

Exhibit No. 1Date 3-17-11Amendments to Senate Bill No. 129
1st Reading CopyBill No. SB 129

Requested by Senator Dave Lewis

For the Senate Finance and Claims Committee

Prepared by Rachel Weiss
March 14, 2011 (5:16pm)

1. Title, page 1, line 4.

Strike: "COMPENSATION"**Insert:** "SALARIES"

2. Title, page 1, line 5 through line 6.

Strike: "AND REDUCING COMPENSATION PAID TO CERTAIN EXISTING STATE
EMPLOYEES"

3. Title, page 1, line 6.

Following: "CIRCUMSTANCES;"**Insert:** "REDUCING THE EMPLOYER CONTRIBUTION FOR GROUP BENEFITS
FOR EMPLOYEES EARNING MORE THAN A CERTAIN AMOUNT EACH YEAR;"

4. Title, page 1, line 7.

Strike: "SECTION"**Insert:** "SECTIONS"

5. Title, page 1, line 8.

Following: "2-18-303"**Insert:** "AND 2-18-703"

6. Page 1, line 12.

Strike: "compensation"**Insert:** "salaries"

7. Page 1, line 13.

Strike: "-- rulemaking"**Strike:** "[sections 2 and 3]"**Insert:** "[section 2] and subsection (2) of this section"

8. Page 1, line 14.

Strike: "compensation"**Insert:** "a base salary"**Strike:** "200%" through "Montana"**Insert:** "\$100,000"

9. Page 1, line 15 through line 21.

Strike: subsection (2) through subsection (4) in their entirety**Insert:** "(2) An employee who is subject to this section, who is
employed by the state of Montana on [the effective date of

this act], and who receives a base salary in excess of the limitation provided in this section is not subject to the limitation in this section."

Renumber: subsequent subsections

10. Page 1, line 22.

Strike: "through 3"

Insert: "and 2"

11. Page 1, line 23.

Strike: ""Compensation""

Insert: ""Base salary""

12. Page 1, line 24.

Following: "(b)"

Insert: "(i)"

13. Page 1, line 24 through line 25.

Following: "state employee"

Strike: remainder of line 24 through line 25

Insert: ", officer, or elected official, including those employees and officers listed in 2-18-103 and 2-18-104.

(ii) The term does not include an employee or officer of the Montana university system or a judge or employee of the judicial branch."

14. Page 1, line 26 through line 28.

Strike: subsection (c) in its entirety

15. Page 1, line 30 through page 2, line 3.

Strike: section 2 in its entirety

Renumber: subsequent sections

16. Page 2, line 5.

Strike: "An"

Insert: "Subject to subsection (4), an"

17. Page 2, line 6.

Strike: "[sections 1 and 2]"

Insert: "[section 1]"

18. Page 2, line 7.

Following: "(a)"

Insert: "except as provided in subsection (1)(b),"

Strike: "or"

19. Page 2, line 8.

Following: line 7

Insert: "(b) an elected official listed in 2-16-405(1)(c),

(1)(d), (1)(e), (1)(f), or (1)(h) for an employee of the agency under the direction of that official;"

Renumber: subsequent subsections

20. Page 2, line 8.

Following: "employee of the legislative"

Strike: "branch."

Insert: "services division;

(d) the legislative finance committee for an employee of the legislative fiscal division;

(e) the legislative audit committee for an employee of the legislative audit division; and

(f) the legislative consumer committee for an employee of the office of consumer counsel."

21. Page 2, line 11 and 12.

Following: "group of employees,"

Strike: "the governor or the legislative council must"

Insert: "an entity listed in subsection (1) shall"

22. Page 2, line 13.

Strike: "governor and the legislative council"

Insert: "entities listed in subsection (1)"

23. Page 2, line 16.

Following: line 15

Insert: "(4) If an employee's base salary is in excess of \$80,000, the employer contribution for group benefits provided pursuant to 2-18-703 must be reduced by 5% for each \$1,000 of salary that the employee receives in excess of \$80,000."

