

1 HOUSE BILL NO. 87

2 INTRODUCED BY S. DICKENSON

3 BY REQUEST OF THE STATE ADMINISTRATION AND VETERANS' AFFAIRS INTERIM COMMITTEE

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE STATE CONTRIBUTION AND TOTAL
6 CONTRIBUTIONS TO ACCOUNTS OF CERTAIN EMPLOYEES PARTICIPATING IN THE OPTIONAL
7 RETIREMENT PROGRAM; AMENDING SECTION 19-21-203, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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11 **Section 1.** Section 19-21-203, MCA, is amended to read:

12 **"19-21-203. Contributions -- supplemental and plan choice rate contributions.** The following
13 provisions apply to program participants not otherwise covered under 19-21-214:

14 (1) (a) Each program participant shall contribute an amount equal to the member's contribution required
15 under 19-20-602.

16 (b) (i) Each month, the board of regents shall calculate an amount equal to ~~4%~~ 2% of each participant's
17 earned compensation, total the amounts calculated, and certify to the state treasurer the total amount for all
18 participants combined.

19 (ii) Within 1 week of receiving notice of the certified amount, the state treasurer shall transfer the certified
20 amount from the general fund to the board of regents. Upon receipt of the amount transferred, the board [of
21 regents] shall allocate and deposit to the account of each participant the amount calculated for that participant
22 under subsection (1)(b)(i). The amounts transferred under this subsection (1)(b)(ii) are statutorily appropriated,
23 as provided in 17-7-502.

24 (c) The board of regents shall contribute an amount that, when added to the sum of the participant's
25 contribution plus the contribution made under subsection (1)(b)(ii), is equal to ~~43%~~ 14% of the participant's
26 earned compensation.

27 (2) (a) The board of regents may:

28 (i) reduce the participant's contribution rate established in subsection (1) to an amount not less than 6%
29 of the participant's earned compensation; and

30 (ii) increase the employer's contribution rate to an amount not greater than 6% of the participant's earned

1 compensation.

2 (b) Notwithstanding the supplemental contributions required under 19-20-604 and subsection (5) of this
3 section, the sum of the participant's contributions made under subsection (1)(a), the state's contributions made
4 under subsection (1)(b), and the employer's contributions made under subsection (1)(c) must remain at ~~13%~~ 14%
5 of the participant's earned compensation.

6 (3) The board of regents shall determine whether the participant's contribution is to be made by salary
7 reduction under section 403(b) of the Internal Revenue Code, 26 U.S.C. 403(b), as amended, or by employer
8 pickup under section 414(h)(2) of that code, 26 U.S.C. 414(h)(2), as amended.

9 (4) The disbursing officer of the employer or other official designated by the board of regents shall pay
10 both the participant's contribution and the appropriate portion of the board of regents' contribution to the
11 designated company or companies for the benefit of the participant.

12 (5) The board of regents shall make the supplemental contributions to the teachers' retirement system,
13 as provided in 19-20-621, to discharge the obligation incurred by the Montana university system for the past
14 service liability incurred by active, inactive, and retired members of the teachers' retirement system."
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16 NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2009.

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