

HOUSE BILL NO. 107

INTRODUCED BY R. COOK

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE ALLOCATION OF EMPLOYER CONTRIBUTIONS IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; REALLOCATING CERTAIN EMPLOYER CONTRIBUTIONS FROM THE SYSTEM'S DEFINED BENEFIT PLAN TO MEMBER ACCOUNTS IN THE SYSTEM'S DEFINED CONTRIBUTION PLAN; STRIKING THE ALLOCATION OF TEMPORARY CONTRIBUTIONS TO THE DEFINED CONTRIBUTION PLAN DISABILITY FUND; ELIMINATING A PROVISION REQUIRING THE PUBLIC EMPLOYEES' RETIREMENT BOARD TO ACTUARIALLY ADJUST CERTAIN CONTRIBUTIONS BETWEEN THE SYSTEM'S DEFINED BENEFIT PLAN AND THE SYSTEM'S DEFINED CONTRIBUTION PLAN; REALLOCATING A TEMPORARY EMPLOYER CONTRIBUTION FROM PAYING GENERAL LIABILITIES TO PAYING PLAN CHOICE RATE LIABILITIES AND THEN DIRECTING THE CONTRIBUTION TO MEMBER ACCOUNTS; AMENDING SECTIONS 19-2-303, 19-2-407, 19-3-2117, AND 19-21-214, MCA; ~~AND~~ REPEALING SECTION 19-3-2121, MCA; AND PROVIDING AN EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

WHEREAS, employer contributions equal to 2.37% of compensation for covered members in the Public Employees' Retirement System Defined Contribution Retirement Plan (PERS-DCRP) and the Montana University System Retirement Program (MUS-RP) are statutorily allocated to the Public Employees' Retirement System Defined Benefit Retirement Plan (PERS-DBRP) as the plan choice rate; and

WHEREAS, additional employer contributions equal to 0.37% of a member's compensation are also allocated to the plan choice rate and this percentage will increase by 0.1% each year through 2024; and

WHEREAS, the plan choice rate was established to pay the portion of the PERS-DBRP unfunded actuarial liabilities associated with PERS members who elected to join the PERS-DCRP rather than the PERS-DBRP plan and also to pay for any increase to the normal cost of benefits in the PERS-DBRP resulting from PERS members selecting the PERS-DCRP; and

WHEREAS, section 19-3-2121, MCA, requires that the plan choice rate be adjusted if it is actuarially determined to be too high or too low to pay off the associated unfunded actuarial liabilities within an established timeframe and if there is an actual change in the normal cost of benefits in the PERS-DBRP resulting from PERS

1 members selecting the PERS-DCRP; and

2 WHEREAS, the normal cost of benefits in the PERS-DBRP has never significantly changed because of
3 PERS members selecting the PERS-DCRP; and

4 WHEREAS, the Public Employees' Retirement Board's actuary determined that as of June 30, 2014, the
5 unfunded actuarial liability associated with the plan choice rate is \$5,903,188, and is estimated to be fully paid
6 off within the next 2 to 3 years; ~~and~~

7 ~~WHEREAS, the Board finds that it is appropriate to reallocate the plan choice rate contributions to the~~
8 ~~individual retirement accounts of covered members of the PERS-DCRP and MUS-RP starting on January 1 the~~
9 ~~year after the actuary determines that the plan choice rate unfunded actuarial liability is paid off and to repeal~~
10 ~~section 19-3-2121, MCA, concerning adjustments to the plan choice rate.~~

11

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

13

14 **Section 1.** Section 19-2-303, MCA, is amended to read:

15 **"19-2-303. Definitions.** Unless the context requires otherwise, for each of the retirement systems
16 subject to this chapter, the following definitions apply:

17 (1) "Accumulated contributions" means the sum of all the regular and any additional contributions made
18 by a member in a defined benefit plan, together with the regular interest on the contributions.

19 (2) "Active member" means a member who is a paid employee of an employer, is making the required
20 contributions, and is properly reported to the board for the most current reporting period.

21 (3) "Actuarial cost" means the amount determined by the board in a uniform and nondiscriminatory
22 manner to represent the present value of the benefits to be derived from the additional service to be credited
23 based on the most recent actuarial valuation for the system and the age, years until retirement, and current salary
24 of the member.

25 (4) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of the mortality
26 table and interest rate assumptions adopted by the board.

