

Montana Public Employee Retirement Administration Table of General Revisions Legislation to be Considered for 2007

Current Code Section	Proposed Change	Reason
19-2-303(44)	Delete definition of "supplemental cost".	Term is no longer used.
19-2-602	Amend distribution statutes to accommodate new IRS rules regarding distributions of more than \$1,000	Comply with federal law; avoid creating an IRA; need to reduce number of inactive accounts.
19-2-907	Clarify that if a member dies or becomes disabled prior to becoming eligible for early retirement, the alternate payee receives nothing	Current language is not clear; alternate payees and members are misled.
19-2-907 and -908	Consider referencing chapter 50 for QDRO purposes	QDROS are not referenced in Montana law, but are permitted in our plan document and by federal law.
19-2-908	Address GABA with respect to disability benefits that must commence as of day following termination	Should disabled retirees receive retroactive GABA increases?
19-3-401(5)	Modify to allow employees of the university system to receive membership service for the summer months same as school district employees.	Consistency
19-3-412	Clarify the term "elected officials" to include those appointed to complete unexpired term – possibly use lobbying statutes definition	Ensure all elected officials are addressed.
19-3-510	Determine whether statute is still accurate – does Title IV still exist; what is the cost of the purchase; should (1) and (2) be separate; any restrictions to (3)?	Unsure of intent of statute – needs to be understood and clarified
19-3-1105(2)	Add 19-3-906	The benefit may need to be recalculated as an early retirement as opposed to a service retirement, particularly if the member 1 st retired as a disability
19-3-1106	Consider treatment of lease and short term employees who are retirees	Practice becoming more and more common; other state laws are evolving; need to address for consistency and education purposes
19-3-1203 19-3-1204	Replace "lump sum death payment" with "death payment"	Clarifies that beneficiaries of a deceased member may receive an annuity even if they don't receive the 6 month salary death benefit

Current Code Section	Proposed Change	Reason
19-3-2111(1)(a)(ii) and (b) and 19-3-2112(2)(a)(ii) and (iii)	Replace “[m]ay, within 12 months of the member’s rehire /hire date” with “[may], within 12 months after the member is initially reported to the board”	We don’t know the actual hire or rehire date. We have been using the “reported to the board” date to track the 12 months. Audit issue.
19-3-2113	Address whether and when ORP time can be purchased into the DBRP prior to electing the DCRP or if already in DCRP if less than 24 month break.	No combination of statutes appears to permit a previous ORP member to receive service credit for the ORP time if they change jobs and elect the DCRP. Service credit is necessary for vesting purposes. – Did we fix this in 2005 with amendments to 19-2-2117? See below.
19-3-2114	Create a new (4) that is identical to (1) except (a) will say “for amounts contributed for service credit earned prior to July 1, 2002” and (b) will say “for amounts contributed for service credit earned on or after July 1, 2002”	Clarify service purchase money to be transferred to DCRP. (is it service credit?)
19-7-302(3) and -301(4)	Clarify that subsection is intended solely for a PERS member who accepts a position as a criminal investigator after July 1, 1993	Current language can be interpreted to permit a deputy to remain in PERS if in PERS prior to accepting an SRS position. Such an interpretation conflicts with 19-7-301(1)
19-7-312 19-2-715?	Add a new sub (2) to address Detention Officer purchase of PERS time	Need specific authority to clarify process
19-7-1101	Change 60 days to 480 hours	Easier to track; consistent with hour limitations in other systems
19-8-302(4)	Address limitations to ability to remain in PERS	Consistency with other statutes
19-8-1110	Delete 19-8-801	One time increase in benefits.
19-9-1202, -1207, -1208	Consider adding a definition of the term “DROP account	Consistency and clarity.
19-17-102	Add a definition of training	If we are going to question the training provided, we need a definition. Limitations may exist in Title 7.
19-17-xxx	Clarify that “fire companies” include fire districts and fire service areas	The 3 terms appear to be used interchangeably
	Definition of Compensation	This is a big issue that is coming up more and more often. School districts want early retirement options; bonuses are being paid; 125 plans are being mistreated; all in an effort to increase an employee’s ultimate retirement benefit

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	Lease Employees	Retirees are coming back to work under various scenarios that need to be addressed in order to protect the retirement systems