

HOUSE BILL NO. 700

INTRODUCED BY B. MERCER

A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE AMORTIZATION PERIOD FOR THE STATEWIDE DEFINED BENEFIT PUBLIC EMPLOYEE RETIREMENT SYSTEMS FROM 30 YEARS TO 25 YEARS; AMENDING SECTIONS 19-2-409, 19-3-109, 19-5-106, 19-6-107, 19-7-106, 19-8-106, 19-9-109, 19-13-111, 19-17-117, AND 19-20-111, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 19-2-409, MCA, is amended to read:

"19-2-409. Plans to be funded on actuarially sound basis -- definition. (1) As required by Article VIII, section 15, of the Montana constitution, each system must be funded on an actuarially sound basis. For the purposes of this section, "actuarially sound basis" means that contributions to each retirement plan must be sufficient to pay the full actuarial cost of the plan.

(2) (a) For a defined benefit plan, the full actuarial cost includes both the normal cost of providing benefits as they accrue in the future and the cost of amortizing unfunded liabilities over a scheduled period of no more than ~~30 years~~ 25 years, except that with respect to the judges' retirement system, the highway patrol officers' retirement system, the sheriffs' retirement system, and the game wardens' and peace officers' retirement system, the unfunded liabilities must be paid over the periods provided for in 19-5-404, 19-6-404, 19-7-404, and 19-8-504, respectively.

(b) For the defined contribution plan, the full actuarial cost is the contribution defined by law that is payable to an account on behalf of the member."

Section 2. Section 19-3-109, MCA, is amended to read:

"19-3-109. Public employees' retirement system benefit policy statement. It is the policy of the state that additional benefits may not be added to the public employees' retirement system unless the system amortizes in ~~30 years~~ 25 years or less and the additional benefit is projected to be fully funded in perpetuity."

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Section 3. Section 19-5-106, MCA, is amended to read:

"19-5-106. Judges' retirement system benefit policy statement. It is the policy of the state that additional benefits may not be added to the judges' retirement system unless the system amortizes in ~~30 years~~ 25 years or less and the additional benefit is projected to be fully funded in perpetuity."

Section 4. Section 19-6-107, MCA, is amended to read:

"19-6-107. Highway patrol officers' retirement system benefit policy statement. It is the policy of the state that additional benefits may not be added to the highway patrol officers' retirement system unless the system amortizes in ~~30 years~~ 25 years or less and the additional benefit is projected to be fully funded in perpetuity."

Section 5. Section 19-7-106, MCA, is amended to read:

"19-7-106. Sheriffs' retirement system benefit policy statement. It is the policy of the state that additional benefits may not be added to the sheriffs' retirement system unless the system amortizes in ~~30 years~~ 25 years or less and the additional benefit is projected to be fully funded in perpetuity."

Section 6. Section 19-8-106, MCA, is amended to read:

"19-8-106. Game wardens' and peace officers' retirement system benefit policy statement. It is the policy of the state that additional benefits may not be added to the game wardens' and peace officers' retirement system unless the system amortizes in ~~30 years~~ 25 years or less and the additional benefit is projected to be fully funded in perpetuity."

Section 7. Section 19-9-109, MCA, is amended to read:

"19-9-109. Municipal police officers' retirement system benefit policy statement. It is the policy of the state that additional benefits may not be added to the municipal police officers' retirement system unless the system amortizes in ~~30 years~~ 25 years or less and the additional benefit is projected to be fully funded in perpetuity."

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Section 8. Section 19-13-111, MCA, is amended to read:

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"19-13-111. Firefighters' unified retirement system benefit policy statement. It is the policy of the state that additional benefits may not be added to the firefighters' unified retirement system unless the system amortizes in ~~30 years~~ 25 years or less and the additional benefit is projected to be fully funded in perpetuity."

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Section 9. Section 19-17-117, MCA, is amended to read:

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"19-17-117. Volunteer Firefighters' Compensation Act benefit policy statement. It is the policy of the state that additional benefits may not be added to the Volunteer Firefighters' Compensation Act unless the system amortizes in ~~30 years~~ 25 years or less and the additional benefit is projected to be fully funded in perpetuity."

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Section 10. Section 19-20-111, MCA, is amended to read:

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"19-20-111. Teachers' retirement system benefit policy statement. It is the policy of the state that additional benefits may not be added to the teachers' retirement system unless the system amortizes in ~~30 years~~ 25 years or less and the additional benefit is projected to be fully funded in perpetuity."

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NEW SECTION. **Section 11. Effective date.** [This act] is effective July 1, 2025.

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