MAR 2-43-535

Montana Public Employees' Retirement System

11 New Rules Concerning Deferred Retirement Option Plan for members of the Highway Patrol Officers' Retirement System (HPORS) as provided by Ch. 258, L. 2015.

Ch. 258, L. 2015, sec. 5:

. . .

(2) **Each month** during the DROP period, in addition to the contributions credited under subsection (1)(b), a participant's DROP account must be credited with:

(a) the monthly benefit that would have been payable to the participant had the participant terminated employment and retired at the commencement of the DROP period, excluding any postretirement benefit adjustments that would have been applied to the benefit under part 7 of this chapter; and

(b) interest every fiscal yearend at the actuarially assumed rate of return. Proportionate interest must be credited for distributions taking place at other than a fiscal yearend.

Ch. 258, L. 2015, sec. 6:

(3) The benefit paid pursuant to this section must include interest credited to the participant's account every fiscal yearend at the actuarially assumed rate of return. Proportionate interest must be credited for distributions taking place at a time other than a fiscal yearend.

Rule: "Monthly DROP Accrual" does not include the statutory reference to monthly credits for the "interest every fiscal yearend."

- This interpretation is consistent with Ch. 258, L. 2015, sec. 6 but not with the directive that "[e]ach month during the DROP period . . . . [each] account must be credited with . . . interest every fiscal yearend" in sec. 5.