27 (5) "Actuarial liabilities" means the excess of the present value of all benefits payable under a defined
28 benefit retirement plan over the present value of future normal costs in that retirement plan.

29 (6) "Actuary" means the actuary retained by the board in accordance with 19-2-405.

30 (7) "Additional contributions" means contributions made by a member of a defined benefit plan to

1 purchase various types of optional service credit as allowed by the applicable retirement plan.

2 (8) "Annuity" means:

3 (a) in the case of a defined benefit plan, equal and fixed payments for life that are the actuarial equivalent
4 of a lump-sum payment under a retirement plan and as such are not benefits paid by a retirement plan and are
5 not subject to periodic or one-time increases; or

6 (b) in the case of the defined contribution plan, a payment of a fixed sum of money at regular intervals.

7 (9) "Banked holiday time" means the hours reported for work performed on a holiday that the employee
8 may use for equivalent time off or that may be paid to the employee as specified by the employer's policy.

9 (10) "Benefit" means:

10 (a) the service retirement benefit, early retirement benefit, or disability retirement or survivorship benefit
11 payment provided by a defined benefit retirement plan; or

12 (b) a payment or distribution under the defined contribution retirement plan, including a disability payment
13 under 19-3-2141, for the exclusive benefit of a plan member or the member's beneficiary or an annuity purchased
14 under 19-3-2124.

15 (11) "Board" means the public employees' retirement board provided for in 2-15-1009.

16 (12) "Contingent annuitant" means:

17 (a) under option 2 or 3 provided for in 19-3-1501, one natural person designated to receive a continuing
18 monthly benefit after the death of a retired member; or

19 (b) under option 4 provided for in 19-3-1501, a natural person, charitable organization, estate, or trust
20 that may receive a continuing monthly benefit after the death of a retired member.

21 (13) "Covered employment" means employment in a covered position.

22 (14) "Covered position" means a position in which the employee must be a member of the retirement
23 system except as otherwise provided by law.

24 (15) "Defined benefit retirement plan" or "defined benefit plan" means a plan within the retirement
25 systems provided for pursuant to 19-2-302 that is not the defined contribution retirement plan.

26 (16) "Defined contribution retirement plan" or "defined contribution plan" means the plan within the public
27 employees' retirement system established in 19-3-103 that is provided for in chapter 3, part 21, of this title and
28 that is not a defined benefit plan.

29 (17) "Department" means the department of administration.

30 (18) "Designated beneficiary" means the person, charitable organization, estate, or trust for the benefit

1 of a natural person designated by a member or payment recipient to receive any survivorship benefits, lump-sum
2 payments, or benefit from a retirement account upon the death of the member or payment recipient, including
3 annuities derived from the benefits or payments.

4 (19) "Direct rollover" means a payment by the retirement plan to the eligible retirement plan specified by
5 the distributee or a payment from an eligible retirement plan to the retirement plan specified by the distributee.

6 (20) "Disability" or "disabled" means a total inability of the member to perform the member's duties by
7 reason of physical or mental incapacity. The disability must be incurred while the member is an active member
8 and must be one of permanent duration or of extended and uncertain duration, as determined by the board on
9 the basis of competent medical opinion.

10 (21) "Distributee" means:

11 (a) a member;

12 (b) a member's surviving spouse;

13 (c) a member's spouse or former spouse who is the alternate payee under a family law order as defined
14 in 19-2-907; or

15 (d) effective January 1, 2007, a member's nonspouse beneficiary who is a designated beneficiary as
16 defined by section 401(a)(9)(E) of the Internal Revenue Code, 26 U.S.C. 401(a)(9)(E).

17 (22) "Early retirement benefit" means the retirement benefit payable to a member following early
18 retirement and is the actuarial equivalent of the accrued portion of the member's service retirement benefit.

19 (23) "Eligible retirement plan" means any of the following that accepts the distributee's eligible rollover
20 distribution:

21 (a) an individual retirement account described in section 408(a) of the Internal Revenue Code, 26 U.S.C.
22 408(a);

23 (b) an individual retirement annuity described in section 408(b) of the Internal Revenue Code, 26 U.S.C.
24 408(b);

25 (c) an annuity plan described in section 403(a) of the Internal Revenue Code, 26 U.S.C. 403(a);

26 (d) a qualified trust described in section 401(a) of the Internal Revenue Code, 26 U.S.C. 401(a);

27 (e) effective January 1, 2002, an annuity contract described in section 403(b) of the Internal Revenue
28 Code, 26 U.S.C. 403(b);

29 (f) effective January 1, 2002, a plan eligible under section 457(b) of the Internal Revenue Code, 26
30 U.S.C. 457(b), that is maintained by a state, a political subdivision of a state, or any agency or instrumentality of

1 a state or a political subdivision of a state that agrees to separately account for amounts transferred into that plan
2 from a plan under this title; or

3 (g) effective January 1, 2008, a Roth IRA described in section 408A of the Internal Revenue Code, 26
4 U.S.C. 408A.

