



March, 2016

*A non-profit corporation of PERA Retirees
for PERA Retirees*



AMRPE

On the Web at www.amrpe.org

Contact us via Email:
info@amrpe.org

Association of Montana Retired Public Employees
P.O. Box 603, Helena, MT 59624-0603

A MESSAGE FROM MIKE O'CONNOR, AMRPE PRESIDENT

This past year was a very busy and successful year for AMRPE. We have all benefited from the successful resolution of the lawsuit that maintained the guaranteed annual benefit adjustment (GABA). The GABA reduction would have resulted in a cumulative loss of more than \$15,000 over a ten-year period for the average pension. Thank you for maintaining your membership and donating to the legal fund.

Looking ahead, prepare for change! This is an election year. In Montana, 125 out of the 150 legislative positions will be on the ballot. Learn the positions of those running for public office and vote for candidates that understand your retirement benefit rights and those who will protect them.

This year also brought about changes to the officers on the AMRPE Board. Cathy Kendall stepped down as president. Thank you Cathy for your dedicated leadership. Lyle Manley was voted in as vice president and I was elected president for 2016. John McEwen and Jan Brown will remain your unheralded yet steadfast treasurer and secretary respectively. There may be a change to AMRPE's lobbying arrangement, Leo Berry wants to retire!

Meeting minutes posted on amrpe.org will keep you informed of association activities. If you have any questions, comments or ideas don't hesitate to contact any of your board members, our phone numbers are on page 4 of this newsletter. It is a pleasure to serve all of our AMRPE members. Your all volunteer board will continue to work for you on matters that are of concern to you as a retiree.

Membership Renewals Make A Strong Foundation that Withstands Blustery Legislative Winds
By Cathy Kendall

A healthy infrastructure is vital to the safety of our communities and state, and no less so is AMRPE's ability to maintain the infrastructure to continue the mission of our association. Our funding comes only from our membership. Our categories of member dues include options to pay for a lifetime or in one, two or three year increments. Each year we send dues notices to members whose yearly membership needs to be renewed.

Membership dues allow the board to employ a professional lobbyist to advocate for retirees by testifying at legislative sessions as well as at interim committee meetings and advising the board about issues and trends that may affect retirees. As public employees you have experienced the positive and negative impacts that come our way at the conclusion of legislative sessions. It is critical that we have a centralized voice to assure that legislators hear and understand our concerns.

(continued on page 3)

Looking back, 2015 was a landmark year for the Montana Public Employee Retirement Administration (MPERA), our members and our retirees. The 64th Session of the Legislature adjourned on April 28th with the passage of our legislative package and no successful attacks on public pension plan funding. Thank you for advocating for our agenda and the issues important to all of us.



The August settlement of the GABA lawsuit provided certainty about annual benefit adjustments and sets a precedent for future debates on contractual rights. Congratulations to AMRPE's leadership and efforts to secure this victory.

Also in August, Governor Bullock appointed three new Trustees, and Sheena Wilson was elected Board President. We're pleased to welcome Julie McKenna (active public employee), Pepper Valdez (active public employee), and Marty Tuttle (active DC plan member) to the Board.

Another highlight of last year was the Board's approval in October of your request to restore mailing annual benefit notification to retirees. Once again, thank you for your continued support of the agency.

2016 is shaping up to be a noteworthy year as well. In January, we contracted Cavanaugh MacDonald Consulting, LLC for actuarial services and an experience study. It's exciting to work with a firm dedicated to promoting public pension plans and providing the legislative research to defend our systems. We're quickly approaching implementation of MPERA's new IT system. The employer reporting web portal will go live on May 2nd and the member/retiree service will follow in stages over the summer and fall. We also have added training and resources to our MPERA Call Center to continue improving customer service.

All of us at MPERA wish you a safe and happy 2016!

Vigilance and the 2016 Elections

by Lyle Manley

If we've learned anything over the last two legislative cycles, it is we must stay active in the election and legislative processes. It was the 2013 Montana Legislature that attempted to substantially cut our GABA. This, in turn, required AMRPE to engage in a costly and time consuming effort in and out of court to have the legislative action reversed.

We encourage members to be active in the upcoming election process by contacting and engaging candidates, especially the state legislative candidates, to determine their views on public (and other) retirement systems. It may seem too early to begin this effort, but the candidates must file for office by March of 2016, which is somehow here already. Knowing the candidates' positions before we vote in the June primary is the ideal that serves us all best. Of course, the general election is November 8, 2016, and who wins those elections is critical to the preservation of our hard-won rights.

