## HOUSE BILL NO. 351

## INTRODUCED BY SCHULTZ

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

| IN THE HOUSE |  |
| :---: | :---: |
| January 22, 1985 | Introduced and referred to Committee on State Administration. |
| February 5, 1985 | Committee recommend bill do pass as amended. Report adopted. |
| February 6, 1985 | Bill printed and placed on members' desks. |
| February 8, 1985 | Second reading, do not pass. <br> On motion, previous action reconsidered. |
| February 9, 1985 | Second reading, do pass as amended. |
|  | Correctly engrossed. |
| February 11, 1985 | Third reading, passed. Transmitted to Senate. |
| IN THE SENATE |  |
| February 12, 1985 | Introduced and referred to Committee on State Administration. |
| March 13, 1985 | Committee recommend bill be concurred in. Report adopted. |
| March 15, 1985 | Second reading, concurred in. |

March 18, 1985

March 19, 1985

Third reading, concurred in. Ayes, 49; Noes, 0.

Returned to House.

IN THE HOUSE
Received from Senate.
Sent to enrolling.
Reported correctly enrolled.


A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING EMPLOYMENT OF AN ACTUARY BY THE 'PUBLIC RETIREMENT BOARDS FROM LAWS GOVERNING EMPLOYMENT OF CONSULTANTS BY STATE AGENCIES; DEFINING THE MANNER BY WHICH THE PUBLIC EMPLOYEES' RETIREMENT BOARD MAY RETAIN AN ACTUARY; AMENDING SECTIONS 18-8-103 AND 19-3-305, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
Section 1. Section 18-8-103, MCA, is amended to read:
"18-8-103. Exemptions. This part does not apply to employment of :
(1) registered professional engineers, surveyors, real estate appraisers, or registered architects;
(2) physicians, dentists, or other medical, dental, or health-care providers; and
(3) expert witnesses hired for use in litigation, hearings officers hired in rulemaking and contested case proceedings under the Montana Administrative Procedure Act, or attorneys as specified by executive order of the governor; or
(4) consulting actuaries to the public retirement

## boards."

Section 2. Section 19-3-305, MCA, is amended to read:
"19-3-305. Employment of actuary -- biennial investigation and valuation. (1) The board shall retain, on a full-time basis, a competent actuary who is a member of the American academy of actuaries and who is familiar with public systems of pensions. The actuary shall be the technical advisor of the board on matters regarding the operation of the system. Biennially he shall make an actuarial investigation into the suitability of the actuarial tables used by the system and an actuarial valuation of the assets and liabilities of the retirement system. From time to time, he shall also determine the rate of interest being earned on the retirement fund. He shall report his findings to the board.
(2) The board may retain an actuary in a manner it considers to be in the best interests of the state and may contract for a period not to exceed 10 years. Payment and performance obligations for those bienniums following the biennium in which a contract is made are subject to the availability and appropriation of funds therefor."

NEW SECTION. Section 3. Extension of authority. Any existing authority of the public employees' retirement board to make rules on the subject of the provisions of this act is extended to the provisions of this act.
-2- INTRODUCED BILL HB 351
house bill no. 351
INTRODUCED By SCHULTZ
BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING EMPLOYMENT OF AN ACTUARY EY THE PUBLIC RETIREMENT BOARDS FROM LAWS GOVERNING EMPLOYMENT OF CONSULTANTS BY STATE AGENCIES; DEFINING THE MANNER BY WHICH THE PEBGXe---EMPG日YEES ${ }^{4}$ RETIREMENT--BEARE BOARDS MAY RETAIN AN ACTUARY: AMENDING SECTIONS 18-8-103 ANB, 19-3-305, AND 19-4-203, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE StATE OF MONTANA:
Section 1. Section 18-8-103, MCA, is amended to read:
"18-8-103. Exemptions. This part does not apply to employment of:
(1) registered professional engineers, surveyors, real estate appraisers, or registered architects;
(2) physicians, dentists, or other medical, dental, or health-care providers; and
(3) expert witnesses hired for use in litigation, hearings officers hired in rulemaking and contested case proceedings under the Montana Administrative Procedure Act, or attorneys as specified by executive order of the governor: or
14) consulting actuaries to the public retirement

