduct of an enterprise of a similar character with similar objectives.

The prudent expert principle permits diversification of the holdings of the fund to minimize the risk of loss and maximize the rate of return. The opportunity to diversify among various asset classes enables a fund to reduce volatility and increase returns.

The BOI prepares and provides information related to the defined benefit plan investments for the PERB. The Montana Public Employee Retirement Administration (MPERA), staff of the PERB, is responsible for the presentation of the report of investment activity.

INVESTMENT GOALS AND OBJECTIVES

The basic goal influencing the investment activity for the PERB is two-fold. The first is to realize compound rates of return sufficient to fund promised benefits. The second is to provide services at the lowest possible cost to employers and members.

The basic investment objective of the BOI is the achievement of a total rate of return greater than the median performance of its peers over any five-year rolling period, while outperforming the appropriate market indices for each class over the same period.

To calculate the PERB's defined benefit plan investment returns, State Street Bank, BOI's custodial bank and an independent third party, uses the industry performance presentation standards times weighted total rate of return method.

RISK TOLERANCE

In view of the long time horizon of the pension plans and the adequacy of cash flow to meet retiree payments, all funds have an above-average ability to assume risk. For Montana loans, the maximum loan size is \$5 million.

INVESTMENT MANAGEMENT AND RESULTS

The funds of each defined benefit system are invested by the BOI as part of the unified investment program. The portfolio is broadly diversified between the various asset classes (stocks, bonds, real estate, venture capital, etc.). A complete list of portfolio information is available through the BOI. State Street Bank compiles the rates of return for the investments. The total rates of return for fiscal year 2009 are reported by the BOI for each defined benefit fund. The following tables are a summary of the information received from the BOI.

INVESTMENT SECTION

TOTAL RATES OF RETURN BY ASSET CLASS

12-Month Period ending June 30, 2009

Asset Class	<u>INDEX</u>	<u>PERS- DBRP</u>	<u>JRS</u>	<u>HPORS</u>	<u>SRS</u>
Cash Equivalents (STIP)		1.65%	1.63%	1.63%	1.64%
<i>Libor 1 Month</i>	1.35%				
Equities ¹		-29.78%	-29.75%	-29.78%	-29.75%
<i>S&P 1500</i>	-26.34%				
<i>International Equities</i> ²	-30.61%				
Fixed Income ³		3.18%	3.05%	3.07%	3.04%
<i>BC Aggregate Bond</i>	6.05%				
Private Equity ⁴		-24.30%	-24.30%	-24.30%	-24.30%
<i>S&P 1500 + 4%</i>	-22.34%				
Real Estate ⁵		-26.40%	-27.88%	-27.88%	-27.88%
<i>NFI-ODCE</i> ⁶	-30.74%				
Total Plan		-20.69%	-20.55%	-20.75%	-20.55%
<i>Index Composite</i> ⁷		-21.82%	-21.66%	-21.87%	-21.65%
	<u>INDEX</u>	<u>GWPORS</u>	<u>MPORS</u>	<u>FURS</u>	<u>VFCA</u>
Cash Equivalents (STIP)		1.60%	1.65%	1.61%	1.69%
<i>Libor 1 Month</i>	1.35%				
Equities ¹		-29.72%	-29.77%	-29.76%	-29.77%
<i>S&P 500</i>	-26.34%				
<i>International Equities</i> ²	-30.61%				
Fixed Income ³		2.96%	3.03%	3.04%	3.08%
<i>BC Aggregate Bond</i>	6.05%				
Private Equity ⁴		-24.30%	-24.30%	-24.30%	-24.30%
<i>S&P 1500 + 4%</i>	-22.34%				
Real Estate ⁵		-27.88%	-27.88%	-27.88%	-27.88%
<i>NFI-ODCE</i> ⁶	-30.74%				
Total Plan		-20.55%	-20.70%	-20.56%	-20.49%
<i>Index Composite</i> ⁷		-21.63%	-21.85%	-21.74%	-21.62%

¹ Return is a dollar weighted combination of Domestic and International Common Stock

² Montana International Equity blended benchmark

³ Includes Retirement Fund Bond Pool and Mortgages

⁴ Includes Montana Private Equity Pool

⁵ Includes Direct and Pooled Real Estate

⁶ The NFI-ODCE (NCREIF Fund Index - Open-End Diversified Core Equity) is a fund-level capitalization weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage.

⁷ An Index Composite paralleling the Fund's Asset Allocation at market value

The rates of return are provided by State Street Bank, the BOI's custodial bank for the plans, and are reported net of all management fees and expenses.

INVESTMENT SECTION

TOTAL RATES OF ANNUALIZED RETURNS BY ASSET CLASS

Three-Year Period ending June 30, 2009

Asset Class	<u>INDEX</u>	<u>PERS- DBRP</u>	<u>JRS</u>	<u>HPORS</u>	<u>SRS</u>
Cash Equivalents (STIP)		3.87%	3.78%	3.82%	3.78%
<i>Libor 1 Month</i>	3.59%				
Equities ¹		-8.64%	-8.64%	-8.64%	-8.65%
<i>S&P 1500</i>	-8.23%				
<i>International Equities</i> ²	-5.84%				
Fixed Income ³		5.30%	5.26%	5.27%	5.26%
<i>BC Aggregate Bond</i>	6.43%				
Private Equity ⁴		0.80%	0.80%	0.80%	0.80%
<i>S&P 1500 + 4%</i>	-4.23%				
Real Estate ⁵		-6.73%	-7.59%	-7.58%	-7.59%
<i>NFI-ODCE</i> ⁶	-4.17%				
Total Plan		-3.80%	-3.76%	-3.82%	-3.77%
<i>Index Composite</i> ⁷		-4.52%	-4.46%	-4.52%	-4.46%
	<u>INDEX</u>	<u>GWPORS</u>	<u>MPORS</u>	<u>FURS</u>	<u>VFCA</u>
Cash Equivalents (STIP)		3.74%	5.16%	3.89%	4.03%
<i>Libor 1 Month</i>	3.59%				
Equities ¹		-8.62%	-8.67%	-8.66%	-8.65%
<i>S&P 500</i>	-8.23%				
<i>International Equities</i> ²	-5.84%				
Fixed Income ³		5.23%	5.26%	5.25%	5.27%
<i>BC Aggregate Bond</i>	6.43%				
Private Equity ⁴		0.80%	0.80%	0.80%	0.80%
<i>S&P 1500 + 4%</i>	-4.23%				
Real Estate ⁵		-7.59%	-7.59%	-7.59%	-7.58%
<i>NFI-ODCE</i> ⁶	-4.17%				
Total Plan		-3.77%	-3.88%	-3.79%	-3.72%
<i>Index Composite</i> ⁷		-4.46%	-4.60%	-4.53%	-4.42%

¹ Return is a dollar weighted combination of Domestic and International Common Stock

² Montana International Equity blended benchmark

³ Includes Retirement Fund Bond Pool and Mortgages

⁴ Includes Montana Private Equity Pool

⁵ Includes Direct and Pooled Real Estate

⁶ The NFI-ODCE (NCREIF Fund Index - Open-End Diversified Core Equity) is a fund-level capitalization weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage.

⁷ An Index Composite paralleling the Fund's Asset Allocation at market value

The rates of return are provided by State Street Bank, the BOI's custodial bank for the plans, and are reported net of all management fees and expenses.

INVESTMENT SECTION

TOTAL RATES OF ANNUALIZED RETURNS BY ASSET CLASS

Five-Year Period ending June 30, 2009

Asset Class	<u>INDEX</u>	<u>PERS- DBRP</u>	<u>JRS</u>	<u>HPORS</u>	<u>SRS</u>
Cash Equivalents (STIP)		3.65%	3.59%	3.62%	3.59%
<i>Libor 1 Month</i>	3.55%				
Equities ¹		-1.54%	-1.54%	-1.54%	-1.54%
<i>S&P 1500</i>	-1.97%				
<i>International Equities</i> ²	3.72%				
Fixed Income ³		4.85%	4.80%	4.80%	4.79%
<i>BC Aggregate Bond</i>	5.01%				
Private Equity ⁴		7.04%	7.04%	7.04%	7.04%
<i>S&P 1500 + 4%</i>	2.03%				
Real Estate ⁵		-1.32%			
<i>NFI-ODCE</i> ⁶	3.96%				
Total Plan		0.98%	0.98%	0.97%	0.97%
<i>Index Composite</i> ⁷		0.44%	0.44%	0.43%	0.44%
	<u>INDEX</u>	<u>GWPORS</u>	<u>MPORS</u>	<u>FURS</u>	<u>VFCA</u>
Cash Equivalents (STIP)		3.57%	4.42%	3.66%	3.74%
<i>Libor 1 Month</i>	3.55%				
Equities ¹		-1.51%	-1.54%	-1.54%	-1.49%
<i>S&P 500</i>	-1.97%				
<i>International Equities</i> ²	3.72%				
Fixed Income ³		4.78%	4.80%	4.79%	4.81%
<i>BC Aggregate Bond</i>	5.01%				
Private Equity ⁴		7.04%	7.04%	7.04%	7.04%
<i>S&P 1500 + 4%</i>	2.03%				
Real Estate ⁵					
<i>NFI-ODCE</i> ⁶	3.96%				
Total Plan		0.88%	0.88%	0.94%	0.93%
<i>Index Composite</i> ⁷		0.35%	0.33%	0.38%	0.39%

¹ Return is a dollar weighted combination of Domestic and International Common Stock

² Montana International Equity blended benchmark

³ Includes Retirement Fund Bond Pool and Mortgages

⁴ Includes Montana Private Equity Pool

⁵ Includes Direct and Pooled Real Estate

⁶ The NFI-ODCE (NCREIF Fund Index - Open-End Diversified Core Equity) is a fund-level capitalization weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage.

⁷ An Index Composite paralleling the Fund's Asset Allocation at market value

The rates of return are provided by State Street Bank, the BOI's custodial bank for the plans, and are reported net of all management fees and expenses.

INVESTMENT SECTION

TOTAL RATES OF ANNUALIZED RETURNS BY ASSET CLASS

Ten-Year Period ending June 30, 2009

Asset Class	<u>INDEX</u>	<u>PERS- DBRP</u>	<u>JRS</u>	<u>HPORS</u>	<u>SRS</u>
Cash Equivalents (STIP)		3.61%	3.58%	3.59%	3.58%
<i>Libor 1 Month</i>	3.45%				
Equities ¹		-1.86%	-1.90%	-1.90%	-1.89%
<i>S&P 1500</i>	-1.51%				
<i>International Equities</i> ²	1.86%				
Fixed Income ³		6.43%	6.48%	6.49%	6.48%
<i>BC Aggregate Bond</i>	5.98%				
Private Equity ⁴		16.08%			
<i>S&P 1500 + 4%</i>	2.49%				
Real Estate ⁵		2.92%			
<i>NFI-ODCE</i> ⁶	6.35%				
Total Plan		1.89%	1.83%	1.80%	1.82%
<i>Index Composite</i> ⁷		1.60%	1.54%	1.50%	1.50%
	<u>INDEX</u>	<u>GWPORS</u>	<u>MPORS</u>	<u>FURS</u>	<u>VFCA</u>
Cash Equivalents (STIP)		3.57%	3.99%	3.62%	3.65%
<i>Libor 1 Month</i>	3.45%				
Equities ¹		-1.88%	-1.90%	-1.89%	-1.80%
<i>S&P 500</i>	-1.51%				
<i>International Equities</i> ²	1.86%				
Fixed Income ³		6.47%	6.48%	6.48%	6.49%
<i>BC Aggregate Bond</i>	5.98%				
Private Equity ⁴					
<i>S&P 1500 + 4%</i>	2.49%				
Real Estate ⁵					
<i>NFI-ODCE</i> ⁶	6.35%				
Total Plan		1.79%	1.77%	1.77%	2.65%
<i>Index Composite</i> ⁷		1.48%	1.44%	1.43%	2.32%

¹ Return is a dollar weighted combination of Domestic and International Common Stock

² Montana International Equity blended benchmark

³ Includes Retirement Fund Bond Pool and Mortgages

⁴ Includes Montana Private Equity Pool

⁵ Includes Direct and Pooled Real Estate

⁶ The NFI-ODCE (NCREIF Fund Index - Open-End Diversified Core Equity) is a fund-level capitalization weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage.

⁷ An Index Composite paralleling the Fund's Asset Allocation at market value

The rates of return are provided by State Street Bank, the BOI's custodial bank for the plans, and are reported net of all management fees and expenses.

INVESTMENT SECTION

ASSET ALLOCATION

Correct asset allocation is the main determinant of the BOI's success in meeting long-term investment objectives. The asset mix with the highest probability of achieving the

basic investment objective and the actual asset mix for fiscal year 2009 is listed in the following table for the short term investment pool (STIP), fixed income investments, equity investments, and real estate investments.

FY2009 ASSET ALLOCATION

	Investment Objective	Actual Investment		Investment Objective	Actual Investment
PERS-DBRP			GWPORS		
STIP	1% to 5%	1.0%	STIP	1% to 5%	2.7%
Fixed	22% to 32%	30.1%	Fixed	22% to 32%	30.0%
Equity	60% to 70%	63.7%	Equity	60% to 70%	62.6%
Real Estate	4% to 8%	5.2%	Real Estate	4% to 8%	4.8%
JRS			MPORS		
STIP	1% to 5%	2.1%	STIP	1% to 5%	0.7%
Fixed	22% to 32%	30.1%	Fixed	22% to 32%	30.3%
Equity	60% to 70%	62.9%	Equity	60% to 70%	64.1%
Real Estate	4% to 8%	4.8%	Real Estate	4% to 8%	4.9%
HPORS			FURS		
STIP	1% to 5%	1.1%	STIP	1% to 5%	0.9%
Fixed	22% to 32%	30.2%	Fixed	22% to 32%	30.3%
Equity	60% to 70%	63.8%	Equity	60% to 70%	63.9%
Real Estate	4% to 8%	4.9%	Real Estate	4% to 8%	4.9%
SRS			VFCA		
STIP	1% to 5%	1.7%	STIP	1% to 5%	8.4%
Fixed	22% to 32%	30.3%	Fixed	22% to 32%	28.1%
Equity	60% to 70%	63.2%	Equity	60% to 70%	59.1%
Real Estate	4% to 8%	4.8%	Real Estate	4% to 8%	4.4%

INVESTMENT FEES AND COMMISSIONS

Throughout the fiscal year, the investment expense for certain investments (pools, real estate) are netted against the investment earnings. At year end, investment earnings

are "grossed up" to report the investment expense for the external manager, custodial bank fees and the BOI administrative cost. This process was implemented July 1, 1995, in compliance with GASB Statement No. 25.

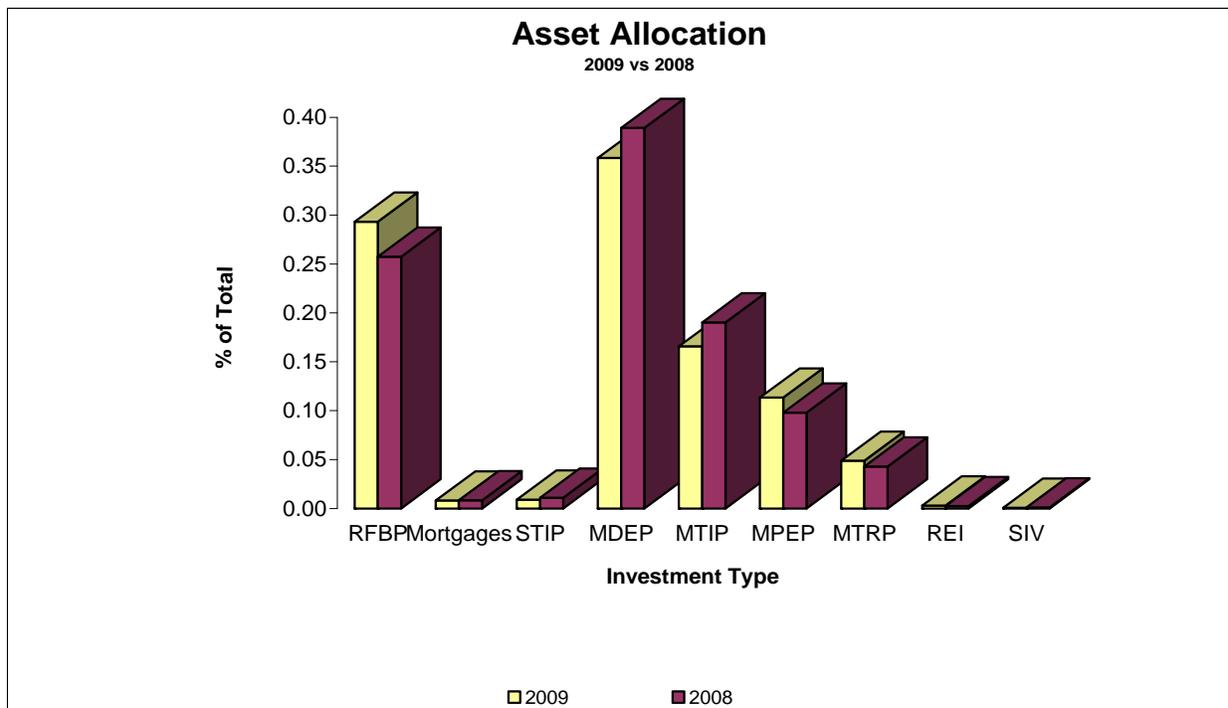
Fiscal 2009 Administrative Expense Reconciliation										
	STIP	MDEP	MPEP	MTIP	MTRP	RFBP	AOF	Real Estate	AOF Pension Admin	Total
PERS	11,382.50	4,450,474.81	6,270,845.61	2,569,762.80	3,872,526.37	481,835.05	72,260.97	28,950.00	101,210.97	17,758,038.11
MPORS	703.99	228,505.12	316,996.34	130,922.74	194,602.30	25,317.64	-	-	-	897,048.13
GWOPRS	536.48	86,245.14	120,646.37	50,446.58	75,664.89	9,757.38	-	-	-	343,296.84
SRS	920.24	218,518.80	307,346.45	126,799.43	191,232.50	24,875.64	-	-	-	869,693.06
JRS	248.58	68,061.01	95,933.22	39,178.47	59,400.92	7,709.12	-	-	-	270,531.32
HPORS	321.15	111,287.31	155,426.19	64,288.66	96,570.42	12,446.67	-	-	-	440,340.40
VFCA	149.08	29,233.19	40,173.76	16,643.55	24,618.08	3,283.82	-	-	-	114,101.48
FURS	834.61	221,957.72	311,058.47	127,448.91	191,932.53	24,575.25	-	-	-	877,807.49
Totals	15,096.63	5,414,283.10	7,618,426.41	3,125,491.14	4,706,548.01	589,800.57	72,260.97	28,950.00	101,210.97	21,570,856.83

PERS-DBRP

**Asset Mix (fair value)
as of June 30, 2009 and 2008**

(in thousands)

Investment Type	2009 Fair Value	% of Total	2008 Fair Value	% of Total	Dollar Change	% Change
Fixed Income:						
Retirement Funds Bond Pool (RFBP)	\$ 876,390	29.33%	\$ 988,124	25.73%	\$ (111,734)	-11.31%
Montana Mortgages	24,055	0.80%	31,837	0.83%	(7,782)	-24.44%
STIP ¹	27,140	0.91%	41,820	1.09%	(14,680)	-35.10%
Total Fixed Income	\$ 927,585	31.04%	\$ 1,061,781	27.65%	\$ (134,196)	-12.64%
Equities:						
Montana Domestic Equity Pool (MDEP)	\$ 1,070,435	35.82%	\$ 1,494,306	38.89%	\$ (423,871)	-28.37%
Montana International Pool (MTIP)	494,790	16.56%	730,360	19.02%	(235,570)	-32.25%
Montana Private Equity Pool (MPEP)	338,517	11.33%	376,615	9.81%	(38,098)	-10.12%
Total Equities	\$ 1,903,742	63.71%	\$ 2,601,281	67.72%	\$ (697,539)	-26.82%
Alternative Investments:						
Montana Real Estate Pool (MTRP)	\$ 145,478	4.87%	\$ 164,667	4.29%	\$ (19,189)	-11.65%
Real Estate Investments (REI)	8,937	0.30%	8,931	0.23%	6	0.07%
Structured Investment Vehicles (SIV) ¹	2,463	0.08%	4,306	0.11%	(1,843)	-42.80%
Total Alternative Investments	\$ 156,878	5.25%	\$ 177,904	4.63%	\$ (21,026)	-11.82%
Total	\$ 2,988,205	100.00%	\$ 3,840,966	100.00%	\$ (852,761)	-22.20%



¹These figures only include those of the Defined Benefit Retirement Plan. Where as the financial statements include the Defined Benefit Retirement Plan and the Defined Benefit Education Program.

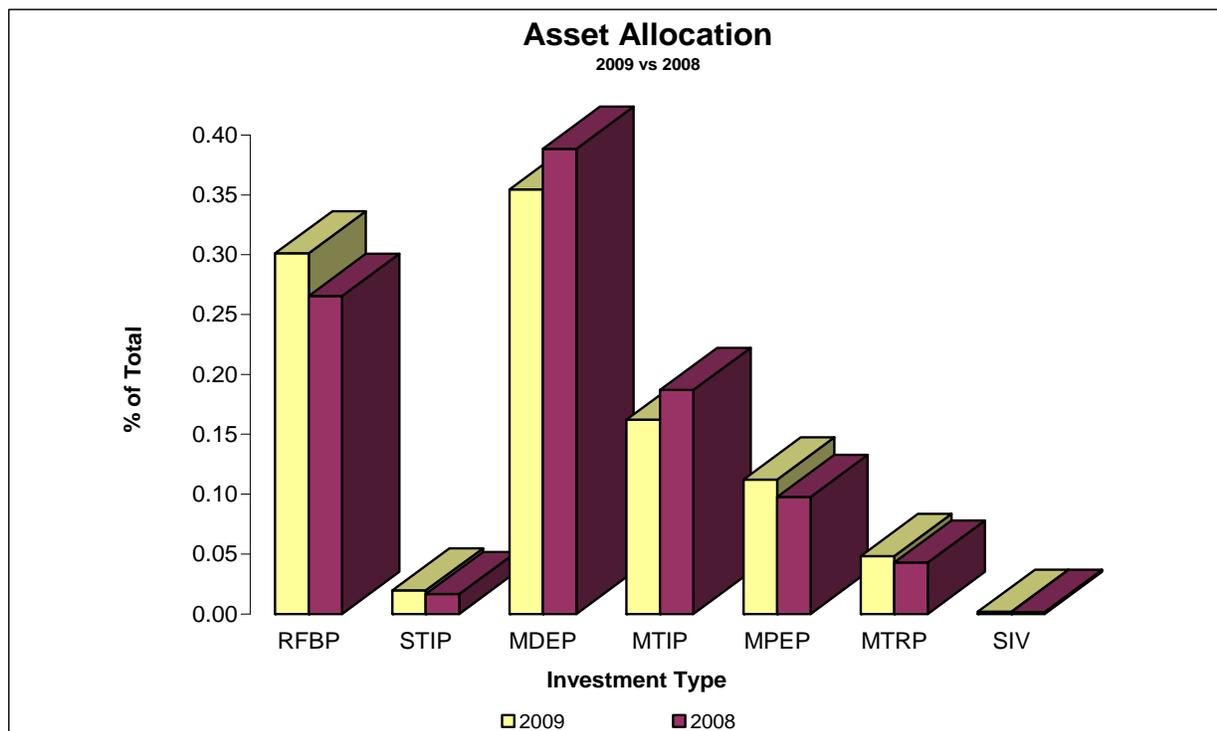
INVESTMENT SECTION

JRS

Asset Mix (fair value) as of June 30, 2009 and 2008

(in thousands)

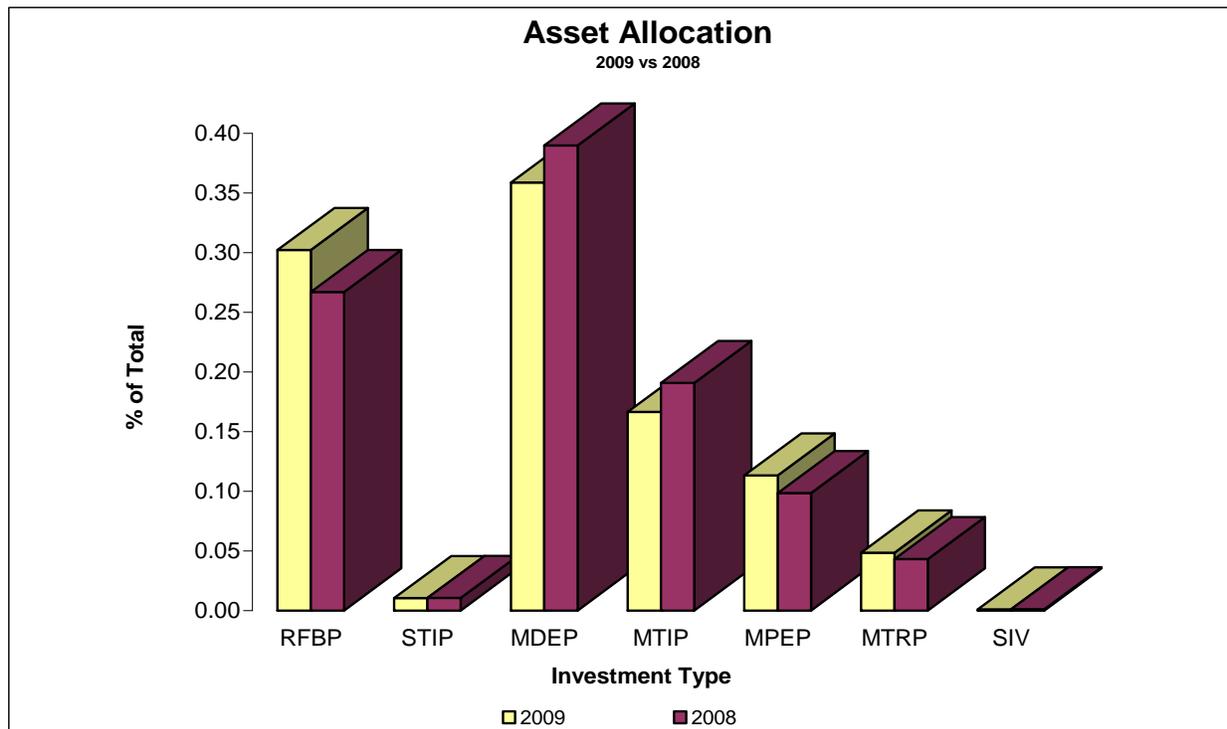
Investment Type	2009 Fair Value	% of Total	2008 Fair Value	% of Total	Dollar Change	% Change
Fixed Income:						
Retirement Funds Bond Pool (RFBP)	\$ 14,019	30.12%	\$ 15,581	26.56%	\$ (1,562)	-10.03%
STIP	913	1.96%	967	1.65%	(54)	-5.58%
Total Fixed Income	\$ 14,932	32.08%	\$ 16,548	28.21%	\$ (1,616)	-9.77%
Equities:						
Montana Domestic Equity Pool (MDEP)	\$ 16,507	35.47%	\$ 22,790	38.85%	\$ (6,283)	-27.57%
Montana International Pool (MTIP)	7,551	16.22%	10,973	18.71%	(3,422)	-31.19%
Montana Private Equity Pool (MPEP)	5,224	11.22%	5,733	9.77%	(509)	-8.88%
Total Equities	\$ 29,282	62.91%	\$ 39,496	67.33%	\$(10,214)	-25.86%
Alternative Investments:						
Montana Real Estate Pool (MTRP)	\$ 2,247	4.83%	\$ 2,515	4.29%	\$ (268)	-10.66%
Structured Investment Vehicles (SIV)	\$ 83	0.18%	\$ 99	0.17%	(16)	-16.16%
Total Alternative Investments	\$ 2,330	5.01%	\$ 2,614	4.46%	\$ (284)	-10.86%
Total	\$ 46,544	100.00%	\$ 58,658	100.00%	\$(12,114)	-20.65%



HPORS

Asset Mix (fair value) as of June 30, 2009 and 2008 (in thousands)

Investment Type	2009 Fair Value	% of Total	2008 Fair Value	% of Total	Dollar Change	% Change
Fixed Income:						
Retirement Funds Bond Pool (RFBP)	\$ 22,471	30.20%	\$ 25,614	26.68%	\$ (3,143)	-12.27%
STIP	774	1.04%	1,014	1.05%	(240)	-23.67%
Total Fixed Income	\$ 23,245	31.24%	\$ 26,628	27.73%	\$ (3,383)	-12.70%
Equities:						
Montana Domestic Equity Pool (MDEP)	\$ 26,680	35.85%	\$ 37,406	38.96%	\$(10,726)	-28.67%
Montana International Pool (MTIP)	12,387	16.65%	18,307	19.07%	(5,920)	-32.34%
Montana Private Equity Pool (MPEP)	8,419	11.31%	9,429	9.83%	(1,010)	-10.71%
Total Equities	\$ 47,486	63.81%	\$ 65,142	67.86%	\$(17,656)	-27.10%
Alternative Investments:						
Montana Real Estate Pool (MTRP)	\$ 3,613	4.86%	\$ 4,127	4.30%	\$ (514)	-12.45%
Structured Investment Vehicles (SIV)	\$ 70	0.09%	\$ 104	0.11%	\$ (34)	-32.69%
Total Real Estate	\$ 3,683	4.95%	\$ 4,231	4.41%	\$ (548)	-12.95%
Total	\$ 74,414	100.00%	\$ 96,001	100.00%	\$(21,587)	-22.49%



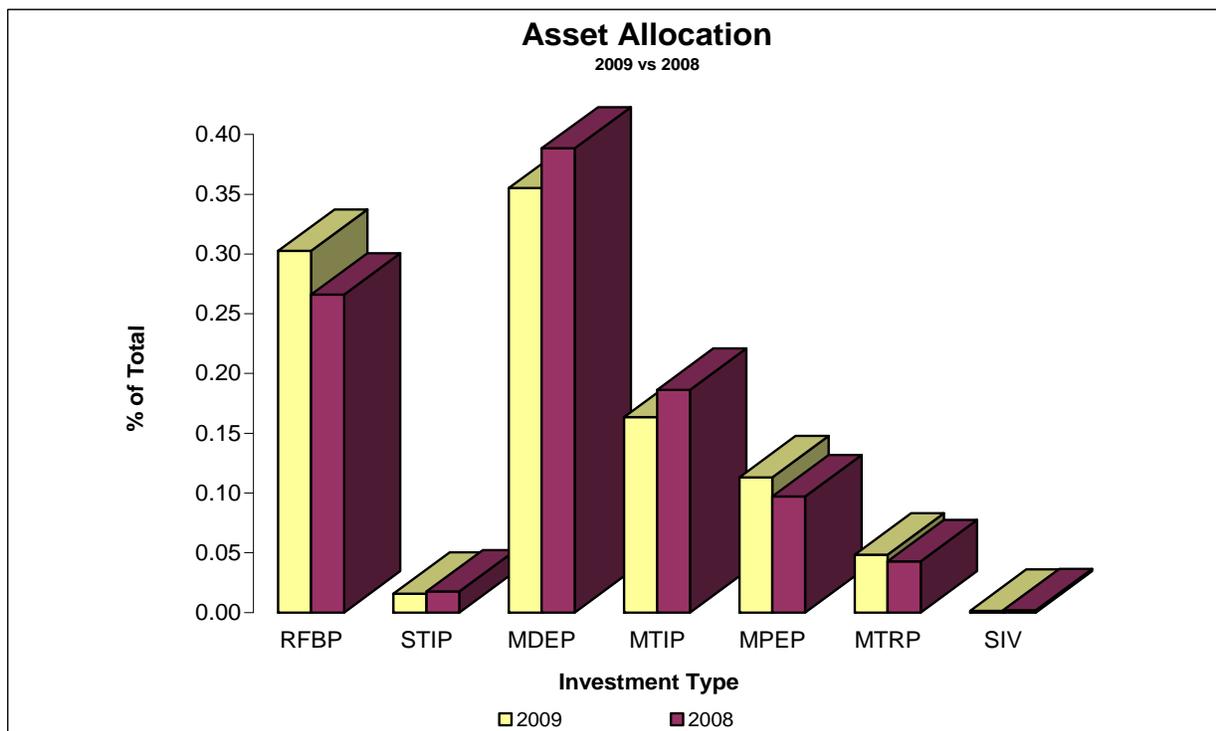
INVESTMENT SECTION

SRS

Asset Mix (fair value) as of June 30, 2009 and 2008

(in thousands)

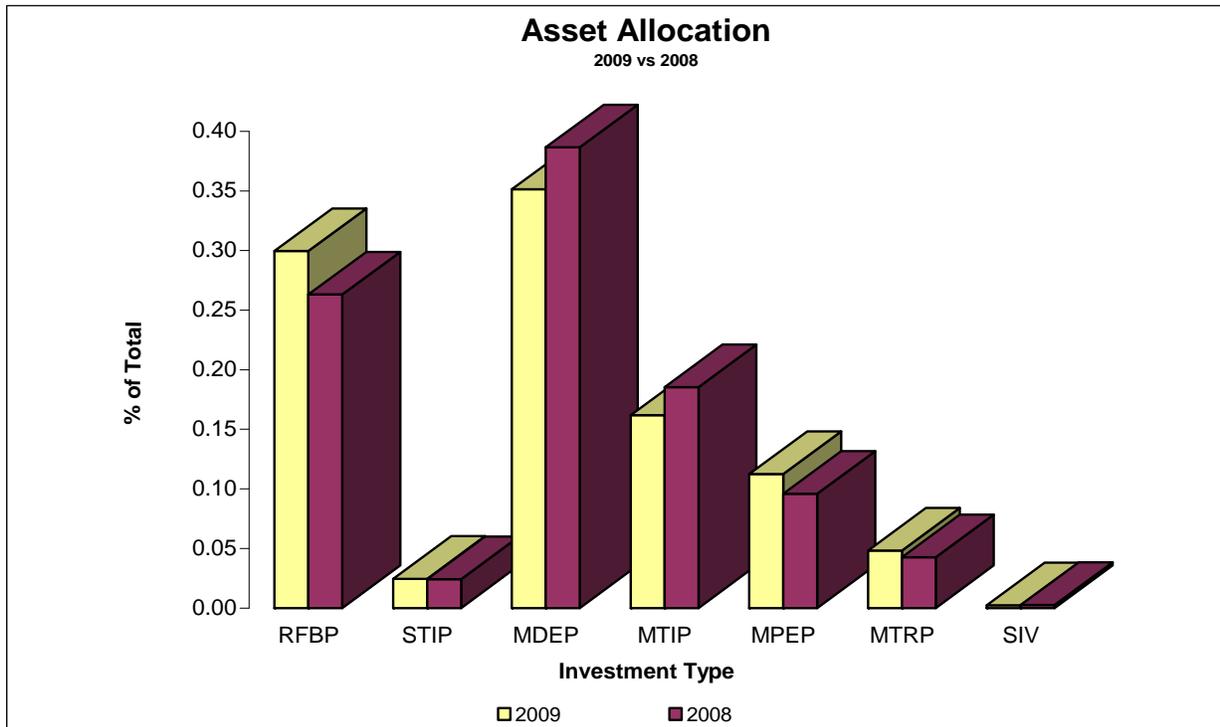
Investment Type	2009 Fair Value	% of Total	2008 Fair Value	% of Total	Dollar Change	% Change
Fixed Income:						
Retirement Funds Bond Pool (RFBP)	\$ 45,693	30.27%	\$ 50,063	26.61%	\$ (4,370)	-8.73%
STIP	2,370	1.57%	3,300	1.75%	(930)	-28.18%
<i>Total Fixed Income</i>	<u>\$ 48,063</u>	<u>31.84%</u>	<u>\$ 53,363</u>	<u>28.36%</u>	<u>\$ (5,300)</u>	<u>-9.93%</u>
Equities:						
Montana Domestic Equity Pool (MDEP)	\$ 53,630	35.53%	\$ 73,074	38.84%	\$(19,444)	-26.61%
Montana International Pool (MTIP)	24,673	16.34%	35,060	18.63%	(10,387)	-29.63%
Montana Private Equity Pool (MPEP)	17,060	11.31%	18,271	9.71%	(1,211)	-6.63%
<i>Total Equities</i>	<u>\$ 95,363</u>	<u>63.18%</u>	<u>\$ 126,405</u>	<u>67.18%</u>	<u>\$(31,042)</u>	<u>-24.56%</u>
Alternative Investments:						
Montana Real Estate Pool (MTRP)	\$ 7,311	4.84%	\$ 8,054	4.28%	\$ (743)	-9.23%
Structured Investment Vehicles (SIV)	215	0.14%	340	0.18%	(125)	-36.76%
<i>Total Alternative Investments</i>	<u>\$ 7,526</u>	<u>4.98%</u>	<u>\$ 8,394</u>	<u>4.46%</u>	<u>\$ (868)</u>	<u>-10.34%</u>
Total	\$ 150,952	100.00%	\$ 188,162	100.00%	\$(37,210)	-19.78%



