

## Summary of FY 2017 Public Retirement System Actuarial Valuations<sup>6</sup>

Compiled by Sheri Scurr, Legislative Services Division

From TRS Board and PER Board Actuarial Valuations and Board of Investments Data, as of June 30, 2017

System	Funded Ratio <sup>1</sup> (percentage)	Covered Payroll <sup>2</sup> on June 30, 2017	ARC <sup>3</sup> Shortfall (% payroll) <sup>4</sup>	ARC Shortfall (as dollar amt - increases annually) <sup>5</sup>	Amortization period (years)
PERS-DB	73%	\$1.2 billion	0%	0	30
TRS	70%	\$818.1 million	0%	0	22
SRS	81%	\$74.5 million	0%	0	25
MPORS	69%	\$48.6 million	0%	0	16
GWPORS	81%	\$49.3 million	1.17%	\$577,758	70
FURS	76%	\$45.2 million	0%	0	10
HPORS	64%	\$14.8 million	2.64%	\$390,165	37
JRS	167%	\$7.0 million	0%	0	0
<b>TOTAL</b>				<b>\$ 967,923</b>	

Notes:

1. "Funded Ratio" means current assets compared to current liabilities. When a plan is 100% funded, it means current assets are sufficient to pay 100% of current liabilities. The percentages in this column are rounded.
2. "Covered Payroll" means the annual salaries of all active members.
3. "ARC" means the Annual Required Contribution rate required to amortize the unfunded liabilities over 30 years as determined by the system's actuary. Unfunded liabilities are the liabilities that cannot be paid with current assets, but that are being paid off over time. This time period is called the "amortization period".
4. The "ARC shortfall" as a percent of payroll is the contribution rate increase (i.e., contributions above current contributions) that is needed to amortize the system's unfunded liabilities in 30 years. If a plan's liabilities are being paid off over a period of 30 years or less, actuaries consider the system actuarially sound.
5. The ARC shortfall as a dollar amount is the amount of money required in the first year of the biennial budget, in addition to current contributions to amortize the system's unfunded liabilities in 30 years. This amount was calculated by legislative staff, so is not in the valuations, and is based on the June 30, 2017, snapshot of payroll. The actual amount will change as payroll changes.
6. Actuarial valuations are based on economic and demographic assumptions. The governing boards have the constitutional duty to adopt these assumptions, and they do so based on experience studies. Experience studies are conducted approximately every 5 years. The legislature may not alter these assumptions, but may request information based on different assumptions. The main actuarial assumptions for the FY 2017 actuarial valuations were as follows:

Main Economic Assumptions on June 30, 2017	TRS	MPERA Systems
Investment rate of return	7.75%	7.75%
Wage growth	4.0%	4.0%
Inflation	3.25%	3.0%

**Sensitivity to Future Experiences:**

Each actuarial valuation includes a section on how sensitive estimated costs of benefits are to changes in the assumed rate of return on investments. The table below shows what the funded ratio and amortization period would be if the actuary were to assume a 7.50% rate of return instead of the 7.65% assumed rate effective July 1, 2017.

**With 7.50% Investment Return Assumption**

<b>System</b>	<b>Funded Ratio<sup>1</sup> (percentage)</b>	<b>Amortization period (years)</b>	<b>Difference from 7.65% Assumption</b>
PERS-DB	72%	34 yrs	-1.20% / +4 yrs
TRS			
SRS			
MPORS			
GWPORS			
FURS			
HPORS			
JRS			

Montana's Public Employees' Retirement Plans: Summary Tables (Source: FY 2016 Actuarial Valuations)

