

1 SENATE BILL NO. 74

2 INTRODUCED BY M. MOE

3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING ADDITIONAL EMPLOYER CONTRIBUTIONS FOR
6 MONTANA UNIVERSITY SYSTEM EMPLOYEES WHO ARE IN POSITIONS COVERED UNDER THE PUBLIC
7 EMPLOYEES' RETIREMENT SYSTEM; AMENDING SECTION 19-21-214, MCA; AND PROVIDING AN
8 IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

11
12 **Section 1.** Section 19-21-214, MCA, is amended to read:

13 **"19-21-214. Contributions and allocations for employees in positions covered under the public**
14 **employees' retirement system.** (1) The contribution rates for employees in positions covered under the public
15 employees' retirement system who elect to become program members pursuant to 19-3-2112 are as follows:

16 (a) the member's contribution rate must be the rate provided in 19-3-315; and

17 (b) the employer's contribution rate must be the rate provided in 19-3-316.

18 (2) Subject to subsection (3) and adjustment by the public employees' retirement board as provided in
19 19-3-2121, of the employer's contribution received under 19-3-316:

20 (a) an amount equal to:

21 (i) 4.49% of compensation must be allocated to the participant's program account;

22 (ii) 2.37% of compensation must be allocated to the defined benefit plan under the public employees'
23 retirement system as the plan choice rate; and

24 (iii) 0.04% of compensation must be allocated to the education fund pursuant to 19-3-112(1)(b); ~~and~~

25 (b) on July 1, 2009, continuing until the additional employer contributions terminate pursuant to
26 19-3-316(4)(b), ~~0.27% of compensation~~ an amount equal to the percentage of compensation specified in
27 subsection (3) of this section must be allocated to the defined benefit plan to eliminate the plan choice rate
28 unfunded actuarial liability; and

29 (c) on July 1, 2013, continuing until the additional employer contributions terminate pursuant to
30 19-3-316(4)(b), an amount equal to 1% of compensation must be allocated to the defined benefit plan unfunded

1 liabilities.

2 (3) The percentage of compensation to be contributed under subsection (2)(b) is 0.27% for fiscal year
3 2014 and increases by 0.1% each fiscal year through fiscal year 2024. For fiscal years beginning after June 30,
4 2024, the percentage of compensation to be contributed under subsection (2)(b) is 1.27%.

5 ~~(3) The allocations under subsection (2) are subject to adjustment by the public employees' retirement~~
6 ~~board, but only as described in and in a manner consistent with the express provisions of 19-3-2121."~~

7

8 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

9

10 NEW SECTION. Section 3. Retroactive applicability. [This act] applies retroactively, within the
11 meaning of 1-2-109, to fiscal years beginning after June 30, 2013.

12

- END -