

Amendments to House Bill No. 148  
1st Reading Copy

Requested by Representative William Jones

For the House State Administration Committee

Prepared by Sheri Heffelfinger  
January 31, 2005 (1:43pm)

1. Title, page 1, line 6.

**Following:** ";"

**Insert:** "REQUIRING ANNUAL ACTUARIAL VALUATIONS AND A REPORT TO  
THE LEGISLATIVE AUDIT COMMITTEE;"

2. Title, page 1, line 11.

**Following:** "SECTIONS"

**Insert:** "19-2-405,"

3. Page 1.

**Following:** line 14

**Insert:** "Section 1. Section 19-2-405, MCA, is amended to read:

"19-2-405. **Employment of actuary -- ~~biennial~~ annual**  
**investigation and valuation.** (1) The board shall retain a  
competent actuary who is an enrolled member of the American  
academy of actuaries and who is familiar with public systems of  
pensions. The actuary is the technical advisor of the board on  
matters regarding the operation of the retirement systems.

(2) The board shall require the actuary to make a ~~biennial~~  
an annual actuarial investigation into the suitability of the  
actuarial tables used by the retirement systems and an actuarial  
valuation of the assets and liabilities of each defined benefit  
plan that is a part of the retirement systems.

(3) The normal cost contribution rate, which is funded by  
required employee contributions and a portion of the required  
employer contributions to each defined benefit retirement plan,  
must be calculated as the level percentage of members' salaries  
that will actuarially fund benefits payable under a retirement  
plan as those benefits accrue in the future.

(4) (a) The unfunded liability contribution rate, which is  
entirely funded by a portion of the required employer  
contributions to the retirement plan, must be calculated as the  
level percentage of current and future defined benefit plan  
members' salaries that will amortize the unfunded actuarial  
liabilities of the retirement plan over a reasonable period of  
time, not to exceed 30 years, as determined by the board.

(b) In determining the amortization period under subsection

(4) (a) for the public employees' retirement system's defined benefit plan, the actuary shall take into account the plan choice rate contributions to be made to the defined benefit plan pursuant to 19-3-2117 and 19-21-203.

(5) The board shall require the actuary to conduct a periodic actuarial investigation into the actuarial experience of the retirement systems and plans.

(6) The board may require the actuary to conduct any valuation necessary to administer the retirement systems and the plans subject to this chapter.

(7) The most recent actuarial valuation of each of the retirement systems administered by the board must be reported to the legislative audit committee established in 5-13-201."

{ *Internal References to 19-2-405:*

19-2-303      19-2-403      19-3-2121 }"

**Renumber:** subsequent sections

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