## boards."

Section 2. Section 19-3-305, MCA, is amended to read:
"19-3-305. Eraployment of actuary -- biennial investigation and valuation. (1) The board shall retain, on a full-time basis, a competent actuary who is a member of the American academy of actuaries and who is familiar with public systems of pensions. The actuary shall be the technical advisor of the board on matters regarding the operation of the system. Biennially he shall make an actuarial investigation into the suitability of the actuarial tables used by the system and an actuarial valuation of the assets and liabilities of the retirement system. From time to time, he shall also determine the rate of interest being earned on the retirement fund. He shall report his findings to the board.
(2) The board may retain an actuary in a manner it considers to be in the best interests of the state and may contract for a period not to exceed 10 years. Payment and performance obligations for those bienniums following the biennium in which a contract is made are subject to the availability and appropriation of funds therefor."

SECTION 3. SECTION 19-4-203, MCA, IS AMENDED TO READ:
"19-4-203. Officers and employees of retirement board. It is the duty of the retirement board to:
(1) elect a chairman from its membership;
(2) appoint a secretary who may be one of its members;(3) employ technical or administrative employees whoare necessary for the transaction of the business of theretirement system;
(4) when the retirement board considers it necessary, designate a medical board to be composed of three physicians who are not eligible to participate in the retirement system to investigate and report to the retirement board on all medical matters related to the administration of the retirement system;
(5) designate an actuary to assist the retirement board with the technical actuarial aspects of the operation of the retirement system, which includes establishing mortality and service tables and making an actuarial investigation at least ance every 5 years into the mortality, service, and compensation experience of the members and beneficiaries of the retirement system. The retirement board may retain an actuary in a manner it considers to be in the best interests of the state and may contract for a period not to exceed 10 years. Payment and performance obligations for those bienniums following the biennium in which a contract is made are subject to the availability and appropriation of funds therefor."
NEW SECTION. Section 4. Extension of authority. Any existing authority of the public employees' AND TEACHERS'

1 retirement board BOARDS to make rules on the subject of the 2 provisions of this act is extended to the provisions of this 3 act.
-End-

HOUSE BILL NO． 351
INTRODUCED BY SCHULTZ
BY REQUEST OF THE PUBLIC EMPLOYEES＇RETIREMENT BOARD

A BILL FOR AN ACT ENTITLED：＂AN ACT EXEMPTING EMPLOYMENT OF AN ACTUARY BY THE PUBLIC RETIREMENT BOARDS FROM LAWS GOVERNING EMPLOYMENT OF CONSULTANTS BY STATE AGENCIES；
 RETIREMENT－－BEARB BEARBS MAY－－RETAIN－－AN－AETGARY；AMENDING SEETIENS SECTION 18－8－103 ANB $\mathcal{L}$ 19－7－3057 ANB－ $\mathbf{y} 9-4-2 \theta 3_{7}$ MCA．＂ be it enacted by the legislature of the state of montana：

Section 1．Section 18－8－103，MCA，is amended to read：
＂18－8－103．Exemptions．This part does not apply to employment of ：
（1）registered professional engineers，surveyors，real estate appraisers，or registered architects；
（2）physicians，dentists，or other medical，dental，or health－care providers；and
（3）expert witnesses hired for use in litigation， hearings officers hired in rulemaking and contested case proceedings under the Montana Administrative Procedure Act， or attorneys as specified by executive order of the governor：or
（4）consulting actuaries to the public retirement

```
boards."
Section－z＝－－Section－－79－3－3057－MEAт－is－amended－eo－read．
＂士9－3－305ч－－Empteyment－－－of－－－aetuary－－－－－－－－－－－－bienniai investigation－－and－－vatuation－－－tま土－－qhe－board－shati－retaint on－a－futi－time－basist－a－competent－actuary－who－is－a－member－of the－Ameriear－academy－of－actuaries－and－who－is－－Eamitier－with pubtie－－systems－－of－－pensionsi－－The－－actuary－－shatz－－be－－the eechnicat－advisor－of－the－－board－－on－－matters－－tegarding－－the operation－－of－－the－－system：－－－Bienniaity－－he－－shait－－make－an aetuariat－－investigation－－into－－the－－－suitabitity－－－of－－－the actuariat－－tabtes－－used－－by－－the－－system－－and－－an－actuariat vaituetion－of－the－assets－and－itabiłities－－of－－the－－retirement system：－－Prom－time－to－timef－he－shałt－atso－determine－the－rate of－interest－being－earned－on－the－retirement－－fund－－－He－－shati report－his－findings－to－the－board：
```



``` Considers－to－be－in－the－best－interests－of－the－state－－and－－may contract－－for－－a－－period－not－to－exceed－\(\pm \theta\)－years－－Payment－and performance－obłigations－for－those－－bienniums－－fottowing－－the bienritum－in－－whieh－－a－－contract－－is－made－are－subject－to－the avaiłabitity－and－appropriation－of－funds－therefor：＂
```



```
4 \(\pm 9-4-2 \theta 3=--\theta f f i c e r s-a n d-e m p t o y e e s-a f-r e t i r e m e n t-b o a r d-\) ft－is－the－duty－of－the－retirement－board－to－
†サt－－ełeet－a－chaitman－from－its－membership；
```