**Table 1 – CONTRIBUTIONS AND NORMAL COSTS**

SYSTEM Year enacted	TEACHERS' RETIREMENT SYSTEM (TRS) 1937	PERS DEFINED BENEFIT PLAN (PERS-DBRP) 1945	JUDGES (JRS) 1967	HIGHWAY PATROL OFFICERS' (HPORS) 1945	SHERIFFS' (SRS) 1974	GAME WARDENS' AND PEACE OFFICERS' (GWPORS) 1963	MUNICIPAL POLICE OFFICERS (MPORS) 1974	FIREFIGHTERS' UNIFIED (FURS) 1981
Employer contributions  <i>* percentages are of covered payroll</i>  <i>**bolded date headings are "on and after" hire dates</i>	<b>School Districts:</b> 8.77% (increases 0.1% each yr to 2024) plus <b>State GF:</b> 2.49%  <b>State agencies &amp; University System:</b> 11.15% (increases 0.1% each yr) plus <b>State GF:</b> 0.11%  reduced if certain conditions met	<b>State entities:</b> 8.57% (includes base of 6.9% plus a supplemental amount that increases 0.1% each year to 2024, supplemental, terminates if amortization remains 25 years or less)  <b>Schools:</b> 8.20% plus <b>State GF</b> 0.37%  <b>Local Gov't:</b> 8.47% plus <b>State GF:</b> 0.1%	25.81%	<b>7/1/13</b> 28.15%	10.115%  Includes 0.58% supplemental amount that may be reduced if amortization is 25 years	9.00%	14.41%	14.36%
Employee contributions	<b>Tier One (pre-7/01/13):</b> 7.15% plus 1% supplemental contribution until system is 90% funded  <b>Tier Two (7/1/13):</b> 8.15%	7.90%  decreases to 6.9% if amortization period remains 25 year or less	7.00%	<b>Pre-7/1/97</b> 12%  <b>7/1/97 or elected GABA (Guaranteed Annual Benefit Adjustment):</b> 12.05%	9.245%	10.56%	<b>6/30/75</b> 7.0%  <b>7/1/97</b> 8.5%  <b>7/1/97 or elected GABA</b> 9%	<b>Pre-7/1/97</b> 9.5%  <b>7/1/97 or elected GABA</b> 10.7%
Funding from other sources	<b>U- System:</b> 4.72% of MUS-RP payroll	<b>Coal Tax:</b> 30.5 Million	None	<b>State GF:</b> 10.18%	None	None	<b>State GF:</b> 29.37%	<b>State GF:</b> 32.61%
Total statutory contributions	19.31%	16.47%	32.81%	51.38%	19.36%	19.56%	52.78%	57.67%
Normal cost (i.e., cost of benefits as they accrue)	9.87%	9.86%	24.14%	24.94%	17.91%	18.06%	27.72%	26.48%

Montana's Public Employees' Retirement Plans: Summary Tables  
(Source: FY 2016, Actuarial Valuations)

**Table 2 – ACTUARIAL DATA**

SYSTEM Year enacted	TEACHERS' RETIREMENT SYSTEM (TRS) 1937	PERS DEFINED BENEFIT PLAN (PERS- DBRP) 1945	JUDGES (JRS) 1967	HIGHWAY PATROL OFFICERS' (HPORS) 1945	SHERIFFS' (SRS) 1974	GAME WARDENS' AND PEACE OFFICERS' (GWPOS) 1963	MUNICIPAL POLICE OFFICERS (MPORS) 1974	FIREFIGHTERS' UNIFIED (FURS) 1981
Actuarial value of assets	\$3.8 billion	\$5.5 billion	\$91.2 million	\$133.9 million	\$310.5 million	\$160.6 million	\$357 million	\$365.3 million
Actuarial Accrued Liability (AAL)	\$5.5 billion	\$7.6 billion	\$54.8 million	\$203.3 million	\$373.4 million	\$191 million	\$518.9 million	\$466.7 million
Unfunded portion of accrued actuarial liability	\$1.7 billion	\$2.1 billion	\$(36.4 million)	\$69.5 million	\$62.6 million	\$30.5 million	\$162 million	\$101.4 million
Funded ratio (rounded)	69%	73%	166%	66%	83%	84%	69%	78%
Percentage of contributions available to fund unfunded liabilities	9.23%	6.3%	8.52%	26.20%	1.28%	1.33%	24.86%	30.99%
Years to amortize unfunded liability	24 years	30 years	0 years	28 years	Does not amortize	Does not amortize	18 years	9 years
Percentage being paid above (in parentheses) or below the ARC	(1.15)%	0%	(36.24)%	(1.18)%	3.39%	2.08%	(6.99)%	(18.65)%
Projected ARC shortfall as rough annual dollar amount	\$0	\$0	\$0	\$0	\$2,393,340	\$979,680	\$0	\$0

Montana's Public Employees' Retirement Plans: Summary Tables (Source: June 30, 2016, Actuarial Valuation)

