Public Employees' Retirement Board (PERB)

A Component Unit of the State of Montana

Judges' Retirement System (JRS)

for the Year Ended June 30, 2026

GASB 68 Single Employer Report
Schedule of Pension Amounts

		Measurement Date 6/30/2025
Total Pension Liability	$	78,160,047
Plan Fiduciary Net Position		147,234,879
Net Pension Liability / (Asset)	$	(69,074,832)
Deferred Outflows	$	(193,455)
Deferred Inflows		2,407,701
Net Impact on Statement of Net Position	$	(66,860,586)
Contributions - Employer	$	59,746
Pension Expense/ (Income) ($ Amount)	$	(7,509,865)
Pension Expense / (Income) (% of Covered Payroll)		(83.92) %
Discount Rate		7.30%

The Notes are an integral part of this schedule

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Notes to the GASB 68 Single Employer Report

June 30, 2026

The Schedule of Pension Amounts provides the required information under Governmental Accounting Standards Board (GASB) Statement 68 for the JRS Single-Employer Plan (the Plan). The employer should use this information along with the fiscal year (FY) 2026 contribution data to prepare financial reports in accordance with GASB Statement 68.

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end. The information provided with this report are for employers who are using a June 30, 2025 measurement date for their 2026 reporting. If an employer's fiscal year end is after June 30th, the employer will not use these measurements shown in this report but will need to wait for the measurement date as of June 30, 2026.

The Total Pension Liability (TPL), Fiduciary Net Position (FNP), Net Pension Liability (NPL) and certain sensitivity information in the GASB 68 Plan Reports are based on an actuarial valuation performed by the Plan's actuary as of June 30, 2025.

Under the direction and oversight of the Public Employees' Retirement Board (PERB) CavMac Consulting prepared the GASB 68 Report and calculated the total pension liability; however, responsibility for the data remains with the Montana Public Employee Retirement Administration (MPERA) management, staff of the PERB. The Schedule of Pension Amounts schedule was extracted from the GASB 68 Report.

The financial statements of the PERB *Annual Comprehensive Financial Report* (ACFR) and the GASB 68 Report disclose the Plan's fiduciary net position. Both reports are available on the MPERA website at: https://mpera.mt.gov/about/annualreports1/annualreports.

Assumptions

The calculations in the GASB 68 Report used the same facts and assumptions found in the FY2025 JRS Actuary Valuation. The Summary of Results for the pension plan which includes financial statement information and membership information; Actuarial Procedures and Methods; and Summary of Benefit Provisions are contained in the report. The Actuary Valuation report may be viewed on MPERA's website at: https://mpera.mt.gov/about/annualreports1/valuations.

Contributions

State law defines contributions to the Plan as a percentage of the salary for the employer and the State of Montana. The Plan's actuarial assumptions reflect the current demographics along with the expected long-term contribution effort to the Plan.

No Special Funding

A special funding situation does not exist. The Plan receives contributions from the State of Montana that are *not* recognized as special funding but rather as employer contributions since the State of Montana is the only employer for JRS.

Schedule of Pension Amounts

The schedule on page 1 provides the total pension liability, the plan fiduciary net position, the net pension liability/(asset) and the actual contributions during the measurement period.

The State of Montana, as the employer, is required to record an asset equal to the net pension asset; the deferred outflows and deferred inflows; total pension expense; and employer contributions. Because the Plan has a surplus of assets more than the actuarial liability, the reporting for the Plan includes a net pension asset rather than a net pension liability. Additionally, the asset should be recorded by the employer as a restricted fiduciary fund asset and only to be used for the exclusive benefit of the participants of the Plan.

Deferred Outflows and Deferred Inflows are presented in the schedule on page 1. Since the amortization of certain expense items are over closed periods each year, the deferred portions of these items must be tracked annually. If they increased pension expense, they are labeled deferred outflows. If the amounts reduced pension expense, they are labeled deferred inflows. The amortization of amounts is calculated on a level dollar basis, with no interest included in the deferred amounts. The deferred outflows are not inclusive of the employer contributions subsequent to the measurement date. The employer must obtain and enter this information for their FY2026 reporting.

Gains, Losses and Assumption Changes

The experience gains or losses are the portion of current year changes in total pension liability due to actual versus expected experience for the year. The portion to recognize in the current year was determined by spreading the total change, including any assumption change impacts, over the average expected remaining service life of the entire Plan membership. The average expected remaining service life was estimated at three years. Investment gains and losses are recognized over five years.

For FY2026 reporting, there was an actuarial experience loss. This total loss is a result of a loss in the financial experience. A key factor being the investment income less than expected. There has been no benefit, or assumption changes since previous valuation.

The contribution changes since the previous valuation:

- The employer contribution rate has been permanently reduced to 0%. If the most recently available actuarially study for the JRS, the funded ratio drops below 120%, the employer contribution rate must be increased to 25.81%.

The method changes since the previous valuation:

- The fixed rate employer contribution funding policy has been reestablished.

The assumptions and methods utilized in the June 30, 2025, valuation, were developed in the five-year experience study for the period ending June 30, 2021.

Employer Notes and Disclosures

As required by GASB Statement 68, the information on page 1 is for the employer's use in their notes and required supplementary information disclosures. The Schedule of Pension Amounts discloses the Total Pension Liability for June 30, 2025; Plan Fiduciary Net Position; Net Pension Liability/(Asset); Deferred Outflows and Deferred Inflows; and Net Impact on the Statement of Net Position. Other information provided includes the Employer Contributions; Pension Expense (Income); Pension Expense (Income) as a Percent of Covered Payroll; and the Discount rate.