THIRD READING
†Z†-appoith-a-seeretary-who-may-be-one-of-ites-memberst
t3才--emptoy--teehntemin-or-administrative-employees-who are-necessary-for-the-transaction-of--the--business--of-the retirement-system;
 deatgnate-a-meditai-board-to-be-composed-of-three-physietans Who-are-not-tigibie-to-partietpate-in-the-ristrement-aystem to-investigate-and-report-to-the--retirement--board--on--ati medicain---matters--rezated--to--the--administration--o£--the retirement-system;
t5t--denignate-an--actuary--to--assist--the--retirement board--with-the-technicat-actuariaz-aspeets-of-the-operation of--the--retirement-- कystemr--which--inciudes---estabtishtng mortatity---and--serviee--tabtes-and-making--an--aetuariat investigation--at--teast--once--every--5--years---into---the martadttyp--servicer--and--compensation--experience--of--the members-and-bentficiaries--of--the--retirement--system---The cetirement--board--may--tetain-an-actaary--in--a-manner-it censiders-to-be-in-the-best-interesta-of-the-state-and-may eontract-for--a--peried-not-to-exeeed-i日-years--Payment-and performance-obitgations-for-those-bienniums--fotzowing--the biennium--in--which--a--contraet--is-made-are-subjeet-to-the avaitabititty-and-appropfiation-of-funda-therefor:"

NEW SECTION. Section 2. Extension of authority. Any existing authority of the public employees' AND TEACHERS'

3 act.

1 retirement board BOARDS to make rules on the subject of the 2 provisions of this act is extended to the provisions of this act.
-End-

HOUSE BILL NO. 351
INTRODUCED BY SCHULTZ
by request of the public employees' retirement board

A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTIAG EMPLOYMENT OF AN ACTUARY BY THE PUBLIC RETIREMENT BOARDS FROM LAWS GOVERNING EMPLOYMENT OF CONSULTANTS BY STATE AGENCIES;
 RETFREMENT--BOARB BOARBS MAY--RETAYA--AN-AETGARY: AMENDING SEEqIONS SECTION 18-8-103 ANB 4 49-3-305T ANB-49-4-2日3T MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
Section 1. Section 18-8-103, MCA, is amended to read:
"18-8-103. Exemptions. This part does not apply to employment of:
(1) registered professional engineers, surveyors, real estate appraisers, or registered architects;
(2) physicians, dentists, or other medical, dental, or health-care providers; and
(3) expert witnesses hired for use in litigation, hearings officers hired in rulemaking and contested case proceedings under the Montana Administrative Procedure Act, or attorneys as specified by executive order of the governor: or
(4) consulting actuaries to the public retirement

```
boards."
```