5 (24) "Eligible rollover distribution":

6 (a) means any distribution of all or any portion of the balance from a retirement plan to the credit of the
7 distributee, as provided in 19-2-1011;

8 (b) effective January 1, 2002, includes a distribution to a surviving spouse or to a spouse or former
9 spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Internal
10 Revenue Code, 26 U.S.C. 414(p).

11 (25) "Employee" means a person who is employed by an employer in any capacity and whose salary is
12 being paid by the employer or a person for whom an interlocal governmental entity is responsible for paying
13 retirement contributions pursuant to 7-11-105.

14 (26) "Employer" means a governmental agency participating in a retirement system enumerated in
15 19-2-302 on behalf of its eligible employees. The term includes an interlocal governmental entity identified as
16 responsible for paying retirement contributions pursuant to 7-11-105.

17 (27) "Essential elements of the position" means fundamental job duties. An element may be considered
18 essential because of but not limited to the following factors:

19 (a) the position exists to perform the element;

20 (b) there are a limited number of employees to perform the element; or

21 (c) the element is highly specialized.

22 (28) "Excess earnings" means the difference, if any, between reported compensation and the limits
23 provided in 19-2-1005(2) used to calculate a member's highest average compensation or final average
24 compensation.

25 (29) "Fiscal year" means a plan year, which is any year commencing with July 1 and ending the following
26 June 30.

27 (30) "Inactive member" means a member who terminates service and does not retire or take a refund of
28 the member's accumulated contributions.

29 (31) "Internal Revenue Code" has the meaning provided in 15-30-2101.

30 (32) "Member" means either:

1 (a) a person with accumulated contributions and service credited with a defined benefit retirement plan
2 or receiving a retirement benefit on account of the person's previous service credited in a retirement system; or

3 (b) a person with a retirement account in the defined contribution plan.

4 (33) "Membership service" means the periods of service that are used to determine eligibility for
5 retirement or other benefits.

6 (34) (a) "Normal cost" or "future normal cost" means an amount calculated under an actuarial cost
7 method required to fund accruing benefits for members of a defined benefit retirement plan during any year in
8 the future.

9 (b) Normal cost does not include any portion of the supplemental costs of a retirement plan.

10 (35) "Normal retirement age" means the age at which a member is eligible to immediately receive a
11 retirement benefit based on the member's age or both age and length of service, as specified under the member's
12 retirement system, without disability and without an actuarial or similar reduction in the benefit.

13 (36) "Pension" means benefit payments for life derived from contributions to a retirement plan made from
14 state- or employer-controlled funds.

15 (37) "Pension trust fund" means a fund established to hold the contributions, income, and assets of a
16 retirement system or plan in public trust.

17 (38) "Plan choice rate" means the amount of the employer contribution as a percentage of payroll covered
18 by the defined contribution plan members that is allocated to the public employees' retirement system's defined
19 benefit plan pursuant to 19-3-2117 ~~and that is adjusted by the board pursuant to 19-3-2121~~ to actuarially fund
20 the unfunded liabilities and the normal cost rate changes in a defined benefit plan resulting from member
21 selection of the defined contribution plan.

22 (39) "Regular contributions" means contributions required from members under a retirement plan.

23 (40) "Regular interest" means interest at rates set from time to time by the board.

24 (41) "Retirement" or "retired" means the status of a member who has:

25 (a) terminated from service; and

26 (b) received and accepted a retirement benefit from a retirement plan.

27 (42) "Retirement account" means an individual account within the defined contribution retirement plan
28 for the deposit of employer and member contributions and other assets for the exclusive benefit of a member of
29 the defined contribution plan or the member's beneficiary.

30 (43) "Retirement benefit" means:

1 (a) in the case of a defined benefit plan, the periodic benefit payable as a result of service retirement,
2 early retirement, or disability retirement under a defined benefit plan of a retirement system. With respect to a
3 defined benefit plan, the term does not mean an annuity.