GWPORS

**Asset Mix (fair value)
as of June 30, 2009 and 2008**
(in thousands)

Investment Type	2009 Fair Value	% of Total	2008 Fair Value	% of Total	Dollar Change	% Change
Fixed Income:						
Retirement Funds Bond Pool (RFBP)	\$ 18,518	29.95%	\$ 19,243	26.32%	\$ (725)	-3.77%
STIP	1,514	2.45%	1,761	2.41%	(247)	-14.03%
<i>Total Fixed Income</i>	<u>\$ 20,032</u>	<u>32.40%</u>	<u>\$ 21,004</u>	<u>28.73%</u>	<u>\$ (972)</u>	<u>-4.63%</u>
Equities:						
Montana Domestic Equity Pool (MDEP)	\$ 21,722	35.14%	\$ 28,272	38.66%	\$ (6,550)	-23.17%
Montana International Pool (MTIP)	10,000	16.18%	13,545	18.52%	(3,545)	-26.17%
Montana Private Equity Pool (MPEP)	6,949	11.24%	7,008	9.58%	(59)	-0.84%
<i>Total Equities</i>	<u>\$ 38,671</u>	<u>62.56%</u>	<u>\$ 48,825</u>	<u>66.76%</u>	<u>\$(10,154)</u>	<u>-20.80%</u>
Alternative Investments:						
Montana Real Estate Pool (MTRP)	\$ 2,981	4.82%	\$ 3,115	4.26%	\$ (134)	-4.30%
Structured Investment Vehicles (SIV)	137	0.22%	181	0.25%	(44)	-24.31%
<i>Total Alternative Investments</i>	<u>\$ 3,118</u>	<u>5.04%</u>	<u>\$ 3,296</u>	<u>4.51%</u>	<u>\$ (178)</u>	<u>-5.40%</u>
Total	\$ 61,821	100.00%	\$ 73,125	100.00%	\$(11,304)	-15.46%



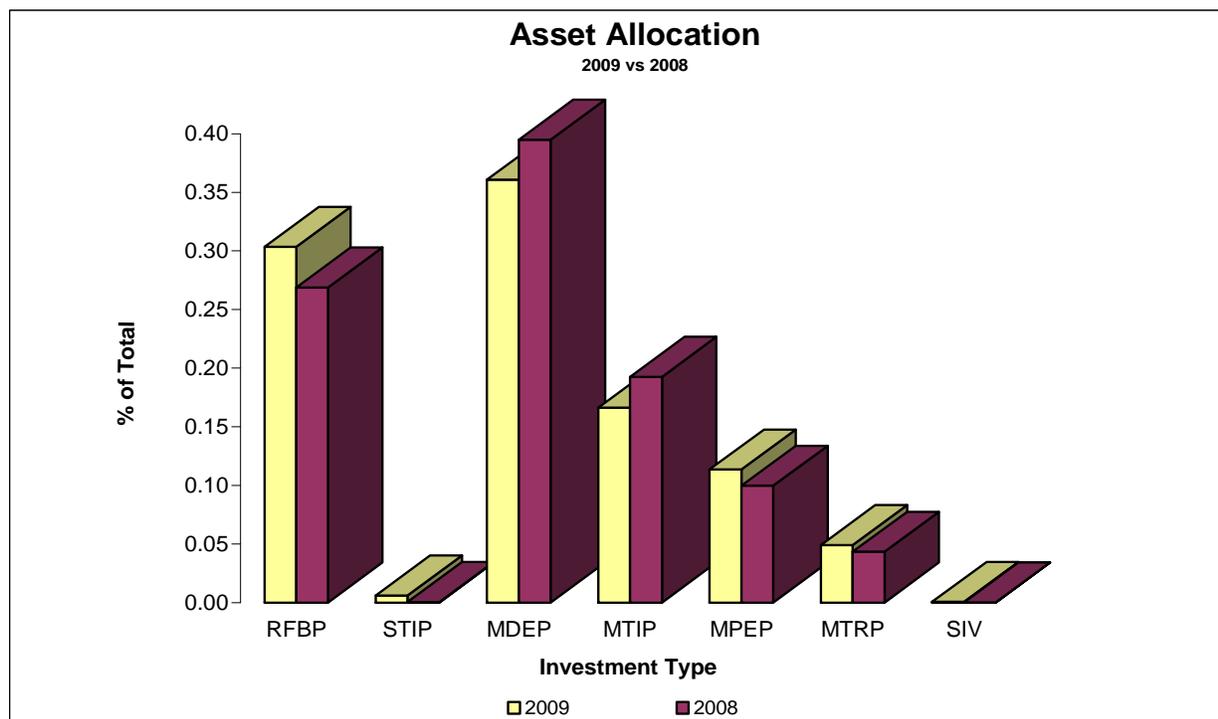
INVESTMENT SECTION

MPORS

Asset Mix (fair value) as of June 30, 2009 and 2008

(in thousands)

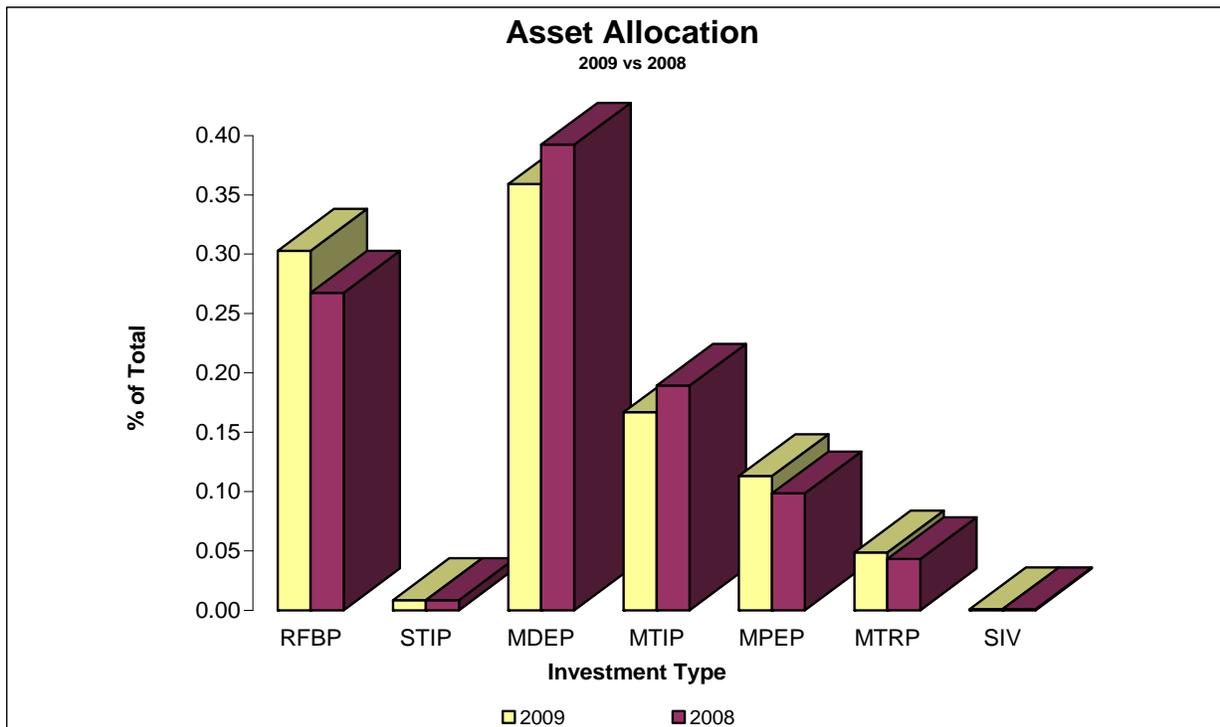
Investment Type	2009 Fair Value	% of Total	2008 Fair Value	% of Total	Dollar Change	% Change
Fixed Income:						
Retirement Funds Bond Pool (RFBP)	\$ 45,995	30.35%	\$ 51,238	26.88%	\$ (5,243)	-10.23%
STIP	920	0.61%	85	0.04%	835	982.35%
<i>Total Fixed Income</i>	<u>\$ 46,915</u>	<u>30.96%</u>	<u>\$ 51,323</u>	<u>26.92%</u>	<u>\$ (4,408)</u>	<u>-8.59%</u>
Equities:						
Montana Domestic Equity Pool (MDEP)	\$ 54,681	36.09%	\$ 75,279	39.50%	\$ (20,598)	-27.36%
Montana International Pool (MTIP)	25,207	16.63%	36,707	19.26%	(11,500)	-31.33%
Montana Private Equity Pool (MPEP)	17,242	11.36%	18,999	9.97%	(1,757)	-9.25%
<i>Total Equities</i>	<u>\$ 97,130</u>	<u>64.08%</u>	<u>\$ 130,985</u>	<u>68.73%</u>	<u>\$ (33,855)</u>	<u>-25.85%</u>
Alternative Investments:						
Montana Real Estate Pool (MTRP)	\$ 7,437	4.91%	\$ 8,274	4.34%	\$ (837)	-10.12%
Structured Investment Vehicles (SIV)	83	0.05%	9	0.01%	74	822.22%
<i>Total Alternative Investments</i>	<u>\$ 7,520</u>	<u>4.96%</u>	<u>\$ 8,283</u>	<u>4.35%</u>	<u>\$ (763)</u>	<u>-9.21%</u>
Total	\$ 151,565	100.00%	\$ 190,591	100.00%	\$ (39,026)	-20.48%



FURS

Asset Mix (fair value) as of June 30, 2009 and 2008 (in thousands)

Investment Type	2009 Fair Value	% of Total	2008 Fair Value	% of Total	Dollar Change	% Change
Fixed Income:						
Retirement Funds Bond Pool (RFBP)	\$ 45,160	30.29%	\$ 49,419	26.75%	\$ (4,259)	-8.62%
STIP	1,268	0.85%	1,573	0.85%	(305)	-19.39%
Total Fixed Income	\$ 46,428	31.14%	\$ 50,992	27.60%	\$ (4,564)	-8.95%
Equities:						
Montana Domestic Equity Pool (MDEP)	\$ 53,532	35.91%	\$ 72,476	39.23%	\$ (18,944)	-26.14%
Montana International Pool (MTIP)	24,862	16.68%	34,970	18.93%	(10,108)	-28.90%
Montana Private Equity Pool (MPEP)	16,890	11.32%	18,175	9.84%	(1,285)	-7.07%
Total Equities	\$ 95,284	63.91%	\$ 125,621	68.00%	\$ (30,337)	-24.15%
Alternative Investments:						
Montana Real Estate Pool (MTRP)	\$ 7,260	4.87%	\$ 7,962	4.31%	\$ (702)	-8.82%
Structured Investment Vehicles (SIV)	115	0.08%	162	0.09%	(47)	-29.01%
Total Alternative Investments	\$ 7,375	4.95%	\$ 8,124	4.40%	\$ (749)	-9.22%
Total	\$ 149,087	100.00%	\$ 184,737	100.00%	\$ (35,650)	-19.30%



INVESTMENT SECTION

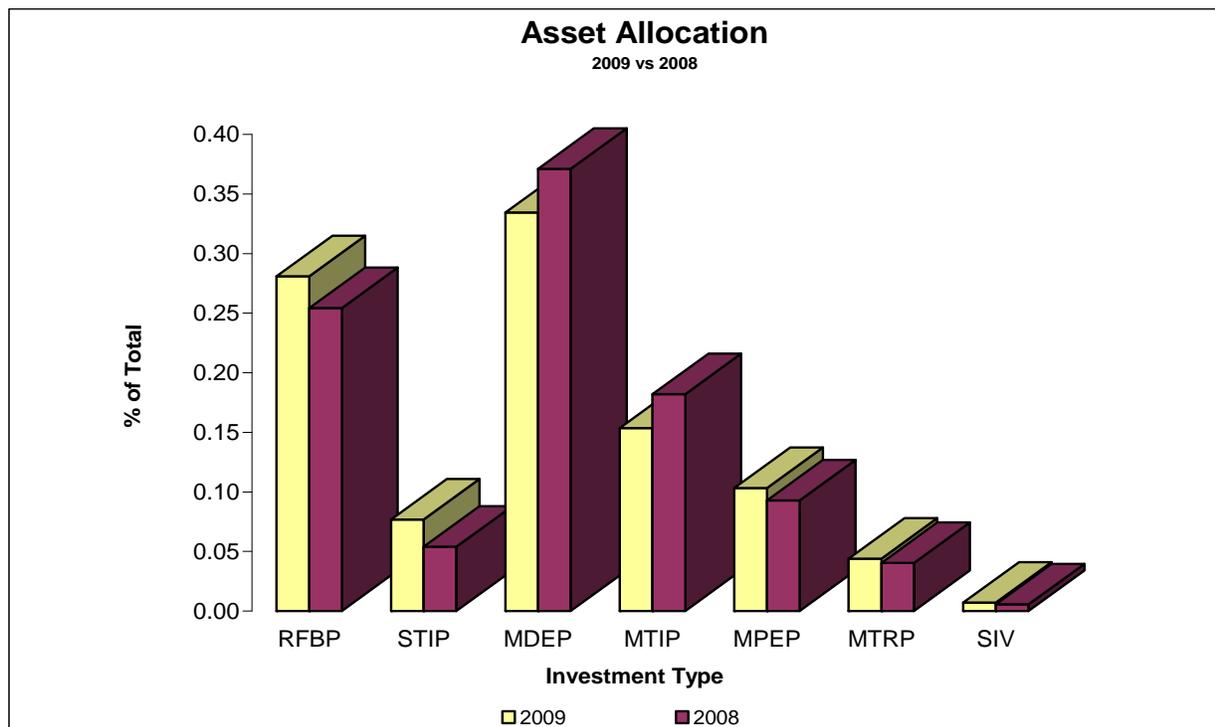
VFCA

Asset Mix (fair value)

as of June 30, 2009 and 2008

(in thousands)

Investment Type	2009 Fair Value	% of Total	2008 Fair Value	% of Total	Dollar Change	% Change
Fixed Income:						
Retirement Funds Bond Pool (RFBP)	\$ 5,742	28.10%	\$ 6,609	25.43%	\$ (867)	-13.12%
STIP	1,571	7.68%	1,404	5.40%	167	11.89%
<i>Total Fixed Income</i>	<u>\$ 7,313</u>	<u>35.78%</u>	<u>\$ 8,013</u>	<u>30.83%</u>	<u>\$ (700)</u>	<u>-8.74%</u>
Equities:						
Montana Domestic Equity Pool (MDEP)	\$ 6,836	33.44%	\$ 9,645	37.11%	\$(2,809)	-29.12%
Montana International Pool (MTIP)	3,140	15.36%	4,731	18.20%	(1,591)	-33.63%
Montana Private Equity Pool (MPEP)	2,115	10.34%	2,411	9.28%	(296)	-12.28%
<i>Total Equities</i>	<u>\$ 12,091</u>	<u>59.14%</u>	<u>\$ 16,787</u>	<u>64.59%</u>	<u>\$(4,696)</u>	<u>-27.97%</u>
Alternative Investments:						
Montana Real Estate Pool (MTRP)	\$ 898	4.39%	\$ 1,047	4.03%	\$ (149)	-14.23%
Structured Investment Vehicles (SIV)	142	0.69%	145	0.55%	(3)	-2.07%
<i>Total Alternative Investments</i>	<u>\$ 1,040</u>	<u>5.08%</u>	<u>\$ 1,192</u>	<u>4.58%</u>	<u>\$ (152)</u>	<u>-12.75%</u>
Total	\$ 20,444	100.00%	\$ 25,992	100.00%	\$(5,548)	-21.35%



Public Employees' Retirement Board

A Component Unit of the State of Montana

**Largest Holdings (by portfolio fair value)
as of June 30, 2009**

A complete list of the portfolio holdings can be obtained by contacting the Montana Board of Investments. The information below is PERB's presentation of the largest holdings.

Shares/Par	MDEP Portfolio	Fair Value
1,967,009	BGI Equity Index Fund	\$ 538,484,994
5,054,651	JP Morgan Investments	153,394,659
5,971,998	T Rowe Price	147,209,455
6,930,267	Barrow Hanley MeWhinney	136,409,835
5,599,602	Intech	131,280,908
3,804,595	Renaissance Investments	103,759,459
4,009,725	Rainier Investments	99,654,292
6,324,530	Columbus Circle	98,429,699
13,632,891	Western Asset US Indx Plux LLC	93,508,002
9,330,103	Goldman Sachs Enhanced Large	93,207,726

PERS' 10,506,141 shares represent 50.56% of the total MDEP portfolio at market.
 JRS' 162,015 shares represent 0.78% of the total MDEP portfolio at market.
 HPORS' 261,859 shares represent 1.26% of the total MDEP portfolio at market.
 SRS' 526,367 shares represent 2.53% of the total MDEP portfolio at market.
 GWPORS' 213,202 shares represent 1.03% of the total MDEP portfolio at market.
 MPORS' 536,687 shares represent 2.58% of the total MDEP portfolio at market.
 FURS' 525,404 shares represent 2.53% of the total MDEP portfolio at market.
 VFCA's 67,096 shares represent 0.32% of the total MDEP portfolio at market.

Shares/Par	RFBP Portfolio	Fair Value
30,000,000	Federal Farm CR Bks Cons	\$ 31,463,670
23,553,122	GNMA Pool 697855	24,376,888
22,000,000	United States Tres Nts	24,120,140
30,000,000	DOT Headquarters II Lease MTG	23,632,200
22,418,040	Federal Home Loan Pool G03458	23,150,860
22,366,257	Federal Home Loan Pool G03037	23,097,384
22,296,028	FNMA Pool 745275	22,786,138
21,404,468	FNMA Pool 725425	22,182,246
20,886,935	Federal Home Loan Pool A36931	21,631,733
20,000,000	Federal Home Loan Bank	21,536,434

PERS' 890,884,682 shares represent 51.33% of the total RFBP portfolio at market.
 JRS' 14,250,723 shares represent 0.82% of the total RFBP portfolio at market.
 HPORS' 22,842,956 shares represent 1.32% of the total RFBP portfolio at market.
 SRS' 46,448,258 shares represent 2.68% of the total RFBP portfolio at market.
 GWPORS' 18,824,730 shares represent 1.08% of the total RFBP portfolio at market.
 MPORS' 46,755,373 shares represent 2.69% of the total RFBP portfolio at market.
 FURS' 45,906,412 shares represent 2.64% of the total RFBP portfolio at market.
 VFCA's 5,837,204 shares represent 0.34% of the total RFBP portfolio at market.

INVESTMENT SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Largest Holdings (by portfolio fair value)

as of June 30, 2009

Shares/Par	MTIP Portfolio - Currency	Fair Value
8,497,510	Artio Global	\$ 111,228,699
17,900,340	Batterymarch	111,198,353
10,300,478	BGI MSCI Equity Index FD Europ	102,239,711
8,566,213	Bernstein	84,651,921
5,048,801	BGI Global Ex US Alpha Tilt FD	79,828,258
8,939,201	Hansberger	79,712,890
35,274,736	Acadian	79,612,513
8,128,425	Martin Currie	77,981,184
22,066,964	Nomura	64,882,552
4,105,385	BGI ACWI Ex US Superfund A	59,582,815

PERS' 4,431,451 shares represent 50.83% of the total MTIP portfolio at market.

JRS' 67,629 shares represent 0.78% of the total MTIP portfolio at market.

HPORS' 110,945 shares represent 1.27% of the total MTIP portfolio at market.

SRS' 220,977 shares represent 2.53% of the total MTIP portfolio at market.

GWPORS' 89,558 shares represent 1.03% of the total MTIP portfolio at market.

MPORS' 225,758 shares represent 2.59% of the total MTIP portfolio at market.

FURS' 222,668 shares represent 2.55% of the total MTIP portfolio at market.

VFCA's 28,126 shares represent 0.32% of the total MTIP portfolio at market.

Shares/Par	MPEP Portfolio	Fair Value
199,338,369	Adams Street	\$ 172,621,630
43,292,320	Welsh Carson	49,058,142
39,841,724	Lexington Capital Partners	47,109,359
42,563,474	Carlyle Partners	38,164,593
40,516,906	Madison Dearborn	36,856,052
33,953,117	Arclight	33,423,928
26,847,715	Oak Hill Capital Partners	27,942,306
29,611,426	First Reserve Corporation	25,652,600
25,749,461	Oaktree	22,831,732
25,042,564	Portfolio Advisors	22,356,655

PERS' 2,463,786 shares represent 50.46% of the total MPEP portfolio at market.

JRS' 38,026 shares represent 0.78% of the total MPEP portfolio at market.

HPORS' 61,289 shares represent 1.26% of the total MPEP portfolio at market.

SRS' 124,143 shares represent 2.54% of the total MPEP portfolio at market.

GWPORS' 50,545 shares represent 1.04% of the total MPEP portfolio at market.

MPORS' 125,479 shares represent 2.57% of the total MPEP portfolio at market.

FURS' 122,900 shares represent 2.52% of the total MPEP portfolio at market.

VFCA's 15,402 shares represent 0.32% of the total MPEP portfolio at market.

Public Employees' Retirement Board

A Component Unit of the State of Montana

Largest Holdings (by portfolio fair value)

as of June 30, 2009

Shares/Par	MTRP Portfolio		Fair Value
37,804	JP Morgan Chase Bank Strategic Properties	\$	53,054,243
309	Invesco Core Real Estate		38,137,553
31,957	Clarion Lion Properties		32,738,588
25,000,000	Hudson Realty Capital Fund		22,056,950
16,765,519	Strategic Partners Value Enhancement		18,727,286
20,000,000	TA Associates Realty		18,153,620
17,770,784	ABR Chesapeake		18,109,957
13,261,356	DRA Advisors		11,758,088
15,535,697	Liquid Realty		11,603,582
12,576,366	AG (Angel Gordon) Realty		10,607,192

PERS' 1,948,558 shares represent 50.52% of the total MTRP portfolio at market.

JRS' 30,094 shares represent 0.78% of the total MTRP portfolio at market.

HPORS' 48,391 shares represent 1.25% of the total MTRP portfolio at market.

SRS' 97,930 shares represent 2.54% of the total MTRP portfolio at market.

GWPORS' 39,925 shares represent 1.04% of the total MTRP portfolio at market.

MPORS' 99,618 shares represent 2.58% of the total MTRP portfolio at market.

FURS' 97,239 shares represent 2.52% of the total MTRP portfolio at market.

VFCA's 12,027 shares represent 0.31% of the total MTRP portfolio at market.

Shares/Par	Mortgages Portfolio		Fair Value
212,023,678	Montana Coal Tax Trust Loans	\$	212,023,678
45,270,143	Montana Residential Mortgages		44,547,218

PERS' 24,445,877 shares represent 9.4% of the total Mortgages portfolio at market.

INVESTMENT SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Investment Summary

as of June 30, 2009

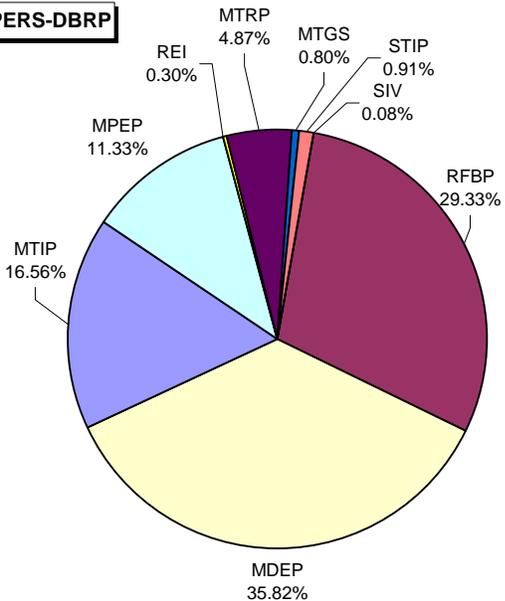
(in thousands)

Type of Investment	PERS-DBRP		JRS		HPORS		SRS		
	Fair Value	% of Total Fair Value	Fair Value	% of Total Fair Value	Fair Value	% of Total Fair Value	Fair Value	% of Total Fair Value	
<i>Fixed Income</i>									
Retirement Funds Bond Pool	\$ 876,390	29.33%	\$ 14,019	30.12%	\$ 22,471	30.20%	\$ 45,693	30.27%	
<i>Equities</i>									
Montana Domestic Equity Pool	1,070,435	35.82%	16,507	35.47%	26,680	35.85%	53,630	35.53%	
Montana International Pool	494,790	16.56%	7,551	16.22%	12,387	16.65%	24,673	16.34%	
Montana Private Equity Pool	338,517	11.33%	5,224	11.22%	8,419	11.31%	17,060	11.31%	
<i>Alternative Investments</i>									
Real Estate Investments	8,937	0.30%							
Montana Real Estate Pool	145,478	4.87%	2,247	4.83%	3,613	4.86%	7,311	4.84%	
Mortgages	24,055	0.80%							
Structured Investment Vehicles ¹	2,463	0.08%	83	0.18%	70	0.09%	215	0.14%	
<i>Short Term Investments</i>									
Short Term Investment Pool ¹	27,140	0.91%	913	1.96%	774	1.04%	2,370	1.57%	
Total	\$ 2,988,205	100.00%	\$ 46,544	100.00%	\$ 74,414	100.00%	\$ 150,952	100.00%	

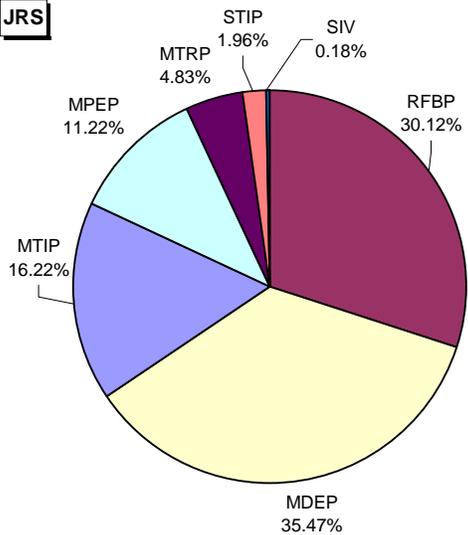
¹These figures only include those of the Defined Benefit Retirement Plan. Where as the financial statements include the Defined Benefit Retirement Plan and the Defined Benefit Education Program.

INVESTMENT SECTION

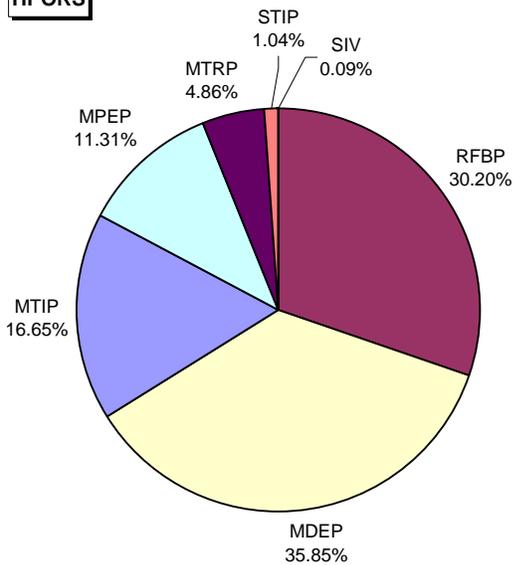
PERS-DBRP



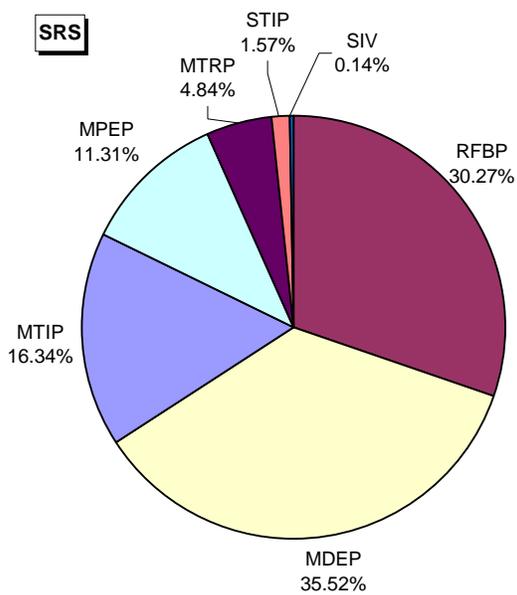
JRS



HPORS



SRS



Retirement Funds Bond Pool - RFBP	Real Estate Investment - REI
Montana Domestic Equity Pool - MDEP	Montana Real Estate Pool - MTRP
Montana International Pool - MTIP	Mortgages - MTGS
Montana Private Equity Pool - MPEP	Short Term Investment Pool - STIP
Structured Investment Vehicles - SIV	

INVESTMENT SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Investment Summary

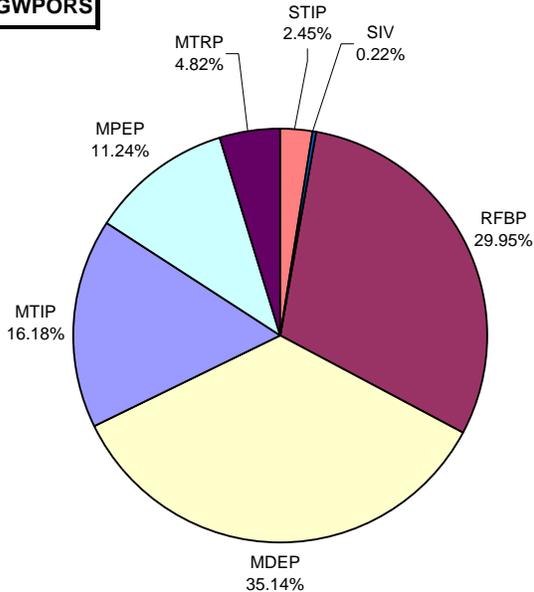
as of June 30, 2009

(in thousands)

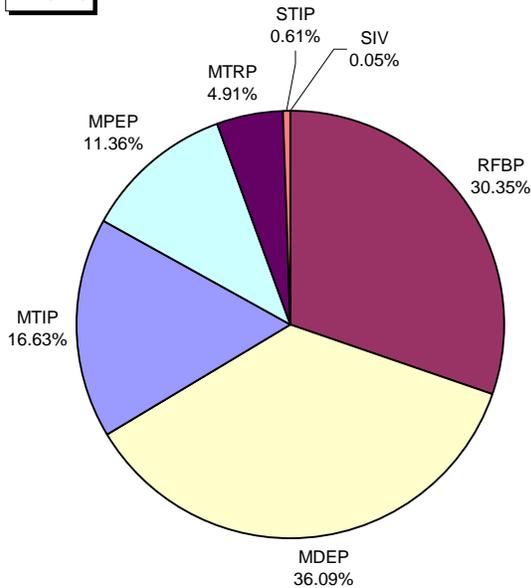
Type of Investment	GWORS		MPORS		FURS		VFCA	
	Fair Value	% of Total Fair Value	Fair Value	% of Total Fair Value	Fair Value	% of Total Fair Value	Fair Value	% of Total Fair Value
<i>Fixed Income</i>								
Retirement Funds Bond Pool	\$ 18,518	29.95%	\$ 45,995	30.35%	\$ 45,160	30.29%	\$ 5,742	28.10%
<i>Equities</i>								
Montana Domestic Equity Pool	21,722	35.14%	54,681	36.09%	53,532	35.91%	6,836	33.44%
Montana International Pool	10,000	16.18%	25,207	16.63%	24,862	16.68%	3,140	15.36%
Montana Private Equity Pool	6,949	11.24%	17,242	11.36%	16,890	11.32%	2,115	10.34%
<i>Alternative Investments</i>								
Real Estate Investments								
Montana Real Estate Pool	2,981	4.82%	7,437	4.91%	7,260	4.87%	898	4.39%
Mortgages								
Structured Investment Vehicles	137	0.22%	83	0.05%	115	0.08%	142	0.69%
<i>Short Term Investments</i>								
Short Term Investment Pool	1,514	2.45%	920	0.61%	1,268	0.85%	1,571	7.68%
Total	\$ 61,821	100.00%	\$ 151,565	100.00%	\$ 149,087	100.00%	\$ 20,444	100.00%

INVESTMENT SECTION

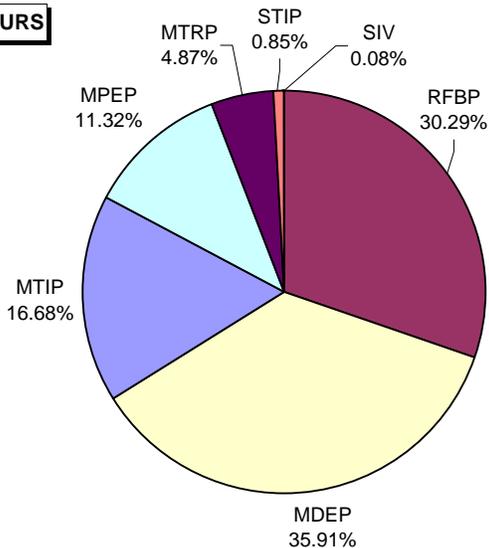
GWPORS



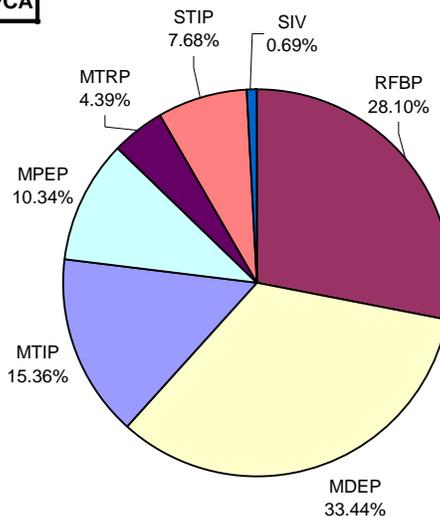
MPORS



FURS



VFCA



Retirement Funds Bond Pool - RFBP	Montana Real Estate Pool - MTRP
Montana Domestic Equity Pool - MDEP	Short Term Investment Pool - STIP
Montana International Pool - MTIP	Structured Investment Vehicles - SIV
Montana Private Equity Pool - MPEP	

INVESTMENT SECTION

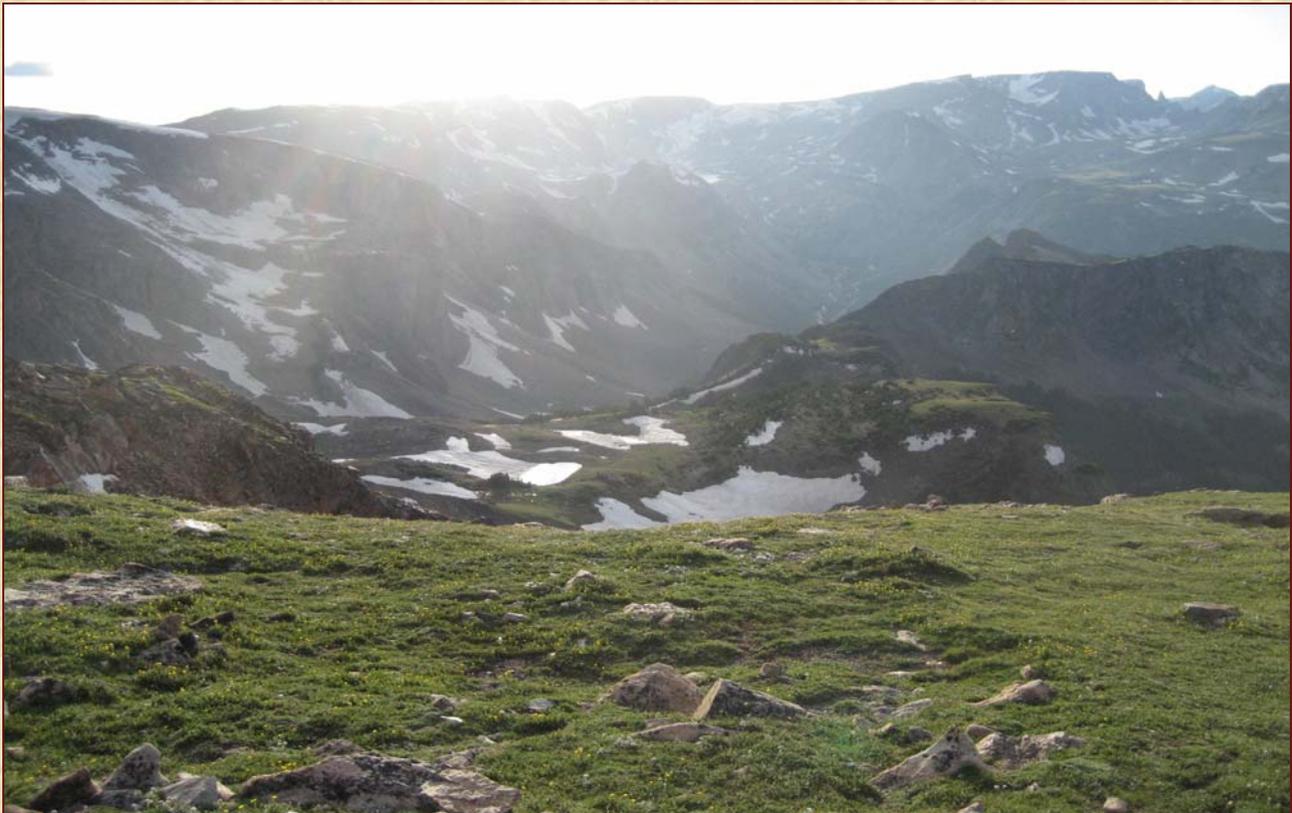
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Yellow-Bellied Marmot
-photo courtesy of Harold Millis



Alpine avens (yellow blossoms),
American biscort (white blossoms),
and moss campion (pink blossoms).
- photo courtesy of Harold Millis

The Absaroka-Beartooth Wilderness was designated by the United States Congress in 1978 and consists of 920,343 acres. The Wilderness contains 29 peaks above 12,000 feet including Montana's tallest peak Granite Peak. - Wilderness.net



The Beartooth Wilderness - photo courtesy of Harold Millis

November 25, 2009

Public Employees' Retirement Board
100 North Park Avenue, Suite 200
Helena, Montana 59620

Dear Members of the Board:

At your request we have conducted the June 30, 2009 annual actuarial valuations of each of the eight funded pension programs administered by the Public Employees' Retirement Board.

