



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: **HB0358: Generally revise pension laws related to the Volunteer Firefighters' Compensation Act**

Primary Sponsor: Shelly Fyant Status: As Introduced

Retirement Systems Affected    ☐ Teachers            ☐ Public Employees            ☐ Highway Patrol            ☐ Police  
☐ Sheriffs                            ☐ Firefighters            ☒ Volunteer Firefighters            ☐ Game Wardens            ☐ Judges

Has this legislation been reviewed by the legislative interim committee? **No**  
Has the cost of this legislation been calculated by the system's actuary? **Yes**  
Does this legislation include full funding for any benefit revisions? **No**

### Pension Liability

#### Public Employees Retirement Board

	July 1, 2024 Current System	July 1, 2024 With Changes	Increase/ (Decrease)
<b><u>Volunteer Firefighters</u></b>			
Present Value of Actuarial Accrued Liability	\$52,502,552	\$59,400,000	\$6,897,448
Present Value of Actuarial Assets	\$56,152,239	\$56,152,239	\$0
Unfunded Actuarial Accrued Liability (UAAL)	(\$3,649,687)	\$3,200,000	\$3,200,000
Amortization Period (years) of UAAL	0.00	2.00	2.00
Change in normal costs	0.00%	0.00%	0.00%

### Pension Contribution Rates

	FY 2024 July 1, 2023	FY2025 July1, 2024	FY 2026 July 1, 2025	FY 2027 July 1, 2026	FY2027 July 1, 2028
<b><u>Volunteer Firefighters</u></b>					
Employee Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Employer Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
State Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%

## **FISCAL SUMMARY**

<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>	<b><u>FY 2028</u></b>	<b><u>FY 2029</u></b>
<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>

**Expenditures**  
**Revenues**

<b>Net Impact</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>General Fund Balance</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact**

HB 358 increases the full monthly pension benefit for the Volunteer Firefighters' Compensation Act (VFCA) for all retirees to \$200 per month.

**FISCAL ANALYSIS****Assumptions****Public Employees Retirement Board**

1. A full pension benefit is provided to anyone who has worked 20 years of service.
  - a. HB 358 would change the full pension benefit from \$175 per month to \$200 per month for all retirees.
2. If a member continues active membership after completing 20 years the benefit would increase by \$7.50 per month for each additional year up to 30 years.
3. If a member continues to be a member after completing 30 years of credited service their benefit would be increased by \$7.50 per month for each additional year of credited service after 30 years if the pension trust fund is actuarially sound and the amortization period for any unfunded liabilities remains 20 years or less.
4. The 5% fire insurance premium tax would remain under 19-17-301, MCA.
5. This bill is effective July 1, 2025
6. All actuarial assumptions will be realized, including the investment return assumption of 7.30%. If assumptions are not met, the financial impact would change.
7. The projected funded ratio would be 100% by 6/30/2026. The table below illustrates the projected funded ratio assumptions of HB 358.

	<b>Projected Funded Ratio</b>			
	6.30.2025	6.30.2026	6.30.2027	6.30.2028
Current Law	109.95%	115.81%	121.81%	127.88%
HB 358	96.50%	100.89%	105.34%	109.79%

**Fiscal Analysis Table****Public Employees Retirement Board**

<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>

**Fiscal Impact****Expenditures****Funding of Expenditures****Revenues****Net Impact to Fund Balance (Revenue minus Funding of Expenditures)**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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Shelly R. Fyfe & 4 Feb. '25  
Sponsor's Initials Date

RD 2/3/2025  
Budget Director's Initials Date