

SENATE BILL NO. 232

INTRODUCED BY STIMATZ

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

IN THE SENATE

January 22, 1981	Introduced and referred to Committee on State Administration.
February 9, 1981	Committee recommend bill do pass. Report adopted.
February 10, 1981	Bill printed and placed on members' desks.
February 11, 1981	Second reading, do pass.
February 12, 1981	Correctly engrossed.
February 13, 1981	Third reading, passed. Ayes, 50; Noes, 0. Transmitted to House.

IN THE HOUSE

February 14, 1981	Introduced and referred to Committee on State Administration.
March 10, 1981	Committee recommend bill be concurred in as amended. Report adopted.
March 19, 1981	Second reading, concurred in.
March 21, 1981	Third reading, concurred in as amended. Ayes, 90; Noes, 2.

IN THE SENATE

March 21, 1981	Returned from House with amendments.
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March 23, 1981

On motion, consideration be passed for the day.

March 24, 1981

Second reading, amendments concurred in.

March 26, 1981

Third reading, amendments concurred in. Ayes, 45; Noes, 0. Sent to enrolling.

Reported correctly enrolled.

1 Leate BILL NO. 232
2 INTRODUCED BY Stevens

3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

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5 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTIONS
6 19-3-801 AND 19-3-805, MCA, TO INCLUDE THE AMOUNT PAID BY
7 THE EMPLOYER FOR ADMINISTRATIVE EXPENSES FOR THE PUBLIC
8 EMPLOYEES' RETIREMENT SYSTEM IN THE EMPLOYER CONTRIBUTION
9 RATE AND TO PROVIDE AN EARLIER DATE FOR PAYMENT OF
10 MEMBERSHIP FEES; REPEALING SECTION 19-3-303, MCA; AND
11 PROVIDING AN EFFECTIVE DATE."

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

14 Section 1. Section 19-3-801, MCA, is amended to read:
15 "19-3-801. Employer contribution rates -- actuarial
16 determination. (1) Each employer shall contribute to the
17 cost of benefits under the system. The amount of the
18 employer contributions shall be computed by applying to
19 member's compensation the sum of the current service
20 contribution rate and the unfunded liability contribution
21 rate. The sum of these rates shall be 5.98% ~~6.2%~~ from July
22 1, ~~1978~~ 1981, and thereafter.

23 (2) The actuary shall determine the current service
24 contribution rate to be that level percentage of the present
25 value of the future compensation of the average new member

1 entering the system which equals the then present value of
2 the excess of all prospective benefits in respect of such
3 member over the member's own normal contributions.

4 (3) The actuary shall determine the minimum unfunded
5 liability contribution rate to be that level percentage of
6 the present value of the prospective compensation of all
7 members for the 40-year period following the date of the
8 determination which is equal to the unfunded liability on
9 that date. The unfunded liability at any time is the excess
10 of the present value of all future benefits payable in
11 respect of all persons then entitled to benefits under the
12 system over the sum of the retirement fund and the present
13 values of the future current service contributions and
14 normal contributions payable in respect of all such
15 persons."

16 Section 2. Section 19-3-805, MCA, is amended to read:

17 "19-3-805. ~~Employer contribution to administrative~~
18 ~~expense~~ Administrative expenses. (1) ~~The board may assess~~
19 ~~and the department of administration shall collect a fee~~
20 ~~from each employer for the purpose of defraying the~~
21 ~~administrative expense of this chapter, not to exceed 0.3%~~
22 ~~of gross compensation. The expense of administering this~~
23 ~~chapter, exclusive of the payments of retirement allowances~~
24 ~~and other benefits, may be paid from the fund.~~

25 (2) In addition to the contributions elsewhere

1 provided in this chapter, on ~~July~~ January 1 of each year
2 each employer shall contribute on behalf of each member then
3 in its employ a membership fee of \$1. These fees, together
4 with other moneys appropriated for that purpose, shall be
5 used for the purpose of defraying the administrative expense
6 of this chapter."

