After a decade of 0.1% annual contribution increases, the PERS-DB amortization period still exceeds 30 years, proving that simply increasing contributions without structural reform does not work.

Instead of handing the problem to future generations, eliminating the PERS unfunded liability will provide them options like the ability to offer retirees cost-of-living adjustments or improved healthcare services.

PERS currently holds more than $2 billion in unfunded pension promises and is at risk of sliding further into debt due to insufficient state funding and volatile investment performance.

House Bill 226 would compel the state—for the first time—to finally adopt an actuarially sound method of funding PERS-DB benefits, ensuring the system can deliver on its promises to every member.

The PERS-DB is clearly not a recruitment and retention tool, as the majority of new hires, regardless of age, leave public employment before earning a meaningful pension.

Defaulting future employees into the PERS-DC is a policy designed to offer a guaranteed contribution toward a member’s retirement savings that will follow them to future jobs while maintaining the PERS-DB for those aiming to commit to a lifelong career as a public employee.

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Workers have already spoken! Most state employees hired today will leave their public employer before earning an unreduced PERS pension.

While House Bill 226 does not change the PERS-DB (defined benefit) option in any way, making the PERS-DC (defined contribution) option the default aligns policy with employee trends, making Montana’s public sector retirement benefit just as—or more—attractive than private sector offerings.

Why not just add more funding?

Why not maintain the status quo?

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REFORM ALERT:
House Bill 226 Modernizes Montana’s Public Worker Retirement System

Commits the State to Fully Funding All Retirement Benefits

Improves Retirement Security for 85% of All New Hires

Pension Integrity Project analysis of Montana PERS actuarial valuation reports and CAFRs.

Montana Public Employee Retirement System (PERS)

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