

### Proposed 2007 Session Legislation

Agency Name:  Agency No:

Priority Number:  Filename:

Short Title:

Agency Contact Person/Phone:

**1. Purpose:**  
 The Public Employees' Retirement Systems' Defined Contribution Retirement Plan (DCRP) was established July 1, 2002. Funding to establish the plan was provided by a loan to be repaid by the DCRP. The requirement of the plan members to repay this loan is creating an undue hardship on the members of the plan, particularly since 4% of eligible members have chosen the DCRP. The cost to establish new retirement programs should be the responsibility of the plan sponsor. The plan sponsor is the State of Montana.

**2. Background:**  
 Legislation passed in the 1999 Legislature to create a Defined Contribution option for all members of the Public Employees' Retirement System. The initially drafted legislation was created by an interim committee. Their initial intent was to fund the cost of creating this new defined contribution retirement plan. The initial legislation of having the plan sponsor pay for the start-up cost should apply.

**3. Fiscal Impact by Fund Type:** *This impact should be as specific as possible.*  
 The cost to create the new PERS - Defined Contribution Retirement Plan was \$1.5 million.

**4. Summary Checklist [Check & complete all that apply]--**

Housekeeping Only   
  Federal Requirement   
  Audit Recommendation (Audit No.)   
  Major Legislation  
 Anticipated to be Controversial Legislation   
  Bill Draft has been included in Legislation Submittal (if available)  
 Supports Submitted EPP Item Number:   
  Local Government Fiscal Impact  
 Increases FTE, or   
 Decreases FTE by

**List FTE amount and program**

Increases Existing Revenue   
 Tax   
 Fee   
 Penalty [amount in #3]  
 Decreases Existing Revenue   
 Tax   
 Fee   
 Penalty [amount in #3]  
 Establishes New Revenue   
 Tax   
 Fee   
 Penalty [amount in #3]

Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no):  
 2005 Regular Session - HB 36

Legislation would affect other state agencies (list):

Special Interest Groups Affected (list):  
 Members of the PERS - Defined Contribution Retirement Plan

Other: