

PROPOSAL FOR RETIREMENT SYSTEM LEGISLATION
(for the 2013 Legislative Session)

RETURN TO: Sheri Scurr, Research Analyst
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Additional copies of this form can be found at www.leg.mt.gov/sava

PROPOSER'S NAME/TITLE: Senator Art Wittich

ORGANIZATION:

ADDRESS:

PHONE:

FAX:

E-MAIL: senatorwittich@mt.com

1. Which retirement systems would be covered by the legislation?
THE SYSTEMS WITH THE GREATEST UNFUNDED LIABILITIES
2. What is the problem or issue?
UNFUNDED LIABILITIES OF A DB PLAN
3. What do you want the legislation to do?
PROVIDE MONETARY INCENTIVES TO PUBLIC EMPLOYEES WHO VOLUNTARILY TRANSFER TO A DC PLAN, PROVIDE A DEFINED WINDOW FOR THE OPTION, FUTURE LEGISLATURES COULD REOPEN THE WINDOW IF SUCCESSFUL. I AM ASSUMING THAT THE INCENTIVE WILL NEED TO BE GREATER FOR LONGER TERM EMPLOYEES. THIS MUST MAKE SENSE FOR BOTH EMPLOYEE AND THE STATE. SO MOST LIKELY CANDIDATES WILL BE SHORTER TERM EMPLOYEES. THE ONLY ADDITIONAL FUNDING WILL GO TO THE INCENTIVE PAYMENTS, SO INCREASED COST TO THE DB PLAN WILL HAVE TO COME FROM EMPLOYEES. BUT THIS ALSO MAKES THEIR DECISION INCLUDE COSTS AND BENEFITS OF STAYING IN THE DB PLAN. EVERYONE NEEDS TO CONTRIBUTE TO THE FIX.
4. If possible, please list the Montana Code Annotated (MCA) sections to be amended.
TITLE 19 STATUTES
5. If the proposed change requires additional funding, what funding sources do you propose (i.e., an increase in employer contributions, employee contributions, both, other?)
GENERAL FUND
6. Has similar legislation been requested in the past, been considered in another state, or provided as a model act? If so, please provide a citation, reference, or point of contact.
7. If you are holdover senator or unopposed legislative candidate, would you like to make this a formal bill draft request for the 2013 Legislative Session?
YES

PLEASE RETURN THIS FORM BY AUGUST 1, 2012