4 (b) in the case of the defined contribution plan, a benefit as defined in subsection (10)(b).

5 (44) "Retirement plan" or "plan" means either a defined benefit plan or a defined contribution plan under
6 one of the public employee retirement systems enumerated in 19-2-302.

7 (45) "Retirement system" or "system" means one of the public employee retirement systems enumerated
8 in 19-2-302.

9 (46) "Service" means employment of an employee in a position covered by a retirement system.

10 (47) "Service credit" means the periods of time for which the required contributions have been made to
11 a retirement plan and that are used to calculate retirement benefits or survivorship benefits under a defined
12 benefit retirement plan.

13 (48) "Service retirement benefit" means the retirement benefit that the member may receive at normal
14 retirement age.

15 (49) "Statutory beneficiary" means the surviving spouse or dependent child or children of a member of
16 the highway patrol officers', municipal police officers', or firefighters' unified retirement system who are statutorily
17 designated to receive benefits upon the death of the member.

18 (50) "Supplemental cost" means an element of the total actuarial cost of a defined benefit retirement plan
19 arising from benefits payable for service performed prior to the inception of the retirement plan or prior to the date
20 of contribution rate increases, changes in actuarial assumptions, actuarial losses, or failure to fund or otherwise
21 recognize normal cost accruals or interest on supplemental costs. These costs are included in the unfunded
22 actuarial liabilities of the retirement plan.

23 (51) "Survivorship benefit" means payments for life to the statutory or designated beneficiary of a
24 deceased member who died while in service under a defined benefit retirement plan.

25 (52) "Termination of employment", "termination from employment", "terminated employment", "terminated
26 from employment", "terminate employment", or "terminates employment" means that:

27 (a) there has been a complete severance of a covered employment relationship by the positive act of
28 either the employee, the employer, or both; and

29 (b) the member is no longer receiving compensation for covered employment, other than any outstanding
30 lump-sum payment for compensatory leave, sick leave, or annual leave.

1 (53) "Termination of service", "termination from service", "terminated from service", "terminated service",
2 "terminating service", or "terminates service" means that:

3 (a) there has been a complete severance of a covered employment relationship by the positive act of
4 either the employee, the employer, or both for at least 30 days;

5 (b) no written or verbal agreement exists between employee and employer that the employee will return
6 to covered employment in the future;

7 (c) the member is no longer receiving compensation for covered employment; and

8 (d) the member has been paid all compensation for compensatory leave, sick leave, or annual leave to
9 which the member was entitled. For the purposes of this subsection (53), compensation does not mean
10 compensation as a result of a legal action, court order, or settlement to which the board was not a party.

11 (54) "Unfunded actuarial liabilities" or "unfunded liabilities" means the excess of a defined benefit
12 retirement plan's actuarial liabilities at any given point in time over the value of its cash and investments on that
13 same date.

14 (55) "Vested account" means an individual account within a defined contribution plan that is for the
15 exclusive benefit of a member or the member's beneficiary. A vested account includes all contributions and the
16 income on all contributions in each of the following accounts:

17 (a) the member's contribution account;

18 (b) the vested portion of the employer's contribution account; and

19 (c) the member's account for other contributions.

20 (56) "Vested member" or "vested" means:

21 (a) with respect to a defined benefit plan, except as provided in subsection (56)(b), a member or the
22 status of a member who has at least 5 years of membership service;

23 (b) with respect to a member of the highway patrol officers' retirement system established in Title 19,
24 chapter 6, who was hired on or after July 1, 2013, a member or the status of a member who has at least 10 years
25 of membership service; or

26 (c) with respect to the defined contribution plan, a member or the status of a member who meets the
27 minimum membership service requirement of 19-3-2116.

28 (57) "Written application" or "written election" means a written instrument, prescribed by the board or
29 required by law, properly signed and filed with the board, that contains all required information, including
30 documentation that the board considers necessary.

1 (58) "Written instrument" includes an electronic record containing an electronic signature, as defined in
 2 30-18-102."

