

1 SENATE BILL NO. 29

2 INTRODUCED BY W. MCKAMEY

3 BY REQUEST OF THE STATE ADMINISTRATION AND VETERANS' AFFAIRS INTERIM COMMITTEE

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5 A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING AND INCREASING THE EMPLOYER
6 CONTRIBUTION INCREASE FOR THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; AMENDING
7 SECTION 19-3-316, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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11 **Section 1.** Section 19-3-316, MCA, is amended to read:

12 **"19-3-316. Employer contribution rates.** (1) Each employer shall contribute to the system. Except
13 as provided in subsection (2), the employer shall pay as employer contributions 6.9% of the compensation paid
14 to all of the employer's employees plus any additional contribution under subsection (3), except for those
15 employees properly excluded from membership. Of employer contributions made under this subsection for both
16 defined benefit plan and defined contribution plan members, a portion must be allocated for educational
17 programs as provided in 19-3-112. Employer contributions for members under the defined contribution plan
18 must be allocated as provided in 19-3-2117.

19 (2) Local government and school district employer contributions must be the total employer
20 contribution rate provided in subsection (1) minus the state contribution rates under 19-3-319.

21 (3) (a) Subject to subsection (4), each employer shall contribute to the system an additional
22 employer contribution equal to the percentage specified in subsection (3)(b) of the compensation paid to all of
23 the employer's employees, except for those employees properly excluded from membership.

24 (b) The percentage of compensation to be contributed under subsection (3)(a) is 1.27% for fiscal
25 year 2014 and increases by 0.1% each fiscal year through fiscal year ~~2024~~ 2034. For fiscal years beginning
26 after June 30, ~~2024~~ 2034, the percentage of compensation to be contributed under subsection (3)(a) is ~~2.27%~~
27 3.27%.

28 (4) (a) The board shall annually review the additional employer contribution provided for under

1 subsection (3) and recommend adjustments to the legislature as needed to maintain the amortization schedule
2 set by the board for payment of the system's unfunded liabilities.

3 (b) The employer contribution required under subsection (3) terminates on January 1 following the
4 board's receipt of the system's actuarial valuation if the actuarial valuation determines that terminating the
5 additional employer contribution pursuant to this subsection (4)(b) and reducing the employee contribution
6 pursuant to 19-3-315(2) would not cause the amortization period to exceed 25 years."

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

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