

1 _____ BILL NO. _____

2 INTRODUCED BY _____
(Primary Sponsor)

3 BY REQUEST OF THE GOVERNOR

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5 A BILL FOR AN ACT ENTITLED: "AN ACT TEMPORARILY SUSPENDING EMPLOYER CONTRIBUTIONS
6 TO THE JUDGES' RETIREMENT SYSTEM; PERMANENTLY REVISING THE EMPLOYER CONTRIBUTION
7 RATE TO REDUCE THE SYSTEM'S FUNDING SURPLUS; ESTABLISHING A CONTINGENCY FOR THE
8 REDUCTION; AMENDING SECTION 19-5-404, MCA; AND PROVIDING AN EFFECTIVE DATE AND A
9 TERMINATION DATE."

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

12

13 **Section 1.** Section 19-5-404, MCA, is amended to read:

14 **"19-5-404. State employer contribution.** (1) ~~Except Beginning July 1, 2023, and except~~ as provided
15 in ~~subsection (2) subsections (2) and (3),~~ the state shall pay as employer contributions ~~25.81%~~ 14.0% of the
16 compensation paid to all of the employer's employees, except those properly excluded from membership.

17 (2) ~~The~~ Beginning July 1, 2023, and except as provided in subsection (3), the state shall contribute
18 monthly from the natural resources operations state special revenue account, established in 15-38-301, to the
19 judges' pension trust fund an amount equal to ~~25.81%~~ 14.0% of the compensation paid to the chief water court
20 judge. The judiciary shall include in its budget and shall request for legislative appropriation an amount
21 necessary to defray the state's portion of the costs of this section.

22 (3) If, based on the most recently available actuarial study for the judges' retirement system, the
23 funded ratio of the plan drops below 120% funded, the employer contribution rates in subsections (1) and (2)
24 must be increased to 25.81%.

25 (4) For the first full pay period of July 2021 through the last full pay period ending June 2023, and
26 except as provided in subsection (5), the state shall pay as employer contributions 0% of the compensation
27 paid to all of the employer's employees, except those properly excluded from membership.

28 (5) For the first full pay period of July 2021 through the last full pay period ending June 2023, the state

1 shall contribute monthly from the natural resources operations state special revenue account, established in 15-
2 38-301, to the judges' pension trust fund an amount equal to 0% of the compensation paid to the chief water
3 court judge. The judiciary shall include in its budget and shall request for legislative appropriation an amount
4 necessary to defray the state's portion of the costs of this section."

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6 NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 2021.

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8 NEW SECTION. Section 3. Termination. [Section 1(4) and (5)] terminates at the end of the last full
9 pay period ending June 2023.

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- END -