

MPERA  
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## **Pension Shortfall Could Be Remedied**

HELENA, Feb. 28 – Shortages in a few state public employee pension funds could be remedied for new hires though higher pension contributions by workers, increasing the age for retirement eligibility, and a change to how benefits are calculated. But to work, the solutions also need to include increased contributions from public employers.

The Montana Public Employees' Retirement Administration (MPERA) has proposed fixes for the Game Wardens & Peace Officers Retirement System in House Bill 134, the Sheriffs Retirement System (HB135) and the Public Employees' Retirement System (HB122).

“The House legislative committee handling these bills has passed them with the worker pay-ins intact, but has taken out the state's contributions for budgetary considerations, and that's probably not going to work,” said Roxanne Minnehan, Helena, MPERA executive director. “We'll have to wait and see what happens to these bills over in the Senate.”

None of the retirement plans is in danger of failure, Minnehan emphasized, but they're not totally amortized for the long term, either. Retirees under these plans will continue receiving pension benefits, but the plans need to be boosted financially sooner or later to make them permanently stable. “These benefits were negotiated with our public employees in good faith and a deal is a deal,” Minnehan said.

Among improvements affecting new hires include:

**HB122** – Use a 60-month salary average for calculating retirement benefits instead of the present 36 months; increase normal retirement age from 60 to 65; increase early retirement eligibility age from 50 to 55 with five years of membership service; increase the worker payroll deduction from 6.9% to 7.9% starting next July 1 and then to 8.9% starting July 1, 2012, and increase the employer's contribution to the fund from 7.17% to 8.17% beginning next July 1 and then to 9.17% beginning July 1, 2012 for all payroll under the Public Employees' Retirement System, by far the state's largest with thousands of pensioners.

**HB134** – Increase the state contribution for game wardens and some other peace officers from 9% to 10% starting next July 1 and to 11% beginning July 1, 2012, and also using the high five years of salary for calculating retirement benefits instead of the current high-three average.

**HB135** – Increases state contributions for retired sheriffs from 10.115% to 11.115% beginning next July 1 and then to 12.115% starting July 1, 2012, and also changes the pension benefit calculation from the high-three average salary to the high

five years. This category includes gambling division personnel, detention officers and Dept. of Justice investigators.

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