



**Montana Legislative Services Division**  
**Legal Services Office**

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**TO:** State Administration and Veterans' Affairs Interim Committee

**FROM:** K. Virginia Aldrich

**DATE:** March 1, 2022

**RE:** Legislative Administrative Rule Review Report

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Pursuant to 5-5-228, MCA, the State Administration and Veterans' Affairs Interim Committee is responsible for reviewing administrative rules within its jurisdiction. Staff for the State Administration and Veterans' Affairs Interim Committee has prepared this report for informational purposes only. This report does not represent any action or opinion of the State Administration and Veterans' Affairs Interim Committee and does not preclude additional action that may be taken by the State Administration and Veterans' Affairs Interim Committee pursuant to its authority under the Montana Administrative Procedure Act (Title 2, chapter 4, MCA).

**MAR NOTICE NUMBER:** 2-43-622

**AGENCY/BOARD:** Montana Public Employees' Retirement Board

**RULE CLASSIFICATION:** (e.g., substantive/interpretive/emergency/temporary): Substantive

**SUBJECT:** Defined Contribution Retirement Plan Investment Policy Statement and Montana Fixed Fund Investment Policy Statement, 457(b) Deferred Compensation Plan Investment Policy Statement and Montana Fixed Fund Investment Policy Statement

**NOTICE DESCRIPTION:** (e.g., proposal notice/adoption notice): Notice of Proposed Amendment

**SUMMARY OF RULE(S):**

The Public Employees' Retirement Board proposes to amend two rules concerning policy statements for the Defined Contribution Retirement Plan and the 457(b) Deferred Compensation Plan. The policy statements are reviewed and updated on an annual basis, and the updates are adopted by reference in rule.

The proposed revisions to the State of Montana Investment Policy Statement for the 457(b) Deferred Compensation Plan explicitly specify that actively managed investment alternative expectations will apply to target date funds, refine definitions and cross references, and update grammar.

The proposed revisions to the State of Montana Investment Policy Statement for the 401(a) Defined Contribution Retirement Plan include the socially responsible fund as an additional category in which the Board expects to offer investment alternatives, including active and/or passive fund management. In addition, the revisions explicitly specify that actively managed investment alternative expectations will apply to target date funds, refine definitions and cross references, and update grammar.

The proposed revisions to the Montana Fixed Fund Investment Policy Statement (applicable to both the investment of defined contribution and deferred compensation assets in the stable value group trust) update references from Barclays to Bloomberg throughout (including sector allocation categories and index names), update acronyms, and provide additional federal law cross references.

**NOTES:** A public hearing is not contemplated. The public comment period ends on March 25, 2022.

**FULL TEXT OF NOTICE:** The full text of the proposal notice and the amended proposal may be found online at [https://rules.mt.gov/gateway/Cycle\\_Home.asp?CID=3414](https://rules.mt.gov/gateway/Cycle_Home.asp?CID=3414).