3

4 **Section 2.** Section 19-2-407, MCA, is amended to read:

5 **"19-2-407. Reports.** (1) As soon as practical after the close of each fiscal year, the board shall file with
 6 the governor and with the legislature pursuant to 5-11-210 a report of its work for that fiscal year. The report must
 7 include but is not limited to:

8 (a) a statement as to the accumulated cash and securities in the pension trust funds as certified by the
 9 state treasurer and the board of investments;

10 (b) a summary of the most recent information available from the actuary concerning the actuarial
 11 valuation of the assets and liabilities of each system or plan; and

12 (c) an analysis of how market performance is affecting actuarial funding of each of the retirement
 13 systems or plans.

14 (2) The report required under subsection (1) must also provide information concerning the defined
 15 contribution plan, including a description of the plan, the number of members in the plan, plan contribution rates,
 16 the total amount of money invested by members, investment performance, administrative costs and fees,
 17 ~~determinations on the plan choice rate made pursuant to 19-3-2121~~, and other information required under
 18 applicable governmental accounting standards and as determined by the board."

19

20 **Section 3.** Section 19-3-2117, MCA, is amended to read:

21 **"19-3-2117. Allocation of contributions and forfeitures.** (1) The member contributions made under
 22 19-3-315 and additional contributions paid by the member for the purchase of service must be allocated to the
 23 plan member's retirement account.

24 (2) Subject to ~~subsection (3) and adjustment by the board as provided in 19-3-2121~~ subsections (3) and
 25 (4), of the employer contributions under 19-3-316 received:

26 (a) an amount equal to:

27 (i) 4.19% of compensation must be allocated to the member's retirement account;

28 (ii) 2.37% of compensation must be allocated to the defined benefit plan as the plan choice rate;

29 (iii) 0.04% of compensation must be allocated to the education fund as provided in 19-3-112(1)(b); and

30 (iv) 0.3% of compensation must be allocated to the long-term disability plan trust fund established

1 pursuant to 19-3-2141;

2 (b) on July 1, 2009, continuing until the additional employer contributions terminate pursuant to
3 19-3-316(4)(b), the percentage specified in subsection (3) of this section of compensation must be allocated in
4 ~~the following order:~~

5 ~~—— (i) to the defined benefit plan to eliminate the plan choice rate unfunded actuarial liability; and~~

6 ~~(ii) to the long-term disability plan trust fund to provide disability benefits to eligible members; and~~

7 (c) on July 1, 2013, ~~continuing until the additional employer contributions terminate pursuant to~~
8 ~~19-3-316(4)(b)~~, 1% of compensation must be allocated to the defined benefit plan unfunded liabilities; AND

9 (D) ON JULY 1, 2015, CONTINUING UNTIL THE PLAN CHOICE RATE UNFUNDED ACTUARIAL LIABILITY IN THE DEFINED
10 BENEFIT PLAN IS FULLY PAID, AN AMOUNT EQUAL TO 1% OF COMPENSATION MUST BE ALLOCATED TO THE DEFINED BENEFIT
11 PLAN AS PART OF THE PLAN CHOICE RATE. EFFECTIVE THE FIRST FULL PAY PERIOD IN THE MONTH FOLLOWING THE BOARD'S
12 VERIFICATION THAT THE PLAN CHOICE RATE UNFUNDED ACTUARIAL LIABILITY IS PAID OFF, THE AMOUNT EQUAL TO 1% OF
13 COMPENSATION MUST BE ALLOCATED TO THE MEMBER'S ACCOUNT UNTIL THE ADDITIONAL EMPLOYER CONTRIBUTIONS
14 TERMINATE PURSUANT TO 19-3-316(4)(B).

15 (3) The percentage of compensation to be contributed under subsection (2)(b) is 0.27% for fiscal year
16 2014 and increases by 0.1% each fiscal year through fiscal year 2024. For fiscal years beginning after June 30,
17 2024, the percentage of compensation to be contributed under subsection (2)(b) is 1.27%.

18 (4) Effective January 1 of the year following the first actuarial valuation determining THE FIRST FULL PAY
19 PERIOD IN THE MONTH FOLLOWING THE BOARD'S VERIFICATION THAT the plan choice rate unfunded actuarial liability
20 is paid off, the 2.37% of compensation in subsection (2)(a)(ii) and the percentage of compensation in subsection
21 (3), if any, must be allocated to the member's retirement account.