7 Section 3. Repealer. Section 19-3-303, MCA, is
8 repealed.

9 Section 4. Effective date. This act is effective July
10 1, 1981.

-End-

Approved by Committee
on State Administration

1 State BILL NO. 232
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3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD
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8 EMPLOYEES' RETIREMENT SYSTEM IN THE EMPLOYER CONTRIBUTION
9 RATE AND TO PROVIDE AN EARLIER DATE FOR PAYMENT OF
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16 Section 2. Section 19-3-805, MCA, is amended to read:

17 "19-3-805. Employer--contribution--to--administrative
18 expense Administrative expenses. (1) ~~The board may assess~~
19 ~~and the department of administration shall collect a fee~~
20 ~~from each employer for the purpose of defraying the~~
21 ~~administrative expense of this chapter not to exceed 0.3%~~
22 ~~of gross compensation. The expense of administering this~~
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24 ~~and other benefits, may be paid from the fund.~~

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House BILL NO. *232*
House

INTRODUCED BY _____
BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTIONS 19-3-801 AND 19-3-805, MCA, TO INCLUDE THE AMOUNT PAID BY THE EMPLOYER FOR ADMINISTRATIVE EXPENSES FOR THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM IN THE EMPLOYER CONTRIBUTION RATE AND TO PROVIDE AN EARLIER DATE FOR PAYMENT OF MEMBERSHIP FEES; REPEALING SECTION 19-3-303, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 19-3-801, MCA, is amended to read:

"19-3-801. Employer contribution rates -- actuarial determination. (1) Each employer shall contribute to the cost of benefits under the system. The amount of the employer contributions shall be computed by applying to member's compensation the sum of the current service contribution rate and the unfunded liability contribution rate. The sum of these rates shall be ~~5.90%~~ 6.2% from July 1, 1978 1981, and thereafter.

(2) The actuary shall determine the current service contribution rate to be that level percentage of the present value of the future compensation of the average new member

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entering the system which equals the then present value of the excess of all prospective benefits in respect of such member over the member's own normal contributions.

(3) The actuary shall determine the minimum unfunded liability contribution rate to be that level percentage of the present value of the prospective compensation of all members for the 40-year period following the date of the determination which is equal to the unfunded liability on that date. The unfunded liability at any time is the excess of the present value of all future benefits payable in respect of all persons then entitled to benefits under the system over the sum of the retirement fund and the present values of the future current service contributions and normal contributions payable in respect of all such persons."

Section 2. Section 19-3-805, MCA, is amended to read:

~~"19-3-805. Employer contribution to administrative expense~~ Administrative expenses. (1) ~~The board may assess and the department of administration shall collect a fee from each employer for the purpose of defraying the administrative expense of this chapter, not to exceed 0.3% of gross compensation. The expense of administering this chapter, exclusive of the payments of retirement allowances and other benefits, may be paid from the funds.~~

(2) In addition to the contributions elsewhere

SB 232

1 provided in this chapter, on ~~July~~ January 1 of each year
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3 in its employ a membership fee of \$1. These fees, together
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4 with other moneys appropriated for that purpose, shall be
5 used for the purpose of defraying the administrative expense
6 of this chapter."

7 SECTION 3. COORDINATION SECTION. IF BOTH THIS ACT AND
8 HB 45, INTRODUCED IN THE 47TH LEGISLATURE, ARE PASSED AND
9 APPROVED, THE PERCENTAGE AMOUNT CONTAINED IN 19-3-801 SHALL
10 REFLECT THE SUM OF THE INCREASES IN THE EMPLOYER
11 CONTRIBUTION PROVIDED IN HB 45 AND THIS ACT.

12 Section 4. Repealer. Section 19-3-303, MCA, is
13 repealed.

14 Section 5. Effective date. This act is effective July
15 1, 1981.

-End-

STATE ADMINISTRATION

3/10/81

HOUSE AMENDMENTS TO SENATE BILL 232

1. Page 3.

Following: line 6

Insert: "Section 3. Coordination section. If both this act and HB 45, introduced in the 47th legislature, are passed and approved, the percentage amount contained in 19-3-801 shall reflect the sum of the increases in the employer contribution provided in HB 45 and this act."

Renumber: subsequent sections