**Table 3 - BENEFIT ELIGIBILITY AND BASIC FORMULA**  
(multiplier x highest average compensation x years of service)

SYSTEM Year enacted	TEACHERS' RETIREMENT SYSTEM (TRS)	PERS DEFINED BENEFIT PLAN (PERS-DB)	JUDGES (JRS)	HIGHWAY PATROL OFFICERS' (HPORS)	SHERIFFS' (SRS)	GAME WARDENS' AND PEACE OFFICERS' (GWPOS)	MUNICIPAL POLICE OFFICERS' (MPORS)	FIREFIIGHTERS' UNIFIED (FURS)
Service and age eligibility criteria for full retirement	<b>Tier One (pre-7/01/13):</b> 25 yrs, any age or 5 yrs, age 60  <b>Tier Two (7/01/13)</b> 30 yrs, age 55 or 5 yrs, age 60	<b>Pre-7/01/11</b> 30 yrs service, any age or 5 yrs, age 60 or any yrs, age 65  <b>7/01/11</b> 5 yrs, age 65, or any yrs, age 70	5 years, age 60	20 years, any age	20 years, any age	20 years, age 50 or 5 years, age 55	20 years, any age or 5 years, age 50	20 years any age or 5 years, age 50
Minimum service for vesting	5 years	5 years	5 years	<b>Pre-7/01/13</b> 5 yrs <b>7/01/13</b> 10 yrs	5 years	5 years	5 years	5 years
Highest average compensation (HAC) period used in benefit calculation	<b>Tier One (pre-7/01/13):</b> 3 years  <b>Tier Two (7/01/13)</b> 5 years	<b>Pre-7/01/11</b> 3 years  <b>7/01/11</b> 5 years	3 years	3 years	<b>Pre-7/01/11</b> 3 years  <b>7/01/11</b> 5 years	<b>Pre-7/01/11</b> 3 years  <b>7/01/11</b> 5 years	3 years  (final avg, not highest avg.)	3 years
Service retirement benefit multiplier	1.67% per year  <b>Tier Two (7/01/13)</b> 1067% but if attained 30 yrs service and age 60: 1.85% per year (professional retirement option)	<b>Pre-7/01/11</b> less than 25 yrs: 1.78571% 25 yrs or more: 2%  <b>7/01/11</b> less than 10 yrs: 1.5% 10- 29 yrs: 1.78571% 30 yrs or more: 2%  <b>Money Purchase Option</b> The greater of the above or actuarial equivalent of 2X member's accumulated contributions plus interest set by board (0.25% - for FY 2016-17)	up to 15 years: 3.33%  15 yrs or more: 1.785% for each year more than 15 years	2.6% per year	2.5% per year	2.5% per year	2.5% per year	2.5% per year
Social Security coverage	Yes (most members)	Yes (most members)	Yes	No	Yes	Yes	No	No

Montana's Public Employees' Retirement Plans: Summary Tables  
 (Source: June 30, 2016, Actuarial Valuations)

**Table 4 – ACTIVE MEMBERSHIP**

SYSTEM Year enacted	TEACHERS' RETIREMENT SYSTEM (TRS) 1937	PERS DEFINED BENEFIT PLAN (PERS-DBRP) 1945	JUDGES (JRS) 1967	HIGHWAY PATROL OFFICERS' (HPORS) 1945	SHERIFFS' (SRS) 1974	GAME WARDENS' AND PEACE OFFICERS' (GWPORS) 1963	MUNICIPAL POLICE OFFICERS (MPORS) 1974	FIREFIGHTERS' UNIFIED (FURS) 1981
Total active members (full- and part-time)	19,048	28,390	55	228	1,364	989	762	644
Average age	45 years*	48.3	58.9	40.2	40.1	40.2	38.4	40.1
Average hire age	34 years*	39	49.7	30.2	32.9	32.3	29.8	29.3
Average years of service	11 years*	9.3	9.2	10.0	7.2	7.9	8.6	10.8
Average annual salary (full-time members)	\$52,776	\$41,763	\$125,825	\$67,000	\$51,755	\$47,632	\$61,987	\$66,955
Number of participating employers	372	541	1	1	57	7	32	25
Employers' covered payroll (annual valuation compensation)	\$795.9 million	\$1,185 million	\$6.9 million	\$15.3 million	\$70.6 million	\$47.1 million	\$47.2 million	\$43.1 million

