

## 1 HOUSE BILL NO. 134

2 INTRODUCED BY C. SQUIRES

3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

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 5 A BILL FOR AN ACT ENTITLED: "AN ACT IMPROVING THE ACTUARIAL UNFUNDED LIABILITY OF THE  
 6 GAME WARDENS' AND PEACE OFFICERS' RETIREMENT SYSTEM BY INCREASING THE TIME PERIOD  
 7 USED IN CALCULATING HIGHEST AVERAGE COMPENSATION FOR NEW HIRES AND INCREASING  
 8 EMPLOYER CONTRIBUTIONS ON ALL EMPLOYEES COVERED BY THE RETIREMENT SYSTEM;  
 9 AMENDING SECTIONS 19-8-101 AND 19-8-504, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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 13 **Section 1.** Section 19-8-101, MCA, is amended to read:  
 14 **"19-8-101. Definitions.** Unless the context requires otherwise, the following definitions apply in this  
 15 chapter:

16 (1) (a) "Compensation" means remuneration paid from funds controlled by an employer in payment for  
 17 the member's services or for time during which the member is excused from work because the member has taken  
 18 compensatory leave, sick leave, annual leave, or a leave of absence before any pretax deductions allowed by  
 19 state or federal law are made.

20 (b) Compensation does not include maintenance, allowances, and expenses.

21 (2) (a) "Highest average compensation" means ~~a member's~~:

22 (i) for members hired prior to [the effective date of this act], the highest average monthly compensation  
 23 during any 36 consecutive months of membership service;

24 (ii) for members hired on or after [the effective date of this act], the highest average monthly  
 25 compensation during any 60 consecutive months of membership service; or;

26 (iii) in the event a member has not served ~~at least 36 months~~, the minimum specified period of  
 27 membership service, the total compensation earned divided by the number of months of service.

28 (b) Lump-sum payments for severance pay, including payment for compensatory leave, sick leave, and  
 29 annual leave, paid to the member upon termination of employment may be used in the calculation of a retirement  
 30 benefit only to the extent that they are used to replace, on a month-for-month basis, the normal compensation

1 for a month or months included in the calculation of the highest average compensation. A lump-sum payment may  
2 not be added to a single month's compensation.

3 (3) "Game warden" means a state fish and game warden hired by the department of fish, wildlife, and  
4 parks and includes all warden supervisory personnel whose salaries or compensation is paid out of the  
5 department of fish, wildlife, and parks money.

6 (4) "Motor carrier officer" means an employee of the department of transportation designated or  
7 appointed as a peace officer pursuant to 61-10-154 or 61-12-201.

8 (5) "Peace officer" or "state peace officer" means a person who by virtue of the person's employment  
9 with the state is vested by law with a duty to maintain public order or make arrests for offenses while acting within  
10 the scope of the person's authority or who is charged with specific law enforcement responsibilities on behalf of  
11 the state."

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

14 **"19-8-504. Employer's contribution.** (1) The employer shall ~~pay as~~ contribute to the system the  
15 following employer contributions 9%:

16 (a) from July 1, 2011, through June 30, 2012, 10% of the compensation paid to all of the employer's  
17 employees, except those properly excluded from membership; and

18 (b) starting July 1, 2012, 11% of the compensation paid to all of the employer's employees, except those  
19 properly excluded from membership.

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

22 (3) The board shall periodically review the employer contributions and recommend adjustments to the  
23 legislature as needed to maintain the amortization schedule set by the board for payment of the system's  
24 unfunded liabilities."

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26 **NEW SECTION. Section 3. Effective date.** [This act] is effective July 1, 2011.

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