

## HOUSE BILL NO. 128

INTRODUCED BY G. CUSTER

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING FUNDING PROVISIONS FOR THE GAME WARDENS'  
5 AND PEACE OFFICERS' RETIREMENT SYSTEM; INCREASING EMPLOYER AND EMPLOYEE  
6 CONTRIBUTIONS; REQUIRING A REVIEW; TERMINATING THE INCREASE IF CERTAIN ACTUARIAL  
7 CONDITIONS ARE MET; AMENDING ~~SECTION~~ SECTIONS 19-8-502 AND 19-8-504, MCA; AND PROVIDING  
8 AN EFFECTIVE DATE."

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

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12 **SECTION 1. SECTION 19-8-502, MCA, IS AMENDED TO READ:**

13 **"19-8-502. Member's contribution.** (1) Each member's contribution is ~~40.56%~~ 11% of the member's  
14 compensation.

15 (2) Each employer, pursuant to section 414(h)(2) of the federal Internal Revenue Code of 1954, as  
16 amended and applicable on July 1, 1985, shall pick up and pay the contributions that would be payable by the  
17 member under subsection (1) for service rendered after June 30, 1985.

18 (3) The member's contributions picked up by the employer must be designated for all purposes of the  
19 retirement system as the member's contributions, except for the determination of a tax upon a distribution from  
20 the retirement system. These contributions must become part of the member's accumulated contributions but  
21 must be accounted for separately from those previously accumulated.

22 (4) The member's contributions picked up by the employer must be payable from the same source as  
23 is used to pay compensation to the member and must be included in the member's wages, as defined in  
24 19-1-102, and the member's compensation as used to define the member's highest average compensation in  
25 19-8-101. The employer shall deduct from the member's compensation an amount equal to the amount of the  
26 member's contributions picked up by the employer and remit the total of the contributions to the board."

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

29 **"19-8-504. Employer's contribution.** (1) The employer shall pay as employer contributions 9% of the  
30 compensation paid to all of the employer's employees, except those properly excluded from membership.

1           (2) Subject to subsection (3), the employer shall contribute to the retirement system an additional  
2 employer contribution equal to 2% of the compensation paid to all of the employer's employees, except for those  
3 employees properly excluded from membership.

4           (3) (a) The board shall periodically review the additional employer contribution provided for under  
5 subsection (2) and recommend adjustments to the legislature as needed to maintain the amortization schedule  
6 set by the board for payment of the system's unfunded liabilities.

7           (b) The employer contribution required under subsection (2) terminates on July 1 following the board's  
8 receipt of the system's actuarial valuation if:

9           (i) the actuarial valuation determines that the period required to amortize the system's unfunded liabilities,  
10 including adjustments made for any benefit enhancements enacted by the legislature after the valuation, is less  
11 than 25 years; and

12           (ii) terminating the additional employer contribution required under subsection (2) would not cause the  
13 amortization period as of the most recent actuarial valuation to exceed 25 years.

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

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17           NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 2019.

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