\*excludes part-time active members with annual compensation of less than \$1,000

Montana's Public Employees' Retirement Plans: Summary Tables  
 (Source: June 30, 2016, Actuarial Valuations)

**Table 5 – RETIREE AND BENEFIT RECIPIENT DATA**

SYSTEM Year enacted	TEACHERS' RETIREMENT SYSTEM (TRS) 1937	PERS DEFINED BENEFIT PLAN (PERS-DBRP) 1945	JUDGES (JRS) 1967	HIGHWAY PATROL OFFICERS' (HPORS) 1945	SHERIFFS' (SRS) 1974	GAME WARDENS' AND PEACE OFFICERS' (GWPORS) 1963	MUNICIPAL POLICE OFFICERS (MPORS) 1974	FIREFIGHTERS' UNIFIED (FURS) 1981
Number of benefit recipients	15,164	21,333	68	329	620	250	768	621
Average age of current retirees	71 years	72 years	76.3 years	68.1	64.9	66.6	66.0	69.3
Average age at retirement	59 years	59.5 years	63.9 years	50.7	54.5	57.8	47.4	52.6
Average years of service at retirement	25 years	20.1 years	17.4 years	22.8	18.3	18.3	19.0	23.7
Average annual benefit (service retirement)	\$22,188	\$16,487	\$50,975	\$31,772	\$25,840	\$21,144	\$29,347	\$34,731
Total benefits paid in FY 2016	\$325,897,000	\$344,103,875	3,416,023	\$10,482,414	\$15,476,437	\$5,068,318	\$21,960,690	\$20,896,200
Benefits paid as a percentage of system assets (actuarial value)	8.58%	7%	4%	8%	5%	3%	6%	6%

Montana's Public Employees' Retirement Plans: Summary Tables  
(Source: Montana Code Annotated - 2015)

**Table 6 – POSTRETIREMENT BENEFIT INCREASES**

SYSTEM Year enacted	TEACHERS' RETIREMENT SYSTEM (TRS) 1937	PERS DEFINED BENEFIT PLAN (PERS-DBRP) 1945	JUDGES (JRS) 1967	HIGHWAY PATROL OFFICERS' (HPORS) 1945	SHERIFFS' (SRS) 1974	GAME WARDENS' AND PEACE OFFICERS' (GWPORS) 1963	MUNICIPAL POLICE OFFICERS (MPORS) 1974	FIREFIGHTERS' UNIFIED (FURS) 1981
Minimum benefit or Guaranteed Annual Benefit Adjustment (GABA)	GABA <b>Tier One (Pre-7/01/13)</b> 1.5%  <b>Tier Two (7/01/13)</b> Equal to or greater than 0.50% but no more than 1.50% depending on the funding status of the plan*	GABA <b>Pre-7/01/07</b> 3.0%  <b>7/01/07</b> 1.5%  <b>7/01/13</b> 1.5% reduced 0.1% for every 2 years system is below 90% funded	Minimum <b>Pre-7/01/97</b> Benefits increased same as salary of sitting judge  GABA <b>7/01/97 or elected GABA</b> 3.0%	Minimum <b>Pre-7/01/97</b> 2% of base salary of probationary officer  GABA <b>7/01/97 or elected GABA</b> 3.0%  <b>07/01/13</b> 1.5%	GABA <b>Pre-07/01/07</b> 3.0%  <b>07/01/07</b> 1.5%	GABA <b>Pre-07/01/07</b> 3.0%  <b>07/01/07</b> 1.5%	Minimum <b>Pre-7/01/97</b> ½ of monthly salary of new officer  GABA <b>7/01/97 or elected GABA</b> 3.0%	Minimum <b>Pre-7/01/97</b> ½ of monthly salary of new firefighter  GABA <b>7/01/97 or elected GABA</b> 3.0%
Waiting period for GABA	3 years	<b>Pre-7/01/07</b> 1 year	1 year	<b>Pre-7/01/13</b> 1 year  <b>7/01/2013</b> 3 years	1 year	1 year	1 year	1 year

Note:

\*The TRS GABA for those hired on or after 7/01/2013 is: If system liabilities are at least 90% funded and the provision of the increase is not projected to cause the system's liabilities to be less than 85% funded, the GABA will be set by the board to an amount that is at least 0.5% but no more than 1.5%. The benefit increase will be effective on January 1.

