

SENATE BILL NO. 3

INTRODUCED BY R. OSMUNDSON

BY REQUEST OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE GOVERNOR TO DIRECT A STATE AGENCY TO SUSPEND THE EMPLOYER CONTRIBUTION FOR STATE EMPLOYEE GROUP BENEFITS; AMENDING SECTIONS 2-18-703 AND 7-4-2502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

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

Section 1. Section 2-18-703, MCA, is amended to read:

"2-18-703. Contributions. (1) Each Except as provided in subsection (2)(b), each agency, as defined in 2-18-601, and the state compensation insurance fund shall contribute the amount specified in this section toward the group benefits cost.

(2) (a) ~~For~~ Except as provided in subsection (2)(b), for employees defined in 2-18-701 and for members of the legislature, the employer contribution for group benefits is \$1,054 a month from January 2017 through December 2019.

(b) The governor may direct a state agency to suspend the employer contribution for state employee group benefits described in subsections (1) and (2)(a) for a period of up to 2 months. General fund appropriation authority for a state agency that would otherwise be used to pay the suspended employer contributions must remain unspent on the statewide accounting system.

(c) (i) Except as provided in subsection (2)(c)(ii), for the purposes of this subsection (2), "state agency" means a state entity that pays the employer contribution for state employee group benefits.

(ii) The term does not include the Montana university system.

~~(b)(d)~~ For employees defined in 2-18-701 and for members of the legislature, beginning January 2020 and for each succeeding month, the cost of group benefits, including both the employer and employee contributions for group benefits and health flexible spending accounts, may not exceed the monthly amount for self-only coverage and coverage other than self-only that will trigger the excise tax under 26 U.S.C. 4980I, including any cost-of-living adjustments under 26 U.S.C. 4980I. This section limits contributions for group benefits

1 only to the extent needed to avoid triggering the excise tax under 26 U.S.C. 4980I.

2 ~~(e)~~(e) For employees of the Montana university system, the employer contribution for group benefits is
3 \$1,054 a month from July 2016 through the earlier of:

4 (i) June 2020; or

5 (ii) the month before the first month in which the excise tax under 26 U.S.C. 4980I applies.

6 ~~(f)~~(f) For employees of the Montana university system, beginning the earlier of July 2020 or the first
7 month in 2020 in which the excise tax under 26 U.S.C. 4980I applies, and for each succeeding month, the cost
8 of group benefits, including both the employer and employee contributions for group benefits and health flexible
9 spending accounts, may not exceed the monthly amount for self-only coverage and coverage other than self-only
10 that will trigger the excise tax under 26 U.S.C. 4980I, including any cost-of-living adjustments under 26 U.S.C.
11 4980I. This section limits contributions for group benefits only to the extent needed to avoid triggering the excise
12 tax under 26 U.S.C. 4980I.

13 ~~(e)~~(g) (i) If a state employee is terminated to achieve a reduction in force, the continuation of
14 contributions for group benefits beyond the termination date is subject to negotiation under 39-31-305 and to the
15 protections of 2-18-1205. Permanent part-time, seasonal part-time, and temporary part-time employees who are
16 regularly scheduled to work less than 20 hours a week are not eligible for the group benefit contribution. An
17 employee who elects not to be covered by a state-sponsored group benefit plan may not receive the state
18 contribution. A portion of the employer contribution for group benefits may be applied to an employee's costs for
19 participation in Part B of medicare under Title XVIII of the Social Security Act, as amended, if the state group
20 benefit plan is the secondary payer and medicare the primary payer.

21 (ii) Payments required under this subsection (2)(g) may be suspended if a state agency is directed to
22 suspend the employer contribution for the state employee group benefit plan pursuant to subsection (2)(b).

23 (3) For employees of elementary and high school districts, the employer's contributions may exceed but
24 may not be less than \$10 a month.

25 (4) (a) For employees of political subdivisions, as defined in 2-9-101, except school districts, the
26 employer's contributions may exceed but may not be less than \$10 a month.

27 (b) Subject to the public hearing requirement provided in 2-9-212(2)(b), the amount in excess of the base
28 contribution of a local government's property tax levy for contributions for group benefits as determined in
29 subsection (4)(c) is not subject to the mill levy calculation limitation provided for in 15-10-420.