22 ~~(4)(5)~~ Forfeitures of employer contributions and investment income on the employer contributions may
23 not be used to increase a member's retirement account. The board shall allocate the forfeitures under 19-3-2116
24 to meet the plan's administrative expenses, including startup expenses."
25

26 **Section 4.** Section 19-21-214, MCA, is amended to read:

27 **"19-21-214. Contributions and allocations for employees in positions covered under the public**
28 **employees' retirement system.** (1) The contribution rates for employees in positions covered under the public
29 employees' retirement system who elect to become program members pursuant to 19-3-2112 are as follows:

30 (a) the member's contribution rate must be the rate provided in 19-3-315; and

- 1 (b) the employer's contribution rate must be the rate provided in 19-3-316.
- 2 (2) Subject to subsection (3), of the employer's contribution:
- 3 (a) an amount equal to:
- 4 (i) 4.49% of compensation must be allocated to the participant's program account;
- 5 (ii) 2.37% of compensation must be allocated to the defined benefit plan under the public employees'
- 6 retirement system as the plan choice rate; and
- 7 (iii) 0.04% of compensation must be allocated to the education fund pursuant to 19-3-112(1)(b); ~~and~~
- 8 (b) on July 1, 2009, continuing until the additional employer contributions terminate pursuant to
- 9 19-3-316(4)(B), AN AMOUNT EQUAL TO 0.27% of compensation must be allocated to the defined benefit plan to
- 10 eliminate the plan choice rate unfunded actuarial liability;
- 11 (C) ON JULY 1, 2013, AND CONTINUING UNTIL JUNE 30, 2015, AN AMOUNT EQUAL TO 1% OF COMPENSATION
- 12 MUST BE ALLOCATED TO THE DEFINED BENEFIT PLAN UNFUNDED LIABILITIES; AND
- 13 (D) ON JULY 1, 2015, CONTINUING UNTIL THE PLAN CHOICE RATE UNFUNDED ACTUARIAL LIABILITY IN THE DEFINED
- 14 BENEFIT PLAN IS FULLY PAID, AN AMOUNT EQUAL TO 1% OF COMPENSATION MUST BE ALLOCATED TO THE DEFINED BENEFIT
- 15 PLAN AS PART OF THE PLAN CHOICE RATE. EFFECTIVE THE FIRST FULL PAY PERIOD IN THE MONTH FOLLOWING THE BOARD'S
- 16 VERIFICATION THAT THE PLAN CHOICE RATE UNFUNDED ACTUARIAL LIABILITY IS PAID OFF, THE AMOUNT EQUAL TO 1% OF
- 17 COMPENSATION MUST BE ALLOCATED TO THE MEMBER'S ACCOUNT UNTIL THE ADDITIONAL EMPLOYER CONTRIBUTIONS
- 18 TERMINATE PURSUANT TO 19-3-316(4)(B).
- 19 (3) ~~The allocations under subsection (2) are subject to adjustment by the public employees' retirement~~
- 20 ~~board, but only as described in and in a manner consistent with the express provisions of 19-3-2124~~ THE
- 21 PERCENTAGE OF COMPENSATION AMOUNT TO BE ALLOCATED UNDER SUBSECTION (2)(B) MUST BE INCREASED BY 0.1%
- 22 EACH FISCAL YEAR THROUGH FISCAL YEAR 2024. FOR FISCAL YEARS BEGINNING AFTER JUNE 30, 2024, THE PERCENTAGE
- 23 OF COMPENSATION AMOUNT TO BE ALLOCATED UNDER SUBSECTION (2)(B) MUST BE 1.27%.
- 24 (4) Effective January 1 of the year following the first actuarial valuation determining THE FIRST FULL PAY
- 25 PERIOD IN THE MONTH FOLLOWING THE BOARD'S VERIFICATION THAT the plan choice rate unfunded actuarial liability
- 26 is paid off, the 2.37% of compensation in SUBSECTION (2)(a)(ii) and the percentage of compensation in SUBSECTION
- 27 (2)(b), if any, must be allocated to the member's retirement account."
- 28
- 29 NEW SECTION. Section 5. Repealer. The following section of the Montana Code Annotated is
- 30 repealed:

1 19-3-2121. Determination and adjustment of plan choice rate and contribution allocations.

2

3 NEW SECTION. SECTION 6. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE JULY 1, 2015.

4

5 NEW SECTION. SECTION 7. RETROACTIVE APPLICABILITY. [SECTIONS 4(2)(B), (2)(C), AND (3)] APPLY
6 RETROACTIVELY, WITHIN THE MEANING OF 1-2-109, TO CONTRIBUTIONS MADE ON AND AFTER JULY 1, 2013.

7

- END -