Montana's Public Employees' Retirement Plans: Summary Tables  
(Source: Montana Board of Investments)

**Table 7 – INVESTMENT DATA  
(As of June 30, 2016)**

SYSTEM Year enacted	TEACHERS' RETIREMENT SYSTEM (TRS) 1937	PERS DEFINED BENEFIT PLAN (PERS-DBRP) 1945	JUDGES (JRS) 1967	HIGHWAY PATROL OFFICERS' (HPORS) 1945	SHERIFFS' (SRS) 1974	GAME WARDENS' AND PEACE OFFICERS' (GWPORS) 1963	MUNICIPAL POLICE OFFICERS (MPORS) 1974	FIREFIIGHTERS' UNIFIED (FURS) 1981
Amount invested (fair value on 6/30/16)	\$3.62 billion	\$5.02 billion	\$87.45 million	\$128.57 million	\$298.64 million	\$154.41 million	\$ 329.53 million	\$337.33 million
Actual rate of return: FY 2016 and 10-year actual	2.08% - 1 year 5.89% - 10-year	2.07% - 1-year 5.89% - 10-year	2.08% - 1-year 5.89% - 10-year	2.07% - 1-year 5.89% - 10-year	2.08% - 1-year 5.87% - 10-year	2.07% - 1-year 5.87% - 10-year	2.09% - 1-year 5.85% - 10-year	2.08% - 1-year 5.87% - 10-year
Rate of return on board composite benchmark: FY 2016 and 10-yr	2.83% - 1-year 6.22% - 10-year	2.84% - 1-year 6.21% - 10-year	2.85% - 1-year 6.21% - 10-year	2.85% - 1-year 6.22% - 10-year	2.85% - 1-year 6.21% - 10-year	2.86% - 1-year 6.20% - 10-year	2.84% - 1-year 6.16% - 10-year	2.85% - 1-year 6.18% - 10-year
Actuarial value of return in FY 2016 with 4-year smoothing	8.79%	9.27%	8.64%	8.76%	8.66%	8.42%	8.37%	8.33%
Asset allocation all pension funds	Domestic Equity – 37.71% International Equity –15.44% Private Equity – 11.15% Fixed Income –23.65% Real Estate –9.27% Cash Equivalents –2.78%							
Pension funds by investment pool	Montana Domestic Equity Pool –\$3,765,627,511 Montana International Pool –\$1,541,646,604 Montana Real Estate Pool –\$925,451,959 Montana Private Equity Pool –\$1,113,423,468 Retirement Funds Bond Pool –\$2,361,468,219 Short Term Investment Pool –\$277,781,493							

Montana's Public Employees' Retirement Plans: Summary Tables  
(Source: FY 2016, Actuarial Valuations)

**Table 8 – CASH FLOW DATA**

Notes on cash flow: Investment strategy must consider how much of the pension fund's assets need to be kept in more liquid investments to pay benefits as they come due. The more mature a plan becomes (i.e., the more retirees there are compared to current employees), the more cash is needed to cover benefit payments. If a plan has a "negative cash flow", it means that cash flowing out to pay benefits is greater than the cash flowing in from current contributions. However, the nature of a retirement plan is that contributions are not being spent as they come in, but are being invested to earn interest over time to pay for the individual's benefit in retirement. Thus, cash flow information helps provide context with respect to the liquidity needs of the pooled investment portfolio, but is not a key indicator of the overall actuarial soundness of the pension fund. Actuarial soundness is best indicated by the plan's funded ratio (all assets compared to all liabilities) and progress toward 100% funding where total assets cover total liabilities. How fast this progress is made is reflected in the amortization schedule. Nonetheless, the more a pension fund's assets must be invested in short-term more liquid investments or kept in cash, the lower the interest earning potential on those assets. This table is offered to provide legislators with perspective on how cash flow needs may affect the overall investment earning potential of the fund.