Your financial welfare is too important to you and your family to leave to chance. Insist that your candidates support healthy public employee retirement systems. Most importantly, vote for people who support your financial security. Finally, talk to other public employees and retirees, together we make up a sizeable portion of voters in our state, and the candidates know that.

If you have any questions, comments or further ideas, please contact an AMRPE Board Member or send an email to info@amrpe.org. Our contractor is happy to forward your emails to one of us.

*The Case for Keeping AMRPE Financially Strong
and Proactive in Protecting Retiree Benefits
Let History be Our Guide*

By LEO BERRY, AMRPE Attorney



**BROWNING KALECZYC
BERRY & HOVEN P.C.**
ATTORNEYS AT LAW
Bozeman • Great Falls • Helena • Missoula

As most of you know by now, your Association successfully sued the State to prevent a reduction in the Guaranteed Annual Benefit Adjustment (“GABA”) from its current rate. Those hired prior to July 1, 2007 enjoy a 3% GABA, while those hired after that date, enjoy a 1½ % GABA upon retirement.

The fundamental basis of the lawsuit was that the retirees entered into an employment contract on the day they first went to work for the State or local government and became members of PERS. They then fulfilled their contract obligations by their years of service in anticipation of receiving the statutorily created benefit package upon retirement. Under the U.S. and Montana Constitutions, a public employer cannot just unilaterally reduce contract benefits unless they have clearly retained that authority within their law or there is such a financial crisis that the public welfare dictates that a reduction is necessary. In our case, the State did not retain the ability to reduce benefits and the same year the legislature passed the reduction in the GABA, Montana had an ending fund balance that exceeded \$500,000,000.00. In addition, investment gains in the 2012 and 2013 fiscal years were so large that the unfunded liability was diminished and in fact the fund was actuarially sound without the reduction in the GABA. As a result, if that legislation had been allowed to stand, the retirees would have paid the largest part of the monies necessary to make the fund sound, approximately \$700,000,000.00.

The well-being of the fund is dependent on continued contributions from employees and the investment earnings on the fund. It is apparent that the stock market is going to be volatile in the near future. Therefore, depending on any given point in time, the fund may be actuarially sound or it may not be. If the fund becomes actuarially unsound again, like it was following the 2008 recession, there will be pressure to reduce benefits again. Your Association will be continually monitoring the situation to protect your benefits.

The Court’s decision was a good outcome for the Association, its members and for all PERS members. It was only through the many additional contributions made to the Association that it was possible to initiate the case and to put forth the good arguments regarding your rights. I hope that you will continue to support the Association because only through a financially strong Association can you be assured that your benefits will be protected.

(Membership Renewals continued from page 1)

You continue to be informed through maintenance of the website, email blasts and newsletters – only made possible because of AMRPE’s infrastructure. Do your part and renew your membership, this is vital to the association. About 1500 members received dues notices in January. Please respond enthusiastically. You can always pay dues using the PayPal function on amrpe.org.

You are invited to attend our board meetings held on the 3rd Tuesday of **designated months** from 9:30-11:30 A.M. in the MPERA board room at 100 North Park Ave in Helena. The board determines when meetings are held and posts the next meeting date on the bottom of the first page of amrpe.org. Unless there are exigent circumstances, the board doesn’t meet in June, July or August. After all, we worked a long time to earn our summers back.



ASSOCIATION OF MONTANA
RETIRED PUBLIC EMPLOYEES
P.O. Box 603
Helena, MT 59624-0603

RETURN SERVICE REQUESTED

PERA retirees working for
PERA retiree benefits

We're on the Web at:

amrpe.org

E-mail: info@amrpe.org

Phone: 406-442-4934 - Answered by

Contractor for AMRPE:

Communication and Management

Services LLC (leave a message)

AMRPE OFFICERS , BOARD OF DIRECTORS & CONTRACT COORDINATOR
All AMRPE Board Members are Unpaid Volunteers

Mike O'Connor, President	406-461-2209	Cathy Kendall	406-442-1564
Jan Brown, Secretary	406-443-3824	John McEwen, Treasurer	406-449-8947
Patty Mott	406-933-8486	James Driggers	406-443-3837
Lyle Manley, Vice President	406-449-7011	Dale Boespflug	406-799-4232
Jim Lewis	406-449-6641	Shannon Voss, CMS Contractor	406-442-4934

Thank You To All Those Who Donated to AMRPE!
You Helped Save Our Guaranteed Annual Benefit Adjustment .

Change of Address Form: Send this in the mail or better yet, send us an email: info@amrpe.org

Name	First	MI	Last
New address			
City, State, Zip	City	State	Zip
Telephone	()	E-Mail	