Valuation Results

The member, employer, and state contributions are set forth in statute. Our findings indicate the projected income stream from the expected contributions will be sufficient to pay the Normal Costs and amortize the Unfunded Actuarial Liability as a level percentage of future payroll, for the following three systems. The amortization periods are shown below.

- | | |
|--|------------|
| • Highway Patrol Officers' Retirement System | 21.5 years |
| • Municipal Police Officers' Retirement System | 22.1 years |
| • Firefighters' Unified Retirement System | 12.7 years |

The amortization periods above are based upon the Actuarial Value of Assets which recognizes investment gains and losses over a four year period. If the Market Value of Assets had been used, the amortization periods above would have been 60.7, 40.2, and 22.7 years respectively.

For three of the systems the current levels of contributions as set forth in statute will not be sufficient to amortize the Unfunded Actuarial Liability.

- Public Employees' Retirement System
- Sheriffs' Retirement System
- Game Wardens' and Peace Officers' Retirement System

Based on the assumed level of future revenue, the Unfunded Actuarial Liability for the Volunteer Firefighters' Compensation Act is expected to be amortized over 6.9 years using the Actuarial Value of Assets and over 24.7 years using Market Value of Assets. The Judges' Retirement System had an Actuarial Surplus as of June 30, 2009.

The funded status for each of the eight systems decreased slightly based on the Actuarial Value of Assets. However, due to the large investment losses for the year ending June 30, 2009, the ratios of the Actuarial Value of Assets to Market Value of Assets increased from 105-106% in 2008 to 131-134% in 2009. If the Market Value of Assets had been used to determine the funded status, the funded status of each of the systems would have been substantially lower than in 2008.

Assumptions and Methods

These valuations are the first valuations performed for the Board by Cheiron. The actuarial assumptions and methods used in these valuations had been recommended by the prior actuary and adopted by the Board.



We believe that all the costs, liabilities, rates of interest and other factors for the systems have been determined on the basis of actuarial assumptions and methods which are reasonable in the aggregate. Nevertheless, the emerging costs will vary from those presented in this report to the extent that actual experience differs from that projected by the actuarial assumptions.

The calculations in the following exhibits have been made on a basis consistent with our understanding of the systems' funding requirements and goals, and of GASB Statement No. 25. Determinations for purposes other than meeting these requirements may be significantly different from the results in this report. Accordingly, additional determinations may be needed for other purposes.

Reliance on Others

In preparing the 2009 valuations, we relied upon the financial and membership data furnished by the Public Employees' Retirement Administration. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there were material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable. Such a review was beyond the scope of our assignment

Supporting Schedules

Information presented in this Actuarial Section as of June 30, 2009, and in various parts of the Financial and Statistical Sections is based on information found in our actuarial valuation reports. Numbers reported for previous years were developed by the prior actuary and are reported per their valuation reports.

Certification

I certify that to the best of my knowledge, the information included in this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the applicable Standards of Practice adopted by the Actuarial Standards Board.

The undersigned Actuary is a Member of the American Academy of Actuaries, and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained therein.

Sincerely,
Cheiron

/s/ Stephen T. McElhaney

Stephen T. McElhaney, FSA, EA
Consulting Actuary

cc: Fiona Liston, FSA

Public Employees' Retirement Board

A Component Unit of the State of Montana

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

BACKGROUND

An actuarial valuation of the plans was completed for fiscal year 2009 by the actuary, Cheiron. The past actuary, Milliman, had performed the most recent actuarial experience study which was completed in fiscal year 2004. The experience study investigated the actual experience of each plan administered by the PERB. The methods and assumptions chosen by the PERB were based on Milliman's recommendation. The actuarial assumptions were adopted by the PERB on September 23, 2004. The recommendations were formed on the basis of recent experience of the plans and on their current expectations of future economic conditions. The actuarial methods and assumptions are described in this section and have not changed. Economic assumptions are based on inflation and include general wage increases, investment returns and interest on member accounts. Demographic assumptions include general wage increases (including promotions and longevity), retirement, disability, mortality for the specific groups (active members, retired members, disabled members and beneficiaries), other terminations and probability of retaining membership.

The assumptions are intended to estimate the future experience of the plans and the members of the plans in areas which affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated cost of the plans' benefits.

RECORDS AND DATA

The data used in the valuation consists of financial information and records of age, service and income of contributing members, former contributing members and their survivors. All data supplied to the actuary by MPERA was accepted for valuation purposes without audit.

ACTUARIAL FUNDING METHOD

A fundamental principle in financing the liabilities of a retirement program is to relate the cost of benefits to when they are earned, rather than when they are paid. There are a number of methods in use for making that determination. The funding method used to determine costs in these valuations is the Entry Age Actuarial Cost Method. Under this funding method, a normal cost rate is determined by taking the value, as of entry age into the plan, of each member's projected future benefits.

The actuarial accrued liability is that portion of the present value of projected benefits that will not be paid by future normal costs. The difference between this liability and funds accumulated as of the same date is referred to as the unfunded actuarial liability.

The portion of the actuarial accrued liability in excess of plan assets is amortized to develop an additional cost or savings which is added to each year's employer normal cost. Under this cost method, actuarial gains and losses are directly reflected in the size of the unfunded actuarial liability.

ACTUARIAL SECTION

ACTUARIAL VALUE OF ASSETS

Asset values were supplied by MPERA and were accepted without audit by the actuary. The Actuarial Value of Assets is the current market value, adjusted by a four-year smoothing of gains and losses on a market value basis. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Each year's gain or loss is determined as the difference between the actual market return and the expected market return using the assumed rate of investment return.

INVESTMENT RETURN

The future investment earnings of the assets of the plans are assumed to accrue at an annual rate of 8%, net of all administrative and investment-related expenses.

AMORTIZATION METHOD

The unfunded actuarial accrued liability is amortized as a level percentage of future payroll, except for VFCA for which is amortized as level dollar amounts.

INTEREST ON MEMBER CONTRIBUTIONS

With the exception of VFCA, interest on member contributions at the time of the valuation was assumed to accrue at a net annual rate of 5%.

CAPITAL PRESERVATION PREMIUM ON

MPORS DROP ACCOUNTS

MPORS DROP accounts are assumed to earn the rate of return on the trust fund net of expenses plus 1.5% to cover the minimum 0% earnings guarantee on DROP accounts. Effective July 1, 2009, the interest on DROP accruals was changed from the actual trust

fund earnings to the actuarial assumed trust fund earnings.

FUTURE SALARIES

Estimates of future salaries are based on two types of assumptions. Rates of increase in the general wage level of the membership are directly related to inflation, while individual salary changes due to promotion and longevity, referred to as the merit scale, occur even in the absence of inflation. The assumed increase in future salaries due to general wage growth is 4.25% per year for all plans. The merit scale is based on years of service and is in addition to the wage growth. The merit scale is calculated independently for each plan based on the factors applicable to the plan. VFCA is excluded from this calculation because members are unpaid volunteers.

MORTALITY

The probabilities of mortality for Healthy Retirees, Beneficiaries and Non-Retired Members are based on 1994 Uninsured Pensioner Mortality Tables for males and females and adjusted for each plan as stated in the following tables:

Healthy Retirees and Non-Retired Members		
	<u>Males</u>	<u>Females</u>
PERS	-1	-1
JRS	-1	-1
HPORS	-1	0
SRS	-1	0
GWPORS	-1	0
MPORS	-1	0
FURS	-1	0
VFCA	-1	-1

Beneficiaries		
	<u>Males</u>	<u>Females</u>
PERS	-1	-1
JRS	-1	-1
HPORS	-1	-1
SRS	-1	-1
GWPORS	-1	-1
MPORS	-1	-1
FURS	-1	-1
VFCA	-1	-1

The probabilities of mortality for Disabled Retirees are based on the 1994 Uninsured Pensioner Mortality Tables for males and females for each plan except PERS, JRS, and VFCA, which are based on the IRS Revenue Ruling 96-7 Males/Females table and adjusted for each plan as stated in the following table:

Disabled Retirees		
	<u>Males</u>	<u>Females</u>
PERS	-3	+1
JRS	-3	+1
HPORS	+3	+2
SRS	+3	+2
GWPORS	+3	+2
MPORS	+3	+2
FURS	+3	+2
VFCA	-1	+3

SERVICE RETIREMENT

The assumed rates of service retirement used in the valuations are dependent upon age and years of service and differ between plans. The rates are based on the actual experience of the individual plans as determined in the 2004 experience study. Under all plans, vested terminated members are assumed to retire when first eligible for an unreduced benefit.

DISABLEMENT

The assumed rates of disablement are dependent upon ages and differ between plans. It is

further assumed that 10% of all disabilities are duty-related for all plans except PERS and VFCA. For PERS it is assumed that the most valuable disability benefit will be elected. It is assumed that all disabilities are permanent and that no disabled member will recover and return to work.

OTHER TERMINATIONS OF MEMBERSHIP

The assumed rates of termination, other than for retirement, death, or disability, are calculated individually for each plan. The JRS does not assume termination for any other reason than retirement, death or disability.

TERMINATING MEMBERS ELECTING A REFUND

It is assumed that all terminating members that are non-vested will receive an immediate withdrawal of their member contributions with interest. The probability of a terminating, vested member electing a refund of the member account balance is based on age and is different for each plan as described in the actuarial valuation. These assumptions do not apply to the JRS or VFCA.

ACTUARIAL AUDIT

An actuarial audit was performed during the 2004 actuarial valuation by Mellon. The audit was performed in conjunction with the valuation by PERB’s actuary at the time, Milliman. The audit was performed to obtain an opinion regarding the reasonableness and accuracy of the valuation data, actuarial assumptions, actuarial cost methods and valuation results. The scope of the audit included both a technical review of the valuation results and a professional peer review of the actuarial assumptions and methods used by Milliman. Mellon determined from their full scope review that the actuarial valuation of PERS prepared by

ACTUARIAL SECTION

Milliman fairly represents the actuarial position and funding requirements of the retirement system. Mellon offered suggestions for enhancement but found Milliman's actuarial results to be reasonable.

This being the first valuation performed by Cheiron, all results shown for valuations prior to June 30, 2009 were derived from reports prepared by the prior actuary, Milliman. In preparation for this valuation, Cheiron attempted to reproduce the results in the prior valuation at June 30, 2008 before performing the 2009 valuations. In this reproduction of results, Cheiron obtained an actuarial accrued liability for all plans well within established norms.

CALCULATIONS BASED ON THE MARKET VALUE OF ASSETS

Section 19-2-407, MCA, as amended by the 2007 Legislature, requires the actuarial report to show how market performance is affecting the actuarial funding of the retirement systems. In the following paragraphs the effect on each one of the defined benefit retirement systems is explained if the market value of assets was used.

At June 30, 2009, the market value of assets for **PERS-DBRP** was \$1,004 million less than the actuarial value of assets. If the market value of assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 63% and the statutory contribution rates are not sufficient to amortize the unfunded actuarial liability within a 30 year amortization period. With the use of the actuarial value of assets in the valuation, the funded ratio at June 30, 2009 is 84% and the amortization period for the unfunded actuarial liability is infinite.

At June 30, 2009, the market value of assets for **JRS** was \$15.3 million less than the actuarial value of assets. If the market value of assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 111% and the amortization period for the unfunded actuarial liability would be zero years since the plan is overfunded. With the use of actuarial value of assets in the valuation, the funded ratio at June 30, 2009 is 148% and the amortization period for the unfunded actuarial liability is still zero years since the plan is overfunded.

At June 30, 2009, the market value of assets for **HPORS** was \$25.1 million less than the actuarial value of assets. If the market value of assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 54% and the amortization period for the unfunded actuarial liability would be 60.7 years. With the use of the actuarial value of assets in the valuations, the funded ratio at June 30, 2009 is 72% and the amortization period for the unfunded actuarial liability is 21.5 years.

At June 30, 2009, the market value of assets for **SRS** was \$49.2 million less than the actuarial value of assets. If the market value of assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 68% and the statutory contribution rates are not sufficient to amortize the unfunded actuarial liability within a 30 year amortization period. With the use of the actuarial value of assets in the valuation, the funded ratio at June 30, 2009 is 90% and the amortization period for the unfunded actuarial liability is infinite.

At June 30, 2009, the market value of assets for **GWORS** was \$19.3 million less than the actuarial value of assets. If the market value of assets was used rather than the actuarial value

of assets, the funded ratio on the valuation date would be 67% and the statutory contribution rates are not sufficient to amortize the unfunded actuarial liability within a 30 year amortization period. With the use of the actuarial value of assets in the valuation, the funded ratio at June 30, 2009 is 88% and the amortization period is infinite.

81% and the amortization period for the unfunded actuarial liability is 6.9 years. The total required contribution is \$1 million.

At June 30, 2009, the market value of assets for **MPORS** was \$52.3 million less than the actuarial value of assets. If the market value of assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 47% and the amortization period for the unfunded actuarial liability would be 40.2 years. With the use of the actuarial value of assets in the valuation, the funded ratio at June 30, 2009 is 62% and the amortization period is 22.1 years.

At June 30, 2009, the market value of assets for **FURS** was \$50.5 million less than the actuarial value of assets. If the market value of assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 52% and the amortization period for the unfunded actuarial liability would be 22.7 years. With the use of the actuarial value of assets in the valuation, the funded ratio at June 30, 2009 is 69% and the amortization period for the unfunded actuarial liability is 12.7 years.

At June 30, 2009, the market value of assets for **VFCA** retirement system was \$6.8 million less than the actuarial value of assets. If the market value of assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 61% and the amortization period for the unfunded actuarial liability would be 24.7 years with the annual required contribution being \$1.7 million. With the use of the actuarial value of assets in the valuation, the funded ratio at June 30, 2009 is

ACTUARIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Active Member Valuation Data

System	Valuation Date	Number Members (a)	Nbr ERs (b)	Covered Payroll (c)	Average Annual Pay (c/a)	% Pay Increase
PERS-DBRP	June 30, 2004	28,201	526	832,847,393	29,533	-0.49%
	June 30, 2005	28,213	530	847,430,761	30,037	1.71%
	June 30, 2006	27,962	524	880,707,616	31,497	4.86%
	June 30, 2007	27,977	528	907,424,089	32,435	2.98%
	June 30, 2008	28,293	528	955,112,779	33,758	4.08%
	June 30, 2009		28,983	529	1,003,214,752	34,614
JRS	June 30, 2004	50	1	4,403,432	88,069	5.84%
	June 30, 2005	50	1	4,461,757	89,235	1.32%
	June 30, 2006	50	1	4,761,755	95,235	6.72%
	June 30, 2007	51	1	4,840,867	94,919	-0.33%
	June 30, 2008	51	1	5,095,771	99,917	5.27%
	June 30, 2009		51	1	5,109,726	100,191
HPORS	June 30, 2004	194	1	7,843,505	40,430	4.07%
	June 30, 2005	201	1	9,103,879	45,293	12.03%
	¹ June 30, 2006	197	1	7,878,304	39,991	-11.71%
	June 30, 2007	204	1	9,858,242	48,325	20.84%
	June 30, 2008	212	1	10,866,291	51,256	6.07%
	June 30, 2009		222	1	11,424,902	51,464
SRS	June 30, 2004	662	56	27,372,575	41,348	7.01%
	June 30, 2005	680	56	28,423,312	41,799	1.09%
	² June 30, 2006	1,006	57	34,241,922	34,038	-18.57%
	June 30, 2007	1,076	57	43,611,101	40,531	19.08%
	June 30, 2008	1,109	57	47,196,418	42,558	5.00%
	June 30, 2009		1,185	57	51,456,506	43,423

¹In fiscal year 2005 a wage settlement occurred for certain members of the HPORS that was retroactive to 1995.

² Effective 7/1/2005, all newly hired detention officers are covered under SRS. Existing detention officers may elect to remain in the PERS or elect to become a member of the SRS.

The last actuarial valuation was performed as of June 30, 2009.

ACTUARIAL SECTION

System	Valuation Date	Number Members (a)	Nbr ERs (b)	Covered Payroll (c)	Average Annual Pay (c/a)	% Pay Increase
GWPORS	June 30, 2004	685	8	21,442,218	31,303	3.74%
	June 30, 2005	711	8	22,496,263	31,640	1.08%
	June 30, 2006	793	7	25,846,410	32,593	3.01%
	June 30, 2007	821	7	28,799,459	35,079	7.63%
	June 30, 2008	885	7	32,365,266	36,571	4.25%
	June 30, 2009	950	7	36,023,244	37,919	3.69%
MPORS ³	June 30, 2004	603	22	24,531,018	40,682	4.98%
	June 30, 2005	605	22	26,198,414	43,303	6.44%
	June 30, 2006	617	22	27,643,794	44,804	3.46%
	June 30, 2007	640	23	29,546,856	46,167	3.04%
	June 30, 2008	644	27	32,180,590	49,970	8.24%
	June 30, 2009	663	29	34,687,120	52,318	4.70%
FURS	June 30, 2004	438	15	20,031,923	45,735	8.39%
	June 30, 2005	444	15	20,474,175	46,113	0.83%
	June 30, 2006	467	17	22,916,716	49,072	6.42%
	June 30, 2007	480	17	24,249,918	50,521	2.95%
	June 30, 2008	525	19	29,158,206	55,539	9.93%
	June 30, 2009	558	21	30,159,570	54,049	-2.68%
VFCA	June 30, 2004	2,687				
	June 30, 2005	2,754				
	June 30, 2006	2,733				
	⁴ June 30, 2007	2,207				
	June 30, 2008	2,301				
	June 30, 2009	2,253				

Covered payroll is not applicable. Members are unpaid volunteers and do not contribute to the fund.

³Does not include DROP membership.

⁴The decrease in membership numbers from fiscal year 2006 to fiscal year 2007 is due to improvements in the database maintenance and correct reporting of membership.

ACTUARIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Active Member Composition

as of June 30, 2009

	PERS-DBRP	JRS	HPORS	SRS	GWPORS	MPORS ¹	FURS	VFCA ²
Average Age	48.59	57.94	39.83	40.3	40.75	37.78	38.9	44.67
Average Service	9.8	11.7	9.7	6.8	5.9	8.2	10.2	9.2
Average Salary	\$ 36,988	\$ 99,903	\$ 52,328	\$ 45,727	\$ 39,979	\$ 50,371	\$ 55,943	N/A
Under Age 25								
Number Members	611		4	71	57	30	17	126
Average Salary	\$ 25,254		\$ 44,072	\$ 32,760	\$ 31,865	\$ 41,664	\$ 44,967	N/A
Ages 25-29								
Number Members	1,461		21	143	112	106	86	182
Average Salary	\$ 31,359		\$ 47,905	\$ 40,364	\$ 36,751	\$ 44,495	\$ 47,274	N/A
Ages 30-34								
Number Members	1,908		36	176	117	103	101	207
Average Salary	\$ 34,837		\$ 49,107	\$ 45,653	\$ 39,322	\$ 46,324	\$ 52,263	N/A
Ages 35-39								
Number Members	2,416		42	199	172	141	109	274
Average Salary	\$ 35,956		\$ 51,571	\$ 46,321	\$ 40,837	\$ 49,732	\$ 56,607	N/A
Ages 40-44								
Number Members	2,801	1	48	183	138	142	80	287
Average Salary	\$ 37,456	\$ 99,237	\$ 54,571	\$ 47,027	\$ 40,244	\$ 53,585	\$ 56,286	N/A
Ages 45-49								
Number Members	4,384	8	44	147	132	88	79	335
Average Salary	\$ 38,333	\$ 100,106	\$ 54,607	\$ 48,286	\$ 42,323	\$ 57,318	\$ 62,778	N/A
Ages 50-54								
Number Members	5,512	8	20	129	114	29	51	317
Average Salary	\$ 38,487	\$ 99,151	\$ 53,431	\$ 47,931	\$ 41,361	\$ 55,916	\$ 63,559	N/A
Ages 55-59								
Number Members	5,377	13	6	93	71	16	28	256
Average Salary	\$ 39,334	\$ 99,772	\$ 59,412	\$ 50,087	\$ 42,167	\$ 53,635	\$ 63,635	N/A
Ages 60-64								
Number Members	3,254	10	1	36	33	8	7	169
Average Salary	\$ 37,523	\$ 99,923	\$ 53,348	\$ 51,777	\$ 42,503	\$ 64,159	\$ 64,574	N/A
Ages 65-69								
Number Members	904	9		8	4			67
Average Salary	\$ 32,885	\$ 100,781		\$ 53,323	\$ 42,791			N/A
Age 70 & Over								
Number Members	355	2						33
Average Salary	\$ 25,329	\$ 99,237						N/A

¹The number of members for MPORS does not include the 29 DROP members.

²Average Salary is not applicable to VFCA, members are unpaid volunteers.

The last actuarial valuation was performed as of June 30, 2009.

ACTUARIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Retiree Member Composition as of June 30, 2009

	PERS-DBRP	JRS	HPORS	SRS	GWPORS	MPORS	FURS	VFCA
Total Count	16,437	53	273	353	122	600	516	1,103
Average Age	71.9	76.4	68.5	63.4	67.7	66.2	67.6	70.3
Average Age at Retirement	59.2	63.2	49.6	53.1	55.2	47.7	50.4	59.5
Average Annual Benefit	\$ 12,086	\$ 38,253	\$ 24,597	\$ 20,183	\$ 20,569	\$ 24,155	\$ 26,829	\$ 1,626
Under Age 45								
Number Members	40		3			7	2	
Average Annual Benefit	\$ 5,004		\$ 22,430			\$ 24,624	\$ 21,096	
Ages 45-49								
Number Members	57		8	19		30	14	
Average Annual Benefit	\$ 12,189		\$ 27,307	\$ 22,281		\$ 25,209	\$ 26,921	
Ages 50-54								
Number Members	389		7	51	12	62	45	
Average Annual Benefit	\$ 17,701		\$ 28,931	\$ 21,663	\$ 29,468	\$ 25,241	\$ 26,535	
Ages 55-59								
Number Members	1,182	1	33	75	16	104	68	131
Average Annual Benefit	\$ 18,286	\$ 12,976	\$ 29,364	\$ 23,723	\$ 16,655	\$ 26,607	\$ 32,352	\$ 2,012
Ages 60-64								
Number Members	2,689	11	54	79	29	120	104	209
Average Annual Benefit	\$ 15,718	\$ 31,918	\$ 29,293	\$ 19,524	\$ 19,402	\$ 26,712	\$ 34,147	\$ 1,666
Ages 65-69								
Number Members	3,306	4	48	49	21	60	79	234
Average Annual Benefit	\$ 12,721	\$ 41,115	\$ 25,784	\$ 24,379	\$ 18,720	\$ 23,807	\$ 29,232	\$ 1,603
Ages 70-74								
Number Members	2,754	6	50	36	15	65	76	212
Average Annual Benefit	\$ 11,151	\$ 44,423	\$ 22,527	\$ 15,006	\$ 22,704	\$ 21,333	\$ 22,799	\$ 1,543
Ages 75-79								
Number Members	2,331	7	32	23	11	68	50	154
Average Annual Benefit	\$ 9,793	\$ 39,360	\$ 17,381	\$ 12,437	\$ 26,749	\$ 21,332	\$ 21,113	\$ 1,552
Ages 80 & Over								
Number Members	3,689	24	38	21	18	84	78	163
Average Annual Benefit	\$ 8,513	\$ 39,867	\$ 19,884	\$ 12,093	\$ 16,596	\$ 20,969	\$ 17,717	\$ 1,476

The last actuarial valuation was performed as of June 30, 2009.

ACTUARIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Disabled Member Composition

as of June 30, 2009

	PERS-DBRP	JRS	HPORS	SRS	GWPORS	MPORS	FURS	VFCA ¹
Total Count	279		6	35		17	5	
Average Age	54.6		43.9	52.4		42.9	43.4	
Average Age at Disablement	46.5		33.8	42.8		37.5	39.8	
Average Annual Benefit	\$ 8,673		\$ 19,148	\$ 18,621		\$ 21,572	\$ 23,658	
Under Age 45								
Number Members	13		4	3		12	3	
Average Annual Benefit	\$ 5,801		\$ 19,510	\$ 21,373		\$ 21,351	\$ 22,878	
Ages 45-49								
Number Members	28		2	8		5	2	
Average Annual Benefit	\$ 8,291		\$ 18,424	\$ 17,844		\$ 22,101	\$ 24,828	
Ages 50-54								
Number Members	80			12				
Average Annual Benefit	\$ 8,812			\$ 20,733				
Ages 55-59								
Number Members	156			12				
Average Annual Benefit	\$ 8,954			\$ 16,338				
Ages 60-64								
Number Members	152		2	11	3	17	17	
Average Annual Benefit	\$ 8,754		\$ 19,607	\$ 16,824	\$ 15,779	\$ 19,264	\$ 21,560	
Ages 65-69								
Number Members	2							
Average Annual Benefit	\$ 5,220							
Ages 70-74								
Number Members								
Average Annual Benefit								
Ages 75-79								
Number Members								
Average Annual Benefit								
Ages 80 & Over								
Number Members								
Average Annual Benefit								

¹Disability is not applicable to the VFCA.

The last actuarial valuation was performed as of June 30, 2009.

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Beneficiary Member Composition

as of June 30, 2009

	PERS-DBRP	JRS	HPORS	SRS	GWPORS	MPORS	FURS	VFCA
Total Count	359	2	12	18	5	29	21	
Average Age	64	76	50	57	71	61	66	
Average Annual Benefit	\$ 9,256	\$ 23,441	\$ 16,974	\$ 13,651	\$ 8,353	\$ 20,385	\$ 20,336	
Under Age 45								
Number Members	41		5	5		4	3	
Average Annual Benefit	\$ 6,282		\$ 15,476	\$ 8,653		\$ 21,014	\$ 21,658	
Ages 45-49								
Number Members	21		2	1		3	2	
Average Annual Benefit	\$ 6,297		\$ 11,882	\$ 48,196		\$ 19,280	\$ 17,220	
Ages 50-54								
Number Members	66		1	8	3	10	7	
Average Annual Benefit	\$ 9,887		\$ 50,408	\$ 14,185	\$ 18,927	\$ 20,012	\$ 16,387	
Ages 55-59								
Number Members	41		2	2	2	2	1	
Average Annual Benefit	\$ 7,798		\$ 8,881	\$ 9,061	\$ 5,713	\$ 19,057	\$ 25,583	
Ages 60-64								
Number Members	50		1	2	1	5	3	
Average Annual Benefit	\$ 10,210		\$ 38,482	\$ 17,891	\$ 5,484	\$ 24,084	\$ 24,639	
Ages 65-69								
Number Members	52		1	1		3		
Average Annual Benefit	\$ 8,685		\$ 27,663	\$ 6,727		\$ 22,513		
Ages 70-74								
Number Members	45					3	5	
Average Annual Benefit	\$ 12,760					\$ 17,728	\$ 18,132	
Ages 75-79								
Number Members	43	2	1	4		2		
Average Annual Benefit	\$ 10,875	\$ 23,441	\$ 18,637	\$ 14,216		\$ 20,977		
Ages 80 & Over								
Number Members	41			2	2	4	6	
Average Annual Benefit	\$ 10,474			\$ 10,635	\$ 12,426	\$ 17,007	\$ 19,411	

The last actuarial valuation was performed as of June 30, 2009.

ACTUARIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Retirants and Beneficiaries Added to and Removed from Rolls

Year Ended	Added		Removed		End of Year	Benefits ²	Average Annual Benefit ³	% Benefit Increase
	No.	Annual Benefits ¹	No.	Annual Benefits ¹				
PERS-DBRP								
June 30, 2004	861	\$ 1,216,589	428	\$ 931,433	14,834	\$ 132,683,144	\$ 9,246	6.62%
June 30, 2005	859	7,364,190	473	1,620,042	15,220	142,789,016	9,606	3.89%
June 30, 2006	929	8,873,477	495	1,801,584	15,654	153,885,649	10,172	5.89%
June 30, 2007	962	9,242,368	479	1,740,623	16,137	166,187,966	10,598	4.19%
June 30, 2008	1009	10,833,593	519	1,912,403	16,627	180,815,238	11,231	5.97%
June 30, 2009	953	11,308,027	505	2,147,526	17,075	196,401,589	11,884	5.81%
JRS								
June 30, 2004	1	12,298	1	2,763	50	1,670,457	33,295	7.38%
June 30, 2005	1	24,369	2	37,736	49	1,623,746	33,126	-0.51%
June 30, 2006	2	119,705	0		51	1,742,859	35,233	6.36%
June 30, 2007	2	29,277	2	28,021	51	1,772,203	34,731	-1.43%
June 30, 2008	0		1	9,691	50	1,828,680	36,590	5.35%
June 30, 2009	6	159,326	1	17,466	55	1,971,931	37,027	1.19%
HPORS								
June 30, 2004	8	33,952	1	1,342	274	5,492,910	19,583	4.89%
June 30, 2005	6	187,797	4	14,985	276	5,789,603	20,202	3.16%
June 30, 2006	6	252,679	0		282	6,365,115	21,193	4.91%
June 30, 2007	5	234,141	3	8,922	284	6,460,218	22,122	4.38%
June 30, 2008	9	251,808	3	22,172	290	6,813,578	23,019	4.05%
June 30, 2009	6	220,859	5	37,537	291	7,127,383	24,057	4.51%
SRS								
June 30, 2004	22	56,415	5	4,447	323	4,902,832	16,250	7.91%
June 30, 2005	21	249,586	4	19,375	340	5,527,472	16,719	2.88%
June 30, 2006	24	395,529	3	19,777	361	6,151,890	17,466	4.47%
June 30, 2007	35	439,999	12	87,687	384	6,769,508	18,152	3.93%
June 30, 2008	16	312,489	6	48,025	394	7,242,828	19,375	6.74%
June 30, 2009	14	330,201	2	27,745	406	7,858,026	19,487	0.58%

¹Annual Benefits Added and Removed for fiscal years prior to June 30, 2005 are based the June monthly benefit total. For fiscal years ending on or after June 30, 2005 these amounts are based on annual benefit totals.

²Includes death benefit payments for active members.

³Based on June monthly benefit totals.

The last actuarial valuation was performed as of June 30, 2009.

ACTUARIAL SECTION

Year Ended	Added		Removed		End of Year	Benefits ²	Average Annual Benefit ³	% Benefit Increase
	No.	Annual Benefits ¹	No.	Annual Benefits ¹				
GWPORS								
June 30, 2004	4	\$ 9,071	1	\$ 2,123	85	\$ 1,459,817	\$ 17,496	3.19%
June 30, 2005	11	66,165	2	11,997	94	1,538,595	17,342	-0.88%
June 30, 2006	15	190,274	3	14,106	106	1,834,767	18,198	4.93%
June 30, 2007	6	140,228	1	7,224	111	2,085,050	19,247	5.77%
June 30, 2008	10	128,947	1	7,618	120	2,270,902	19,312	0.34%
June 30, 2009	9	157,614	2	13,612	127	2,520,735	19,799	2.52%
MPORS								
June 30, 2004	17	58,062	11	15,443	571	10,885,372	19,576	3.76%
June 30, 2005	14	304,348	10	62,467	575	11,362,959	20,336	3.88%
June 30, 2006	14	387,872	9	68,117	580	12,031,585	21,174	4.12%
June 30, 2007	24	449,961	12	118,666	592	12,691,520	22,177	4.74%
June 30, 2008	51	727,211	7	56,531	636	13,706,635	22,711	2.41%
June 30, 2009	17	456,299	7	44,723	646	15,008,432	23,597	3.90%
FURS								
June 30, 2004	22	84,167	4	6,632	498	9,674,137	20,384	6.54%
June 30, 2005	15	288,761	9	88,862	504	10,385,891	20,972	2.88%
June 30, 2006	19	513,094	14	110,793	509	11,039,519	22,234	6.02%
June 30, 2007	20	602,497	10	72,609	519	11,850,904	23,636	6.31%
June 30, 2008	24	664,186	8	64,052	535	13,353,419	25,026	5.88%
June 30, 2009	16	510,583	9	97,630	542	13,986,547	26,221	4.77%
VFCA								
June 30, 2004	59	11,340	36	3,915	944	1,478,648	1,614	4.07%
June 30, 2005	65	72,105	43	45,038	966	1,517,098	1,557	-3.56%
June 30, 2006	68	81,945	33	22,470	1,001	1,563,795	1,578	1.39%
June 30, 2007	74	80,123	37	22,028	1,038	1,636,980	1,587	0.57%
June 30, 2008	74	75,645	30	26,220	1,082	1,716,773	1,608	1.30%
June 30, 2009	61	67,748	40	29,115	1,103	1,779,708	1,621	0.82%

ACTUARIAL SECTION

Public Employees' Retirement Board A Component Unit of the State of Montana

Solvency Test (in thousands)

System	Valuation Date	Aggregate Accrued Liabilities for			Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Reported Asset		
		1	2	3		1	2	3
		Active Member Accounts ¹	Retirants and Beneficiaries	Active Members (ER Financed Portion)				
PERS-DBRP	06/30/04	684,607	1,640,145	1,189,333	3,047,287	100	100	61
	06/30/05	701,851	1,756,674	1,261,473	3,179,010	100	100	57
	06/30/06	718,260	1,895,838	1,305,215	3,459,084	100	100	65
	06/30/07	749,000	2,051,107	1,401,143	3,825,234	100	100	73
	06/30/08	783,801	2,232,148	1,488,794	4,065,307	100	100	70
	06/30/09	828,390	2,272,582	1,691,847	4,002,212	100	100	53
JRS	06/30/04	3,271	20,106	11,347	45,134	100	100	192
	06/30/05	3,479	19,411	11,635	47,552	100	100	212
	06/30/06	3,690	20,362	13,107	51,808	100	100	212
	06/30/07	3,863	20,446	12,554	57,778	100	100	267
	06/30/08	4,431	20,682	14,323	62,040	100	100	258
	06/30/09	4,790	21,625	15,433	61,929	100	100	230
HPORS	06/30/04	6,914	76,936	20,219	79,104	100	94	0
	06/30/05	6,981	80,701	25,256	82,050	100	93	0
	06/30/06	7,321	83,954	20,728	87,189	100	95	0
	06/30/07	8,049	93,187	27,070	95,758	100	94	0
	06/30/08	8,796	96,395	29,492	101,500	100	96	0
	06/30/09	9,571	97,087	31,157	99,652	100	93	0
SRS	06/30/04	21,643	75,982	50,983	141,022	100	100	85
	06/30/05	22,810	82,386	54,151	148,458	100	100	80
	06/30/06	24,936	89,353	57,552	163,003	100	100	85
	06/30/07	27,651	97,660	63,725	183,894	100	100	92
	06/30/08	31,220	102,967	70,362	199,453	100	100	93
	06/30/09	36,225	106,352	81,316	200,690	100	100	71

¹ Active Member Accounts includes Regular and Additional Contributions with interest, and excludes all accounts of inactive members.

The last actuarial valuation was performed as of June 30, 2009.

ACTUARIAL SECTION

System	Valuation Date	Aggregate Accrued Liabilities for			Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Reported Asset		
		1	2	3		1	2	3
		Active Member Accounts	Retirants and Beneficiaries	Active Members (ER Financed Portion)				
GWPORS	06/30/04	12,371	18,034	19,905	45,210	100	100	74
	06/30/05	14,416	19,599	22,399	50,961	100	100	76
	06/30/06	15,667	23,890	24,626	58,813	100	100	78
	06/30/07	17,813	27,070	28,109	68,755	100	100	85
	06/30/08	20,574	29,647	33,228	77,511	100	100	82
	06/30/09	23,800	29,536	38,820	81,177	100	100	72
MPORS	06/30/04	23,317	159,767	77,010	149,510	100	79	0
	06/30/05	24,368	166,978	85,033	159,417	100	81	0
	06/30/06	25,802	175,035	90,261	175,919	100	86	0
	06/30/07	27,256	185,707	97,460	198,310	100	92	0
	06/30/08	27,165	207,233	93,158	212,312	100	89	0
	06/30/09	28,693	212,169	104,399	214,345	100	88	0
FURS	06/30/04	20,215	142,894	64,490	142,109	100	85	0
	06/30/05	21,587	148,378	68,192	151,393	100	87	0
	06/30/06	22,738	159,121	73,654	167,343	100	91	0
	06/30/07	23,896	171,777	73,726	188,545	100	96	0
	06/30/08	25,482	187,999	73,737	206,127	100	96	0
	06/30/09	28,561	194,949	82,725	209,775	100	93	0
VFCA	06/30/04		16,578	12,102	20,058	100	100	29
	06/30/05		16,997	13,776	21,311	100	100	31
	06/30/06		17,803	14,080	23,238	100	100	39
	06/30/07		19,579	12,019	25,862	100	100	52
	06/30/08		20,129	12,606	27,544	100	100	59
	06/30/09		14,498	19,050	27,239	100	100	67

Active member accounts are not applicable. Members are unpaid volunteers.

ACTUARIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Summary of Actuarial (Gain)/Loss by Source

(in thousands)

	<u>PERS DBRP</u>	<u>JRS</u>	<u>HPORS</u>	<u>SRS</u>
Investment (Gain) or Loss	\$ 329,471	\$ 5,032	\$ 8,202	\$ 16,326
Liability (Gain) or Losses:				
Salary (Gain) or Loss	16,014	(592)	(840)	625
New Participant (Gain) or Loss	6,326		140	587
Other (Gain) or Loss	<u>(7,610)</u>	<u>490</u>	<u>(2,135)</u>	<u>1,154</u>
Total Actuarial (Gain) or Loss	<u>\$ 344,201</u>	<u>\$ 4,930</u>	<u>\$ 5,367</u>	<u>\$ 18,692</u>

	<u>GWPORS</u>	<u>MPORS</u>	<u>FURS</u>	<u>VFCA</u>
Investment (Gain) or Loss	\$ 6,529	\$ 17,616	\$ 17,007	\$ 2,301
Liability (Gain) or Losses:				
Salary (Gain) or Loss	49	2,912	3,165	
New Participant (Gain) or Loss	458	430	260	449
Rural Fire Districts (Gain) or Loss			302	
Other (Gain) or Loss	<u>(1,832)</u>	<u>(4,739)</u>	<u>(881)</u>	<u>(845)</u>
Total Actuarial (Gain) or Loss	<u>\$ 5,204</u>	<u>\$ 16,219</u>	<u>\$ 19,853</u>	<u>\$ 1,905</u>

The last actuarial valuation was performed as of June 30, 2009.

Public Employees' Retirement Board

A Component Unit of the State of Montana

Summary of Defined Benefit Retirement Plans Provisions as of June 30, 2009

Public Employees' Retirement System-DBRP

Contributions

Members contribute 6.9% of their compensation. Interest is credited at rates determined by the Board.

Member contributions are made through an "employer pick-up" arrangement which results in deferral of taxes on the contributions.

Employers contribute 6.9% of each member's compensation, increased to 7.035% on July 1, 2007 and 7.17% on July 1, 2009. This is offset by a 0.1% of compensation from the State for local governments; the offset increased to 0.235% on July 1, 2007 and 0.37% on July 1, 2009 for school districts. These increased contributions and offsets as of 2007 and 2009 will terminate if an actuarial valuation shows that the period required to amortize the system's unfunded liabilities is less than 25 years, and that the termination of those increases would not cause the amortization to increase beyond 25 years.

Service Credit

Service used to determine the amount of retirement benefit. One month of service credit is earned for each month where the member is paid for 160 hours. This includes certain transferred and purchased service.

Membership Service

Service used to determine eligibility for vesting, retirement or other PERS benefits. One month of membership service is earned for any month member contributions are made to PERS, regardless of the number of hours worked.

Highest Average Compensation (HAC)

Highest Average Compensation (HAC) is the average of any 36 consecutive months (or shorter period of total service) of compensation paid to the member. Compensation generally means all remuneration paid, excluding certain allowances, benefits and lump sum payments.

ACTUARIAL SECTION

PERS-DBRP (continued)

Normal Retirement

- Eligibility: (i) age 60 with 5 years of membership service; or
(ii) age 65 regardless of service; or
(iii) any age with 30 years of membership service.
- Benefit: (i) If less than 25 years of membership service, the greater of :
(a) $1/56$ of HAC multiplied by years of service credit, or
(b) the actuarial equivalent of double the member's regular contributions plus interest plus the actuarial equivalent of any additional contributions plus interest.
- (ii) If 25 years of membership service or more:
(a) $1/50$ of HAC multiplied by years of service credit, or
(b) from above.

Early Retirement

- Eligibility: (i) age 50 with 5 years of membership service; or
(ii) any age with 25 years of membership service.
- Benefit: Normal retirement benefit calculated using HAC and service at early retirement, and reduced for each month which retirement age precedes the earlier of age 60 or the attainment of 30 years of service by 0.5% for the first 60 months and 0.3% for the next 60 months.

Disability Benefit

- Eligibility: Five years of membership service.
- Benefit: (i) If hired on or before February 24, 2001, the greater of (a) or (b):
(a) Less than 25 years of membership service: 90% of $1/56$ of HAC multiplied by service credit.
At least 25 years of membership service: 90% of $1/50$ of HAC multiplied by service credit, or
(b) 25% of HAC.
- (ii) If hired after February 24, 2001:
90% is replaced by 100% in the above formulas, but there is no 25% minimum benefit.

Survivor's Benefit

Eligibility: (i) active,
(ii) within six months after severance,
(iii) receiving disability benefit for less than six months,
(iv) continuously disabled without receiving a disability benefit, or
(v) inactive.

Benefit: The sum of (i) accumulated contributions plus (ii) monthly compensation multiplied by the lesser of service credit or six months, plus (iii) interest. However, an inactive member will receive only accumulated contributions.

For an active member who had completed five years of membership service, the benefit will be the actuarial equivalent of the accrued retirement benefit at the time of death subject to the minimum in the above paragraph.

A beneficiary may elect to receive the payment as an annuity that is the actuarial equivalent of the amount of benefit.

For retired members receiving the normal form of annuity, a payment will be made equal to the accumulated contributions reduced by any retirement benefits already paid.

Vesting

Eligibility: Five years of membership service.

Benefit: Accrued normal retirement benefit, payable at age 60. In lieu of a pension, a member may receive a refund or accumulated contributions. Upon receipt of a refund of contributions a member's vested right to a monthly benefit is forfeited.

Withdrawal of Employee Contributions

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated employee contributions.

Form of Payment

The normal form of payment is a life annuity with a refund of any remaining account balance to a designated beneficiary. (Option 1)

ACTUARIAL SECTION

PERS-DBRP (continued)

Optional

- benefits:
- (i) Option 2, a joint and 100% survivor benefit,
 - (ii) Option 3, a joint and 50% survivor benefit, and
 - (iii) Option 4, a life annuity with a period certain.

If a retiring member selects Option 2 or 3 and the designated beneficiary predeceases the member, the benefit reverts to the higher Option 1 benefit available at retirement if the retiree provides notification within 18 months.

Post Retirement Benefit Increases

For retired members who have been retired at least 12 months, a Guaranteed Annual Benefit Adjustment (GABA) will be made each year equal to:

- (i) 3% for members hired before July 1, 2007, and
- (ii) 1.5% for members hired on or after July 1, 2007.

Judges' Retirement System

Contributions

Members contribute 7% of their compensation. Interest is credited at rates determined by the Board.

Member contributions are made through an “employer pick-up” arrangement which results in deferral of taxes on the contributions.

The employer contributes 25.81% of each member’s compensation.

Service Credit

Service used to determine the amount of retirement benefit. One month of service credit is earned for each month where the member is paid for 160 hours. This includes certain transferred and purchased service.

Membership Service

Service used to determine eligibility for vesting, retirement or other JRS benefits. One month of membership service is earned for any month employees contributions are made to JRS, regardless of the number of hours worked.

Current Salary or Highest Average Compensation (HAC)

For members hired prior to July 1, 1997, and those who have not elected GABA, benefits are calculated using current salary which means the current compensation of the office retired from.

For members hired on or after July 1, 1997, and those who elected GABA, benefits are calculated using highest average compensation (HAC), which is the average of any 36 consecutive months (or shorter period of total service) of compensation paid to the member. Compensation is specifically defined in law for JRS.

Normal Retirement

Eligibility: Age 60 and 5 years of membership service.

Benefit: 3 1/3% per year of current salary or HAC for the first 15 years of service credit and 1.785% per year of current salary or HAC for service credit over 15 years.

ACTUARIAL SECTION

Judges' Retirement System (continued)

Disability Benefit

Eligibility: Any active member.

Benefit: For duty-related disability, 50% of current salary or HAC, or if greater the contingent annuitant's benefit.

For regular disability, the actuarial equivalent of the normal retirement benefit.

Survivor's Benefit

Eligibility: Active or retired member.

Benefit: For duty-related deaths, the greater of:
(i) the equivalent of the contingent annuitant's benefit if applicable, or
(ii) the member's service retirement benefit on the date of death.

For non-duty-related deaths, a refund of the member's accumulated contributions. A beneficiary may elect to receive the payment as an annuity that is the actuarial equivalent of the amount of benefit.

For retired members without a contingent annuitant, a payment will be made to the member's designated beneficiary equal to the accumulated contributions reduced by any retirement benefits already paid.

Vesting

Eligibility: Five years of membership service.

Benefit: Accrued normal retirement benefit, payable when eligible for retirement. In lieu of a pension, a member may receive a refund of accumulated contributions. Upon receipt of a refund of contributions, a member's vested right to a monthly benefit shall be forfeited.

Withdrawal of Employee Contributions

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated employee contributions.

Form of Payment

The normal form of payment is a life annuity with a refund of any remaining account balance to a designated beneficiary. (Option 1)

Optional benefits: (i) Option 2, a joint and 100% survivor benefit,
(ii) Option 3, a joint and 50% survivor benefit, and
(iii) Option 4, a life annuity with a period certain.

If a member retires and has selected Option 2 or 3 and the designated beneficiary predeceases the member, the benefit reverts to the higher Option 1 benefit available at retirement if the retiree provides notification within 18 months.

Post Retirement Benefit Increases

For retired members who became active members on and after July 1, 1997 and those who elected to be covered under this provision, and who have been retired at least 12 months, a Guaranteed Annual Benefit Adjustment (GABA) will be made each year equal to 3%.

For retired members who were hired prior to July 1, 1997 and who did not elect GABA, the current salary of an active member in the same position is used to recalculate the monthly benefit.



ACTUARIAL SECTION

Highway Patrol Officers' Retirement System

Contributions

For members not covered by GABA, members contribute 9% of their compensation. For members covered by GABA, members contribute 9.05% of their compensation. Interest is credited at rates determined by the Board.

Member contributions are made through an “employer pick-up” arrangement which results in deferral of taxes on the contributions.

The employer contributes 36.33% of each member’s compensation.

Service Credit

Service used to determine the amount of retirement benefit. One month of service credit is earned for each month where the member is paid for 160 hours. This includes certain transferred and purchased service.

Membership Service

Service used to determine eligibility for vesting, retirement, or other HPORS benefits. Earned for all periods of service, regardless of hours worked or pay received.

Highest Average Compensation (HAC)

Highest Average Compensation (HAC) is the average of any 36 consecutive months (or shorter period of total service) of compensation paid to the member. Compensation is specifically defined in law.

Normal Retirement

Eligibility: 20 years of membership service.

Benefit: 2.5% of HAC multiplied by years of service credit.

Early Retirement

Eligibility: Age 50 with 5 years of membership service; if discontinued from service other than for cause.

Benefit: Normal retirement benefit calculated using HAC and service credit at early retirement, and reduced to the actuarial equivalent based on a retirement age of 60.

Disability Benefit

Eligibility: Any active member.

Benefit: (i) For duty-related disability:
(a) If less than 20 years of membership service: 50% of HAC
(b) If 20 years or more of membership service: 2.5% of HAC multiplied by years of service credit.

(ii) For regular disability, the actuarial equivalent of the normal retirement benefit based on retirement age of 60.

Survivor's Benefit

Eligibility: Active or retired member.

Benefit: For duty-related deaths, a monthly survivor benefit to the surviving spouse or dependent child equal to 50% of HAC of the member.

For non-duty-related deaths, the member's spouse will receive (or, if there is no surviving spouse or after the surviving spouse dies, each dependent child for as long as they remain dependent children will equally receive) a benefit that is the actuarial equivalent of the early retirement benefit.

A beneficiary may elect to receive the payment as an annuity that is the actuarial equivalent of the amount of benefit.

For retired members without a surviving spouse or dependent child, the member's designated beneficiary will be made a payment equal to the retired member's accumulated contributions reduced by any retirement benefits already paid.

Vesting

Eligibility: Five years of membership service.

Benefit: Accrued normal retirement benefit, payable at normal or early retirement date. In lieu of a pension, a member may receive a refund of accumulated contributions. Upon receipt of a refund of contributions a member's vested right to a monthly benefit shall be forfeited.

Withdrawal of Employee Contributions

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated member contributions.

ACTUARIAL SECTION

Highway Patrol Officers' Retirement (continued)

Form of Payment

The retirement benefit is paid for the retired member's life. Upon the death of the retired member, the benefit is paid to the surviving spouse. If there is no surviving spouse, or after the death of a surviving spouse, benefits are paid to the dependent children, if any, for as long as they remain dependent children.

Post Retirement Benefit Increases

For retired members who became active members on and after July 1, 1997, and those who elected to be covered under this provision and who have been retired at least 12 months, a Guaranteed Annual Benefit Adjustment (GABA) will be made each year equal to 3%.

For retired members who were hired prior to July 1, 1997 and who did not elect GABA, the minimum monthly benefit is provided equal to 2% times service credit multiplied by the current base compensation of a probationary highway patrol officer. Such benefit may not exceed 60% of the current base compensation of a probationary highway patrol officer and the increase may not exceed 5% of the current benefit.

For non-GABA members who retired prior to July 1, 1991 and meet eligibility requirements, a lump sum payment will be made each year based on the increase in the Consumer Price Index.

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Sheriffs' Retirement System

Contributions

Members contribute 9.245% of their compensation. Interest is credited at rates determined by the board.

Member contributions are made through an “employer pick-up” arrangement which results in deferral of taxes on the contributions.

Employers contributed 9.535% of each member's compensation, the rate increased to 9.825% on July 1, 2007 and 10.115% on July 1, 2009. These increased contributions as of 2007 and 2009 will terminate if an actuarial valuation shows that the period required to amortize the system's unfunded liabilities is less than 25 years, and that the termination of those increases would not cause the amortization to increase beyond 25 years.

Service Credit

Service used to determine the amount of retirement benefit. One month of service credit is earned for each month where the member worked 160 hours. This includes certain transferred and purchased service.

Membership Credit

Service used to determine eligibility for vesting, retirement or other SRS benefits. One month of membership service is earned for any month member contributions are made to SRS, regardless of the number of hours worked.

Additionally, eligible active and inactive members may purchase some types of service that will count as membership service.

Highest Average Compensation (HAC)

Highest Average Compensation (HAC) is the average of any 36 consecutive months (or shorter period of total service) of compensation paid to the member. Compensation generally means total compensation paid, excluding maintenance, allowances and expenses.

Normal Retirement

Eligibility: 20 years of membership service.

Benefit: 2.5% of HAC multiplied by years of service credit.

ACTUARIAL SECTION

Sheriffs' Retirement System (continued)

Early Retirement

Eligibility: Age 50 with 5 years of membership service.

Benefit: Normal retirement benefit calculated using highest average compensation and service at early retirement, and reduced to the actuarial equivalent commencing at the earliest of age 60 or the attainment of 20 years of service credit.

Disability Benefit

Eligibility: Any active member.

Benefit:

- (i) For duty-related disability:
 - (a) If less than 20 years of membership service: 50% of HAC, and
 - (b) If 20 years or more of membership service: 2.5% of HAC multiplied by years of service credit.
- (ii) For non-duty-related disability, the actuarial equivalent of the accrued normal retirement benefit on a retirement age after completing 20 years of membership service, or age 60.

Survivor's Benefit

Eligibility: Active or retired member.

Benefit: For duty-related deaths, a monthly survivor benefit to the designated beneficiary equal to the greater of:

- (i) at least 50% of highest average compensation, or
- (ii) 2.5% of highest average compensation multiplied by years of service credit.

For non-duty-related deaths, a refund of the member's accumulated contributions.

A beneficiary may elect to receive the payment as an annuity that is the actuarial equivalent of the amount of benefit.

For retired members without a contingent annuitant, a payment will be made equal to the accumulated contributions reduced by any retirement benefits already paid.

Vesting

Eligibility: Five years of membership service.

Benefit: Accrued normal retirement benefit, payable at normal or early retirement date. In lieu of a pension, a member may receive a refund of accumulated contributions. Upon receipt of a refund of contributions a member's vested right to a monthly benefit shall be forfeited.

Withdrawal of Employee Contributions

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated member contributions.

Form of Payment

The normal form of payment is a life annuity.

Optional benefits:

- (i) Option 2, a joint and 100% survivor benefit,
- (ii) Option 3, a joint and 50% Survivor benefit, and
- (iii) Option 4, a life annuity with a period certain.

Post Retirement Benefit Increases

For retired members who have been retired at least 12 months, a Guaranteed Annual Benefit Adjustment (GABA) will be made each year equal to:

- (i) 3% for members hired before July 1, 2007, and
- (ii) 1.5% for members hired on or after July 1, 2007.



ACTUARIAL SECTION

Game Wardens and Peace Officers' Retirement System

Contributions

Members contribute 10.56% of their compensation. Interest is credited at rates determined by the Board.

Member contributions are made through an “employer pick-up” arrangement which results in deferral of taxes on the contributions.

Employers contribute 9.0% of each member's compensation.

Service Credit

Service used to determine the amount of retirement benefit. One month of service credit is earned for each month where the member worked 160 hours. This includes certain transferred and purchased service.

Membership Service

Service used to determine eligibility for vesting, retirement or other GWPORS benefits. One month of membership service is earned for any month member contributions are made to GWPORS, regardless of the number of hours worked.

Highest Average Compensation (HAC)

Highest Average Compensation (HAC) is the average of any 36 consecutive months (or shorter period of total service) of compensation paid to the member. Compensation is specifically defined by law.

Normal Retirement

Eligibility: Age 50 with 20 years of membership service.

Benefit: 2.5% of HAC multiplied by years of service credit.

Early Retirement

Eligibility: Age 55 with 5 years of membership service.

Benefit: Normal retirement benefit calculated using HAC and service credit at early retirement.

Disability Benefit

- Eligibility: (i) Five years of membership service for duty-related disability, or
(ii) any service for regular disability.
- Benefit: (i) For duty-related disability:
(a) If less than 20 years of membership service: 50% of HAC, and
(b) If 20 years or more of membership service: 2.5% of HAC multiplied by years of service credit.
- (ii) For regular disability, the actuarial equivalent of the accrued normal retirement benefit on a retirement age of 50.

Survivor's Benefit

- Eligibility: Active or retired member.
- Benefit: For duty-related deaths, a monthly survivor benefit to the designated beneficiary equal to:
(i) If less than 20 years of membership service: 50% of HAC, or
(ii) If deceased member has more than 25 years of membership service: 2% of HAC multiplied by years of service credit.
- For non-duty-related deaths, a refund of the member's accumulated contributions.
- A beneficiary may elect to receive the payment as an annuity that is the actuarial equivalent of the amount of the benefit based on a retirement age of 55.
- For retired members without a contingent annuitant, a payment will be made to the member's designated beneficiary equal to the accumulated contributions reduced by any retirement benefits already paid.

Vesting

- Eligibility: Five years of membership service.
- Benefit: Accrued normal retirement benefit, payable at normal or early retirement date. In lieu of a pension, a member may receive a refund of accumulated contributions. Upon receipt of a refund of contributions a member's vested right to a monthly benefit shall be forfeited.

ACTUARIAL SECTION

Game Wardens' and Peace Officers' Retirement System (continued)

Withdrawal of Employee Contributions

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated member contributions.

Form of Payment

The normal form of payment is a life annuity.

Optional benefits:

- (i) Option 2, a joint and 100% survivor benefit,
- (ii) Option 3, a joint and 50% survivor benefit, or
- (iii) Option 4, a life annuity with a period certain.

Post Retirement Benefit Increases

For retired members who have been retired at least 12 months, a Guaranteed Annual Benefit Adjustment (GABA) will be made each year equal to:

- (i) 3% for members hired before July 1, 2007, and
- (ii) 1.5% for members hired on or after July 1, 2007.

Municipal Police Officers' Retirement System

Contributions

Members' contributions depend upon date of hire and whether the member has elected to be covered by a Guaranteed Annual Benefit Adjustment (GABA). For members who have not elected GABA the rates of contribution are as follows:

- (i) Hired on or before July 30, 1975: 5.8%
- (ii) Hired after June 30, 1975 but on or before June 30, 1979: 7.0%
- (iii) Hired after June 30, 1979 but before July 1, 1997: 8.5%
- (iv) Hired on or after July 1, 1997: 9%

For all members who have elected GABA, the rate is 9.0% of compensation.

Interest is credited at rates determined by the Board.

Member contributions are made through an "employer pick-up" arrangement which results in deferral of taxes on the contributions.

Employers contribute 14.41% of each member's compensation.

The State contributes 29.37% of each member's compensation.

Service Credit

Service is used to determine the amount of retirement benefit. One month of service credit is earned for each month where the member works 160 hours. This includes certain purchased service.

Membership Service

Service used to determine eligibility for vesting, retirement or other MPORS benefits. One month of membership service is earned for any month member contributions are made to MPORS, regardless of the number of hours worked.

ACTUARIAL SECTION

Municipal Police Officers' Retirement System (continued)

Final Average Compensation

Final Average Compensation (FAC) is the average over the last 36 months (or shorter period of total service) of compensation paid to the member. Compensation is specifically defined by law.

Normal Retirement

Eligibility: (i) Age 50 with 5 years of membership service; or
(ii) any age with 20 years of membership service.

Benefit: 2.5% of FAC multiplied by years of service credit.

Disability Benefit

Eligibility: Immediately upon employment.

Benefit: (i) Before completing 20 years of membership service: 50% of FAC.
(ii) After completing 20 years or more of membership service: 2.5% of FAC for each year of service credit.

Survivor's Benefit

Eligibility: Any active member.

Benefit: (i) Before completing 20 years of membership service: 50% of member's FAC.
(ii) After completing 20 years of membership service: 2.5% of member's FAC for each year of service credit.

Benefits are paid to the surviving spouse (or equally to dependent children if there is no surviving spouse or after a surviving spouse dies, for as long as they remain dependent children). In the absence of a spouse or child, the accumulated contributions minus any benefits already paid will be paid to the member's designated beneficiary.

Vesting

Eligibility: Five years of membership service.

Benefit: Accrued normal retirement benefit, payable at age 50. In lieu of a pension, a member may receive a refund of accumulated contributions. Upon receipt of a refund of contributions a member's vested right to a monthly benefit shall be forfeited.

Withdrawal of Employee Contributions

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated member contributions.

Form of Payment

The normal form of payment is a life annuity, with 100% continuation after death to a surviving spouse. If there is no surviving spouse, or after the death of a surviving spouse, benefits are paid to the dependent children, if any, for as long as they remain dependent children.

Post Retirement Benefit Increases

For retired members who became active members on and after July 1, 1997, and those who elected to be covered under this provision and who have been retired at least 12 months, a Guaranteed Annual Benefit Adjustment (GABA) will be made each year equal to 3%.

For retired members who were hired prior to July 1, 1997 and who did not elect GABA, the minimum monthly benefit is provided equal to 50% of the current base compensation of a newly confirmed police officer of the employer that last employed the member as a police officer.



ACTUARIAL SECTION

MPORS Deferred Retirement Option Plan (DROP)

- Eligibility: 20 years of membership service.
- Period: Maximum of five years. Member may not receive service credit during the DROP period.
- Contributions: State, employer and member contributions continue during the DROP period and are to be made to the retirement system.
- Disability: If a member becomes disabled during the DROP period, the member will not be eligible for MPORS disability benefits. If the member must terminate their service, their service retirement benefit will be paid to them rather than to their monthly DROP account. The member will also be eligible to receive their DROP account.
- Survivor Benefit: If a member dies before the end of their DROP period, the surviving spouse or dependent children are entitled to receive a lump-sum payment equal to the member's DROP benefit and the member's accumulated contributions minus any benefits paid from the member's DROP account, including monthly DROP accruals.
- If the member does not have a surviving spouse or dependent children, then the member's designated beneficiary is entitled to receive a lump-sum payment equal to the member's DROP benefit.
- The benefit paid must include interest reflecting the retirement system's annual investment earnings from the date the member's DROP period commenced.*
- Benefit: Member receives DROP accruals equal to the retirement benefit calculated at DROP commencement made, added each month during the DROP period plus interest reflecting the retirement system's assumed annual investment earnings.*

*Effective July 1, 2009, the interest rate credited to DROP accounts was changed to the actuarial assumed rate of 8%.

Firefighters' Unified Retirement System

Contributions

For members not covered by GABA, members contribute 9.5% of their compensation. For members covered by GABA, members contribute 10.7% of their compensation. Interest is credited at rates determined by the Board.

Member contributions are made through an “employer pick-up” arrangement which results in deferral of taxes on the contributions.

The employer contributes 14.36% of each member’s compensation.

The State contributes 32.61% of each member’s compensation.

Service Credit

Service used to determine the amount of retirement benefit. One month of service credit is earned for each month where the member is paid for 160 hours. This includes certain transferred and purchased service.

Membership Service

Service used to determine eligibility for vesting, retirement or other FURS benefits. Earned for all periods of service, regardless of hours worked or pay received.

Highest Average Compensation (HAC)

Highest Average Compensation (HAC) is the average of any 36 consecutive months (or shorter period of total service) of compensation paid to the member. Compensation generally means total compensation paid, excluding overtime, holiday payments shift differential payments, compensatory time payments, payments in lieu of sick leave or annual leave, and also excludes maintenance, allowances and expenses. For a part-time firefighter, compensation is calculated as 15% of the regular compensation of a newly confirmed full-time firefighter.

ACTUARIAL SECTION

Firefighters' Unified Retirement System (continued)

Normal Retirement

Eligibility: 20 years of membership service.

Benefit: (i) For a member hired on or after July 1, 1981, or a member who had elected to be covered by the Guaranteed Annual Benefit Adjustment (GABA): 2.5% of HAC multiplied by years of service credit.

(ii) For a member hired prior to July 1, 1981, and who had not elected to be covered by GABA, the minimum of (i), and:

(a) If membership service is less than 20 years: 2% of HAC multiplied by years of service credit, and

(b) If membership is greater or equal to 20 years: 50% of HAC plus 2% of HAC multiplied by years of service credit in excess of 20.

Early Retirement

Eligibility: Age 50 with 5 years of membership service.

Benefit: Normal retirement benefit calculated using HAC and service credit at early retirement, and reduced to the actuarial equivalent commencing at age 60.

Disability Benefit

Eligibility: Any active member.

Benefit: The greater of:

(a) 50% of HAC, and

(b) 2.5% of HAC multiplied by years of service credit.

Survivor's Benefit:

Eligibility: Active or retired members.

Benefit: For deaths with less than 20 years of membership service, a monthly survivor benefit to the surviving spouse (or equally to dependent children if there is no surviving spouse or after a surviving spouse dies, for as long as they remain dependent children) equal to 50% of HAC. For more than 20 years of membership service, a benefit equal to the accrued retirement benefit.

ACTUARIAL SECTION

For retired members without a contingent annuitant, a payment will be made equal to the accumulated contributions reduced by any retirement benefits already paid.

Vesting

Eligibility: Employees who separate from service with at least five years of membership service.

Benefit: Accrued normal retirement benefit, payable at normal or early retirement date. In lieu of a pension, a member may receive a refund of accumulated contributions. Upon application for a refund of contributions a member's vested right to a monthly benefit shall be forfeited.

Withdrawal of Employee Contributions

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated employee contributions.

Form of Payment

The retirement benefit is paid for the retired member's life. Upon the death of the retired member, the benefit is paid to the surviving spouse. If there is no surviving spouse, or after the death of a surviving spouse, benefits are paid to the dependent children, if any, for as long as they remain dependent children.

Post Retirement Benefit Increases

For retired members who became active members on and after July 1, 1997, and those who elected to be covered under this provision and who have been retired at least 12 months, a Guaranteed Annual Benefit Adjustment (GABA) will be made each year equal to 3%.

For retired members who were hired prior to July 1, 1997, and who did not elect GABA, the minimum monthly benefit is provided equal to 50% of the current base compensation of a newly confirmed active firefighter of the employer that last employed the member as a firefighter.



ACTUARIAL SECTION

Volunteer Firefighters' Compensation Act

Contributions

There are no member contributions.

The State contributes 5% of fire insurance premium taxes collected.

Service Credit

To receive a year of service credit, a volunteer firefighter must serve with a fire company for an entire fiscal year and received a minimum of 30 hours of training. Fractional years are not credited.

Normal Retirement

Eligibility: (i) Age 55 with 20 years of service credit, or
 (ii) Age 60 with 10 years of service credit.

Benefit: \$7.50 per month for each year of service credit but not exceeding 30 years.

Disability Benefit

Eligibility: Any active member.

Benefit: The greater of:
 (i) \$75 per month, or
 (ii) \$7.50 per month per year of service (up to 30 years of service).

Survivor's Benefit

Eligibility: 10 years of service or a retired member.

Benefit: A monthly survivor benefit to the surviving spouse (or equally to dependent children if there is no surviving spouse or after a surviving spouse dies, for as long as they remain dependent children) equal to the full benefit otherwise payable to the member. Survivor benefits terminate when benefits have been paid for a total of 40 months, including any benefits paid to the retired member prior to death.



Going-to-the-Sun Mountain
-photo courtesy of Joel Thompson



McDonald Creek flowing into Lake
McDonald
- photo courtesy of Joel Thompson



A mountain goat
- photo courtesy of Shelly Pardis

The United States was the first country in the world to define and designate wilderness areas through law. It takes an act of Congress to designate an area as Wilderness.

- Wilderness.net



St. Mary's Lake - Photo courtesy of Roxanne Minnehan

SUMMARY OF STATISTICAL DATA

Issued in May 2004, pronouncement “*GASB Statement No. 44, Economic Conditioning Reporting: The Statistical Section*” established and modified requirements related to the supplementary information presented in this section of the report.

The pension funds are accounted for under the accrual basis of accounting. Information is provided for the last ten years ending June 30, 2009 for the following five objectives: financial trends; revenue capacity; debt capacity; demographic and economic; and operating.

Financial trends are presented on pages 160 to 177. The schedules contain trend information to help the reader understand how the plans’ financial performance and well-being have changed over time. Net assets and liabilities are presented on pages 160 to 167. The change in net assets is presented in chart format and includes graphs for the PERS-DBRP that highlight areas of interest. Actuarial funding liabilities are presented on pages 169 to 171 in graph format for all of the defined benefit retirement plans. The existence of unfunded actuarial liabilities is not necessarily an indication of financial problems but the fluctuations are important and must be monitored and controlled.

Revenue capacity is presented on pages 172 to 181. These schedules contain information to help the reader assess the plans’ revenue sources, fair values by investment type, and the contribution rate history since inception.

New to the report this year is schedules showing the History of Membership in the Retirement Plans. These schedules are presented on pages 182 to 185.

Debt capacity is presented on pages 186 to 190. These schedules present information to help the reader assess the plans’ current levels of outstanding debt and the plans’ ability to issue additional debt in the future. Debt capacity is represented with benefit expenses and distributions and is followed by schedules of retired members showing the number of retirees based on the type of benefit received.

Demographic and Economic information is presented on pages 192 to 211. These schedules offer demographic and economic indicators to help the reader understand the environment within which the plans’ financial activities take place. A map, on page 198, depicts the location of benefit recipients. The map shows that the majority (89 percent) of benefit recipients remain in Montana. Next, the average monthly benefit is provided.

Operating information is presented on pages 212 to 223. These schedules contain pension plan data to help the reader understand how the information in the financial report relates to the pension plans the PERB administers. This section includes a schedule of employers participating in each of the plans.

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Changes in Net Assets, Last Ten Fiscal Years

(In thousands)

Fiscal Year	2000	2001	2002	2003	2004	2005	2006
PERS-DBRP							
Additions							
Member Contributions ¹	\$ 53,100	\$ 57,119	\$ 60,030	\$ 62,628	\$ 62,664	\$ 66,986	\$ 66,145
Employer Contributions ²	49,786	53,976	56,505	57,597	58,231	60,454	88,573
State Contributions	348	383	374	389	403	421	443
Investment Income ³	215,193	(148,517)	(201,366)	167,331	360,266	244,976	293,679
Other ⁴	61	26					
Total Additions to Plan Net Assets	318,488	(37,013)	(84,457)	287,945	481,564	372,837	448,840
Deductions							
Benefits	96,016	101,546	114,663	122,204	132,683	142,789	153,886
Refunds	12,098	11,874	10,683	10,218	10,913	13,236	12,754
Administrative Expenses	1,470	2,275	3,310	2,254	2,825	2,569	2,886
Other ⁵	348	185	364	22,175	1,882	1,516	1,816
Total Deductions to Plan Net Assets	109,932	115,880	129,020	156,851	148,303	160,110	171,342
Change in Net Assets	\$ 208,556	\$ (152,893)	\$ (213,477)	\$ 131,094	\$ 333,261	\$ 212,727	\$ 277,498
JRS							
Additions							
Member Contributions ¹	\$ 244	\$ 256	\$ 280	\$ 285	\$ 443	\$ 412	\$ 333
Employer Contributions	899	944	1,032	1,052	1,136	1,162	1,229
Investment Income ³	2,852	(2,162)	(3,047)	2,661	5,248	3,640	4,344
Total Additions to Plan Net Assets	3,995	(962)	(1,735)	3,998	6,827	5,214	5,906
Deductions							
Benefits	1,379	1,431	1,566	1,552	1,670	1,624	1,743
Refunds							
Administrative Expenses	3	5	4	3	14	9	12
Total Deductions to Plan Net Assets	1,382	1,436	1,570	1,555	1,684	1,633	1,755
Change in Net Assets	\$ 2,613	\$ (2,398)	\$ (3,305)	\$ 2,443	\$ 5,143	\$ 3,581	\$ 4,151
HPORS							
Additions							
Member Contributions ¹	\$ 668	\$ 716	\$ 693	\$ 805	\$ 743	\$ 862	\$ 851
Employer Contributions	2,558	2,642	2,770	2,866	2,859	3,324	2,905
State Contributions	279	335	309	354	348	669	277
Investment Income ³	5,109	(3,828)	(5,590)	4,611	9,322	6,353	7,453
Total Additions to Plan Net Assets	8,614	(135)	(1,818)	8,636	13,272	11,208	11,486
Deductions							
Benefits	4,396	4,624	4,861	5,160	5,493	5,790	6,365
Refunds	142	86	130	60	144	181	89
Administrative Expenses	15	22	20	15	31	29	31
Other ⁶	25		19	48	152	49	1
Total Deductions to Plan Net Assets	4,578	4,732	5,030	5,283	5,820	6,049	6,486
Change in Net Assets	\$ 4,036	\$ (4,867)	\$ (6,848)	\$ 3,353	\$ 7,452	\$ 5,159	\$ 5,000

Contributions were made in accordance with actuarially determined and statutory requirements.

¹Includes Interest Reserve Buybacks.

²Includes Membership Fees, Retirement Incentive, Miscellaneous Revenue and Education Contributions.

³Includes Common Stock Dividends.

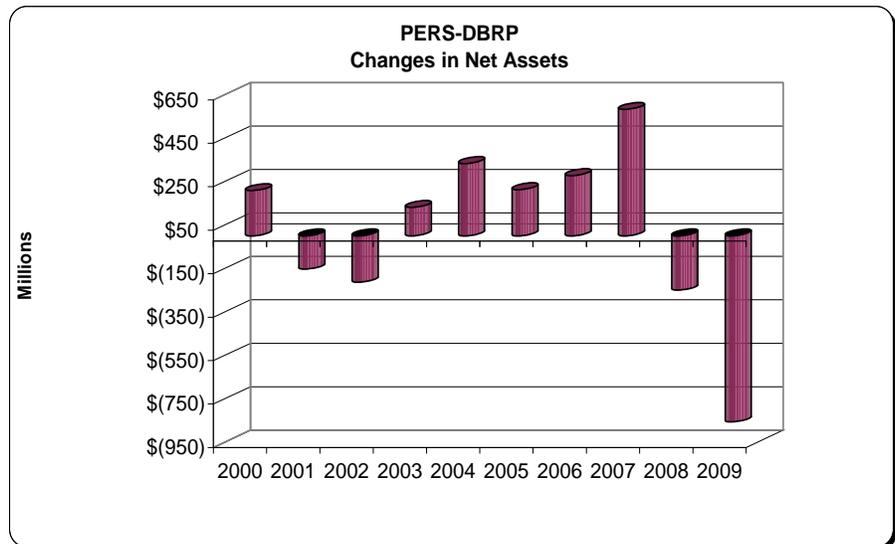
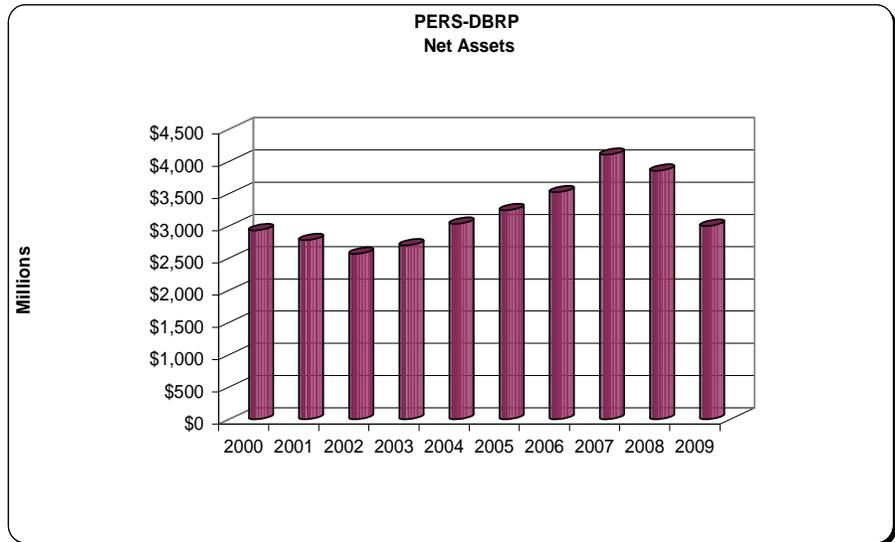
⁴Includes Operating Income.

