

# Retirement Fund

**What is the purpose of the Retirement Fund?**

The Retirement Fund is used to pay the school district’s share of specific employer contributions, including social security and Medicare taxes, Teachers’ Retirement System (TRS) and Public Employees Retirement System (PERS) contributions, and state unemployment insurance. It is funded by a countywide retirement levy. This is a countywide permissive levy and does not require voter approval. Senate Bill 424, enacted by the 2003 Montana Legislature and signed into law by the Governor, requires school districts to use federal funds for employer contributions to the retirement, federal social security, and unemployment insurance systems for all employees whose salaries are paid from a federal funding source, excluding Impact Aid and employees paid from the Food Service Fund.

**Valid Expenditures:**

- Employer share Social Security and Medicare
- Employer share TRS and PERS
- Employer payment of unemployment premium

**Expenditures NOT valid:**

- Early Retirement Bonus
- Payments to Employees

**Common Coding:**

Fund: 114 Elementary Retirement  
214 High School Retirement

Program: All Program Codes except Federal Funds

Function: All Function Codes

Object Codes: 210 Social Security and Medicare  
220 Teacher’s Retirement  
230 Public Employee’s Retirement  
240 Unemployment Compensation

**Revenue Source:** 2240 County Retirement Distribution

**Reserve Limit:**

- 20% of the budget (20-9-501 (4)(a)(v), MCA)— *was 35% prior to FY14*

**History of the Retirement Fund at Gallatin Gateway School:**

Year	Adopted Budget	Total Reserves	Unreserved Fund Balance Reappropriated	Other Revenue	% of Budget Reserved
15-16	\$162,634.21	\$2,350.00	.01	\$162,634.20	1.44%
14-15	\$146,500.00	\$29,300.00	\$39,620.54	\$106,879.46	20%
13-14	\$222,138.31	\$4,1000.00	\$56,794.70	\$165,343.61	18.46%
12-13	\$160,000.00	\$56,000.00	\$41,473.25	\$118,526.75	35%
11-12	\$155,000.00	\$54,250.00	\$11,868.16	\$143,131.84	35%
10-11	\$139,190.00	\$47,716.50	\$14,221.67	\$124,968.33	35%
09-10	\$133,460.00	\$46,711.00	\$23,502.20	\$109,957.80	35%

**Developing the Budget:**

- Fund Balance re-appropriated
  - (Year End Cash Balance)
- +Non-Levy Revenues
  - Interest Earnings
  - Combined School Block Grant
  - No other non-levy revenues as this is not a local levy
- +County Retirement Distribution
  - Districts provide salary data to County Superintendent who calculates the countywide requirement
  - Non-levy revenue at the County Level
    - Oil and Gas Taxes
    - Coal Proceeds
    - School Retirement Block Grants (MCA 20-9-631)
  - Guaranteed Tax Base Aid for qualifying Counties (MCA 20-9-367)
    - Eligible if the County Retirement Mill Value per ANB is less than the corresponding Statewide Mill Value per ANB

**Other Information:**

- Distributed a minimum of 2 times per year
  - For FY16, so far we have received two distributions (December and January) for a total of \$83,136.47—we still have a remaining balance to of \$83,136.47 to be distributed.
  - Total distribution for Gallatin Gateway School for FY16 is \$162,634.20