

**Montana Public Employees' Retirement Board**  
**Table of General Revisions Legislation for 2019**  
**Last updated 08/10/2018**

Code Section	Proposed Change	Reason	Notes
19-2-406(5)	Convert disability benefit to service benefit at NRA – amend to allow conversion when age is met rather than age and service.	Those that haven't hit the years of service mark when they become disabled will not ever hit the years of service mark, so they will convert at the specified age.	IRS Private Letter Ruling Supports
19-2-303(35)	Amend definition of "normal retirement age" to clarify that it is based on age or both age and service.		
19-2-902(4)	Pay the entire benefit for month of death rather than providing a prorated benefit. Amend (4) to reflect that if benefit recipient lives at least one day of the month, the full benefit payment will be made to the designated beneficiary.	Too much time and resources spent attempting to recover payouts after death.	
19-2-907	Amend last sentence of (7): "The alternate payee's rights and interests <u>may</u> survive the alternate payee's death and may be transferred by inheritance" unless the FLO provides otherwise.	Clarify options available when alternate payee dies prior to member.	Consistent with federal law and current practice.
19-2-908	Clarify 19-2-908 (4); GABA eligibility on January 1 must be after 12 separate monthly payments.	Some members believe they are entitled to GABA if they have received the equivalent of 12 benefit payments in a year rather than 12 separate payments.	Current Practice
19-3-1106 19-6-part 11 19-7-part 11 19-8-part 12 19-9-part 13 19-13-part 11	1. Treat working retirees age 70.5 or older for any system the same as currently treated in PERS – not subject to hours and earnings limits but reported as NCEs.  2. Apply 90 day return to work requirement in PERS(19-3-1106) to all systems now that they all have working retirees (except JRS)	PERIS designed this way after 2017 legislature Consistency amongst systems.	
19-3-1210 & - 1501 19-5-701 & - 802 19-7-503 & - 1001 19-8-801 & - 1002	Add language stating no accumulated contributions are paid out upon the death of the contingent annuitant.	Pay out applies only to option 1s with remaining accumulated contributions.	Actuary assumes this is the current process.

Code Section	Proposed Change	Reason	Notes
<b>19-3-2114</b>	Revise specified transfer rate from 7.75% to the actuarially assumed interest rate, which is 7.65%.	If we don't generically update, MPERA will continue to pay what is now a different rate for transfers than any new assumed interest rate adopted following actuary valuations or experience studies.	
<b>19-3-2121</b>	Allow in-service rollouts of \$ that has been rolled in. Consistent with February 2018 amendment to plan document.	Plan Document was amended to allow this distribution after question was raised by Empower.	Consistent with federal law.
<b>19-3-2122(6)</b>	Amend to reflect that the default fund is a fund considered by the IRS to be a QDIA (Qualified Default Investment Alternative)	Default in both 401(a) and 457(b) is currently target date funds, which are a type of balanced fund and are recognized as a QDIA.	Draft generic language rather than using "target date fund" in the event default fund changes in the future.
<b>19-3-2141</b>	Add reference to 19-3-1103 in part 21 to make clear that DC disabilities are subject to DB earnings limitation	We are applying limit to DC members.	Current practice