⁵Includes Transfers to the DC, ORP, Prior Year Adjustments and Refunds to Other Plans.

⁶Includes Refunds to Other Plans.

STATISTICAL SECTION

	2007	2008	2009
\$	69,150	\$ 72,874	\$ 76,003
	67,195	72,270	75,949
	446	378	357
	629,559	(197,030)	(796,242)
	<u>766,350</u>	<u>(51,508)</u>	<u>(643,933)</u>
	166,188	180,815	196,402
	12,868	12,123	10,821
	2,681	2,832	2,948
	2,108	1,987	1,713
	<u>183,845</u>	<u>197,757</u>	<u>211,884</u>
\$	<u>582,505</u>	<u>\$ (249,265)</u>	<u>\$ (855,817)</u>
\$	339	\$ 385	\$ 584
	1,249	1,315	1,347
	9,435	(2,991)	(12,103)
	<u>11,023</u>	<u>(1,291)</u>	<u>(10,172)</u>
	1,772	1,829	1,972
	<u>8</u>	<u>9</u>	<u>17</u>
	<u>1,780</u>	<u>1,838</u>	<u>1,989</u>
\$	<u>9,243</u>	<u>\$ (3,129)</u>	<u>\$ (12,161)</u>
\$	1,005	\$ 1,082	\$ 1,035
	3,634	3,949	4,151
	285	290	285
	15,875	(4,929)	(19,978)
	<u>20,799</u>	<u>392</u>	<u>(14,507)</u>
	6,460	6,814	7,127
	139	61	26
	28	27	49
	139	14	17
	<u>6,766</u>	<u>6,916</u>	<u>7,219</u>
\$	<u>14,033</u>	<u>\$ (6,524)</u>	<u>\$ (21,726)</u>



STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Changes in Net Assets, Last Ten Fiscal Years

(In thousands)

Fiscal Year	2000	2001	2002	2003	2004	2005	2006
SRS							
Additions							
Member Contributions ¹	\$ 2,169	\$ 2,262	\$ 2,496	\$ 2,669	\$ 2,685	\$ 2,988	\$ 3,721
Employer Contributions ²	2,196	2,227	2,431	2,508	2,684	2,813	3,524
Investment Income ³	8,223	(6,379)	(9,152)	8,164	16,404	11,381	13,566
Total Additions to Plan Net Assets	12,588	(1,890)	(4,225)	13,341	21,773	17,182	20,811
Deductions							
Benefits	2,930	3,294	3,700	4,307	4,903	5,527	6,152
Refunds	270	373	409	457	306	611	365
Administrative Expenses	29	43	40	32	55	57	78
Other ⁵	5	5	37	18	12	22	17
Total Deductions to Plan Net Assets	3,234	3,715	4,186	4,814	5,276	6,217	6,612
Change in Net Assets	\$ 9,354	\$ (5,605)	\$ (8,411)	\$ 8,527	\$ 16,497	\$ 10,965	\$ 14,199
GWPORS							
Additions							
Member Contributions ¹	\$ 1,079	\$ 1,306	\$ 1,846	\$ 2,293	\$ 2,714	\$ 3,023	\$ 3,027
Employer Contributions	1,100	1,366	1,595	1,835	2,021	2,054	2,391
Investment Income ³	2,105	(1,599)	(2,564)	2,541	5,073	3,696	4,594
Total Additions to Plan Net Assets	4,284	1,073	877	6,669	9,808	8,773	10,012
Deductions							
Benefits	1,211	1,235	1,230	1,316	1,460	1,539	1,835
Refunds	125	212	317	355	500	607	477
Administrative Expenses	19	30	30	25	42	42	49
Other ⁵	7	4	14		4	6	13
Total Deductions to Plan Net Assets	1,362	1,481	1,591	1,696	2,006	2,194	2,374
Change in Net Assets	\$ 2,922	\$ (408)	\$ (714)	\$ 4,973	\$ 7,802	\$ 6,579	\$ 7,638
MPORS							
Additions							
Member Contributions ¹	\$ 1,938	\$ 1,914	\$ 2,171	\$ 2,254	\$ 2,313	\$ 2,425	\$ 2,549
Employer Contributions	2,935	3,015	3,273	3,502	3,612	3,791	4,035
State Contributions ⁴	5,909	6,148	6,529	6,798	7,208	7,705	8,182
Investment Income ³	8,074	(6,165)	(9,220)	8,530	16,392	11,707	14,091
Total Additions to Plan Net Assets	18,856	4,912	2,753	21,084	29,525	25,628	28,857
Deductions							
Benefits	8,653	9,125	9,845	10,426	10,885	11,363	12,032
Refunds	298	386	345	326	337	786	551
Administrative Expenses	37	55	49	40	70	65	68
Other ⁵	16	44	3	47	52	12	48
Total Deductions to Plan Net Assets	9,004	9,610	10,242	10,839	11,344	12,226	12,699
Change in Net Assets	\$ 9,852	\$ (4,698)	\$ (7,489)	\$ 10,245	\$ 18,181	\$ 13,402	\$ 16,158

Contributions were made in accordance with actuarially determined and statutory requirements.

¹ Includes Interest Reserve Buybacks.

² Includes Retirement Incentive and Miscellaneous Revenue.

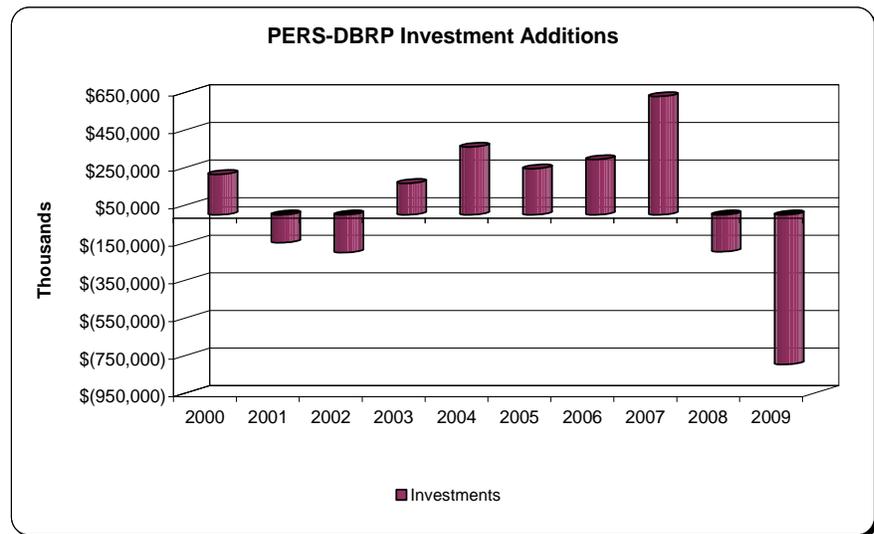
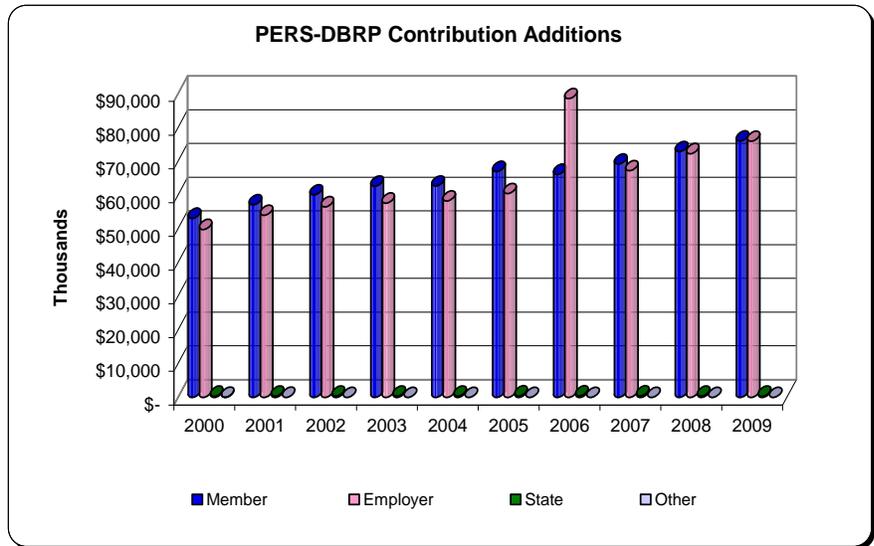
³ Includes Common Stock Dividends.

⁴ Includes Percent of Salary.

⁵ Includes Refunds to Other Plans.

STATISTICAL SECTION

	2007	2008	2009
	\$ 4,921	\$ 4,815	\$ 5,207
	4,386	4,834	5,193
	29,732	(9,598)	(38,824)
	39,039	51	(28,424)
	6,769	7,243	7,858
	934	722	968
	77	80	115
	82	11	29
	7,862	8,056	8,970
	\$ 31,177	\$ (8,005)	\$ (37,394)
	\$ 3,199	\$ 3,613	\$ 3,912
	2,638	2,979	3,292
	10,838	(3,653)	(15,133)
	16,675	2,939	(7,929)
	2,085	2,271	2,521
	702	643	840
	47	52	79
	30		
	2,834	2,996	3,440
	\$ 13,841	\$ (57)	\$ (11,369)
	\$ 2,709	\$ 2,974	\$ 3,186
	4,283	5,156	5,056
	8,677	9,452	10,186
	31,080	(10,262)	(40,908)
	46,749	7,320	(22,480)
	12,691	13,707	15,008
	688	4,290	794
	70	78	98
	29	4	62
	13,478	18,079	15,962
	\$ 33,271	\$ (10,759)	\$ (38,442)



STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Changes in Net Assets, Last Ten Fiscal Years

(In thousands)

Fiscal Year	2000	2001	2002	2003	2004	2005	2006
FURS							
Additions							
Member Contributions ¹	\$ 1,697	\$ 1,742	\$ 1,874	\$ 2,141	\$ 2,213	\$ 2,330	\$ 2,472
Employer Contributions	2,326	2,373	2,521	2,802	2,796	2,959	3,328
State Contributions ²	5,277	5,369	5,764	6,006	6,533	6,719	7,533
Investment Income ³	7,597	(5,997)	(8,845)	8,066	15,692	11,140	13,409
Total Additions to Plan Net Assets	16,897	3,487	1,314	19,015	27,234	23,148	26,742
Deductions							
Benefits	7,518	8,018	8,508	9,081	9,674	10,386	11,040
Refunds	46	44	80	83	77	101	45
Administrative Expenses	30	43	40	30	53	53	58
Other ⁴					2		
Total Deductions to Plan Net Assets	7,594	8,105	8,628	9,194	9,806	10,540	11,143
Change in Net Assets	\$ 9,303	\$ (4,618)	\$ (7,314)	\$ 9,821	\$ 17,428	\$ 12,608	\$ 15,599
VFCA							
Additions							
State Contributions	\$ 961	\$ 1,003	\$ 1,134	\$ 1,310	\$ 1,434	\$ 1,527	\$ 1,611
Investment Income ³	1,078	(260)	(591)	1,259	2,271	1,550	1,853
Total Additions to Plan Net Assets	2,039	743	543	2,569	3,705	3,077	3,464
Deductions							
Benefits	844	882	1,411	1,412	1,479	1,517	1,564
Insurance Payments	11	12	13	12	12	11	11
Administrative Expenses	28	42	38	30	40	47	48
Total Deductions to Plan Net Assets	883	936	1,462	1,454	1,531	1,575	1,623
Change in Net Assets	\$ 1,156	\$ (193)	\$ (919)	\$ 1,115	\$ 2,174	\$ 1,502	\$ 1,841

Contributions were made in accordance with actuarially determined and statutory requirements.

¹ Includes Interest Reserve Buybacks.

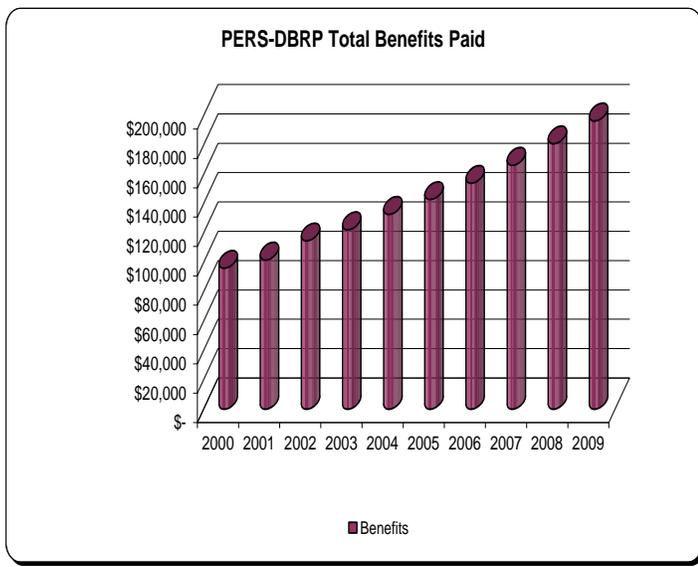
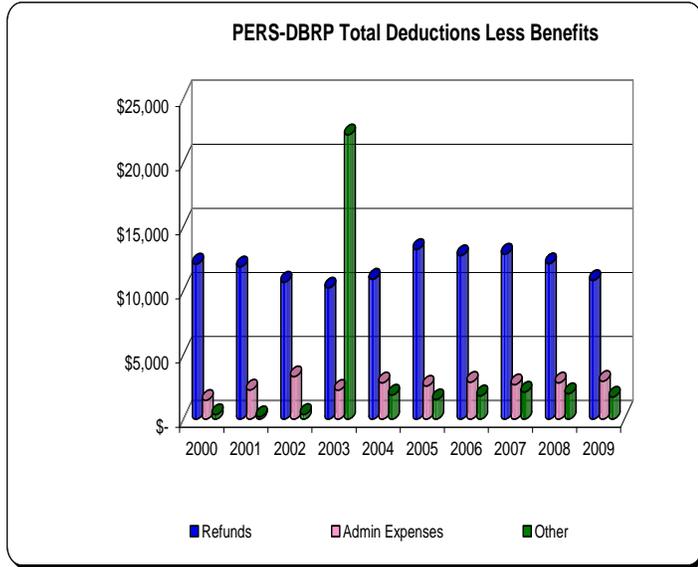
² Includes Percent of Salary.

³ Includes Common Stock Dividends.

⁴ Includes Refunds to Other Plans.

STATISTICAL SECTION

	2006	2007	2008	2009
\$	2,472	\$ 2,619	\$ 3,152	\$ 3,701
	3,328	3,520	4,467	4,531
	7,533	7,957	9,568	9,832
	13,409	29,577	(9,733)	(39,421)
	26,742	43,673	7,454	(21,357)
	11,040	11,851	13,353	13,987
	45	241	116	69
	58	56	57	98
	11,143	12,148	13,526	14,154
\$	15,599	\$ 31,525	\$ (6,072)	\$ (35,511)
\$	1,611	\$ 1,661	\$ 1,562	\$ 1,580
	1,853	4,103	(1,275)	(5,304)
	3,464	5,764	287	(3,724)
	1,564	1,637	1,717	1,780
	11	13	14	17
	48	50	46	59
	1,623	1,700	1,777	1,856
\$	1,841	\$ 4,064	\$ (1,490)	\$ (5,580)



STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Changes in Net Assets, Last Ten Fiscal Years¹

(In thousands)

Fiscal Year	2000	2001	2002	2003	2004	2005	2006
PERS-DCRP							
Additions							
Member Contributions			\$ 10,389	\$ 2,661	\$ 3,184	\$ 3,699	
Employer Contributions			6,130	1,781	1,856	2,319	
Investment Income			551	2,381	1,768	2,098	
Other ²			63	262	371	487	
<i>Total Additions to Plan Net Assets</i>			17,133	7,085	7,179	8,603	
Deductions							
Refunds			629	2,240	1,873	1,570	
Administrative Expenses			552	214	231	227	
Other ³			14	214	256	295	
<i>Total Deductions to Plan Net Assets</i>			1,195	2,668	2,360	2,092	
<i>Change in Net Assets</i>			\$ 15,938	\$ 4,417	\$ 4,819	\$ 6,511	
DEFERRED COMPENSATION PLAN							
Additions							
Member Contributions	\$ 12,294	\$ 12,010	\$ 13,314	\$ 14,725	\$ 14,623	\$ 15,501	\$ 16,990
Employer Contributions		21	46	44	40	55	52
Investment Income	14,760	(2,962)	(4,434)	8,542	16,152	15,267	3,618
Other ⁴	371	233	223	256	267	167	209
<i>Total Additions to Plan Net Assets</i>	27,425	9,302	9,149	23,567	31,082	30,990	20,869
Deductions							
Refunds	6,944	7,102	11,460	10,648	14,446	15,592	11,443
Administrative Expenses	71	175	242	218	170	289	204
Other ⁵	157	162	811	780	800	698	737
<i>Total Deductions to Plan Net Assets</i>	7,172	7,439	12,513	11,646	15,416	16,579	12,384
<i>Change in Net Assets</i>	\$ 20,253	\$ 1,863	\$ (3,364)	\$ 11,921	\$ 15,666	\$ 14,411	\$ 8,485

¹ The PERS-Defined Contribution Retirement Plan was implemented July 2, 2002, MPERA began administering the (457) Deferred Compensation Plan July 1, 1999.

² Includes Miscellaneous Revenues and Forfeitures.

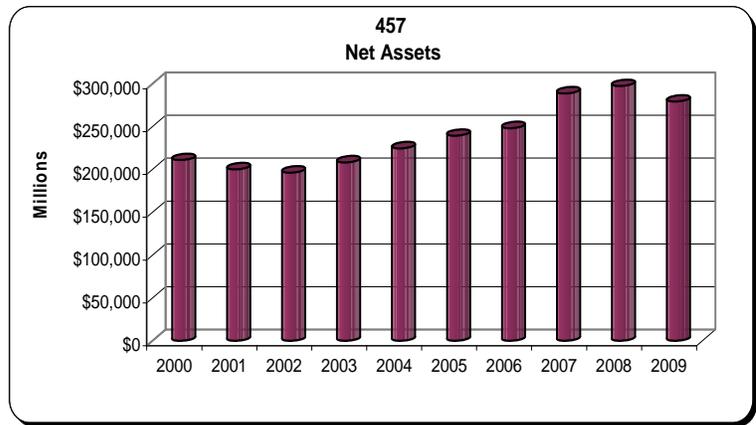
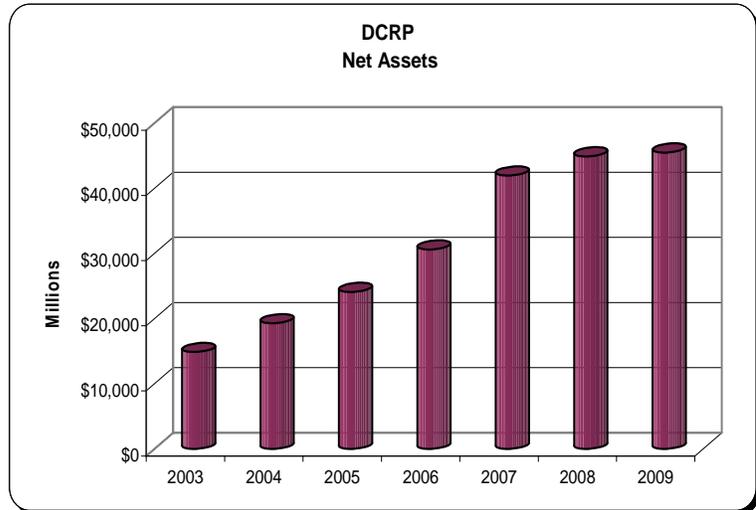
³ Fees paid to Great West and Aegon for services provided.

⁴ Miscellaneous Revenue remitted to MPERA to pay administrative costs.

⁵ Fees paid to Great West, Aegon and Allianz for services provided.

STATISTICAL SECTION

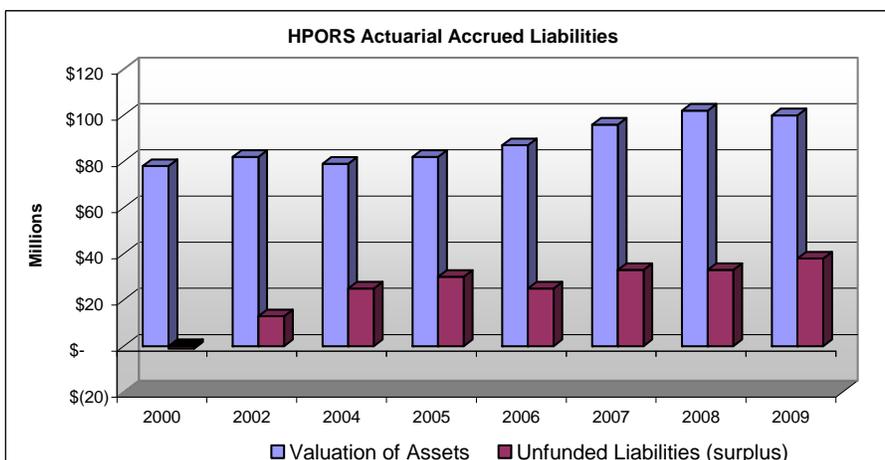
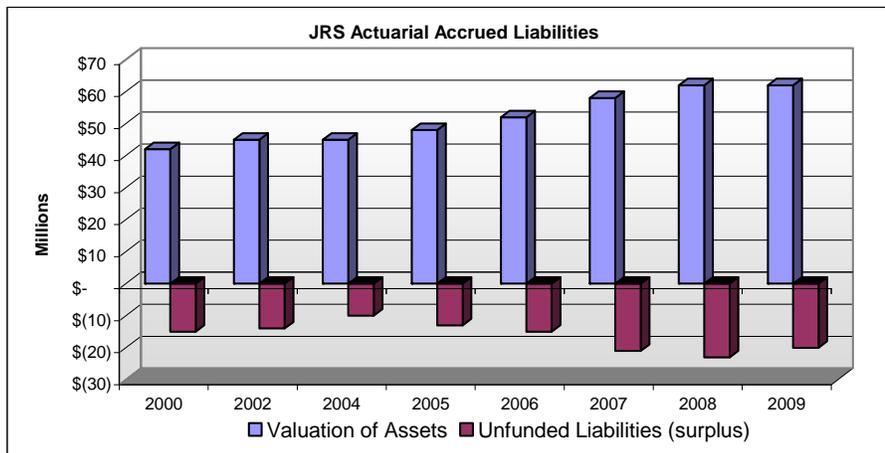
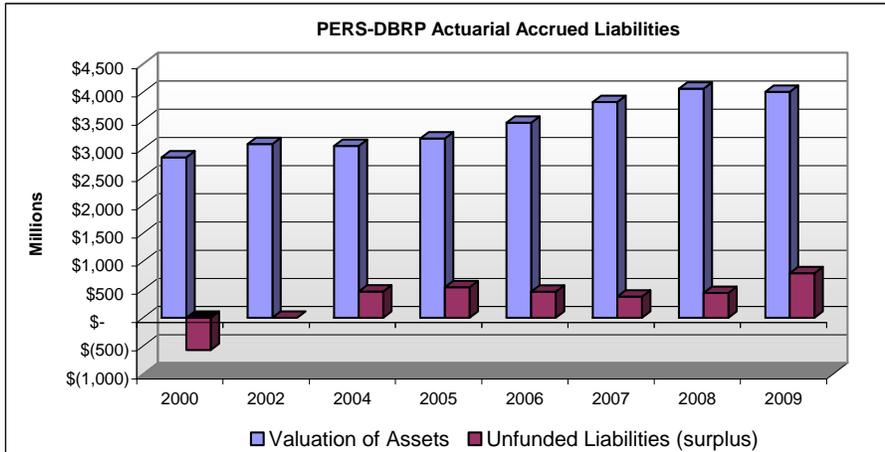
	2007	2008	2009
\$	4,394	\$ 5,118	\$ 5,723
	2,857	3,255	3,730
	5,415	(2,987)	(6,801)
	1,893	554	468
	14,559	5,940	3,120
	2,632	2,519	1,903
	253	246	411
	282	223	222
	3,167	2,988	2,536
\$	11,392	\$ 2,952	\$ 584
\$	17,712	\$ 19,107	\$ 19,661
	74	70	65
	37,102	3,287	(26,444)
	277	416	335
	55,165	22,880	(6,383)
	14,693	13,302	11,024
	225	241	318
	781	817	865
	15,699	14,360	12,207
\$	39,466	\$ 8,520	\$ (18,590)



STATISTICAL SECTION

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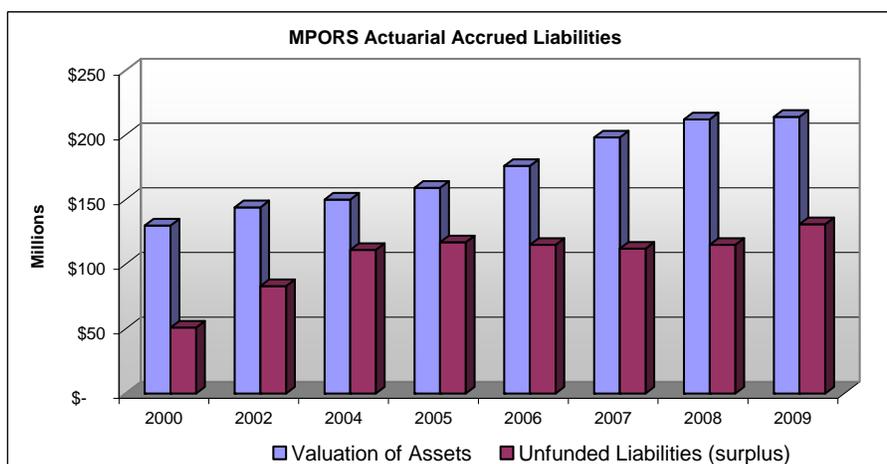
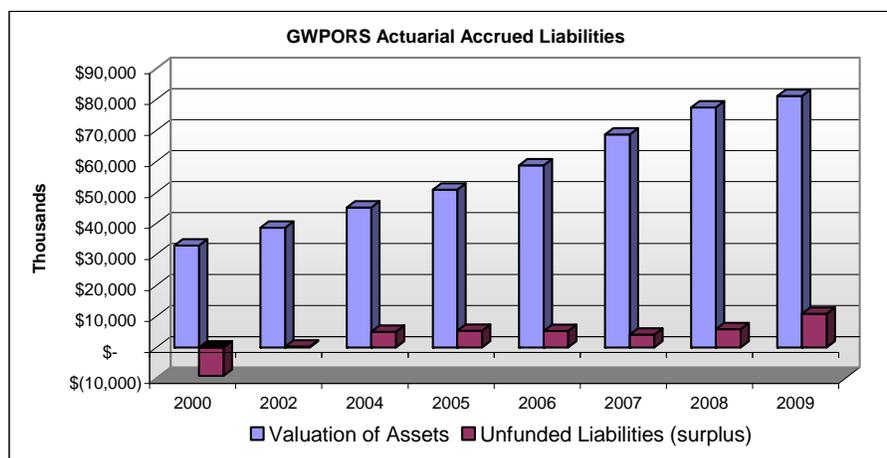
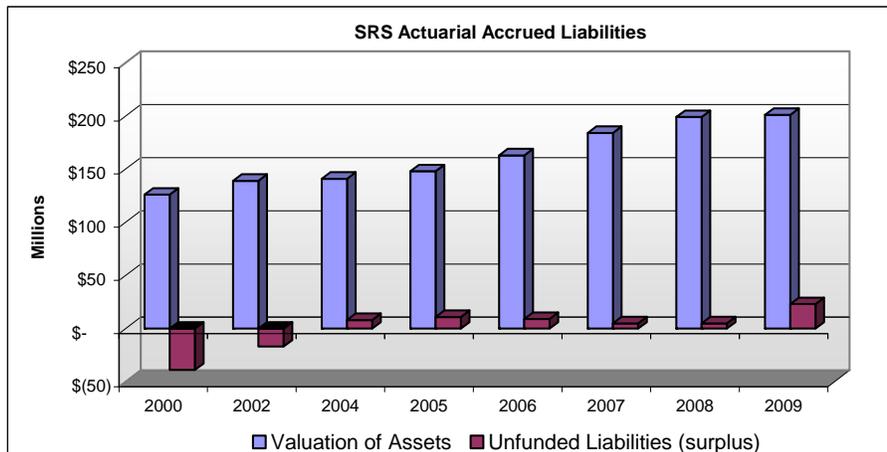
Public Employees' Retirement Board
A Component Unit of the State of Montana
History of Actuarial Accrued Liabilities



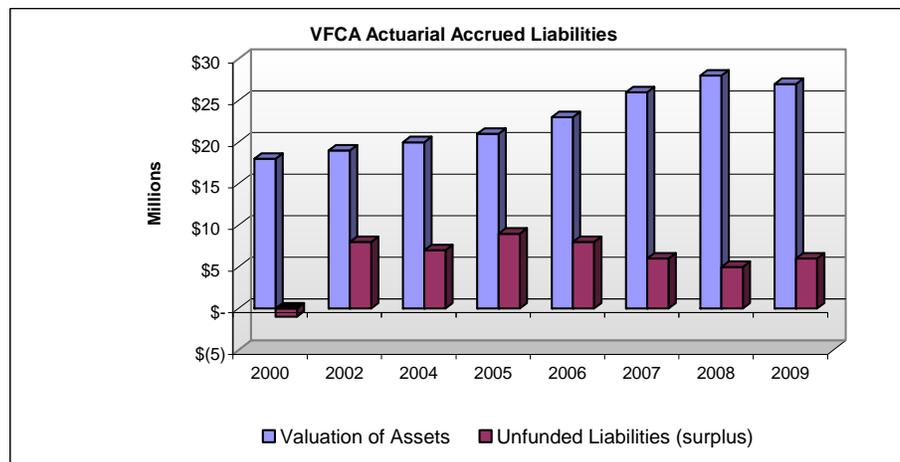
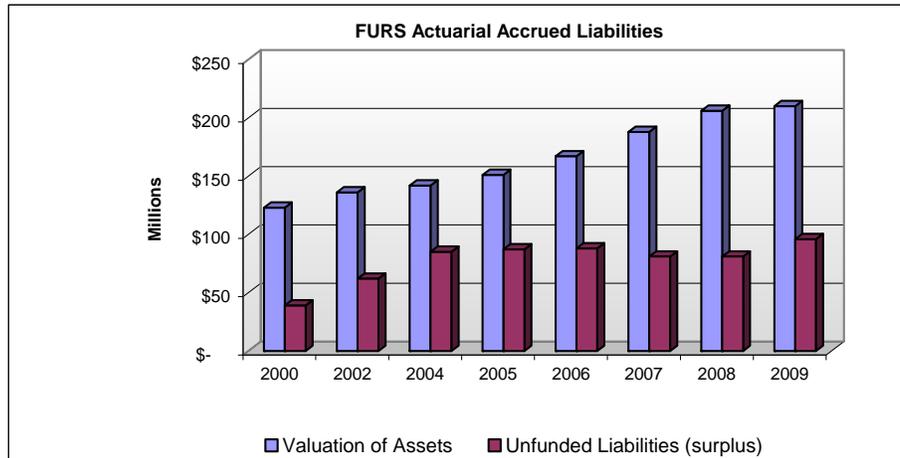
Public Employees' Retirement Board

A Component Unit of the State of Montana

History of Actuarial Accrued Liabilities (cont.)



Public Employees' Retirement Board
A Component Unit of the State of Montana
History of Actuarial Accrued Liabilities (cont.)



STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

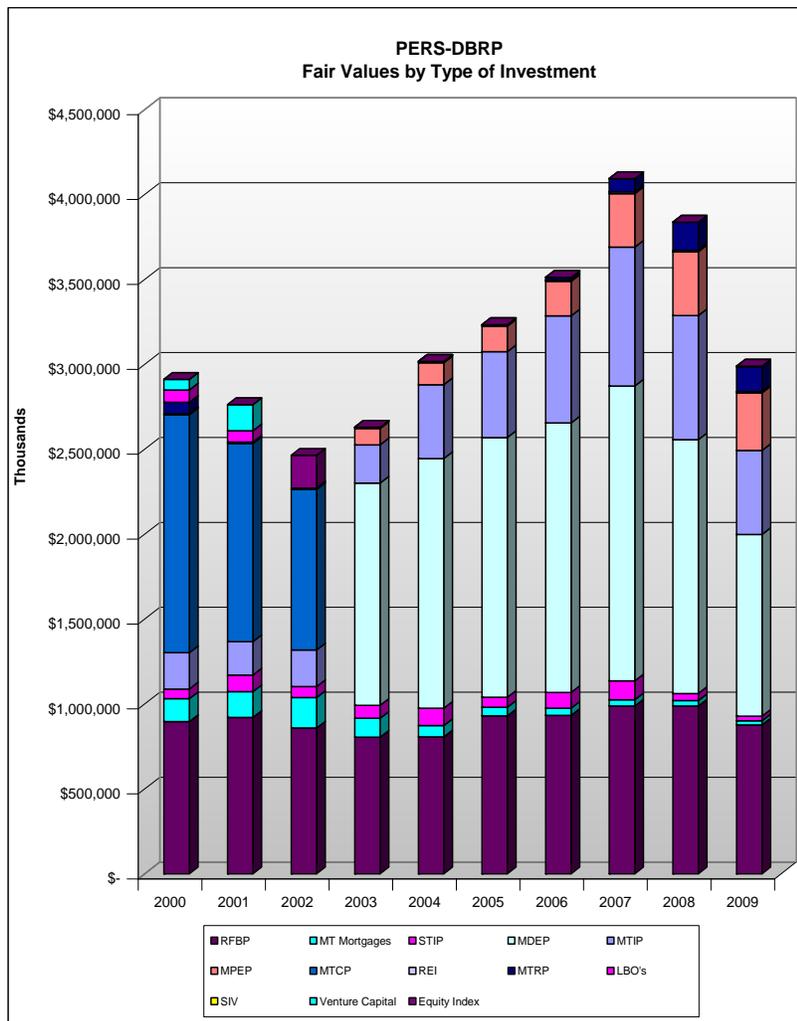
Schedule of Fair Values by Type of Investment, Last Ten Years

(in thousands)

System	2000	2001	2002	2003	2004	2005	2006
PERS-DBRP							
<i>Fixed Income:</i>							
Retirement Funds Bond Pool (RFBP)	\$ 895,919	\$ 920,352	\$ 858,467	\$ 804,470	\$ 805,840	\$ 930,369	\$ 932,048
Montana Mortgages	134,396	152,021	178,442	112,079	66,755	50,658	43,097
Short Term Investment Pool (STIP)	57,752	97,637	65,339	75,120	102,343	58,112	92,362
<i>Equities:</i>							
Montana Dometic Equity Pool (MDEP)				1,308,884	1,469,963	1,529,418	1,586,747
Montana International Pool (MTIP)	213,360	196,692	215,598	225,347	434,917	505,112	630,135
Montana Private Equity Pool (MPEP)			95,927	150,960	128,797	150,595	203,406
Montana Stock Pool (MTCP)	1,401,362	1,167,554	946,375				
<i>Alternative Investments:</i>							
Real Estate Investments (REI)	6,601	7,035	7,035	7,246	8,409	8,525	8,636
Montana Real Estate Pool (MTRP)	66,935						15,200
Leveraged Buy-Outs (LBO's)	72,930	67,250					
Structured Investment Vehicles (SIV)							
Venture Capital	61,621	153,616					
Equity Index			192,493				
Total	\$ 2,910,876	\$ 2,762,157	\$ 2,559,676	\$ 2,684,106	\$ 3,017,024	\$ 3,232,789	\$ 3,511,631
JRS							
<i>Fixed Income:</i>							
Retirement Funds Bond Pool (RFBP)	\$ 15,506	\$ 15,733	\$ 14,878	\$ 14,046	\$ 13,024	\$ 14,655	\$ 14,685
Short Term Investment Pool (STIP)	850	1,200	1,036	837	1,733	1,284	1,519
<i>Equities:</i>							
Montana Dometic Equity Pool (MDEP)				19,162	21,739	22,749	23,744
Montana International Pool (MTIP)	3,266	2,710	2,995	3,294	6,393	7,507	9,365
Montana Private Equity Pool (MPEP)			1,353	2,243	1,906	2,229	3,047
Montana Stock Pool (MTCP)	20,283	17,712	14,012				
<i>Alternative Investments:</i>							
Montana Real Estate Pool (MTRP)	987						225
Leveraged Buy-Outs (LBO's)	1,913	3,185					
Structured Investment Vehicles (SIV)							
Equity Index			2,900				
Total	\$ 42,805	\$ 40,540	\$ 37,174	\$ 39,582	\$ 44,795	\$ 48,424	\$ 52,585
HPORS							
<i>Fixed Income:</i>							
Retirement Funds Bond Pool (RFBP)	\$ 28,538	\$ 28,878	\$ 27,230	\$ 25,178	\$ 23,018	\$ 25,244	\$ 24,889
Short Term Investment Pool (STIP)	1,931	2,625	832	1,501	2,430	1,978	2,134
<i>Equities:</i>							
Montana Dometic Equity Pool (MDEP)				34,191	38,192	39,376	40,232
Montana International Pool (MTIP)	5,081	5,018	5,590	5,883	11,296	13,035	15,795
Montana Private Equity Pool (MPEP)			2,468	3,933	3,375	3,946	5,178
Montana Stock Pool (MTCP)	38,435	32,490	25,563				
<i>Alternative Investments:</i>							
Montana Real Estate Pool (MTRP)	1,860						380
Leveraged Buy-Outs (LBO's)	2,870	5,324					
Structured Investment Vehicles (SIV)							
Equity Index			5,729				
Total	\$ 78,715	\$ 74,335	\$ 67,412	\$ 70,686	\$ 78,311	\$ 83,579	\$ 88,608

STATISTICAL SECTION

	2007	2008	2009
\$	987,821	\$ 988,124	\$ 876,390
	36,861	31,837	24,055
	111,318	41,820	27,140
	1,735,718	1,494,306	1,070,435
	818,362	730,360	494,790
	315,059	376,615	338,517
	8,816	8,931	8,937
	79,459	164,667	145,478
		4,306	2,619
\$	4,093,414	\$ 3,840,966	\$ 2,988,361
\$	15,576	\$ 15,581	\$ 14,019
	1,770	967	913
	26,348	22,790	16,507
	12,162	10,973	7,551
	4,744	5,733	5,224
	1,206	2,515	2,247
		99	83
\$	61,806	\$ 58,658	\$ 46,544
\$	25,897	\$ 25,614	\$ 22,471
	2,785	1,014	774
	43,439	37,406	26,680
	20,513	18,307	12,387
	7,979	9,429	8,419
	2,004	4,127	3,613
		104	70
\$	102,617	\$ 96,001	\$ 74,414



STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Fair Values by Type of Investment, Last Ten Years (cont.) (in thousands)

System	2000	2001	2002	2003	2004	2005	2006
SRS							
<i>Fixed Income:</i>							
Retirement Funds Bond Pool (RFBP)	\$ 45,386	\$ 47,203	\$ 45,736	\$ 43,639	\$ 40,680	\$ 45,890	\$ 45,822
Short Term Investment Pool (STIP)	5,414	5,872	3,338	3,186	5,055	3,441	5,182
<i>Equities:</i>							
Montana Dometic Equity Pool (MDEP)				59,059	68,112	71,278	74,633
Montana International Pool (MTIP)	6,897	8,289	9,593	10,250	20,127	23,457	29,263
Montana Private Equity Pool (MPEP)			4,167	6,906	5,936	6,941	9,508
Montana Stock Pool (MTCP)	64,125	53,611	43,178				
<i>Alternative Investments:</i>							
Montana Real Estate Pool (MTRP)	2,910						710
Leveraged Buy-Outs (LBO's)	3,826	8,227					
Structured Investment Vehicles (SIV)							
Equity Index			8,875				
Total	\$ 128,558	\$ 123,202	\$ 114,887	\$ 123,040	\$ 139,910	\$ 151,007	\$ 165,118
GWPORS							
<i>Fixed Income:</i>							
Retirement Funds Bond Pool (RFBP)	\$ 11,508	\$ 12,366	\$ 12,658	\$ 12,921	\$ 12,837	\$ 15,471	\$ 15,806
Short Term Investment Pool (STIP)	2,248	1,337	1,875	1,691	2,472	3,292	2,782
<i>Equities:</i>							
Montana Dometic Equity Pool (MDEP)				17,476	21,521	23,111	26,705
Montana International Pool (MTIP)	1,694	2,396	2,555	2,996	6,372	7,705	10,518
Montana Private Equity Pool (MPEP)			1,115	2,058	1,856	2,170	3,330
Montana Stock Pool (MTCP)	16,323	14,689	11,576				
<i>Alternative Investments:</i>							
Montana Real Estate Pool (MTRP)	736						255
Leveraged Buy-Outs (LBO's)	957	2,315					
Structured Investment Vehicles (SIV)							
Equity Index			2,586				
Total	\$ 33,466	\$ 33,103	\$ 32,365	\$ 37,142	\$ 45,058	\$ 51,749	\$ 59,396
MPORS							
<i>Fixed Income:</i>							
Retirement Funds Bond Pool (RFBP)	\$ 45,073	\$ 47,732	\$ 46,045	\$ 43,873	\$ 41,584	\$ 47,395	\$ 46,944
Short Term Investment Pool (STIP)	2,492	2,689	1,568	1,446	3,403	2,246	4,338
<i>Equities:</i>							
Montana Dometic Equity Pool (MDEP)				59,430	69,175	72,390	76,683
Montana International Pool (MTIP)	6,897	8,299	9,695	10,833	20,458	24,555	30,633
Montana Private Equity Pool (MPEP)			4,167	6,975	6,105	7,138	10,089
Montana Stock Pool (MTCP)	63,073	53,867	42,820				
<i>Alternative Investments:</i>							
Montana Real Estate Pool (MTRP)	2,874						730
Leveraged Buy-Outs (LBO's)	3,826	8,086					
Structured Investment Vehicles (SIV)							
Equity Index			8,271				
Total	\$ 124,235	\$ 120,673	\$ 112,566	\$ 122,557	\$ 140,725	\$ 153,724	\$ 169,417

STATISTICAL SECTION

	2007	2008	2009
\$	49,551	\$ 50,063	\$ 45,693
	5,526	3,300	2,370
	84,481	73,074	53,630
	38,004	35,060	24,673
	14,859	18,271	17,060
	3,796	8,054	7,311
		340	215
\$	196,217	\$ 188,162	\$ 150,952
\$	18,332	\$ 19,243	\$ 18,518
	2,536	1,761	1,514
	31,082	28,272	21,722
	14,344	13,545	10,000
	5,497	7,008	6,949
	1,404	3,115	2,981
		181	137
\$	73,195	\$ 73,125	\$ 61,821
\$	51,176	\$ 51,238	\$ 45,995
	4,404	85	920
	87,099	75,279	54,681
	39,784	36,707	25,207
	15,547	18,999	17,242
	4,102	8,274	7,437
		9	83
\$	202,112	\$ 190,591	\$ 151,565

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Fair Values by Type of Investment, Last Ten Years (cont.) (in thousands)

System	2000	2001	2002	2003	2004	2005	2006
FURS							
<i>Fixed Income:</i>							
Retirement Funds Bond Pool (RFBP)	\$ 42,273	\$ 45,197	\$ 43,775	\$ 41,757	\$ 39,592	\$ 44,975	\$ 44,650
Short Term Investment Pool (STIP)	3,899	3,335	1,349	1,641	3,414	2,641	4,241
<i>Equities:</i>							
Montana Dometic Equity Pool (MDEP)				56,638	65,851	68,911	73,144
Montana International Pool (MTIP)	5,325	7,966	9,337	10,235	19,469	23,361	29,143
Montana Private Equity Pool (MPEP)			3,929	6,546	5,813	6,797	9,587
Montana Stock Pool (MTCP)	62,177	51,462	40,946				
<i>Alternative Investments:</i>							
Montana Real Estate Pool (MTRP)	2,750						700
Leveraged Buy-Outs (LBO's)	2,870	7,260					
Structured Investment Vehicles (SIV)							
Equity Index			8,002				
Total	\$ 119,294	\$ 115,220	\$ 107,338	\$ 116,817	\$ 134,139	\$ 146,685	\$ 161,465
VFCA							
<i>Fixed Income:</i>							
Retirement Funds Bond Pool (RFBP)	\$ 8,304	\$ 8,805	\$ 7,838	\$ 5,964	\$ 5,617	\$ 6,170	\$ 6,233
Short Term Investment Pool (STIP)	93	192	1,811	1,414	180	512	1,870
<i>Equities:</i>							
Montana Dometic Equity Pool (MDEP)				8,134	9,221	9,096	9,872
Montana International Pool (MTIP)	1,572	1,286	1,262	1,379	2,746	3,294	4,023
Montana Private Equity Pool (MPEP)			628	969	848	992	1,341
Montana Stock Pool (MTCP)	5,669	5,097	4,100				
<i>Alternative Investments:</i>							
Montana Real Estate Pool (MTRP)	248						95
Leveraged Buy-Outs (LBO's)	957	1,298					
Structured Investment Vehicles (SIV)							
Equity Index			1,194				
Total	\$ 16,843	\$ 16,678	\$ 16,833	\$ 17,860	\$ 18,612	\$ 20,064	\$ 23,434
PERS-DCRP¹							
Defined Contributions Fixed Annuity				\$ 407	\$ 914	\$ 1,546	\$ 1,832
Defined Contributions Variable Annuity				8,831	19,566	23,402	26,102
Total				\$ 9,238	\$ 20,480	\$ 24,948	\$ 27,934
DEFERRED COMPENSATION PLAN¹							
Deferred Comp Fixed Annuity	\$ 40,357	\$ 114,387	\$ 122,729	\$ 137,687	\$ 143,162	\$ 152,215	\$ 143,870
Deferred Comp Trust Fund Bond	63,184						
Deferred Comp Variable Annuity	94,864	82,044	71,460	67,329	81,202	86,916	104,061
Deferred Comp Life Insurance	12	12	12	12	12	12	12
Total	\$ 198,417	\$ 196,443	\$ 194,201	\$ 205,028	\$ 224,376	\$ 239,143	\$ 247,934

¹ The PERS-Defined Contribution Retirement Plan was implemented July 1, 2002.

STATISTICAL SECTION

	2007	2008	2009
\$	48,813	\$ 49,419	\$ 45,160
	4,488	1,573	1,268
	82,766	72,476	53,532
	37,848	34,970	24,862
	14,850	18,175	16,890
	3,744	7,962	7,260
		162	115
\$	192,509	\$ 184,737	\$ 149,087
\$	6,542	\$ 6,609	\$ 5,742
	2,194	1,404	1,571
	11,043	9,645	6,836
	5,258	4,731	3,140
	1,951	2,411	2,115
	504	1,047	898
		145	142
\$	27,492	\$ 25,992	\$ 20,444
\$	1,805	\$ 3,128	\$ 4,820
	38,634	39,622	38,198
\$	40,439	\$ 42,750	\$ 43,018
\$	159,669	\$ 181,740	\$ 189,421
	128,873	115,151	89,388
	12	12	12
\$	288,554	\$ 296,903	\$ 278,821

STATISTICAL SECTION

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Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Contribution Rate History

PERS-DBRP

Fiscal Year	State & Universities		Local Government		School Districts	
	Member	Employer	Employer	State	Employer	State
2008-2009	6.900%	7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.900%	6.900%	6.800%	0.100%	6.800%	0.100%
1998-1999	6.800%	6.800%	6.700%	0.100%	6.700%	0.100%
1994-1997	6.700%	6.700%	6.700%		6.700%	
1993	6.550%	6.550%	6.550%		6.550%	
1992	6.417%	6.417%	6.417%		6.417%	
1991	6.300%	6.417%	6.417%		6.417%	
1990	6.150%	6.417%	6.417%		6.417%	
1984-1989	6.000%	6.417%	6.417%		6.417%	
1982-1983	6.000%	6.320%	6.320%		6.320%	
1979-1981	6.000%	6.200%	6.200%		6.200%	
1978	6.000%	5.950%	5.950%		5.950%	
1977	6.000%	5.550%	5.550%		5.550%	
1976	6.000%	5.200%	5.200%		5.200%	
1974-1975	5.750%	4.900%	4.900%		4.900%	
1972-1973	5.750%	4.600%	4.600%		4.600%	
1970-1971	5.750%	4.300%	4.300%		4.300%	
1968-1969	5.750%	3.800%	3.800%		3.800%	
1947-1967 *	2.5%-9.6%	3.300%	3.300%		3.300%	
1945-1947 *	2.5%-9.6%	3.000%	3.000%		3.000%	

*1945 - 1967 Member Contributions were based on age and gender.

JRS

Fiscal Year	Member	Employer
1998-2009	7.000%	25.810%
1993-1997	7.000%	6.000%
1968-1992	6.000%	6.000%

Prior to 1998 the employer contributed 6% and additional contributions were received based on a portion of the District Court filing fees. In 1998 the filing fees were eliminated and the employer rate was increased to 25.81%.

HPORS

Fiscal Year	Member		Employer
	Non-GABA	GABA	
1998-2009	9.000%	9.050%	36.330%
1992-1997	9.000%		36.280%
1991	7.590%		36.280%
1986-1990	7.590%		26.750%
1982-1985	6.500%		16.570%
1976-1981	6.500%		16.000%
1975	6.500%		15.000%
1971-1974	5.000%		8.000%

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Contribution Rate History (cont.)

SRS

Fiscal Year	Member	Employer
2008-2009	9.245%	9.825%
1998-2007	9.245%	9.535%
1997	7.865%	8.540%
1996	7.865%	8.535%
1986-1995	7.000%	7.670%
1982-1985	7.000%	7.620%
1975-1981	7.000%	7.550%

GWPORS

Fiscal Year	Member	Employer
2003-2009	10.560%	9.000%
1998-2002	8.500%	9.000%
1996-1997	7.900%	8.150%
1986-1995	7.900%	7.150%
1982-1985	7.000%	7.150%
1964-1981	7.000%	7.000%

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Contribution Rate History (cont.)

MPORS

Fiscal Year	Member					
	Hired <7/1/75	Hired >6/30/75	Hired >6/30/79	Hired >6/30/97 GABA	Employer	State
2000-2009	5.800%	7.000%	8.500%	9.000%	14.410%	29.370%
1998-1999	7.800%	9.000%	10.500%	11.000%	14.410%	29.370%
1997	7.800%	9.000%	10.500%		14.360%	29.370%
1994-1996	7.800%	9.000%	10.500%		14.360%	15.660%
1993	7.800%	9.000%	10.500%		13.920%	15.660%
1992	6.000%	7.200%	8.700%		13.920%	15.660%
1986-1991	6.000%	6.000%	7.500%		13.020%	15.060%
1982-1985	6.000%	6.000%	7.500%		14.040%	14.040%
1980-1981	6.000%	6.000%	7.500%		14.000%	14.040%
1978-1979	6.000%	6.000%			12.000%	14.040%
1976-1977	6.000%	6.000%			11.000%	14.040%
1974-1975	6.000%				11.000%	14.040%

FURS

Fiscal Year	Member			
	Non-GABA	GABA	Employer	State
1998-2009	9.500%	10.700%	14.360%	32.610%
1997	7.800%		14.360%	32.610%
1996	7.800%		14.360%	24.210%
1995	6.000%		13.020%	24.210%
1992-1994	6.000%		13.020%	23.270%
1986-1991	6.000%		13.020%	22.980%
1984-1985	6.000%		18.000%	18.000%
1983	6.000%		15.000%	15.000%
1981-1982	6.000%		12.000%	12.000%

PERS-DCRP

Fiscal Year	State & University		Local Government		School Districts	
	Member	Employer	Employer	State	Employer	State
2008-2009	6.900%	7.035%	6.935%	0.100%	6.800%	0.235%
2003-2007	6.900%	6.900%	6.800%	0.100%	6.800%	0.100%

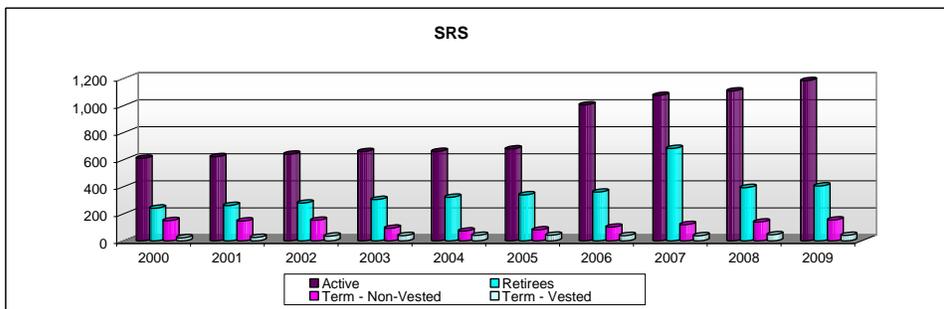
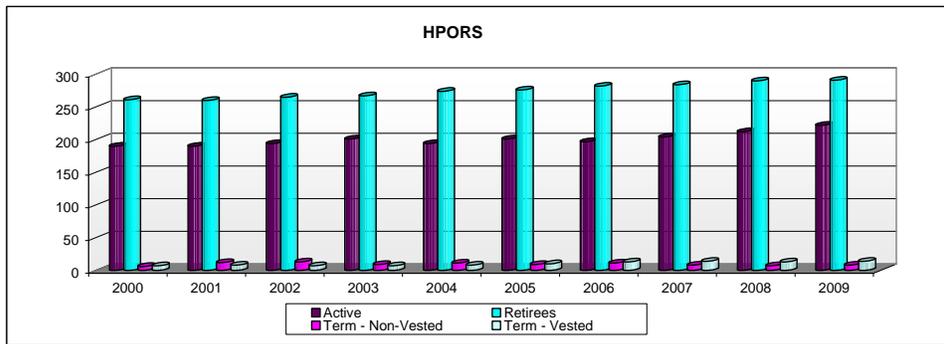
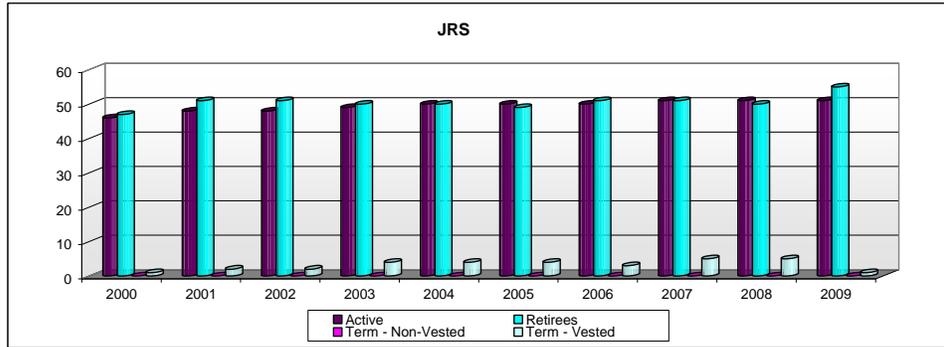
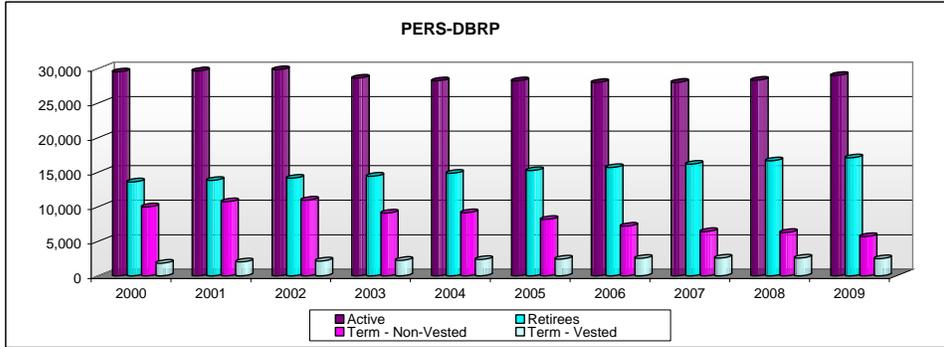
STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

History of Membership in Retirement Plans, Last Ten Years

System	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
PERS-DBRP										
Active	29,500	29,641	29,808	28,604	28,201	28,213	27,962	27,977	28,293	28,983
Retirees/Beneficiaries	13,572	13,798	14,116	14,401	14,834	15,220	15,654	16,137	16,627	17,075
Term-Non-Vested	9,966	10,706	10,944	9,070	9,132	8,153	7,178	6,401	6,268	5,670
Term-Vested	1,813	2,015	2,150	2,231	2,362	2,418	2,530	2,576	2,579	2,476
Total	54,851	56,160	57,018	54,306	54,529	54,004	53,324	53,091	53,767	54,204
JRS										
Active	46	48	48	49	50	50	50	51	51	51
Retirees/Beneficiaries	47	51	51	50	50	49	51	51	50	55
Term-Non-Vested	0	0	0	0	0	0	0	0	0	0
Term-Vested	1	2	2	4	4	4	3	5	5	1
Total	94	101	101	103	104	103	104	107	106	107
HPORS										
Active	190	190	194	201	194	201	197	204	212	222
Retirees/Beneficiaries	261	260	265	267	274	276	282	284	290	291
Term-Non-Vested	6	12	13	9	11	9	11	8	7	8
Term-Vested	7	8	7	7	8	10	13	14	13	14
Total	464	470	479	484	487	496	503	510	522	535
SRS										
Active	611	623	642	661	662	680	1,006	1,076	1,109	1,185
Retirees/Beneficiaries	242	262	280	306	323	340	361	684	394	406
Term-Non-Vested	150	147	153	94	73	81	102	120	139	155
Term-Vested	23	26	35	39	41	42	39	38	46	41
Total	1,026	1,058	1,110	1,100	1,099	1,143	1,508	1,918	1,688	1,787



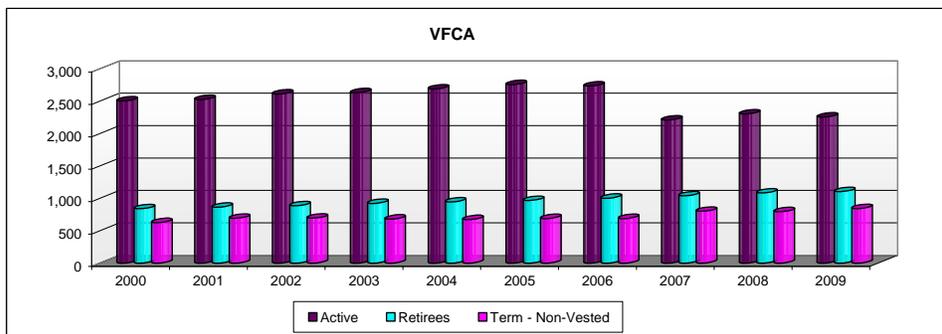
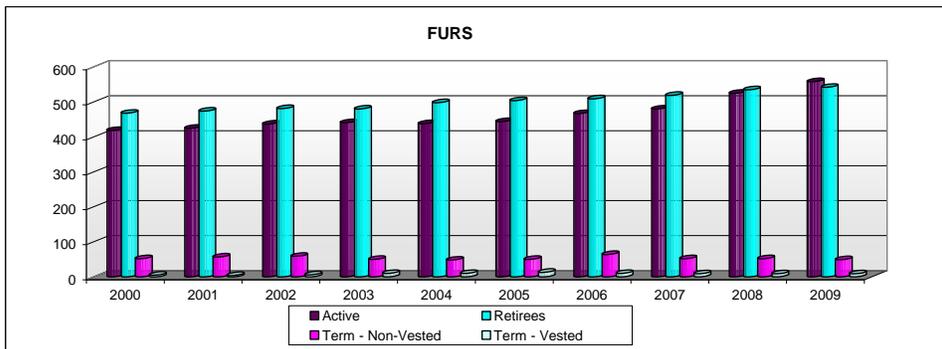
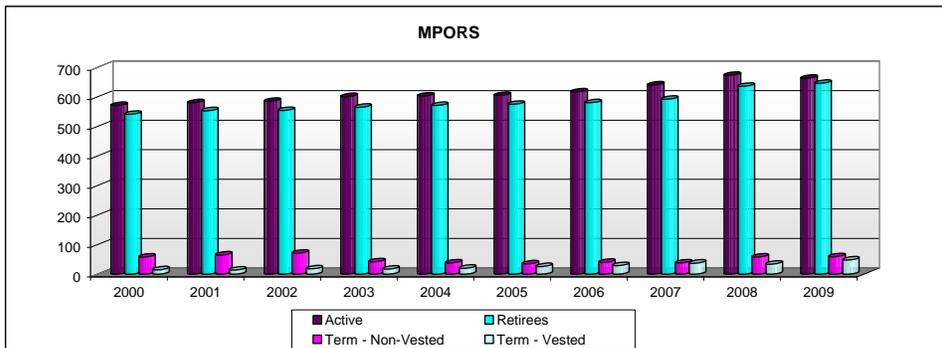
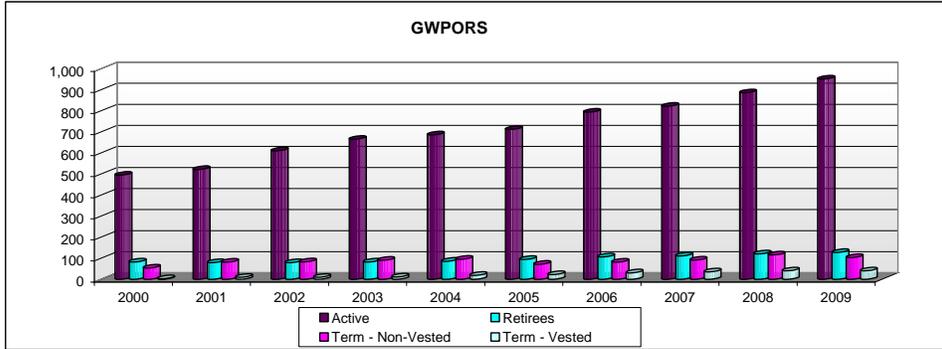
STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

History of Membership in Retirement Plans, Last Ten Years (cont.)

System	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
GWPORS										
Active	494	521	609	664	685	711	793	821	885	950
Retirees/Beneficiaries	82	79	79	82	85	94	106	111	120	127
Term-Non-Vested	53	81	83	90	95	71	81	91	115	103
Term-Vested	2	9	9	11	18	22	30	35	40	40
Total	631	690	780	847	883	898	1,010	1,058	1,160	1,220
MPORS										
Active	571	580	585	601	603	605	617	640	673	663
Retirees/Beneficiaries	541	553	554	565	571	575	580	592	636	646
Term-Non-Vested	58	65	71	42	38	35	40	38	58	59
Term-Vested	15	14	18	17	20	26	29	37	34	48
Total	1,185	1,212	1,228	1,225	1,232	1,241	1,266	1,307	1,401	1,416
FURS										
Active	419	425	437	441	438	444	467	480	525	558
Retirees/Beneficiaries	468	474	481	480	498	504	509	519	535	542
Term-Non-Vested	52	57	59	50	48	50	64	52	52	49
Term-Vested	5	4	6	10	10	13	10	9	9	9
Total	944	960	983	981	994	1,011	1,050	1,060	1,121	1,158
VFCA										
Active	2,502	2,524	2,609	2,629	2,687	2,754	2,733	2,207	2,301	2,253
Retirees/Beneficiaries	839	862	884	921	944	966	1,001	1,038	1,082	1,103
Term-Vested	624	691	693	679	671	687	687	800	793	840
Total	3,965	4,077	4,186	4,229	4,302	4,407	4,421	4,045	4,176	4,196



STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Benefit Expenses and Refunds by Type, Last Ten Years

(in thousands)

System	2000	2001	2002	2003	2004	2005	2006
PERS-DBRP							
<i>Benefit Expenses</i>							
Retirees	\$ 91,491	\$ 96,472	\$ 108,447	\$ 116,333	\$ 126,751	\$ 136,632	\$ 147,502
Survivors	1,808	1,869	2,180	2,248	2,298	2,436	2,681
Disability	1,996	2,176	2,326	2,345	2,541	2,729	2,738
<i>Refunds</i>							
Death	722	1,029	1,710	1,278	1,093	992	965
Lump Sum	12,098	11,875	10,683	10,218	10,913	13,236	12,754
Total	\$ 108,115	\$ 113,421	\$ 125,346	\$ 132,422	\$ 143,596	\$ 156,025	\$ 166,640
Number of Lump Sum	2,654	3,294	2,890	2,964	3,302	3,756	3,763

JRS							
<i>Benefit Expenses</i>							
Retirees	\$ 1,344	\$ 1,395	\$ 1,528	\$ 1,513	\$ 1,611	\$ 1,583	\$ 1,699
Survivors	36	36	38	38	41	41	44
Disability							
<i>Refunds</i>							
Death					18		
Lump Sum							
Total	\$ 1,380	\$ 1,431	\$ 1,566	\$ 1,551	\$ 1,670	\$ 1,624	\$ 1,743
Number of Lump Sum							

HPORS							
<i>Benefit Expenses</i>							
Retirees	\$ 4,133	\$ 4,343	\$ 4,586	\$ 4,900	\$ 5,254	\$ 5,524	\$ 6,061
Survivors	146	150	143	134	137	144	149
Disability	118	131	132	126	102	121	155
<i>Refunds</i>							
Death							
Lump Sum	142	86	130	60	144	181	89
Total	\$ 4,539	\$ 4,710	\$ 4,991	\$ 5,220	\$ 5,637	\$ 5,970	\$ 6,454
Number of Lump Sum	16	10	7	7	13	8	7

SRS							
<i>Benefit Expenses</i>							
Retirees	\$ 2,469	\$ 2,809	\$ 3,193	\$ 3,761	\$ 4,259	\$ 4,851	\$ 5,439
Survivors	124	126	129	127	144	148	153
Disability	334	357	378	419	498	528	560
<i>Refunds</i>							
Death	2				2		
Lump Sum	270	373	409	457	306	612	365
Total	\$ 3,199	\$ 3,665	\$ 4,109	\$ 4,764	\$ 5,209	\$ 6,139	\$ 6,517
Number of Lump Sum	39	52	39	59	61	60	71

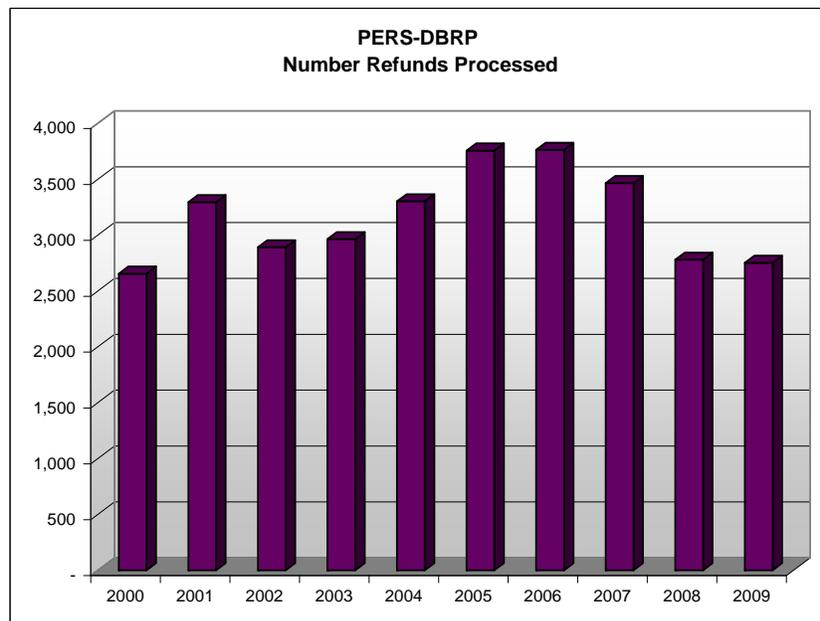
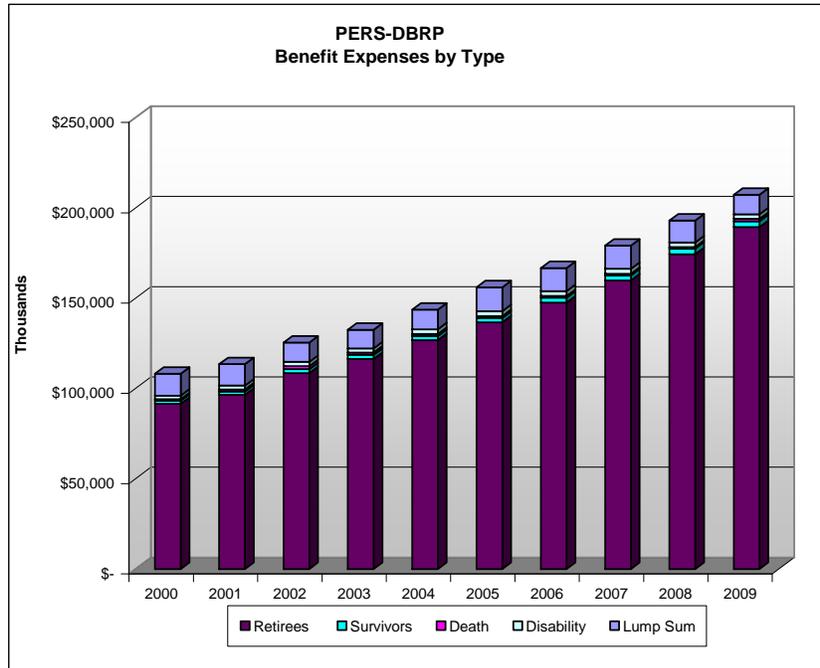
STATISTICAL SECTION

	2007	2008	2009
\$	159,790	\$ 174,357	\$ 189,360
	2,815	3,043	3,244
	2,717	2,583	2,521
	866	832	1,277
	12,868	12,124	10,821
\$	179,056	\$ 192,939	\$ 207,223
	3,465	2,779	2,751

\$	1,728	\$ 1,486	\$ 1,926
	44	335	46
		8	
\$	1,772	\$ 1,829	\$ 1,972

\$	6,181	\$ 6,505	\$ 6,821
	155	176	191
	124	132	115
	139	61	26
\$	6,599	\$ 6,874	\$ 7,153
	3	5	1

\$	5,997	\$ 6,435	\$ 6,878
	187	215	272
	585	593	670
	1		38
	934	722	968
\$	7,704	\$ 7,965	\$ 8,826
	153	146	141



STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Benefit Expenses and Refunds by Type, Last Ten Years (cont.)

(in thousands)

System	2000	2001	2002	2003	2004	2005	2006
GWPORS							
<i>Benefit Expenses</i>							
Retirees	\$ 1,150	\$ 1,174	\$ 1,177	\$ 1,277	\$ 1,429	\$ 1,509	\$ 1,760
Survivors	30	30	25	26	27	27	28
Disability	31	31	24	13	4	2	19
<i>Refunds</i>							
Death			4			1	27
Lump Sum	125	212	317	355	501	607	477
Total	\$ 1,336	\$ 1,447	\$ 1,547	\$ 1,671	\$ 1,961	\$ 2,146	\$ 2,311
Number of Lump Sum	30	83	85	80	124	146	85
MPORS							
<i>Benefit Expenses</i>							
Retirees	\$ 7,911	\$ 8,416	\$ 9,149	\$ 9,733	\$ 10,208	\$ 10,646	\$ 11,256
Survivors	448	452	457	452	446	473	491
Disability	294	257	239	241	231	244	285
<i>Refunds</i>							
Death							
DROP					18	510	234
Lump Sum	298	386	345	326	319	276	317
Total	\$ 8,951	\$ 9,511	\$ 10,190	\$ 10,752	\$ 11,222	\$ 12,149	\$ 12,583
Number of Lump Sum	27	31	37	30	44	29	27
Number of DROP					2	6	3
FURS							
<i>Benefit Expenses</i>							
Retirees	\$ 6,987	\$ 7,514	\$ 6,666	\$ 8,620	\$ 9,201	\$ 9,903	\$ 10,527
Survivors	370	386	415	389	385	398	408
Disability	160	118	98	72	88	85	105
<i>Refunds</i>							
Death							
Lump Sum	46	44	80	83	77	101	46
Total	\$ 7,563	\$ 8,062	\$ 7,259	\$ 9,164	\$ 9,751	\$ 10,487	\$ 11,086
Number of Lump Sum	8	9	4	9	11	6	8
VFCA							
<i>Benefit Expenses</i>							
Retirees	\$ 842	\$ 879	\$ 1,350	\$ 1,406	\$ 1,455	\$ 1,494	\$ 1,561
Survivors	1	3	61	6	24	23	3
Disability							
Total	\$ 843	\$ 882	\$ 1,411	\$ 1,412	\$ 1,479	\$ 1,517	\$ 1,564

STATISTICAL SECTION

2007	2008	2009
\$ 2,022	\$ 2,208	\$ 2,427
29	33	41
18	9	
16	21	53
702	643	840
\$ 2,787	\$ 2,914	\$ 3,361
125	113	110
<hr/>		
\$ 11,861	\$ 12,827	\$ 13,960
517	547	560
314	333	340
502	3,777	148
186	513	794
\$ 13,380	\$ 17,997	\$ 15,802
23	34	42
5	20	5
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\$ 11,307	\$ 12,788	\$ 13,428
412	442	433
131	124	126
1		
241	116	70
\$ 12,092	\$ 13,470	\$ 14,057
21	16	13
<hr/>		
\$ 1,635	\$ 1,710	\$ 1,779
2	7	1
\$ 1,637	\$ 1,717	\$ 1,780

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Distributions Processed, Last Ten Fiscal Years ¹

(in thousands)

System	2003	2004	2005	2006	2007	2008	2009
PERS-DCRP							
Number of Retirements		2	1	2	3	6	3
Number of Deaths		2	3	2	3	1	1
Number of Full Refunds	29	96	97	115	145	106	145
Amount Refunded	\$ 556	\$ 1,789	\$ 1,582	\$ 1,475	\$ 2,457	\$ 2,254	\$ 1,744
Number of Partial Refunds	2	19	9	10	10	10	3
Amount Refunded	\$ 42	\$ 235	\$ 198	\$ 96	\$ 153	\$ 243	\$ 128
Number of Forfeitures	10	53	73	103	118	134	121
Amount of Contributions Forfeited ²	\$ 31	\$ 135	\$ 192	\$ 264	\$ 315	\$ 215	\$ 266

¹The PERS-DCRP was implemented July 1, 2002.