30 (c) (i) Subject to subsections (4)(c)(ii) and (4)(c)(iii), the base contribution is determined by multiplying

1 the average annual contribution for each employee on July 1, 1999, times the number of employees for whom
2 the employer makes contributions for group benefits under 2-9-212 on July 1 of each fiscal year.

3 (ii) If a political subdivision did not make contributions for group benefits on or before July 1, 1999, and
4 subsequently does so, the base contribution is determined by multiplying the average annual contribution for each
5 employee in the first year the political subdivision provides contributions for group benefits times the number of
6 employees for whom the employer makes contributions for group benefits under 2-9-212 on July 1 of each fiscal
7 year.

8 (iii) If a political subdivision has made contributions for group benefits but has not previously levied for
9 contributions in excess of the base contribution, the political subdivision's base is determined by multiplying the
10 average annual contribution for each employee at the beginning of the fiscal year immediately preceding the year
11 in which the levy will first be levied times the number of employees for whom the employer made contributions
12 for group benefits under 2-9-212 in that fiscal year.

13 (5) Unused employer contributions for any state employee must be transferred to an account established
14 for this purpose by the department of administration and upon transfer may be used to offset losses occurring
15 to the group of which the employee is eligible to be a member.

16 (6) ~~Unused~~ Except as provided in subsection (2)(b), unused employer contributions for any government
17 employee may be transferred to an account established for this purpose by a self-insured government and upon
18 transfer may be used to offset losses occurring to the group of which the employee is eligible to be a member
19 or to increase the reserves of the group.

20 (7) The laws prohibiting discrimination on the basis of marital status in Title 49 do not prohibit bona fide
21 group insurance plans from providing greater or additional contributions for insurance benefits to employees with
22 dependents than to employees without dependents or with fewer dependents."

23

24 **Section 2.** Section 7-4-2502, MCA, is amended to read:

25 **"7-4-2502. Payment of salaries of county officials and assistants -- state share for county attorney**
26 **-- statutory appropriation.** (1) The salaries of the county officers and their assistants may be paid monthly, twice
27 monthly, or every 2 weeks out of the general fund of the county and upon the order of the board of county
28 commissioners.

29 (2) The funding for the salary and health insurance benefits for the county attorney is a shared
30 responsibility of the state and the county. The state's share is payable as provided in subsection (3).

1 (3) (a) For each fiscal year, the department of justice shall pay to each county and consolidated
2 government the amount calculated under subsection (3)(b). Payments must be made quarterly.

3 (b) (i) For each county and consolidated government with a full-time county attorney, the amount paid
4 each fiscal year must be equal to 50% of 85% of a district court judge's salary most recently set under 3-5-211
5 plus an amount equal to 50% of the employer contribution for group benefits under 2-18-703(2) for an employee
6 as defined in 2-18-701.

7 (ii) For each county and consolidated government with a part-time county attorney, the total amount paid
8 each fiscal year must be equal to the amount calculated under subsection (3)(b)(i) prorated according to the
9 position's regular work hours.

10 (iii) The payments required under subsection (3)(b)(i) are not affected if the governor directs a state
11 agency not to pay the employer contribution for employee group benefits as allowed in 2-18-703(2)(b).

12 (c) For the purpose of this subsection (3), the following definitions apply:

13 (i) "Full-time county attorney" means that as of July 1 immediately preceding the regular legislative
14 session, the county attorney position has been established as a full-time position pursuant to 7-4-2706.

15 (ii) "Part-time county attorney" means that as of July 1 immediately preceding the regular legislative
16 session, the county attorney position has been established as a part-time position pursuant to 7-4-2706.

17 (iii) "Salary" means wage plus the employer contributions required for retirement, workers' compensation
18 insurance, and the Federal Insurance Contributions Act as determined for a district court judge.

19 (4) The amount to be paid to each county pursuant to subsection (3) is statutorily appropriated, as
20 provided in 17-7-502, from the general fund to the department of justice.

21 (5) The board may, under limitations and restrictions prescribed by law, fix the compensation of all county
22 officers not otherwise fixed by law and provide for the payment of the compensation and may, for all or the
23 remainder of each fiscal year, in conjunction with setting salaries for other officers as provided in 7-4-2504, set
24 their salaries at the prior fiscal year level."
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26 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

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28 NEW SECTION. Section 4. Termination. [This act] terminates June 30, 2019.

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