SYSTEM Year enacted	TEACHERS' RETIREMENT SYSTEM (TRS) 1937	PERS DEFINED BENEFIT PLAN (PERS- DBRP) 1945	JUDGES (JRS) 1967	HIGHWAY PATROL OFFICERS' (HPORS) 1945	SHERIFFS' (SRS) 1974	GAME WARDENS' AND PEACE OFFICERS' (GWPORS) 1963	MUNICIPAL POLICE OFFICERS (MPORS) 1974	FIREFIGHTERS' UNIFIED (FURS) 1981
Active employees / retirees (includes beneficiaries)	19,048 active 15,164 retirees	28,390 active 21,333 retirees	55 active 68 retirees	228 active 329 retirees	1,364 active 620 retirees	989 active 250 retirees	762 active 768 retirees	644 active 621 retirees
Total contributions (A)	\$205.3 million	\$230.5 million	\$2.54 million	\$8.1 million	\$14.3 million	\$9.3 million	\$25.1 million	\$24.9 million
Total benefits & expenses paid (B)	\$328.4 million	\$359.9 million	\$3.62 million	\$10.8 million	\$16.9 million	\$6.4 million	\$23.6 million	\$21.2 million
Difference (A-B)	(\$123 million)	(\$129 million)	(\$1.08 million)	(\$2.7 million)	(\$2.6 million)	\$2.9 million	\$1.5 million	\$3.7 million
Total investment income	\$71.5 million	\$101 million	\$1.78 million	\$2.6 million	\$6.1 Million	\$3.2 million	\$7.1 million	\$7.3 million
Net cash flow	(\$51.6 million)/ 1.39% of assets	(\$28.1 million)/ 0.56% of assets	\$700,000	(\$100,000)	\$3.5 million	\$6 million	8.6 million	\$11 million
Total assets (market value)	\$3.7 billion	\$5 billion	\$87.8 million	\$129 million	\$299 million	\$154.7 million	\$343.6 million	\$351.6 million
Benefits & expenses as a percentage of total assets	9%	7%	4%	8%	5%	4%	7%	6%

Montana's Public Employees' Retirement Plans: Summary Tables  
(Source: June 30, 2016, Actuarial Valuation)

**Table 9 – VOLUNTEER FIREFIGHTER'S COMPENSATION ACT**  
(Established in 1935)

Eligible fire companies (as defined in 19-17-109, MCA)	220
Members	1,895 active members 1,425 benefit recipients
Minimum age and service requirements	For full benefit: Age 55 and 20 years of service For reduced benefit: Age 60 and 10 years of service
Vesting	10 Years
Basic benefit formula	Full: \$175 per month, but after 20 years of service, increased by \$7.50 per year of service up to 30 years. If retired after July 1, 2011, after 30 years of service, increased by \$7.50 per year only if the fund is actuarially sound and the amortization period remains 20 years or less.  Reduced: normal benefit amount is prorated by years of service less than 20
Disability benefit	\$7.50 per year of service, with a minimum of \$75 per month and with the same maximum as a regular retirement benefit. The benefit can increase for over 30 years of service if the system is funded in 20 years or less.
Survivorship benefit	\$7.50 per year of service (maximum of 40 months including any amounts retiree received).
Average age of active members	45.6 years of age
Average years of service of active members	9.8 years of service
Average benefit for full service retiree	\$ 165.00 per month
Contributions	State General Fund: amount equal to 5% of insurance premium taxes collected (See Sections 19-17-301 and 50-3-109, MCA)
Actuarial value of assets	\$35.3 Million
Actuarial liabilities	\$44 million
Unfunded liability	\$8.7 million
Years to amortize unfunded liability	7 years
Funded ratio	80%

Montana's Public Employees' Retirement Plans: Summary Tables  
 (Source: MPERA and Board of Investments)

**Table 10 – PERS DEFINED CONTRIBUTION (DC) RETIREMENT PLAN  
 June 30, 2016**

Membership	New hires have 12 months to make a one-time, irrevocable choice between the DB and DC plans – default is DB plan
Active membership	2,409 – 8% of total active members of PERS
Employee Contributions	7.9% of salary – all allocated to individual member accounts Reduced to 6.9% when PERS-DB plan amortization period is less than 25 years.
Employer and State GF Contributions	8.37% of salary (reduced when PERS-DB amortization period is less than 25 years) Contributions allocated as follows: -- 8.03 % to member accounts -- 0.04% to an educational fund -- 0.3% to disability trust fund
Total contributions to member accounts	15.93% reduced to 11.09% when PERS-DB plan amortization period is less than 25 years
Total Amount Invested	\$ 154.5 million
Investment Choices	28 funds (5 categories) evaluated quarterly. Options range from aggressive to conservative and include mutual funds, bond funds, and Target Date funds.
Vesting	5 years for employer contributions and investment earnings
Benefits	Contributions plus investment earnings, minus administrative expenses; payable at any time after termination, with a possible federal tax penalty for withdrawal before age 59½.
Disability Benefit	A defined disability benefit based on a $1/56 \times \text{HAC} \times \text{years of service}$ formula, same as provided in the PERS-DBRP.
Death/survivorship benefit	Member's account balance
Plan Administration	PERB is the plan's board of trustees Empower Retirement Services is the plan's record keeper