²Members terminating with less than 5 years of membership service forfeit their employer contributions.

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STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Retired Members by Type of Benefit

As of June 30, 2009

PERS-DBRP	Amount of Monthly Benefit	Number of Retired Members	Type of Retirement		
			Regular	Disability	Survivor
	\$ 1 - 250	2,340	2,025	15	300
	251 - 500	3,715	3,107	64	544
	501 - 750	2,796	2,325	91	380
	751 - 1,000	2,092	1,763	46	283
	1,001 - 1,250	1,371	1,213	20	138
	1,251 - 1,500	1,126	1,013	12	101
	1,501 - 1,750	907	826	7	74
	1,751 - 2,000	707	657	4	46
	Over 2,000	2,021	1,943	3	75
	Total	17,075	14,872	262	1,941

JRS	Amount of Monthly Benefit	Number of Retired Members	Type of Retirement		
			Regular	Disability	Survivor
	\$ 1 - 250				
	251 - 500				
	501 - 750	1	1		
	751 - 1,000	1			1
	1,001 - 1,250	7	3		4
	1,251 - 1,500				
	1,501 - 1,750	3			3
	1,751 - 2,000	1			1
	Over 2,000	42	34		8
	Total	55	38		17

HPORS	Amount of Monthly Benefit	Number of Retired Members	Type of Retirement		
			Regular	Disability	Survivor
	\$ 1 - 250	3	1		2
	251 - 500	6	4		2
	501 - 750	9	5		4
	751 - 1,000	3	2		1
	1,001 - 1,250	16	8		8
	1,251 - 1,500	29	18	3	8
	1,501 - 1,750	86	59	2	25
	1,751 - 2,000	28	26		2
	Over 2,000	111	104	1	6
	Total	291	227	6	58

¹ Option Selected:

- 1 - Beneficiary receives lump sum of member's unused contributions
- 2 - Beneficiary receives 100 percent of member's reduced monthly benefit
- 3 - Beneficiary receives 50 percent of member's reduced monthly benefit
- 4A - Guaranteed for the life of member or a minimum of 10 years after member's retirement
- 4B - Guaranteed for the life of member or a minimum of 20 years after member's retirement
- 5A - Survivorship benefit - guaranteed for life of beneficiary with GABA increases
- 5B - Survivorship benefit - guaranteed for life of beneficiary without GABA increases

GABA - Members covered under the Guaranteed Annual Benefit Adjustment

NON-GABA - Members not covered under the Guaranteed Annual Benefit Adjustment

STATISTICAL SECTION

	Option Selected ¹						GABA	NON-GABA	
	1	2	3	4A	4B	5A			5B
PERS-DBRP									
	1,642	455	75	36	97	23	12	2,328	12
	2,383	869	188	63	151	56	5	3,708	7
	1,725	724	170	41	90	44	2	2,792	4
	1,273	488	186	37	76	32	0	2,088	4
	806	378	126	18	29	14	0	1,370	1
	606	349	110	19	26	16	0	1,125	1
	478	266	120	14	20	9	0	906	1
	359	213	100	14	13	8	0	707	0
	1,106	501	285	45	66	18	0	2,021	0
	<u>10,378</u>	<u>4,243</u>	<u>1,360</u>	<u>287</u>	<u>568</u>	<u>220</u>	<u>19</u>	<u>17,045</u>	<u>30</u>

	Option Selected ¹						GABA	NON-GABA	
	1	2	3	4A	4B	5A			5B
JRS									
		1							1
	1	4	1			1		1	6
		1	1			1		2	1
		1						1	
	10	27	3		1	1		18	24
	<u>11</u>	<u>34</u>	<u>6</u>		<u>1</u>	<u>3</u>		<u>22</u>	<u>33</u>

	Option Selected ¹						GABA	NON-GABA	
	1	2	3	4A	4B	5A			5B
HPORS									
		3						1	2
	1	3				2		2	4
		6				3		3	6
		3							3
	1	15						4	12
	3	26						10	19
	10	72				4		28	58
	4	24						21	7
	6	103				2		111	
	<u>25</u>	<u>255</u>				<u>11</u>		<u>180</u>	<u>111</u>

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Retired Members by Type of Benefit (cont.)

As of June 30, 2009

	Amount of Monthly Benefit	Number of Retired Members	Type of Retirement		
			Regular	Disability	Survivor
SRS					
	\$ 1 - 250	21	14	1	6
	251 - 500	25	19	1	5
	501 - 750	36	25	3	8
	751 - 1,000	38	29		9
	1,001 - 1,250	31	24	4	3
	1,251 - 1,500	39	27	5	7
	1,501 - 1,750	40	32	7	1
	1,751 - 2,000	51	42	8	1
	Over 2,000	125	117	6	2
	Total	406	329	35	42

	Amount of Monthly Benefit	Number of Retired Members	Type of Retirement		
			Regular	Disability	Survivor
GWPORS					
	\$ 1 - 250				
	251 - 500	16	14		2
	501 - 750	17	14		3
	751 - 1,000	12	7		5
	1,001 - 1,250	6	3		3
	1,251 - 1,500	12	10		2
	1,501 - 1,750	10	9		1
	1,751 - 2,000	13	12		1
	Over 2,000	41	40		1
	Total	127	109		18

	Amount of Monthly Benefit	Number of Retired Members	Type of Retirement		
			Regular	Disability	Survivor
MPORS					
	\$ 1 - 250	12	12		
	251 - 500	8	8		
	501 - 750	5	5		
	751 - 1,000	4	3		1
	1,001 - 1,250	6	3		3
	1,251 - 1,500	111	68	2	41
	1,501 - 1,750	159	107	5	47
	1,751 - 2,000	128	95	4	29
	Over 2,000	213	194	4	15
	Total	646	495	15	136

¹ Option Selected:

- 1 - Beneficiary receives lump sum of member's unused contributions
- 2 - Beneficiary receives 100 percent of member's reduced monthly benefit
- 3 - Beneficiary receives 50 percent of member's reduced monthly benefit
- 4A - Guaranteed for the life of member or a minimum of 10 years after member's retirement
- 4B - Guaranteed for the life of member or a minimum of 20 years after member's retirement
- 5A - Survivorship benefit - guaranteed for life of beneficiary with GABA increases
- 5B - Survivorship benefit - guaranteed for life of beneficiary without GABA increases

GABA - Members covered under the Guaranteed Annual Benefit Adjustment

NON-GABA - Members not covered under the Guaranteed Annual Benefit Adjustment

STATISTICAL SECTION

	Option Selected ¹						GABA	NON-GABA
	1	2	3	4A	4B	5A		
SRS	9	7	1			4	20	1
	6	14	4		1		25	
	17	13	4			2	36	
	12	19	2	1		4	38	
	14	15	1			1	31	
	14	17	2		2	4	39	
	19	14	3	2	1	1	40	
	27	14	8	2			51	
	73	31	10	5	6		125	
	191	144	35	10	10	16	405	1

	Option Selected ¹						GABA	NON-GABA
	1	2	3	4A	4B	5A		
GWPORS	4	7	3			2	16	
	12	2	1		1	1	17	
	4	2	5			1	12	
	1	3	1			1	6	
	7	3	2				12	
	6	3			1		10	
	6	5	1		1		13	
	19	13	8		1		41	
	59	38	21		4	5	127	

	Option Selected ¹						GABA	NON-GABA
	1	2	3	4A	4B	5A		
MPORS	2	10					10	2
	5	3					7	1
	2	3					4	1
	1	3					4	
	1	4				1	6	
	11	89				11	104	7
	15	137				7	128	31
	7	117				4	107	21
	22	187				4	210	3
	66	553				27	580	66

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Retired Members by Type of Benefit (cont.)

As of June 30, 2009

FURS	Amount of Monthly Benefit	Number of Retired Members	Type of Retirement		
			Regular	Disability	Survivor
	\$ 1 - 250	38	26		12
	251 - 500	4	4		
	501 - 750	5	5		
	751 - 1,000	7	7		
	1,001 - 1,250	11	6		5
	1,251 - 1,500	46	26		20
	1,501 - 1,750	120	66		54
	1,751 - 2,000	89	64	4	21
	Over 2,000	222	208	1	13
	Total	542	412	5	125

VFCA	Amount of Monthly Benefit	Number of Retired Members	Type of Retirement		
			Regular	Disability	Survivor
	\$ 1 - 250	1,103	1,101		2
	251 - 500				
	501 - 750				
	751 - 1,000				
	1,001 - 1,250				
	1,251 - 1,500				
	1,501 - 1,750				
	1,751 - 2,000				
	Over 2,000				
	Total	1,103	1,101		2

¹ Option Selected (excluding the VFCA):

- 1 - Beneficiary receives lump sum of member's unused contributions
- 2 - Beneficiary receives 100 percent of member's reduced monthly benefit
- 3 - Beneficiary receives 50 percent of member's reduced monthly benefit
- 4A - Guaranteed for the life of member or a minimum of 10 years after member's retirement
- 4B - Guaranteed for the life of member or a minimum of 20 years after member's retirement
- 5A - Survivorship benefit - guaranteed for life of beneficiary with GABA increases
- 5B - Survivorship benefit - guaranteed for life of beneficiary without GABA increases

GABA - Members covered under the Guaranteed Annual Benefit Adjustment

NON-GABA - Members not covered under the Guaranteed Annual Benefit Adjustment

² Option Selected VFCA:

- 1 - Member receiving monthly benefit
- 2 and 5A - Benefit paid to survivor equal to member's full or partial benefit. Benefit is limited to 40 months including any pension paid to member before death.

STATISTICAL SECTION

	Option Selected ¹						GABA	NON-GABA
	1	2	3	4A	4B	5A		
FURS	2	35				1	27	11
	1	3					3	1
	1	4					4	1
	1	6					7	
	1	10					8	3
	4	38				4	40	6
	1	109				10	117	3
	4	82				3	69	20
	29	190				3	222	
	44	477				21	497	45

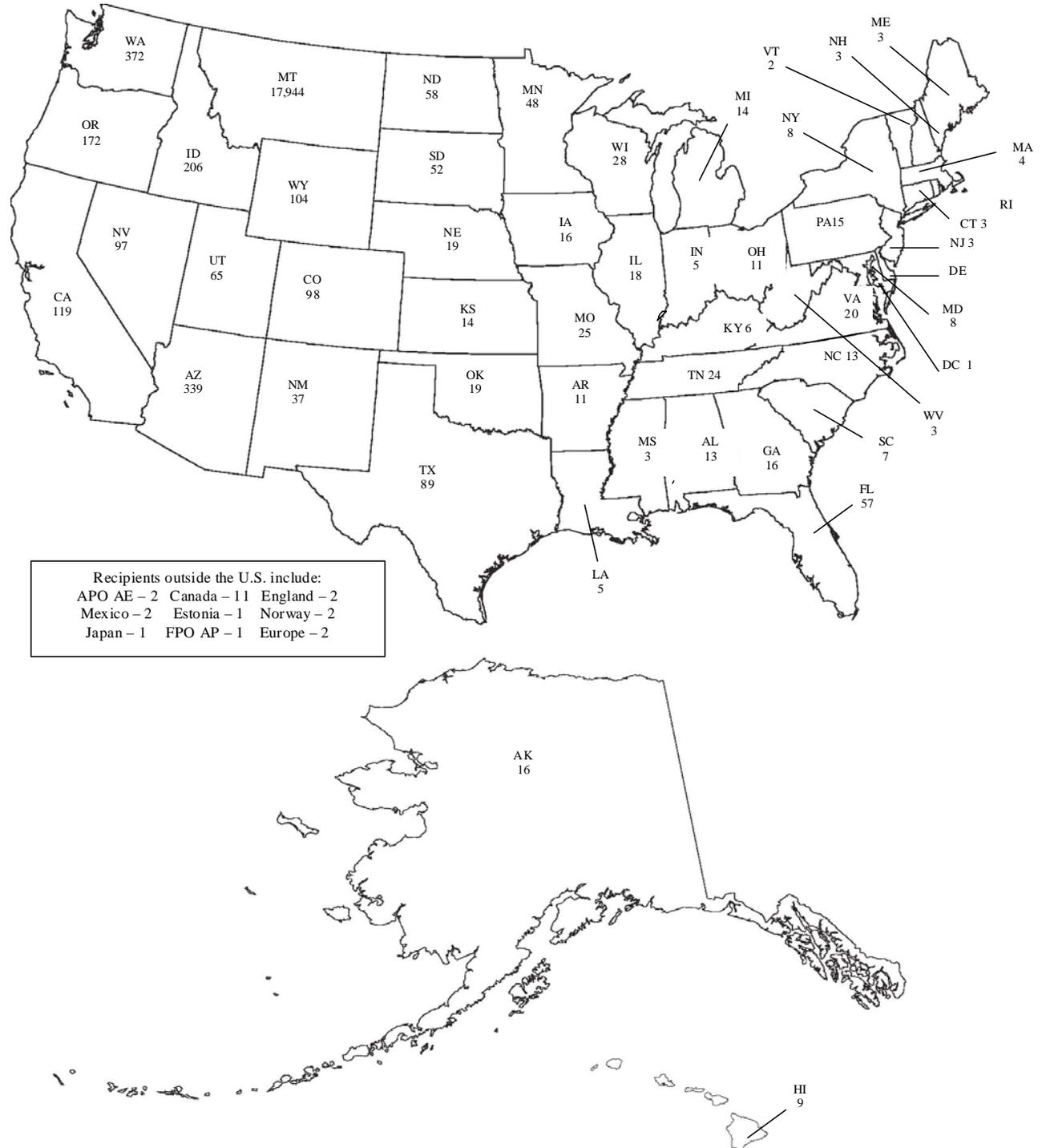
	Option Selected ²						GABA	NON-GABA
	1	2	3	4A	4B	5A		
VFCA	1,101	2					N/A	N/A
	1,101	2						

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Distribution of Defined Benefit Recipients by Location as of June 30, 2009



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STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Active Members by Age and Gender

As of June 30, 2009

System	Ages	Male	Female	Total	System	Ages	Male	Female	Total
PERS-DBRP	Under 20	26	31	57	GWPORS	Under 20	2		2
	20 - 29	871	1,291	2,162		20 - 29	126	53	179
	30 - 39	1,765	2,462	4,227		30 - 39	205	71	276
	40 - 49	3,079	4,348	7,427		40 - 49	200	63	263
	50 - 59	4,668	6,163	10,831		50 - 59	141	42	183
	60 - 69	1,778	1,967	3,745		60 - 69	26	8	34
	70 & Older	147	147	294		70 & Older			
	¹ Unkown			240		¹ Unkown			
Total		12,334	16,409	28,983	Total		700	237	950
JRS	Under 20				MPORS	Under 20			-
	20 - 29					20 - 29	137	11	148
	30 - 39					30 - 39	225	19	244
	40 - 49	5	4	9		40 - 49	213	20	233
	50 - 59	15	6	21		50 - 59	56	1	57
	60 - 69	18	1	19		60 - 69	8		8
	70 & Older	2		2		70 & Older			
	¹ Unkown					¹ Unkown			
Total		40	11	51	Total		639	51	692
HPORS	Under 20				FURS	Under 20			-
	20 - 29	26	2	28		20 - 29	103	8	111
	30 - 39	78	2	80		30 - 39	208	4	212
	40 - 49	86	6	92		40 - 49	157	1	158
	50 - 59	20	1	21		50 - 59	72		72
	60 - 69	1		1		60 - 69	5		5
	70 & Older					70 & Older			
	Total	211	11	222		Total	545	13	558
SRS	Under 20	3		3	PERS-DCRP	Under 20	1		1
	20 - 29	185	41	226		20 - 29	86	138	224
	30 - 39	317	45	362		30 - 39	295	284	579
	40 - 49	281	52	333		40 - 49	261	348	609
	50 - 59	187	22	209		50 - 59	188	257	445
	60 - 69	37	3	40		60 - 69	66	47	113
	70 & Older					70 & Older	6	2	8
	¹ Unkown			12		Total	903	1,076	1,979
Total	1,010	163	1,185						

¹ Membership data not received as of June 30, 2009.

² Membership data not required on VFCA members until retirement.

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Retired Members by Age and Gender

As of June 30, 2009

System	Ages	Male	Female	Total	System	Ages	Male	Female	Total
PERS-DBRP	Under 20				GWPORS	Under 20			
	20 - 29					20 - 29			
	30 - 39	1	1	2		30 - 39			
	40 - 49	44	25	69		40 - 49			
	50 - 59	897	890	1,787		50 - 59	27	1	28
	60 - 69	2,993	3,043	6,036		60 - 69	48	3	51
	70 & Older	4,755	4,426	9,181		70 & Older	46	2	48
Total		8,690	8,385	17,075	Total		121	6	127
JRS	Under 20				MPORS	Under 20			
	20 - 29					20 - 29			
	30 - 39					30 - 39	4	1	5
	40 - 49					40 - 49	45	7	52
	50 - 59					50 - 59	163	5	168
	60 - 69	9	3	12		60 - 69	191	1	192
	70 & Older	43		43		70 & Older	226	3	229
Total		52	3	55	Total		629	17	646
HPORS	Under 20				FURS	Under 20			
	20 - 29	1		1		20 - 29			
	30 - 39	2	1	3		30 - 39	3		3
	40 - 49	12	2	14		40 - 49	20		20
	50 - 59	36	6	42		50 - 59	112		112
	60 - 69	104	1	105		60 - 69	183		183
	70 & Older	126		126		70 & Older	221	3	224
Total		281	10	291	Total		539	3	542
SRS	Under 20				VFCA	Under 20			
	20 - 29					20 - 29			
	30 - 39	4		4		30 - 39			
	40 - 49	28	2	30		40 - 49			
	50 - 59	144	3	147		50 - 59	129	2	131
	60 - 69	130	3	133		60 - 69	414	29	443
	70 & Older	89	3	92		70 & Older	514	15	529
Total		395	11	406	Total		1,057	46	1,103

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years

PERS - Defined Benefit Retirement Plan

Retirement Effective Dates	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/2008 - 6/30/2009							
Average monthly benefit	\$ 187	\$ 332	\$ 908	\$ 836	\$ 1,238	\$ 1,901	\$ 2,729
Average HAC ¹	1,694	2,294	2,518	2,435	2,896	3,333	3,936
Number of retired members	8	119	134	141	95	160	205
Period 7/1/2007 - 6/30/2008							
Average monthly benefit	347	366	585	806	1,168	1,988	2,570
Average HAC ¹	3,067	2,142	2,523	2,936	2,894	3,400	4,019
Number of retired members	11	140	157	155	123	178	197
Period 7/1/2006 - 6/30/2007							
Average monthly benefit	163	324	500	956	1,089	1,677	2,445
Average HAC ¹	2,296	2,400	2,286	4,112	2,891	3,243	3,849
Number of retired members	17	141	148	172	130	145	189
Period 7/1/2005 - 6/30/2006							
Average monthly benefit	185	304	491	932	1,169	1,624	2,589
Average HAC ¹	2,320	1,997	2,308	2,918	2,642	3,001	3,730
Number of retired members	10	135	145	138	109	135	193
Period 7/1/2004 - 6/30/2005							
Average monthly benefit	135	293	537	755	1,194	1,628	2,547
Average HAC ¹							
Number of retired members	10	134	164	133	107	127	130
Period 7/1/2003 - 6/30/2004							
Average monthly benefit	155	277	514	775	1,071	1,781	2,954
Average HAC ¹							
Number of retired members	8	121	133	117	121	126	165
Period 7/1/2002 - 6/30/2003							
Average monthly benefit	142	274	507	712	997	1,770	2,364
Average HAC ¹							
Number of retired members	10	103	126	118	93	107	136
Period 7/1/2001 - 6/30/2002							
Average monthly benefit	190	256	501	683	973	1,864	2,588
Average HAC ¹							
Number of retired members	12	118	122	107	85	116	163
Period 7/1/2000 - 6/30/2001							
Average monthly benefit	174	291	510	737	961	1,420	2,473
Average HAC ¹							
Number of retired members	9	158	164	144	122	81	64
Period 7/1/1999 - 6/30/2000							
Average monthly benefit	129	290	477	724	949	1,505	2,086
Average HAC ¹							
Number of retired members	17	132	112	134	120	102	110

¹HAC = Highest Average Compensation unavailable prior to FY2006.

Public Employees' Retirement Board

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years (cont.)

Judges' Retirement System

Retirement Effective Dates	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/2008 - 6/30/2009							
Average monthly benefit	\$ 1,223	\$ 2,872	\$ 4,250	\$ 4,173			
Average HAC ¹	8,270	8,270	8,296	8,158			
Number of retired members		1	1	2	1		
Period 7/1/2007 - 6/30/2008							
Average monthly benefit			4,240				
Average HAC ¹			8,849				
Number of retired members			1				
Period 7/1/2006 - 6/30/2007							
Average monthly benefit			3,307				
Average HAC ¹			7,841				
Number of retired members			1				
Period 7/1/2005 - 6/30/2006							
Average monthly benefit		2,387				4,381	
Average HAC ¹		8,407				7,841	
Number of retired members		1				1	
Period 7/1/2004 - 6/30/2005							
Average monthly benefit			3,980				
Average HAC ¹							
Number of retired members			1				
Period 7/1/2003 - 6/30/2004							
Average monthly benefit					5,032		
Average HAC ¹							
Number of retired members					1		
Period 7/1/2002 - 6/30/2003							
Average monthly benefit							
Average HAC ¹							
Number of retired members							
Period 7/1/2001 - 6/30/2002							
Average monthly benefit							
Average HAC ¹							
Number of retired members							
Period 7/1/2000 - 6/30/2001							
Average monthly benefit		588	2,549	4,157			5,230
Average HAC ¹							
Number of retired members		1	2	4			1
Period 7/1/1999 - 6/30/2000							
Average monthly benefit							
Average HAC ¹							
Number of retired members							

¹HAC = Highest Average Compensation unavailable prior to FY2006.

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years (cont.)

Highway Patrol Officers' Retirement System

Retirement Effective Dates	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/2008 - 6/30/2009							
Average monthly benefit	\$ 1,718		\$ 2,125		\$ 2,446		
Average HAC ¹	3,436		4,263		6,231		
Number of retired members	2		1		3		
Period 7/1/2007 - 6/30/2008							
Average monthly benefit	1,729	637		1,965	2,392	3,036	
Average HAC ¹	3,415	3,450		3,974	4,482	4,517	
Number of retired members	1	1		1	4	1	
Period 7/1/2006 - 6/30/2007							
Average monthly benefit					1,893		
Average HAC ¹					3,959		
Number of retired members					6		
Period 7/1/2005 - 6/30/2006							
Average monthly benefit		1,689			2,115	2,921	4,299
Average HAC ¹		3,092			3,635	3,678	4,840
Number of retired members		1			2	1	1
Period 7/1/2004 - 6/30/2005							
Average monthly benefit			1,225		2,465	2,693	3,843
Average HAC ¹							
Number of retired members			2		2	1	2
Period 7/1/2003 - 6/30/2004							
Average monthly benefit		1,706			2,926	3,621	3,892
Average HAC ¹							
Number of retired members		1			2	1	4
Period 7/1/2002 - 6/30/2003							
Average monthly benefit			1,812		2,379	3,729	3,873
Average HAC ¹							
Number of retired members			1		2	2	1
Period 7/1/2001 - 6/30/2002							
Average monthly benefit			743		2,316	2,808	3,887
Average HAC ¹							
Number of retired members			1		2	2	2
Period 7/1/2000 - 6/30/2001							
Average monthly benefit		1,721				2,882	4,117
Average HAC ¹							
Number of retired members		1				2	2
Period 7/1/1999 - 6/30/2000							
Average monthly benefit	1,338			1,853		2,971	3,531
Average HAC ¹							
Number of retired members	1			1		6	3

¹HAC = Highest Average Compensation unavailable prior to FY2006.

Public Employees' Retirement Board

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years (cont.)

Sheriffs' Retirement System

Retirement Effective Dates	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/2008 - 6/30/2009							
Average monthly benefit	\$ 1,110	\$ 475		\$ 1,600	\$ 2,412	\$ 3,119	\$ 4,666
Average HAC ¹	2,579	3,405		3,745	4,718	5,608	6,204
Number of retired members	1	3		2	2	1	1
Period 7/1/2007 - 6/30/2008							
Average monthly benefit	845	1,145	998	2,692	2,040	2,297	5,109
Average HAC ¹	2,121	3,375	2,650	5,228	4,265	4,061	5,503
Number of retired members	2	4	2	1	5	3	1
Period 7/1/2006 - 6/30/2007							
Average monthly benefit		687	2,032	1,614	1,736	3,183	3,183
Average HAC ¹		3,577	4,059	3,734	3,844	5,276	4,412
Number of retired members		5	2	7	12	2	3
Period 7/1/2005 - 6/30/2006							
Average monthly benefit		587	691	1,358	2,365	2,790	3,048
Average HAC ¹		2,799	3,188	3,358	4,263	3,988	3,958
Number of retired members		1	6	2	8	5	1
Period 7/1/2004 - 6/30/2005							
Average monthly benefit		172	1,041	1,549	2,072	3,182	
Average HAC ¹							
Number of retired members		3	4	3	10	1	
Period 7/1/2003 - 6/30/2004							
Average monthly benefit		2,124	1,014	1,210	1,781	3,282	3,368
Average HAC ¹							
Number of retired members		1	1	1	9	6	3
Period 7/1/2002 - 6/30/2003							
Average monthly benefit	1,609	386	1,128	1,133	2,098	3,000	4,174
Average HAC ¹							
Number of retired members	2	2	3	5	10	7	1
Period 7/1/2001 - 6/30/2002							
Average monthly benefit	47		1,278	1,163	1,650	2,929	3,172
Average HAC ¹							
Number of retired members	1		3	2	10	4	2
Period 7/1/2000 - 6/30/2001							
Average monthly benefit	109	620	824		2,437	3,367	
Average HAC ¹							
Number of retired members	2	4	3		6	4	
Period 7/1/1999 - 6/30/2000							
Average monthly benefit	227	1,086	581	1,358	2,195	2,435	
Average HAC ¹							
Number of retired members	2	3	3	6	13	3	

¹HAC = Highest Average Compensation unavailable prior to FY2006.

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years (cont.)

Game Wardens' and Peace Officers' Retirement System

Retirement Effective Dates	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/2008 - 6/30/2009							
Average monthly benefit	\$ 397	\$ 549		\$ 1,434			\$ 3,078
Average HAC ¹	3,226	2,229		3,670			3,904
Number of retired members	2	3		1			3
Period 7/1/2007 - 6/30/2008							
Average monthly benefit		579	803		1,690	2,707	3,214
Average HAC ¹		3,368	3,044		3,537	3,768	4,300
Number of retired members		5	2		1	1	1
Period 7/1/2006 - 6/30/2007							
Average monthly benefit		423			2,108		3,698
Average HAC ¹		2,134			4,676		3,964
Number of retired members		2			1		3
Period 7/1/2005 - 6/30/2006							
Average monthly benefit		781	999		2,009		3,124
Average HAC ¹		2,668	3,248		3,044		4,076
Number of retired members		5	5		1		6
Period 7/1/2004 - 6/30/2005							
Average monthly benefit		483				1,712	4,171
Average HAC ¹							
Number of retired members		8				2	1
Period 7/1/2003 - 6/30/2004							
Average monthly benefit		1,031			976		2,415
Average HAC ¹							
Number of retired members		2			2		1
Period 7/1/2002 - 6/30/2003							
Average monthly benefit					1,458		3,399
Average HAC ¹							
Number of retired members					1		3
Period 7/1/2001 - 6/30/2002							
Average monthly benefit		365			1,623		
Average HAC ¹							
Number of retired members		2			1		
Period 7/1/2000 - 6/30/2001							
Average monthly benefit							
Average HAC ¹							
Number of retired members							
Period 7/1/1999 - 6/30/2000							
Average monthly benefit						2,160	
Average HAC ¹							
Number of retired members						2	

¹HAC = Highest Average Compensation unavailable prior to FY2006.

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years (cont.)

Municipal Police Officers' Retirement System

Retirement Effective Dates	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/2008 - 6/30/2009							
Average monthly benefit		\$ 2,099		\$ 2,276	\$ 1,885	\$ 3,648	\$ 4,466
Average HAC ¹		4,199		4,552	4,042	5,120	5,383
Number of retired members		1		4	7	1	2
Period 7/1/2007 - 6/30/2008							
Average monthly benefit	91	1,462	1,121	2,412	2,198	3,179	4,175
Average HAC ¹	5,911	3,341	3,736	4,816	4,235	4,589	4,507
Number of retired members	10	3	2	3	13	14	2
Period 7/1/2006 - 6/30/2007							
Average monthly benefit	902		1,720	2,089	2,079	3,647	
Average HAC ¹	2,452		3,232	3,907	4,111	4,759	
Number of retired members	2		5	4	12	2	
Period 7/1/2005 - 6/30/2006							
Average monthly benefit	1,436		1,228	3,116	2,532	5,354	5,010
Average HAC ¹	2,707		4,067	5,875	4,243	6,220	5,527
Number of retired members	3		1	1	4	1	2
Period 7/1/2004 - 6/30/2005							
Average monthly benefit	1,570	1,111	1,873	2,018	2,885	3,892	5,517
Average HAC ¹							
Number of retired members	2	2	2	2	3	3	1
Period 7/1/2003 - 6/30/2004							
Average monthly benefit		1,257		1,937	2,202	2,844	
Average HAC ¹							
Number of retired members		2		2	8	4	
Period 7/1/2002 - 6/30/2003							
Average monthly benefit	1,733		1,995	1,552	2,220	4,316	
Average HAC ¹							
Number of retired members	1		1	2	11	3	
Period 7/1/2001 - 6/30/2002							
Average monthly benefit		1,367	1,250	1,955	2,696	4,148	
Average HAC ¹							
Number of retired members		1	3	1	8	2	
Period 7/1/2000 - 6/30/2001							
Average monthly benefit				2,117	2,510	2,124	4,049
Average HAC ¹							
Number of retired members				1	17	1	2
Period 7/1/1999 - 6/30/2000							
Average monthly benefit		963		1,443	2,369	3,604	
Average HAC ¹							
Number of retired members		2		3	4	5	

¹HAC = Highest Average Compensation unavailable prior to FY2006.

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years (cont.)

Firefighters' Unified Retirement System

Retirement Effective Dates	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/2008 - 6/30/2009							
Average monthly benefit	\$ 978		\$ 2,035	\$ 3,788	\$ 3,490	\$ 4,178	
Average HAC ¹	3,989			6,380	5,037	4,876	
Number of retired members		5		1	4	3	2
Period 7/1/2007 - 6/30/2008							
Average monthly benefit			1,794	1,494	2,118	3,287	4,247
Average HAC ¹			3,453	2,902	4,248	4,736	4,994
Number of retired members			1	1	8	4	9
Period 7/1/2006 - 6/30/2007							
Average monthly benefit		1,894	1,376	2,881	2,541	3,455	4,960
Average HAC ¹		3,625	3,254	5,431	3,665	4,588	5,694
Number of retired members		2	2	1	5	3	8
Period 7/1/2005 - 6/30/2006							
Average monthly benefit	1,374		2,314	2,209	3,246	3,082	4,350
Average HAC ¹	2,749		4,235	4,333	5,005	4,049	4,480
Number of retired members	1		1	2	1	4	8
Period 7/1/2004 - 6/30/2005							
Average monthly benefit		1,915		1,818	2,068	2,459	3,690
Average HAC ¹							
Number of retired members		1		2	5	3	2
Period 7/1/2003 - 6/30/2004							
Average monthly benefit		1,046	1,794	1,921	1,925	3,414	4,081
Average HAC ¹							
Number of retired members		2	1	1	6	5	9
Period 7/1/2002 - 6/30/2003							
Average monthly benefit				225	2,436	3,515	3,872
Average HAC ¹							
Number of retired members				1	1	5	3
Period 7/1/2001 - 6/30/2002							
Average monthly benefit	1,580				2,587	3,827	4,065
Average HAC ¹							
Number of retired members	1				4	5	7
Period 7/1/2000 - 6/30/2001							
Average monthly benefit	1,380	1,029	1,299	1,230	2,098	3,179	3,903
Average HAC ¹							
Number of retired members	1	1	1	2	3	7	4
Period 7/1/1999 - 6/30/2000							
Average monthly benefit		67	2,178		2,197	2,755	3,809
Average HAC ¹							
Number of retired members		1	1		8	9	5

¹HAC = Highest Average Compensation unavailable prior to FY2006.

Public Employees' Retirement Board

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years (cont.)

Volunteer Firefighters' Compensation Act

Retirement Effective Dates	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/2008 - 6/30/2009							
Average monthly benefit	\$ 75	\$ 102	\$ 145	\$ 166	\$ 219		
Average HAC ¹							
Number of retired members		1	13	23	16	8	
Period 7/1/2007 - 6/30/2008							
Average monthly benefit		75	94	148	167	213	225
Average HAC ¹							
Number of retired members		5	16	22	17	6	6
Period 7/1/2006 - 6/30/2007							
Average monthly benefit		75	90	144	166	205	225
Average HAC ¹							
Number of retired members		5	16	22	17	6	6
Period 7/1/2005 - 6/30/2006							
Average monthly benefit			96	148	166	206	225
Average HAC ¹							
Number of retired members			14	18	24	14	1
Period 7/1/2004 - 6/30/2005							
Average monthly benefit		446	650	354	156	210	
Average HAC ¹							
Number of retired members		8	19	28	8	1	
Period 7/1/2003 - 6/30/2004							
Average monthly benefit		75	554	539	150	150	
Average HAC ¹							
Number of retired members		5	18	30	2	2	
Period 7/1/2002 - 6/30/2003							
Average monthly benefit		75	99	149			
Average HAC ¹							
Number of retired members		9	8	46			
Period 7/1/2001 - 6/30/2002							
Average monthly benefit		75	1,556	743			
Average HAC ¹							
Number of retired members		5	22	42			
Period 7/1/2000 - 6/30/2001							
Average monthly benefit		75	95	148			
Average HAC ¹							
Number of retired members		3	12	38			
Period 7/1/1999 - 6/30/2000							
Average monthly benefit		75	94	148			
Average HAC ¹							
Number of retired members		6	14	50			

¹HAC = Highest Average Compensation is not applicable to the VFCA. Members are unpaid volunteers and do not contribute to the fund.