boards."
Section-z:--Seetion--i9-3-305t-Memy-is-amended-to-read=
Section-z:--Seetion--i9-3-305t-Memy-is-amended-to-read=
\#\#9-3-305:--Emptoyment---of---actuary-----------bienniaz
\#\#9-3-305:--Emptoyment---of---actuary-----------bienniaz
investigation--and--vazuation---t\#t--$he-board-shati-retaing
investigation--and--vazuation---t#t--$he-board-shati-retaing
on-a-fuititime-basist-a-competent-actuary-who-is-a-member-of
on-a-fuititime-basist-a-competent-actuary-who-is-a-member-of
the-hmeritcan-academy-of-actuaries-and-who-is--famitiar--with
the-hmeritcan-academy-of-actuaries-and-who-is--famitiar--with
pubzie--systems--of--pensionst--$he--actuary--shatz--be--the
pubzie--systems--of--pensionst--$he--actuary--shatz--be--the
technieat-advisor-of-the--board--on--matters--regarding--the
technieat-advisor-of-the--board--on--matters--regarding--the
operation--of--the--system----Bienniałty--he--shatz--make-an
operation--of--the--system----Bienniałty--he--shatz--make-an
actuariat--investigation--into--the---suitabititty---of---the
actuariat--investigation--into--the---suitabititty---of---the
actuariat--tables--used--by--the--system--and--an--actuariat
actuariat--tables--used--by--the--system--and--an--actuariat
valuation-of-the-assets-and-łiabititties--of--the--retifement
valuation-of-the-assets-and-łiabititties--of--the--retifement
system:--Prom-time-to-timer-he-shatz-ałso-determine-the-rate
system:--Prom-time-to-timer-he-shatz-ałso-determine-the-rate
of-interest-being-earned-on-the-retirement--fund---He--shałz
of-interest-being-earned-on-the-retirement--fund---He--shałz
report-his-findings-to-the-board=
report-his-findings-to-the-board=
fz\--\Psihe--board--mey--retain--an-actuary-in-a-manner-it
fz\--\Psihe--board--mey--retain--an-actuary-in-a-manner-it
considers-to-be-in-the-best-interests-of-the-state--and--may
considers-to-be-in-the-best-interests-of-the-state--and--may
contraet--Eor--a--period-not-to-exceed-m0-years=-Payment-and
contraet--Eor--a--period-not-to-exceed-m0-years=-Payment-and
performance-obitgations-for-those--bienniums--fozłowing--the
performance-obitgations-for-those--bienniums--fozłowing--the
biennium--in--which--a--contract--is-made-are-subjeet-to-the
biennium--in--which--a--contract--is-made-are-subjeet-to-the
avaitabititty-and-appropriation-of-funds-therefori"

```
avaitabititty-and-appropriation-of-funds-therefori"
```




```
    u{9-4-703----fficers-and-empłoyees-of-retirement-board=
```

    u{9-4-703----fficers-and-empłoyees-of-retirement-board=
    ft-is-the-duty-of-the-retirement-board-to:
ft-is-the-duty-of-the-retirement-board-to:
Ht\-ezect-a-chairman-from-its-membership;

```
    Ht\-ezect-a-chairman-from-its-membership;
```

-2-
†Zサ－－appoint－a－secretary－who－may－be－one－of－its－memberst
†ヨナ－－emptoy－－technicaz－－or－administrative－emptoyees－who are－necessary－for－the－transaction－of－－the－－business－－of－－the retifement－system；
t4t－－when－－the－retirement－board－eonsiders－it－neeessaryt designate－a－medicat－board－to－be－composed－of－three－physietans who－are－not－ełigibie－to－participate－in－the－retirement－system to－investigate－and－report－to－the－－retirement－－board－－on－ait medieat－－－matters－－retated－－to－－the－－administration－－of－－the retifrment－system；
t5t－－designate－an－－actuary－－to－－assist－－the－－retitrement board－－with－the－technicat－actuariat－aspects－of－the－operation of－－the－－fetifement－－systemp－－which－－inełudes－－－estabłishing mortałtty－－－and－－service－－tabłes－－and－－making－－an－－actuariat investigation－－at－－teast－－once－－every－－5－－years－－－into－－－the mortatityp－－servicef－and－－compensation－－experience－－of－－the members－and－beneficiaries－－of－－the－－retirement－－system－－－she retirement－－board－－may－－tetain－－an－－actuary－－in－－a－manner－it considers－to－be－in－the－best－interests－of－the－state－and－－may contract－－for－－a－－period－not－to－exceed－z $\theta$－years．－Payment－and performance－obtigations－for－those－－bienniums－－fotłowing－－the biennium－－in－－whieh－－a－－contract－－is－made－are－subject－to－the avaiłabitity－and－appropriation－of－funds－therefor：＂

NEW SECTION．Section 2．Extension of authority．Any existing authority of the public employees＇AND TEACHERS＇

1 retirement board BOARDS to make rules on the subject of the provisions of this act is extended to the provisions of this act．
－End－