Montana's Public Employees' Retirement Plans: Summary Tables  
 (Source: MPERA and Board of Investments)

**Table 11 – DEFERRED COMPENSATION PLAN (457)**

Membership	Voluntary supplemental retirement savings plan available to all employees of the State, Montana University System, and contracting political subdivisions.
Number of Participants	4,708 Active members
Employee Contributions	Voluntary, pre-tax deferral or designated ROTH deferral
Employer Contributions	None, unless specified in an employer contract
Total Amount Invested	\$448.2 million
Number of Investment Choices	20 funds (5 categories)
Vesting	Participants are fully vested in their accounts immediately
Benefit Eligibility	Not available to distribute until separation from service, retirement, death, or upon an unforeseeable emergency, while still employed, provided IRS-specified criteria are met.
Benefit Amount	Lump sum or periodic benefit payment, at the option of the participant. Based on individual account balance and plan provisions. IRS permitted rollovers are also possible.
Death/survivorship Benefit	Member's account balance
Plan Administration	<ul style="list-style-type: none"> <li>- PERB is the plan's board of trustees</li> <li>- Great-West Retirement Services is the plan's record keeper</li> </ul>

Montana's Public Employees' Retirement Plans: Summary Tables  
 (Source: Office of Commissioner of Higher Education and Board of Investments)

**Table 12 – MONTANA UNIVERSITY SYSTEM RETIREMENT PROGRAM (MUS-RP)  
 June 30, 2016**

Membership	<p>All administrative, scientific, and instructional staff of the University System and classified staff that elected MUS-RP rather than the PERS-DC plan.</p> <p>Contributing (active): 4,239 Non-contributing (inactive, retired, etc): 4,969                  Avg. age: 49 yrs                  Avg. yrs of membership: 10.8 yrs</p>	
Retirement eligibility	<p>A plan member may "retire" (i.e., access the MUS-RP account) any time after service is terminated. There are federal tax penalties for withdrawal prior to age 59½.</p>	
Benefit	<p>An MUS-RP member's benefit depends on total contributions to the member's individual account, plus investment earnings, minus administrative expenses. The MUS-RP is administered by TIAA (Teachers' Insurance and Annuity Association)</p> <p>Avg. account balance: \$ 61,419</p>	
Death and survivor benefits	<p>The full account value in member's annuity account is payable to the beneficiary. The benefit can be paid in a single sum, as an annuity to the beneficiary for life, or as an annuity for a fixed period of years. The annuity may also be deferred as federal law permits.</p>	
Total Amount Invested	\$ 565.5 million	
Investment Choices	27 choices (6 asset classes)	
Total MUS-RP payroll covered	\$251.7million	
Contributions to member accounts as a percentage of payroll	<p><b>Contract and Professional Staff:</b>                  Employer: 5.956%                  Employee: 7.044%                  TOTAL: 13.0%</p>	<p><b>Classified Staff:</b>                  Employer: 8.43%                  Employee: 7.90%                  TOTAL: 16.33%</p>
Supplemental employer contributions to TRS for unfunded liability.	<p><b>Contract and Professional Staff:</b>                  to TRS for unfunded liability: 4.72%</p>	<p><b>Classified Staff:</b>                  to PERS for education: .04%</p>
Increase required in supplemental contribution rate to amortize unfunded liability by 2033 as required under 19-20-621, MCA	<p>5.02% increase needed to the 4.72% to reach a total supplemental of 9.75%</p> <p><u>Note:</u> As of June 30, 2014, valuation, which is the most recent. This increase is needed if the legislature wishes to continue to have the unfunded liability created in TRS when the MUS-RP was established paid by the U-System and not subsidized by the TRS pension fund.</p>	