Montana Public Employee Retirement Administration
2013 Qualification Bill – HB122

Current Code Section	Proposed Change	Reason	Notes
19-2-303 p.5	Amend definition of "normal retirement age" to eliminate NRA based on service only	Internal Revenue Service requirement	Non-forfeitable benefit based on service alone still exists
19-2-405(7) pp.8-9	Add language addressing cost of each employer's actuarial study as required by GASB Statement 68	New GASB reporting requirements will come at a cost. According to Montana Constitution Art.VIII, Sec. 15, retirement trust fund money can only be used for the benefit of our members and retirees	
19-2-1001(12(e) pp.12-13	Add language including as salary differential pay for uniformed officers	IRS requirement to include differential pay in 415 limits in compensation for Defined Contribution plans	Applies to USERRA members (Uniformed Services Employment and Reemployment Rights Act)
19-2-1001(13)(a) p.13	Allow 415 limitations to apply pre and post January 1, 2009	Eliminate 415 violations that were unanticipated in 2011 legislation. Language could have been included in 2011, but was thought to be unnecessary.	
19-2-1001 (13)(d)(2)(b)(III) p. 14	Eliminate "30 year treasury rate"	Recommendation of tax counsel	26 CFR 1.417 may change source of rate used (currently uses 30 year treasury securities)
19-2-1011 p. 14-15	DC Plans, qualified DB plans and annuity contracts must all separately account for transferred amounts	Recommendation of tax counsel	Drafting error from 2011 – currently says only annuity contracts must account for transfers separately
19-2-1014 p. 16	Reference relevant section in USERRA	Recommendation of tax counsel – (401)(a)(37) references 414(u)(9), but IRS wants direct reference to 414(u)(9)	Drafting error from 2011

EXHIBIT 5
DATE 01/21/2013
HB 122

Current Code Section	Proposed Change	Reason	Notes
19-3-901 p.16 19-5-501 pp.16-17 19-6-501 p.17 19-7-501 p.17 19-8-601 pp.17-18 19-9-801 p.18 19-13-701 p.18	Amend definition of "normal retirement age" to eliminate NRA based on service only; clarify that eligibility based on age, service, or a combination are all non-forfeitable benefits	Required by IRS for Cycle C qualification approval	
19-50-104 p.19	Address NRA changes as they impact 457 catch-up	NRA changes required by IRS in order to remain qualified. Changes impact 457 plan for catch-up purposes.	**NRA in 457 Plan Doc refers to the unreduced DB benefit age (60?) for hired pre 7/1/2011 (65) for post 7/1/2011 hires