24. Page 2, line 18 and 19.

Strike: "[sections 1 through 3]"

Insert: "[section 1]"

25. Page 3, line 21.

Following: line 20

Insert: "Section 3. Section 2-18-703, MCA, is amended to read:

"2-18-703. **Contributions.** (1) ~~Each~~ Except as provided in [section 2], each agency, as defined in 2-18-601, and the state compensation insurance fund shall contribute the amount specified in this section toward the group benefits cost.

(2) For employees defined in 2-18-701 and for members of the legislature, the employer contribution for group benefits is \$626 a month from January 2009 through December 2009, \$679 a month from January 2010 through December 2010, and \$733 for January 2011 and for each succeeding month. For employees of the Montana university system, the employer contribution for group benefits is \$626 a month from July 2008 through June 2009, \$679 a

month from July 2009 through June 2010, and \$733 for July 2010 and for each succeeding month. If a state employee is terminated to achieve a reduction in force, the continuation of contributions for group benefits beyond the termination date is subject to negotiation under 39-31-305. Permanent part-time, seasonal part-time, and temporary part-time employees who are regularly scheduled to work less than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not to be covered by a state-sponsored group benefit plan may not receive the state contribution. A portion of the employer contribution for group benefits may be applied to an employee's costs for participation in Part B of medicare under Title XVIII of the Social Security Act, as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

(3) For employees of elementary and high school districts, the employer's contributions may exceed but may not be less than \$10 a month.

(4) (a) For employees of political subdivisions, as defined in 2-9-101, except school districts, the employer's contributions may exceed but may not be less than \$10 a month.

(b) Subject to the public hearing requirement provided in 2-9-212(2)(b), the amount in excess of the base contribution of a local government's property tax levy for contributions for group benefits as determined in subsection (4)(c) is not subject to the mill levy calculation limitation provided for in 15-10-420.

(c) (i) Subject to subsections (4)(c)(ii) and (4)(c)(iii), the base contribution is determined by multiplying the average annual contribution for each employee on July 1, 1999, times the number of employees for whom the employer makes contributions for group benefits under 2-9-212 on July 1 of each fiscal year.

(ii) If a political subdivision did not make contributions for group benefits on or before July 1, 1999, and subsequently does so, the base contribution is determined by multiplying the average annual contribution for each employee in the first year the political subdivision provides contributions for group benefits times the number of employees for whom the employer makes contributions for group benefits under 2-9-212 on July 1 of each fiscal year.

(iii) If a political subdivision has made contributions for group benefits but has not previously levied for contributions in excess of the base contribution, the political subdivision's base is determined by multiplying the average annual contribution for each employee at the beginning of the fiscal year immediately preceding the year in which the levy will first be levied times the number of employees for whom the employer made contributions for group benefits under 2-9-212 in that fiscal year.

(5) Unused employer contributions for any state employee must be transferred to an account established for this purpose by the department of administration and upon transfer may be used to

offset losses occurring to the group of which the employee is eligible to be a member.

(6) Unused employer contributions for any government employee may be transferred to an account established for this purpose by a self-insured government and upon transfer may be used to offset losses occurring to the group of which the employee is eligible to be a member or to increase the reserves of the group.

(7) The laws prohibiting discrimination on the basis of marital status in Title 49 do not prohibit bona fide group insurance plans from providing greater or additional contributions for insurance benefits to employees with dependents than to employees without dependents or with fewer dependents."

{ Internal References to 2-18-703:

2-9-212	2-9-212	2-9-212	2-18-101
2-18-101	2-18-107	2-18-812	5-2-303
7-4-2502	15-10-420	19-3-108 *	20-15-225 *

20-15-403 ok rw 3/2}"

Renumber: subsequent sections

26. Page 3, line 22.

Strike: "through 3"

Insert: "and 2"

27. Page 3, line 23.

Strike: "through 3"

Insert: "and 2"

28. Page 4, line 5.

Strike: "compensation"

Insert: "salaries"

29. Page 4, line 6.

Strike: "compensation"

Insert: "salaries"

- END -