

## **We Won!**

Judge Reynolds granted AMRPE's motion for summary judgment and granted a permanent injunction against the state preventing the enforcement of the GABA reduction. AMRPE's request for attorney's fees was denied, and the state's motion for summary judgment was denied.

The court found that the GABA is not a COLA. The court also found that the GABA statute uses language suggesting a legislative intent to bind itself contractually. Furthermore, statute allows retirement benefits to be enhanced, and once the GABA was instituted to enhance retirement benefits, it became part of the employee's retirement contract. The court then found the reduction from 3% to 1% was a substantial impairment of the contract, and that reduction of the GABA was not reasonable and necessary to achieve actuarial soundness of PERS. Based on this analysis, the court found that Section 5 of HB 454 violated the Contract Clause of the Montana Constitution and granted summary judgment in AMRPE's favor. The court did not address AMRPE's takings claim.

The state now has 60 days from notice of entry of judgment to appeal to the Montana Supreme Court. We anticipate that the Attorney General's Office will appeal the case. This case is extremely important as it affects all public employees and public retirees. As noted above, AMRPE's request for attorney fees was denied. Please consider a financial contribution to ensure that your rights are protected. You may donate using the PayPal function on this website or send a check to:

AMRPE  
P.O. Box 603  
Helena, MT 59624-0603

You can find the judge's order in the "Litigation News" page of this website. As the administrative contractor for AMRPE, it has been a pleasure to witness the time and effort your all volunteer board dedicated to champion this cause for its membership. Congratulations to AMRPE's attorneys; Leo Berry, Chad Adams and Jessie Luther from Browning, Kaleczyc, Berry & Hoven, P.C.