



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Pension Fund Fiscal Note 2025 Biennium

**Bill information:**

HB0319 - Revise laws related to FURS membership (Fitzgerald, Ross H)

**Status:** As Introduced

**Retirement Systems Affected:**    Teachers                       Public Employees                       Highway Patrol                       Police  
 Sheriffs                                       Firefighters                       Volunteer Firefighters                       Game Wardens                       Judges

Check the box if "Yes".

- Has this legislation been reviewed by the legislative interim committee?
- Has the cost of this legislation been calculated by the system's actuary?
- Does this legislation include full funding for any benefit revisions?

	July 1, 2022 Current System	July 1, 2022 With Changes	Increase/ (Decrease)
Present Value of Actuarial Accrued Liability	\$ 748,060,423.00	\$ 748,060,423.00	\$ -
Present Value of Actuarial Assets	\$ 603,173,541.00	\$ 603,173,541.00	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 144,886,882.00	\$ 144,886,882.00	\$ -
Amortization Period (years) of UAAL	12.00	12.00	0.00
Change in normal costs	0.00%	0.00%	0.00%

	FY 2023 July 1, 2022	FY 2024 July 1, 2023	FY 2025 July 1, 2024	FY 2026 July 1, 2025	FY 2027 July 1, 2026
Employee Contribution Rate	10.70%	10.70%	10.70%	10.70%	10.70%
Employer Contribution Rate	14.36%	14.36%	14.36%	14.36%	14.36%
State Contribution Rate	32.61%	32.61%	32.61%	32.61%	32.61%
TOTAL Contribution Rate	57.67%	57.67%	57.67%	57.67%	57.67%

### FISCAL SUMMARY

	FY 2024 Difference	FY 2025 Difference	FY 2026 Difference	FY 2027 Difference
<b>Expenditures:</b>				
General Fund	\$775,772	\$800,985	\$827,017	\$853,895
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
FURS Trust Fund	\$775,772	\$800,985	\$827,017	\$853,895
<b>Net Impact-General Fund Balance:</b>	<u><u>(\$775,772)</u></u>	<u><u>(\$800,985)</u></u>	<u><u>(\$827,017)</u></u>	<u><u>(\$853,895)</u></u>

**Description of fiscal impact:** HB 319 revises participation in the Firefighters Unified Retirement System (FURS) by adding fire authority, or authority having jurisdiction for an airport to the definition of eligibles. Costs paid to FURS would be paid 100% from the state general fund on behalf of localities/authorities.

### FISCAL ANALYSIS

**Assumptions:**

- Under 19-13-604, MCA, the state shall make contributions from the general fund each fiscal year to the FURS system in the amount of 32.61% of compensation paid to members.
- Based on our most recent FURS valuation dated 6/30/2022 the average salary was \$79,298.
- State contribution of 32.61% of covered payroll would be a cost of  $(\$79,298 * 32.61\% = 25,859)$  / new member).
- This assumes that only 30 new members would participate. Should more members join the impact to the general fund would increase.
- There is a payroll assumption by our actuary that it will increase by 3.25% per year.
- If all assumptions are met there will be no actuarial impact to the system.

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$775,772	\$800,985	\$827,017	\$853,895
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<u><u>\$775,772</u></u>	<u><u>\$800,985</u></u>	<u><u>\$827,017</u></u>	<u><u>\$853,895</u></u>

<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Other-FURS Trust Fund	\$775,772	\$800,985	\$827,017	\$853,895
<b>TOTAL Revenues</b>	<u><u>\$775,772</u></u>	<u><u>\$800,985</u></u>	<u><u>\$827,017</u></u>	<u><u>\$853,895</u></u>

<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$775,772)	(\$800,985)	(\$827,017)	(\$853,895)
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
FURS Trust Fund	\$775,772	\$800,985	\$827,017	\$853,895

  
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 Sponsor's Initials

2-01-2023  
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 Date

  
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 Budget Director's Initials

1-31-23  
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 Date