

HOUSE BILL NO. 253

INTRODUCED BY B. MCCHESENEY

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A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING GENERAL FUND AND EMPLOYER CONTRIBUTIONS TO THE UNIVERSITY SYSTEM'S OPTIONAL RETIREMENT PROGRAM; AMENDING SECTION 19-21-203, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 19-21-203, MCA, is amended to read:

"19-21-203. Contributions -- supplemental and plan choice rate contributions. The following provisions apply to program participants not otherwise covered under 19-21-214:

(1) (a) Each program participant shall contribute an amount equal to the member's contribution required under 19-20-602.

(b) (i) Each month, the board of regents shall calculate an amount equal to 4% 2% of each participant's earned compensation and total the amounts calculated.

(ii) The board of regents shall allocate and deposit to the account of each participant the amount calculated for that participant under subsection (1)(b)(i). The amounts allocated under this subsection (1)(b)(ii) to each participant whose wages or salary and benefits are paid from the current unrestricted subfund as described in 17-2-102 are statutorily appropriated, as provided in 17-7-502, to the board of regents from the general fund.

(c) The board of regents shall contribute an amount that, when added to the sum of the participant's contribution plus the contribution made under subsection (1)(b)(ii), is ~~equal to 13%~~ at least 14% of the participant's earned compensation.

(2) (a) The board of regents may:

(i) reduce the participant's contribution rate established in subsection (1) to an amount not less than 6% of the participant's earned compensation; and

(ii) increase the employer's contribution rate to an amount not greater than 6% 11% of the participant's earned compensation.

(b) Notwithstanding the supplemental contributions required under 19-20-604 and subsection (5) of this

1 section, the sum of the participant's contributions made under subsection (1)(a), the state's contributions made
2 under subsection (1)(b), and the employer's contributions made under subsection (1)(c) must ~~remain at 13%~~ be
3 at least 14% and no more than 17% of the participant's earned compensation.

4 (3) The board of regents shall determine whether the participant's contribution is to be made by salary
5 reduction under section 403(b) of the Internal Revenue Code, 26 U.S.C. 403(b), as amended, or by employer
6 pickup under section 414(h)(2) of that code, 26 U.S.C. 414(h)(2), as amended.

7 (4) The disbursing officer of the employer or other official designated by the board of regents shall pay
8 both the participant's contribution and the appropriate portion of the board of regents' contribution to the
9 designated company or companies for the benefit of the participant.

10 (5) The board of regents shall make the supplemental contributions to the teachers' retirement system,
11 as provided in 19-20-621, to discharge the obligation incurred by the Montana university system for the past
12 service liability incurred by active, inactive, and retired members of the teachers' retirement system."

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14 NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2013.

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