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Average Monthly Benefit Payments, All Retirees

For the Fiscal Year Ended 2009

System	Years of Service	Recipients's Age									Average
		< 45	45-49	50-54	55-59	60-64	65-69	70-74	75-79	Over 80	
PERS-DBRP	0-4	\$ 172		\$ 53	\$ 277	\$ 232	\$ 254	\$ 193	\$ 178	\$ 239	\$ 221
	5-9	278	\$ 425	304	268	294	291	292	259	249	276
	10-14	589	753	449	441	509	513	471	417	408	456
	15-19	444	760	578	642	745	751	725	658	605	682
	20-24	629	1,227	896	968	1,094	1,020	949	912	838	949
	25-29		1,681	1,911	1,785	1,732	1,506	1,362	1,270	1,089	1,473
	30-34		2,023	2,565	2,554	2,391	2,092	1,784	1,649	1,411	2,067
	35-39			3,413	2,927	2,964	2,645	2,324	2,019	1,707	2,390
	40-UP				4,334	4,012	3,536	2,926	2,474	2,064	2,822
	Average	\$ 447	\$ 1,117	\$ 1,386	\$ 1,407	\$ 1,283	\$ 1,046	\$ 916	\$ 806	\$ 695	\$ 983

JRS	0-4										
	5-9					\$ 905		\$ 2,387	\$ 2,007	\$ 1,581	\$ 1,615
	10-14					3,697	\$ 1,654	2,666	3,080	2,829	2,871
	15-19					4,250		3,949	4,487	2,765	3,206
	20-24					4,173	5,032			3,861	4,158
	25-29						4,381		4,873	4,905	4,720
	30-34								5,799	5,695	5,747
	35-39										
	40-UP										
	Average					\$ 3,197	\$ 3,180	\$ 3,238	\$ 3,552	\$ 2,905	\$ 3,086

HPORS	0-4	\$ 1,568	\$ 1,338		\$ 1,351	\$ 726					\$ 1,331
	5-9	1,706		\$ 1,650	1,721	1,150			\$ 1,188		1,366
	10-14	2,046	1,076		1,277	525		\$ 376	278	\$ 786	816
	15-19	2,125			1,785		\$ 1,553		788	540	1,326
	20-24		2,520	2,303	2,113	1,761	1,493	1,477	1,417	1,320	1,694
	25-29			2,219	3,235	2,737	2,368	2,053	1,597	1,507	2,213
	30-34				3,747	3,623	3,134	3,096	2,053	1,726	2,848
	35-39					4,559	4,437	3,807	1,949	3,043	3,611
	40-UP									3,693	3,693
	Average	\$ 1,715	\$ 2,113	\$ 2,119	\$ 2,394	\$ 2,296	\$ 2,191	\$ 1,881	\$ 1,536	\$ 1,576	\$ 1,992

SRS	0-4	\$ 784	\$ 1,402	\$ 950	\$ 469	\$ 875		\$ 215	\$ 148		\$ 808
	5-9	874	1,470	751	932	764	\$ 712	609	475	\$ 369	801
	10-14	2,073		1,169	1,017	726	908	878	1,051	431	927
	15-19		1,561	2,194	990	1,134	1,424	1,316	1,000	735	1,193
	20-24		1,951	1,954	2,015	1,747	1,794	1,129	1,261	817	1,800
	25-29		2,600	2,847	2,906	2,976	2,704	1,847	1,532	980	2,405
	30-34				3,706	3,677	3,066		1,317	1,788	2,901
	35-39					2,439	5,109	2,846	3,009		3,350
	40-UP										
	Average	\$ 987	\$ 1,852	\$ 1,784	\$ 1,936	\$ 1,547	\$ 2,023	\$ 1,208	\$ 1,207	\$ 869	\$ 1,622

STATISTICAL SECTION

System	Years of Service	Recipients's Age									Average
		< 45	45-49	50-54	55-59	60-64	65-69	70-74	75-79	Over 80	
GWPORS	0-4					\$ 397					\$ 397
	5-9			\$1,583	\$ 610	582	\$ 477				603
	10-14				1,146	736	966	\$1,401			1,060
	15-19				1,272	1,434			\$ 743	\$ 787	1,012
	20-24			1,899	1,408	1,110	1,517	1,488	1,898	1,032	1,399
	25-29			2,044		2,160	2,056	1,793	1,854	1,213	1,744
	30-34			3,256	2,897	3,101	3,126	2,489	2,460	1,441	2,652
	35-39				4,013	2,728	2,866		3,353	2,065	2,652
	40-UP					3,830					3,830
	Average			\$2,527	\$1,320	\$1,498	\$1,594	\$1,897	\$2,200	\$1,324	\$ 1,649
MPORS	0-4	\$1,541		\$1,443	\$ 486	\$1,090	\$ 726	\$1,414		\$1,452	\$ 1,032
	5-9	2,002	\$1,540	878	1,810	1,146	1,617	1,472	\$1,566	1,575	1,433
	10-14	1,908	1,207	1,644	1,427	1,495	1,531	1,693	1,591	1,486	1,527
	15-19	2,272	1,941	2,240	1,820	1,756	1,530	1,578	1,638	1,682	1,765
	20-24	1,754	2,263	2,155	2,051	2,107	1,822	1,715	1,722	1,676	1,919
	25-29		3,669	3,500	3,614	3,368	2,948	2,605	2,325	1,716	3,056
	30-34				4,236	4,727	4,005	2,334	2,305	1,896	3,601
	35-39									2,398	2,398
	40-UP										
	Average	\$1,768	\$2,129	\$2,062	\$2,111	\$2,211	\$1,955	\$1,775	\$1,782	\$1,676	\$ 1,963
FURS	0-4	\$1,580	\$1,429	\$1,585		\$1,719				\$ 245	\$ 1,390
	5-9	1,887		561	\$ 717	1,385	\$1,616	\$1,794	\$1,282	1,622	1,227
	10-14	1,794	2,038	1,192	1,588	1,245	1,123	1,832	1,659	1,656	1,483
	15-19		2,507	1,521	1,816	1,519	1,017	1,474	1,550	1,235	1,475
	20-24	2,035	2,230	2,278	2,058	1,908	1,594	1,447	1,673	1,464	1,758
	25-29		2,328	3,319	3,180	2,964	2,518	1,897	1,610	1,473	2,309
	30-34				4,510	3,924	3,848	2,745	1,281	1,798	3,583
	35-39				7,966	4,476	4,479	4,911	3,009	1,763	4,159
	40-UP										
	Average	\$1,851	\$2,179	\$2,176	\$2,625	\$2,741	\$2,400	\$2,003	\$1,744	\$1,482	\$ 2,183
VFCA	0-4										
	5-9										
	10-14					\$ 89	\$ 87	\$ 87	\$ 85	\$ 85	\$ 86
	15-19				\$ 203	126	126	127	124	124	126
	20-24				158	152	151	149	150	150	152
	25-29				203	183	192	199			196
	30-34				225	225		225	225		225
	35-39					225		225			225
	40-UP										
	Average				\$ 168	\$ 139	\$ 134	\$ 129	\$ 129	\$ 123	\$ 135

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Principal Participating Employers

Current Year and Nine Years Ago

Participating Government	As of June 30, 2009			As of June 30, 2000		
	Covered Employees ¹	Rank	Percentage of Total System	Covered Employees ¹	Rank	Percentage of Total System
<u>PERS-DBRP</u>						
STATE OF MONTANA ²	10,857	1	37.65	10,832	1	36.45
UNIVERSITY OF MONTANA	1,253	2	4.34	1,326	2	4.46
MONTANA STATE UNIVERSITY - BOZEMAN	1,012	3	3.51	1,171	3	3.94
MISSOULA COUNTY	588	4	2.04	571	4	1.92
CITY OF BILLINGS	557	5	1.93	544	5	1.83
GREAT FALLS PUBLIC SCHOOLS	430	6	1.49	469	6	1.58
FLATHEAD COUNTY	396	7	1.37	409	8	1.38
SCHOOL DISTRICT 2 - BILLINGS	372	8	1.29	407	10	1.37
CASCADE COUNTY	362	9	1.26	408	9	1.37
CITY OF GREAT FALLS	361	10	1.25	363	11	1.22
YELLOWSTONE COUNTY	304	14	1.05	410	7	1.38
"All other" ³	12,350		42.82	12,806		43.10
TOTAL (496 EMPLOYERS)	28,842		100.00	29,716		100.00

³ In 2009, "all other" consisted of:

Type	Number	Employees
Cities & Towns	94	2,360
Counties	51	3,784
Other Agencies	102	1,189
School Dist	235	4,687
Universities	3	330
Total	485	12,350

¹ Employee counts are based on June payrolls. Differences in employee counts in this schedule as compared to other CAFR schedules are due to members with multiple employers, June 30th refunded members and members with dual retirement system elections.

²For the purposes of this schedule the "State of Montana" is considered one employer. There are a total of 34 State of Montana agencies reporting to the PERS-DBRP.

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Principal Participating Employers (cont.)

Current Year and Nine Years Ago

Participating Government	As of June 30, 2009			As of June 30, 2000		
	Covered Employees ¹	Rank	Percentage of Total System	Covered Employees ¹	Rank	Percentage of Total System
JRS						
STATE OF MONTANA ²	51	1	100.00	46	1	100
TOTAL (1 EMPLOYER)	51		100.00	46		100
HPORS						
STATE OF MONTANA ²	220	1	100.00	187	1	100
TOTAL (1 EMPLOYER)	220		100.00	187		100
SRS						
MISSOULA COUNTY	114	1	9.68	43	2	6.97
YELLOWSTONE COUNTY	100	2	8.49	51	1	8.27
CASCADE COUNTY	96	3	8.15	34	5	5.51
FLATHEAD COUNTY	86	4	7.30	42	3	6.81
GALLATIN COUNTY	75	5	6.37	31	6	5.02
LEWIS & CLARK COUNTY	58	6	4.92	29	7	4.70
STATE OF MONTANA ²	46	7	3.90	35	4	5.67
DAWSON COUNTY	44	8	3.74	6	37	0.97
RAVALLI COUNTY	43	9	3.65	24	8	3.89
LAKE COUNTY	41	10	3.48	16	11	2.59
LINCOLN COUNTY	29	11	2.46	17	10	2.76
ROSEBUD COUNTY	20	14	1.70	17	9	2.76
In 2009 "All other" consists of 46 Counties	426		36.16	272		44.08
TOTAL (57 EMPLOYERS)	1,178		100.00	617		100.00
GWPORS						
STATE OF MONTANA ²	902	1	96.37	472	1	96.33
MONTANA STATE UNIVERSITY - BOZEMAN	15	2	1.60	8	3	1.63
UNIVERSITY OF MONTANA	13	3	1.39	9	2	1.84
MONTANA STATE UNIVERSITY - BILLINGS	6	4	0.64	1	4	0.20
TOTAL (4 EMPLOYERS)	936		100.00	490		100.00

¹ Employee counts are based on June payrolls. Differences in employee counts in this schedule as compared to other CAFR schedules are due to members with multiple employers, June 30th refunded members and members with dual retirement system elections.

²For the purposes of this schedule the "State of Montana" is considered one employer. There is only 1 State of Montana agency reporting under each of the JRS, HPORS and SRS. There are a total of 4 State of Montana agencies reporting under the GWPORS.

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Principal Participating Employers (cont.)

Current Year and Nine Years Ago

Participating Government	As of June 30, 2009			As of June 30, 2000		
	Covered Employees ¹	Rank	Percentage of Total System	Covered Employees ¹	Rank	Percentage of Total System
MPORS						
CITY OF BILLINGS	137	1	19.87	121	1	21.16
CITY OF MISSOULA	99	2	14.37	78	2	13.65
CITY OF GREAT FALLS	75	3	10.89	71	3	12.41
CITY OF BOZEMAN	51	5	7.40	38	6	6.64
CITY OF HELENA	49	4	7.11	48	4	8.39
BUTTE-SILVER BOW	44	6	6.39	42	5	7.34
CITY OF KALISPELL	33	7	4.79	29	7	5.07
ANACONDA-DEER LODGE COUNTY	21	8	3.05	23	8	4.02
CITY OF WHITEFISH	17	9	2.47	9	15	1.57
CITY OF HAVRE	15	10	2.18	19	9	3.32
CITY OF MILES CITY	15	11	2.18	15	10	2.62
In 2009 "All other" consists of 18 Cities	133		19.30	79		13.81
TOTAL (29 EMPLOYERS)	689		100.00	572		100.00

FURS

CITY OF BILLINGS	112	1	20.07	106	1	23.50
CITY OF MISSOULA	91	2	16.31	71	2	15.74
CITY OF GREAT FALLS	64	3	11.47	64	3	14.19
CITY OF BOZEMAN	40	4	7.17	28	6	6.21
CITY OF HELENA	35	5	6.27	36	4	7.98
BUTTE-SILVER BOW	32	6	5.73			
CITY OF KALISPELL	32	7	5.73	21	7	4.66
MISSOULA RURAL FIRE DISTRICT	24	8	4.30			
CITY OF WHITEFISH	18	9	3.23			
CITY OF HAVRE	17	10	3.05	17	9	3.77
CITY OF MILES CITY	14	12	2.51	15	11	3.33
CITY OF GLENDIVE	5	18	0.90	20	8	4.43
In 2009 "All other" consists of 5 Cities, 1 State Agency and 3 Rural Fire District	74		13.26	23		5.10
TOTAL (21 EMPLOYERS)	558		100.00	401		88.91

VFCA

Participating employers is not applicable to VFCA because members are unpaid volunteers.

¹ Employee counts are based on June payrolls. Differences in employee counts in this schedule as compared to other CAFR schedules are due to members with multiple employers, June 30th refunded members and members with dual retirement system elections.

Public Employees' Retirement Board

A Component Unit of the State of Montana

Principal Participating Employers (cont.)

Current Year and Nine Years Ago

Participating Government	As of June 30, 2009			As of June 30, 2000		
	Covered Employees ²	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
PERS-DCRP						
STATE OF MONTANA ³	905	1	46.44			
CITY OF BILLINGS	58	2	2.98			
MISSOULA COUNTY	49	3	2.51			
UNIVERSITY OF MONTANA	47	4	2.41			
MONTANA STATE UNIVERSITY - BOZEMAN	38	5	1.95			
YELLOWSTONE CITY-COUNTY HEALTH DEPT	38	6	1.95			
FLATHEAD COUNTY	37	7	1.90			
YELLOWSTONE COUNTY	30	8	1.54			
GALLATIN COUNTY	29	9	1.49			
CITY OF MISSOULA	26	10	1.33			
"All other" ⁴	692		35.50			
TOTAL (241 EMPLOYERS)	1,949		100.00			

⁴In 2009, "all other" consisted of:

Type	Number	Employees
Cities & Towns	44	159
Counties	41	206
Other Agencies	37	93
School Dist	106	223
Universities	3	11
Total	231	692

Deferred Compensation Plan

STATE OF MONTANA ³	4,340	1	91.00%
UNIVERSITY OF MONTANA	117	2	2.45%
LEWIS & CLARK COUNTY	102	3	2.14%
MONTANA STATE UNIVERSITY - BOZEMAN	88	4	1.85%
GREAT FALLS TRANSIT	35	5	0.73%
MONTANA STATE UNIVERSITY - BILLINGS	16	6	0.34%
MONTANA STATE UNIVERSITY - HAVRE	13	7	0.27%
BIG SKY WATER & SEWER	8	8	0.17%
SCHOOL DISTRICT 2 - BILLINGS	7	9	0.15%
CARTER COUNTY	6	10	0.13%
"All other" ⁴	37		0.78%
TOTAL (19 EMPLOYERS)	4,769		100%

⁴In 2009, "all other" consisted of:

Type	Number	Employees
Cities & Towns	4	21
Other Agencies	2	8
School Dist	2	3
Universities	1	5
Total	9	37

¹ This information was not available for the DCRP or Deferred Compensation Plan prior to fiscal year 2007. The implementation of the DCRP was July 1, 2002 and MPERA began administering the deferred compensation plan July 1, 1999.

² Employee counts are based on June payrolls. Differences in employee counts in this schedule as compared to other CAFR schedules are due to members with multiple employers, June 30th refunded members and members with dual retirement system elections.

³ For the purposes of this schedule the "State of Montana" is considered one employer. There are a total of 28 State of Montana agencies reporting to the PERS-DCRP.

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Participating Employers

As of June 30, 2009

PERS-DBRP (528)

State Agencies (34)

Board of Crime Control
Board of Public Education
Commissioner of Higher
Education
Commissioner of Political
Practices
Consumer Council
Dept of Administration
Dept of Agriculture
Dept of Commerce
Dept of Corrections
Dept of Environmental
Quality
Dept of Fish, Wildlife &
Parks
Dept of Justice
Dept of Labor & Industry
Dept of Livestock
Dept of Military Affairs
Dept of Natural Resources
& Conservation
Dept of Public Health &
Human Services
Dept of Revenue
Dept of Transportation
Governor's Office
Legislative Council
Montana Arts Council
Montana Historical
Society
Montana State Fund
Montana State Library
Office of Public Defender
Office of Public Instruction
Public Employee
Retirement Administration
Public Service Commission
School for the Deaf &
Blind
Secretary of State
State Auditor's Office
Supreme Court
Teachers' Retirement
System

Counties (55)

Anaconda-Deer Lodge
Beaverhead
Big Horn
Blaine
Broadwater
Carbon
Carter
Cascade
Chouteau
Custer
Daniels
Dawson
Fallon
Fergus
Flathead
Gallatin
Garfield
Glacier
Golden Valley
Granite
Hill
Jefferson
Judith Basin
Lake
Lewis & Clark
Liberty
Lincoln
Madison
McCone
Meagher
Mineral
Missoula
Musselshell
Park
Petroleum
Phillips
Pondera
Powder River
Powell
Prairie
Ravalli
Richland
Roosevelt
Rosebud
Sanders
Sheridan

Stillwater
Sweet Grass
Teton
Toole
Treasure
Valley
Wheatland
Wibaux
Yellowstone

Cities & Towns (96)

Alberton
Baker
Belgrade
Belt
Big Sandy
Big Timber
Billings
Boulder
Bozeman
Bridger
Broadus
Browning
Butte-Silver Bow
Cascade
Chester
Chinook
Choteau
Circle
Colstrip
Columbia Falls
Columbus
Conrad
Culbertson
Cut Bank
Deer Lodge
Dillon
Drummond
East Helena
Ekalaka
Ennis
Eureka
Fairfield
Fairview
Forsyth
Fort Benton
Fort Peck

Cities & Towns (cont.)

Froid
 Geraldine
 Glasgow
 Glendive
 Grass Range
 Great Falls
 Hamilton
 Hardin
 Harlem
 Harlowton
 Havre
 Helena
 Hot Springs
 Kalispell
 Laurel
 Lewistown
 Libby
 Lima
 Livingston
 Malta
 Manhattan
 Medicine Lake
 Melstone
 Miles City
 Missoula
 Moore
 Nashua
 Phillipsburg
 Plains
 Plentywood
 Polson
 Poplar
 Red Lodge
 Richey
 Ronan
 Roundup
 Ryegate
 Saco
 Scobey
 Shelby
 Sheridan
 Sidney
 St Ignatius
 Stanford
 Stevensville
 Sunburst
 Superior
 Terry
 Thompson Falls
 Three Forks
 Townsend
 Troy

Twin Bridges
 Valier
 Westby
 White Sulphur Springs
 Whitefish
 Wibaux
 Winnett
 Wolf Point

Colleges & Universities (5)

Montana State University -
 Bozeman
 Montana State University -
 Billings
 Montana State University -
 Northern
 MSU College of Technology -
 Great Falls
 University of Montana -
 Missoula

High Schools (5)

Beaverhead County
 Garfield County
 Powder River County
 Powell County
 Sweet Grass County

School Districts (232)

SD 1, Big Timber
 SD 1, Butte
 SD 1, Choteau
 SD 1, Circle
 SD 1, Clancy
 SD 1, Corvallis
 SD 1, Deer Lodge
 SD 1, Fort Benton
 SD 1, Glasgow
 SD 1, Glendive
 SD 1, Great Falls
 SD 1, Heart Butte
 SD 1, Helena
 SD 1, Kalispell
 SD 1, Lewistown
 SD 1, Miles City
 SD 1, Missoula
 SD 1, Phillipsburg
 SD 1, Plains
 SD 1, Red Lodge
 SD 1, Scobey
 SD 1, Troy
 SD 1 & 7, Hysham

SD 1 & 7, Townsend
 SD 2, Alberton
 SD 2, Alder
 SD 2, Billings
 SD 2, Bridger
 SD 2, Deer Park
 SD 2, Dodson
 SD 2, Dupuyer
 SD 2, Frazer
 SD 2, Peerless
 SD 2, Stevensville
 SD 2, Sunburst
 SD 2, Thompson Falls
 SD 2 & 3, Pryor
 SD 2 & 11, Big Sandy
 SD 2 & 27, Lodge Grass
 SD 3, Belfry
 SD 3, Billings
 SD 3, Cascade
 SD 3, Fair Mont Egan
 SD 3, Hamilton
 SD 3, Manhattan
 SD 3, Ramsey
 SD 3, Superior
 SD 3, Westby
 SD 3, Wolf Point
 SD 3 & 13, Fairview
 SD 4, Canyon Creek
 SD 4, Forsyth
 SD 4, Helena
 SD 4, Hellgate
 SD 4, Libby
 SD 4, Livingston
 SD 4, Swan River
 SD 4 & 28, Highwood
 SD 4 & 47, Whitehall
 SD 4, Silverbow
 SD 5, Basin
 SD 5, Kalispell
 SD 5, Melrose
 SD 5, Park City
 SD 5, Sand Coulee
 SD 5, Sheridan
 SD 5, Sidney
 SD 5, Terry
 SD 6, Columbia Falls
 SD 6, Columbus
 SD 6, Lame Deer
 SD 6, Ryegate
 SD 6, Trout Creek
 SD 6, Wibaux
 SD 6 & 1, St Regis
 SD 7, Boulder

STATISTICAL SECTION

School Districts (cont.)

SD 7, Bozeman	SD 15, Custer	SD 40, Frenchtown
SD 7, Charlo	SD 15, Cut Bank	SD 41, Bozeman
SD 7, Gardiner	SD 15, Ekalaka	SD 41, Lavina
SD 7, Grant	SD 15, Kalispell	SD 41, Pioneer
SD 7, Hinsdale	SD 15 & 6, Florence-Carlton	SD 43, Lamotte
SD 7, Joliet	SD 15 & 17, Willow Creek	SD 43, Turner
SD 7, Lolo	SD 16, Harlowton	SD 44, Belgrade
SD 7, Medicine Lake	SD 16, Havre	SD 44, Geraldine
SD 7, Twin Bridges	SD 17, Culbertson	SD 44, Moore
SD 7, Victor	SD 17, Morin	SD 44, Whitefish
SD 7 & 2, Savage	SD 17H, Hardin	SD 45, Augusta
SD 7 & 70, Laurel	SD 18, Valier	SD 45, Golden Ridge
SD 8, Arlee	SD 18, Woodman	SD 45, Wolf Point
SD 8, Elder Grove	SD 19, Colstrip	SD 48-1J & 48-2J, Chester
SD 8, West Glacier	SD 20, Garrison	SD 50, East Glacier
SD 8, White Sulphur Springs	SD 20, Kila	SD 50, Evergreen
SD 9, Browning	SD 20, Plentywood	SD 50, Hays
SD 9, Darby	SD 20, Whitewater	SD 52, Absarokee
SD 9, Dixon	SD 21, Broadview	SD 52, Billings
SD 9, East Helena	SD 21, Fairfield	SD 52, Ennis
SD 9, Opheim	SD 21, Galata	SD 55, Brockton
SD 9, Poplar	SD 23, Billings	SD 55, Plevna
SD 9 & 9, Reed Point	SD 23, Harrison	SD 55, Roundup
SD 10, Anaconda	SD 23, Lustre	SD 55F, Sun River Valley
SD 10, Cayuse	SD 23, Missoula	SD 57, Havre
SD 10, Chinook	SD 23, Polson	SD 58, Geyser
SD 10, Conrad	SD 23, Roberts	SD 58, Whitefish
SD 10, Dillon	SD 24, Three Forks	SD 58, Yellowstone
SD 10, Noxon	SD 24, Worden	SD 64, Bainville
SD 11, Brorson	SD 25, Hobson	SD 64, Mountain View
SD 11, Potomac	SD 26, Lockwood	SD 64J, Melstone
SD 11, Wise River	SD 27, Elliston	SD 65, Froid
SD 11 & 2, Drummond	SD 27, Grass Range	SD 69, West Yellowstone
SD 12, Baker	SD 27, Monforton	SD 72, Ophir
SD 12, Harlem	SD 27, Montana City	SD 73, Swan Lake
SD 12, Havre	SD 28C, Dutton	SD 74, Roy
SD 12, Lima	SD 28, St Ignatius	SD 74, Vaughn
SD 12, Rosebud	SD 29, Belt	SD 75, Amsterdam
SD 12, Saco	SD 29, Somers	SD 75, Arrowhead
SD 12, Stanford	SD 29, Wyola	SD 75, Fairfield
SD 12 & 12, Molt	SD 30, Power	SD 78J & 2, Richey
SD J12-5, Shields Valley	SD 30, Ronan	SD 84, Denton
SD 13, Box Elder	SD 30 & 6, Fromberg	SD 85, Ulm
SD 13, Eureka	SD 32, Clinton	SD 86 & 4, Lambert
SD 13, Fishtail	SD 32, Rapelje	SD 87, Box Elder
SD 13, Lone Rock	SD 32J, Ashland	SD 89, Smith Valley
SD 13, Nashua	SD 33, Condon	SD 99M, Rudyard
SD 14, Bonner	SD 33, Gold Creek	SD 104, Spring Creek
SD 14, Fortine	SD 34, Seeley Lake	SD 115, Winifred
SD 14, Hot Springs	SD 35, Gallatin Gateway	SD 159, Winnett
SD 14, Malta	SD 37, Shepherd	Judith Gap Schools
SD 14, Shelby	SD 38, Big Fork	
	SD 38, Lincoln	

Other Agencies (102)

Anaconda Housing Authority
 Bear Paw Cooperative
 Bert Mooney Airport Authority
 Big Country Educational Cooperative
 Big Fork Water & Sewer
 Big Sky County Water & Sewer District
 Big Sky Economic Development Authority
 Big Sky Special Education Cooperative
 Billings Housing Authority
 Bitterroot Conservation District
 Bitterroot Valley Special Education Cooperative
 Buffalo Rapids Irrigation District
 Butte Housing Authority
 Cascade County Conservation District
 Central Montana Special Education Cooperative
 Central Valley Fire District
 Choteau County Conservation District
 Crown Hill Cemetery District
 Daly Ditches Irrigation
 Dawson County Urban Transportation District
 Dawson College
 Deer Lodge County Head Start Program
 Dry Prairie Rural Water District
 Eastern Yellowstone County Special Education Cooperative
 Fallon Medical Complex
 Fergus County Conservation District
 Flathead County Special Education Cooperative
 Flathead Conservation District
 Flathead Joint Board of Control
 Flathead Municipal Airport Authority
 Flathead Valley Community College

Fort Shaw Irrigation District
 Frenchtown Rural Fire District
 Gallatin Airport Authority
 Gallatin Canyon Consolidated Rural Fire District
 Gallatin Conservation District
 Gallatin-Madison Special Education Cooperative
 Gardiner-Park County Water District
 Glasgow Housing Authority
 Glasgow Irrigation District
 Golden Triangle Health Center
 Granite County Hospital & Nursing Home
 Granite Conservation District
 Great Divide Education Services
 Great Falls International Airport
 Greenfields Irrigation District
 Helena Business Improvement District
 Helena Housing Authority
 Helena Regional Airport Authority
 Helena Valley Irrigation District
 Hill County Public Cemetery District
 Hinsdale Water and Sewer
 Human Resources Council District XI
 Human Resources Council District XII
 Judith Basin Conservation District
 Lakeside County Sewer District
 Larchmont Golf Course
 Lewis & Clark Conservation District
 Lewis & Clark Library
 Liberty County Conservation District
 Lincoln Conservation District
 Lincoln County Rural Fire District
 Lockwood Rural Fire District #8
 Lockwood Water District
 Malta Cemetery District
 Malta Irrigation District
 Miles City Housing Authority
 Miles Community College

Missoula Area Special Education Cooperative
 Missoula County Airport
 Missoula Rural Fire District
 Northern Montana Joint Refuse Disposal District
 North Central Learning Special Education Cooperative
 North Valley Public Library
 Northwest Montana Education Cooperative
 Pablo-Lake County Water District
 Park County Rural Fire District #1
 Park County Special Education Cooperative
 Petroleum Conservation District
 Phillips Conservation District
 Pondera County Canal & Reservoir
 Pondera County Cemetery District 2
 Pondera County Council on Aging
 Port of Montana — Port Authority
 Prairie County Hospital District
 Prairie View Special Services Cooperative
 Prickley Pear Special Services Cooperative
 Rae Water & Sewer
 Richland County Housing Authority
 Roundup Community Library
 Sanders Special Education Cooperative
 Seeley Lake Missoula County Water District
 Sidney-Richland Airport Authority
 Teton County Conservation District
 Thompson Falls Rural Fire District
 Twin Bridges Public Library
 Upper Musselshell Conservation District
 Valley County Conservation District
 Victor Water & Sewer
 Whitefish Housing Authority

STATISTICAL SECTION

Other Agencies (cont.)

Yellowstone City-County
Health Dept
Yellowstone West Carbon
Special Education Cooperative

JRS (1)

Supreme Court

HPORS (1)

Dept of Justice

SRS (57)

State Agencies (1)

Dept of Justice

Counties (56)

Anaconda-Deer Lodge
Beaverhead
Big Horn
Blaine
Broadwater
Butte-Silver Bow
Carbon
Carter
Cascade
Choteau
Custer
Daniels
Dawson
Fallon
Fergus
Flathead
Gallatin
Garfield
Glacier
Golden Valley
Granite
Hill
Jefferson
Judith Basin
Lake
Lewis & Clark
Liberty
Lincoln
Madison
McCone

Meagher
Mineral
Missoula
Musselshell
Park
Petroleum
Phillips
Pondera
Powder River
Powell
Prairie
Ravalli
Richland
Roosevelt
Rosebud
Sanders
Sheridan
Stillwater
Sweet Grass
Teton
Toole
Treasure
Valley
Wheatland
Wibaux
Yellowstone

GWPORS (7)

State Agencies (4)

Dept of Corrections
Dept of Fish, Wildlife &
Parks
Dept of Livestock
Dept of Transportation

Colleges & Universities (3)

Montana State University -
Billings
Montana State University -
Bozeman
University of Montana -
Missoula

MPORS (29)

Anaconda-Deer Lodge
Baker
Belgrade
Billings
Bozeman
Butte-Silver Bow

Columbia Falls
Cut Bank
East Helena
Glasgow
Glendive
Great Falls
Hamilton
Havre
Helena
Kalispell
Laurel
Lewistown
Libby
Livingston
Miles City
Missoula
Plains
Poplar
Red Lodge
Troy
West Yellowstone
Whitefish
Wolf Point

FURS (21)

State Agency (1)

Dept of Military Affairs

Cities (16)

Anaconda-Deer Lodge
Billings
Bozeman
Butte-Silver Bow
Columbia Falls
Glendive
Great Falls
Havre
Helena
Kalispell
Lewistown
Livingston
Miles City
Missoula
Red Lodge
Whitefish

Rural Fire Districts(4)

Frenchtown Rural Fire
Gallatin Canyon Rural Fire
Lockwood Rural Fire
Missoula Rural Fire

PERS-DCRP (271)

State Agencies (31)

Board of Crime Control
 Commissioner of Higher Education
 Commissioner of Political Practices
 Consumer Council
 Dept of Administration
 Dept of Agriculture
 Dept of Commerce
 Dept of Corrections
 Dept of Environmental Quality
 Dept of Fish, Wildlife & Parks
 Dept of Justice
 Dept of Labor & Industry
 Dept of Livestock
 Dept of Military Affairs
 Dept of Natural Resources & Conservation
 Dept of Public Health & Human Services
 Dept of Revenue
 Dept of Transportation
 Governor's Office
 Legislative Council
 Montana Arts Council
 Montana Historical Society
 Montana State Library
 Montana State Fund
 Office of Public Defender
 Office of Public Instruction
 Public Employee Retirement Administration
 School for the Deaf & Blind
 Secretary of State
 State Auditor's Office
 Supreme Court

Counties (45)

Anaconda - Deer Lodge
 Big Horn
 Beaverhead
 Blaine
 Broadwater
 Carbon
 Carter
 Cascade
 Custer
 Daniels

Dawson
 Fergus
 Flathead
 Gallatin
 Garfield
 Glacier
 Granite
 Hill
 Jefferson
 Judith Basin
 Lake
 Lewis & Clark
 Liberty
 Lincoln
 Madison
 McCone
 Mineral
 Missoula
 Musselshell
 Park
 Phillips
 Pondera
 Powder River
 Powell
 Prairie
 Ravalli
 Richland
 Roosevelt
 Rosebud
 Stillwater
 Sweet Grass
 Teton
 Toole
 Valley
 Yellowstone

Cities & Towns (46)

Alberton
 Baker
 Belgrade
 Big Timber
 Billings
 Bozeman
 Bridger
 Butte-Silver Bow
 Chinook
 Choteau
 Colstrip
 Columbia Falls
 Conrad
 Cut Bank
 Dillon
 Ekalaka

Eureka
 Fairview
 Forsyth
 Froid
 Glasgow
 Glendive
 Great Falls
 Hamilton
 Hardin
 Harlem
 Havre
 Helena
 Hot Springs
 Kalispell
 Laurel
 Lewistown
 Libby
 Livingston
 Miles City
 Missoula
 Moore
 Polson
 Red Lodge
 Saco
 Shelby
 Sheridan
 Sidney
 Townsend
 Troy
 Whitefish

Colleges & Universities (5)

Montana State University-Bozeman
 Montana State University - Billings
 MSU - College of Technology
 Great Falls
 University of Montana - Missoula
 Montana State University - Northern

High Schools (3)

Jefferson County
 Powell County
 Sweet Grass County

School Districts (103)

SD 1, Big Timber
 SD 1, Butte
 SD 1, Fort Benton
 SD 1, Glasgow

STATISTICAL SECTION

School Districts (cont.)

SD 1, Glendive
 SD 1, Great Falls
 SD 1, Helena
 SD 1, Lewistown
 SD 1, Missoula
 SD 1, Plains
 SD 1, Red Lodge
 SD 1, Scobey
 SD 1 & 7, Townsend
 SD 2, Alder
 SD 2, Big Sandy
 SD 2, Billings
 SD 2, Peerless
 SD 2 & 7, Savage
 SD 2, Stevensville
 SD 2, Sunburst
 SD 3, Billings
 SD 3 & 7, Flaxville
 SD 3, Hamilton
 SD 3, Ramsay
 SD 3, Westby
 SD 3, Wolf Point
 SD 4, Forsyth
 SD 4, Hellgate
 SD 4, Livingston
 SD 4, Swan River
 SD 4 & 28, Highwood
 SD 4 & 47, Whitehall
 SD 5, Kalispell
 SD 5, Sidney
 SD 6, Columbia Falls
 SD 6, Columbus
 SD 6, Trout Creek
 SD 6, Wibaux
 SD 6 & 1, St. Regis
 SD 7, Boulder
 SD 7, Bozeman
 SD 7, Charlo
 SD 7, Gardiner
 SD 7, Joliet
 SD 7, Lolo
 SD 7, Victor
 SD 7 & 70, Laurel
 SD 8, Arlee
 SD 9, Browning
 SD 9, Dixon
 SD 9, East Helena
 SD 9, Poplar
 SD 10, Anaconda
 SD 10, Conrad
 SD 10, Dillon
 SD 12, Baker
 SD 12, Saco

SD 13, Eureka
 SD 13, Lone Rock
 SD 14, Malta
 SD 15, Cut Bank
 SD 15, Ekalaka
 SD 17H, Hardin
 SD 20, Plentywood
 SD 21, Galata
 SD 23, Lustre
 SD 23, Missoula
 SD 23, Polson
 SD 24, Three Forks
 SD 24, Worden
 SD 25, Hobson
 SD 26, Lockwood
 SD 27, Montana City
 SD 30 & 6, Fromberg
 SD 30, Power
 SD 30, Ronan
 SD 32, Clinton
 SD 32J, Ashland
 SD 38, Big Fork
 SD 38, Lincoln
 SD 40, Frenchtown
 SD 43, Lamotte
 SD 43, Turner
 SD 44, Belgrade
 SD 44, Geraldine
 SD 44, Whitefish
 SD 45, Wolf Point
 SD 50, Evergreen
 SD 50, Hays
 SD 52, Absarokee
 SD 52, Ennis
 SD 55, Brockton
 SD 58, Geyser
 SD 64, Bainville
 SD 72, Ophir
 SD 74, Vaughn
 SD 85, Ulm
 SD 89, Smith Valley
 SD 115, Winifred
 SD 99M, Rudyard
 Greenfield School
 Havre Public Schools
 Judith Gap School

Other Agencies (38)

Bert Mooney Airport Authority
 Big Fork Water & Sewer
 Big Sky County Water & Sewer
 District

Big Sky Economic Development
 Authority
 Bitterroot Valley Special
 Education Cooperative
 Center for Mental Health
 Daily Ditches Irrigation District
 Dawson College
 Flathead Municipal Airport
 Authority
 Flathead Valley Community
 College
 Gallatin Airport Authority
 Gallatin Canyon Consolidated
 Rural Fire Department
 Gallatin Conservation District
 Glasgow Irrigation District
 Granite County Hospital &
 Nursing Home
 Great Divide Education Services
 Great Falls International Airport
 Greenfields Irrigation District
 Helena Business Improvement
 District
 Helena Housing Authority
 Helena Regional Airport Authority
 Human Resources Council
 District XI
 Human Resources Council
 District XII
 Lakeside County Water &
 Sewer
 Larchmont Golf Course
 Lewis & Clark Library
 Lockwood Water & Sewer District
 Miles City Community College
 Missoula County Airport
 Missoula Rural Fire District
 North Valley Public Library
 Northern Montana Joint
 Refuse Disposal District
 Park County Rural Fire
 District 1
 Prairie County Hospital District
 Prairie View Special
 Services COOP
 Richland County Housing
 Authority
 Seeley Lake Missoula County
 Water District
 Yellowstone City-County
 Health Dept

Deferred Compensation (19)

State Agencies (1)

*State of Montana

Counties (2)

Carter

Lewis & Clark

Cities & Towns (4)

Colstrip

Sheridan

Sidney

Whitehall

Colleges & Universities (6)

Dawson Community College

Montana State University -

Bozeman

Montana State University -

Billings

Montana State University -

Northern

MSU College of Technology -

Great Falls

University of Montana -

Missoula

School Districts (3)

SD 2, Billings

SD 2, Peerless

SD 9, East Helena

Other Agencies (3)

Big Sky County Water & Sewer

District

Great Falls Transit

North Valley Public Library

*Considered one agency.

STATISTICAL SECTION

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This is a publication of the

**MONTANA PUBLIC EMPLOYEE
RETIREMENT ADMINISTRATION**

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Front cover: Sunrise at Big Sky, Montana. Photo courtesy of Roxanne Minnehan

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