

HOUSE BILL NO. 136

INTRODUCED BY G. CUSTER

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING FUNDING PROVISIONS FOR THE GAME WARDENS' AND PEACE OFFICERS' RETIREMENT SYSTEM; AMENDING ~~SECTION~~ SECTIONS 19-8-502 AND 19-8-504, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

SECTION 1. SECTION 19-8-502, MCA, IS AMENDED TO READ:

"19-8-502. Member's contribution. (1) (a) Each Subject to subsection (1)(b), each member's contribution is ~~10.56%~~ 11.00% of the member's compensation.

(b) The member's contribution must be reduced to 10.56% on July 1 following the board's receipt of an actuarial valuation if:

(i) the actuarial valuation determines that the period required to amortize the system's unfunded liabilities, including any benefit adjustments that will become effective after the valuation, is less than 25 years; and

(ii) reducing the member's contribution and terminating the employer's additional contribution pursuant to 19-8-504(3) would not cause the amortization period to exceed 25 years.

(2) Each employer, pursuant to section 414(h)(2) of the federal Internal Revenue Code of 1954, as amended and applicable on July 1, 1985, shall pick up and pay the contributions that would be payable by the member under subsection (1) for service rendered after June 30, 1985.

(3) The member's contributions picked up by the employer must be designated for all purposes of the retirement system as the member's contributions, except for the determination of a tax upon a distribution from the retirement system. These contributions must become part of the member's accumulated contributions but must be accounted for separately from those previously accumulated.

(4) The member's contributions picked up by the employer must be payable from the same source as is used to pay compensation to the member and must be included in the member's wages, as defined in 19-1-102, and the member's compensation as used to define the member's highest average compensation in

19-8-101. The employer shall deduct from the member's compensation an amount equal to the amount of the member's contributions picked up by the employer and remit the total of the contributions to the board."

Section 2. Section 19-8-504, MCA, is amended to read:

"19-8-504. Employer's contribution. (1) The employer shall pay as employer contributions 9% of the compensation paid to all of the employer's employees, except those properly excluded from membership.

(2) Subject to subsection (3), the employer shall contribute to the system an additional employer contribution equal to 2% of the compensation paid to all of the employer's employees, except for those employees properly excluded from membership.

(3) (a) The board shall periodically review the additional employer contribution provided for in subsection (2) and recommend adjustments to the legislature as needed to maintain the amortization schedule set by the board for payment of the system's unfunded liabilities.

(b) The employer contribution required under subsection (2) terminates on July 1 following the board's receipt of the system's actuarial valuation if:

(i) the actuarial valuation determines that the period required to amortize the system's unfunded liabilities, including adjustments made for any benefit enhancements enacted by the legislature THAT BECOME EFFECTIVE after the valuation, is less than 25 years; and

(ii) terminating the additional employer contribution required under subsection (2) would not cause the amortization period as of the most recent actuarial valuation to exceed 25 years.

(4) The department of fish, wildlife, and parks shall include in its budget and shall request for legislative appropriation an amount necessary to defray the state's portion of the costs of this section."

NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 2017.

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