

1 _____ BILL NO. _____

2 INTRODUCED BY _____
(Primary Sponsor)

3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING FUNDING FOR THE SHERIFFS' RETIREMENT
6 SYSTEM TO ENSURE ACTUARIAL SOUNDNESS; INCREASING THE EMPLOYER CONTRIBUTION RATE;
7 AMENDING SECTION 19-7-404, MCA; AND PROVIDING AN EFFECTIVE DATE."

8

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

10

11 **Section 1.** Section 19-7-404, MCA, is amended to read:

12 **"19-7-404. Employer contributions.** (1) Each employer shall pay ~~9.535%~~ 11.265% of the
13 compensation paid to all of the employer's employees plus any additional contribution under subsection (3),
14 except for those employees properly excluded from membership.

15 (2) (a) If the required contributions under subsections (1) and (3)(a) exceed the funds available to
16 a county from general revenue sources, a county may, subject to 15-10-420, budget, levy, and collect annually
17 a tax on the taxable value of all taxable property within the county that is sufficient to raise the amount of
18 revenue needed to meet the county's obligation.

19 (b) (i) A county may impose a mill levy to fund the employer contribution required under subsection
20 (3)(b). The mill levy is not subject to 15-10-420(1) or to approval at an election under 15-10-425.

21 (ii) Each year prior to implementing a levy under subsection (2)(b)(i), after notice of the hearing
22 given under 7-1-2121, a public hearing must be held regarding any proposed increase.

23 (iii) If a levy pursuant to this subsection (2)(b) is decreased or ceases to be levied, the revenue
24 may not be combined with the revenue determined in 15-10-420(1)(a).

25 (3) Subject to subsection (4), each employer shall contribute to the system additional employer
26 contributions equal to:

27 (a) 0.58% of the compensation paid to all of the employer's employees, except for those
28 employees properly excluded from membership; and

1 (b) 3% of the compensation paid to all of the employer's employees, except for those employees
2 properly excluded from membership.

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

6 (b) The employer contributions required under subsection (3) terminate on July 1 following the
7 board's receipt of the system's actuarial valuation if:

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

11 (ii) terminating the additional employer contributions and reducing the member contributions
12 pursuant to 19-7-403(1)(b) would not cause the amortization period to exceed 25 years."

13

14 NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 2023.

15

- END -