

SENATE BILL NO. 141

INTRODUCED BY F. MANDEVILLE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING PARTICIPATION IN PUBLIC RETIREMENT SYSTEMS FOR LEGISLATORS; REQUIRING NEW LEGISLATORS TO JOIN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM DEFINED CONTRIBUTION PLAN; AMENDING SECTION 5-2-304, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 5-2-304, MCA, is amended to read:

"5-2-304. Participation in public retirement systems. (1) The purpose of this section is to allow a person who is elected or appointed to the Montana legislature and who is also a member of a retirement system provided for in Title 19, chapter 3, 5, 6, 7, 8, 9, 13, 20, or 21, by virtue of the person's nonlegislative employment to continue the person's participation in the public retirement system of which the person is a member.

(2) This section is not intended to provide duplicate credit for the same service in two retirement systems supported wholly or in part by public funds. This section does not affect contribution rates or benefit payments specifically provided for in the laws governing the operation of individual retirement systems.

(3) (a) A person who is an inactive or retired member of a retirement system provided for in Title 19, chapter 5, 6, 7, 8, 9, 13, 20, or 21, and who is elected or appointed to be a legislator for the first time on or before June 30, 2025, may:

(i) return to active membership in the system of which the person is an inactive or retired member under the requirements of that system; or

(ii) remain an inactive or retired member of the retirement system and become an active member of the public employees' retirement system pursuant to 19-3-413.

(b) A person who is an inactive or retired member of a defined benefit retirement system provided for in Title 19, chapter 5, 6, 7, 8, 9, 13, or 20, or a member of the university system retirement program provided

1 for in chapter 21, and who is elected or appointed to be a legislator for the first time on or after July 1, 2025,
2 may:

3 (i) return to active membership in the system of which the person is an inactive or retired member
4 under the requirements of that system; or

5 (ii) remain an inactive or retired member of the retirement system and become an active member
6 of the public employees' retirement system defined contribution plan provided for in Title 19, chapter 3, part 21.

7 (c) A person who is an inactive member of the public employees' retirement system defined
8 contribution plan provided for in Title 19, chapter 3, part 21, who is elected or appointed to be a legislator for the
9 first time on or after July 1, 2025, may:

10 (i) return to active membership in the public employees' retirement system defined contribution
11 plan; or

12 (ii) remain an inactive or retired member of the public employees' retirement system defined
13 contribution plan.

14 (b)(d) A person who is an inactive or retired member of the public employees' retirement system
15 provided for in Title 19, chapter 3, and who is elected or appointed to the legislature may return to active
16 membership in the public employees' retirement system but cannot simultaneously be an inactive or retired
17 member of the system as a result of prior covered terminated employment and an active member of the
18 retirement system under 19-3-413 or this section.

19 (e) A person who is not an active, inactive, or retired member of a retirement system provided for
20 in Title 19, chapter 5, 6, 7, 8, 9, 13, 20, or 21, and who is elected or appointed to be a legislator for the first time
21 on or after July 1, 2025, must become an active member of the public employees' retirement system defined
22 contribution plan provided for in Title 19, chapter 3, part 21.

23 (4) (a) A person who is an active member of a public retirement system governed by state law and
24 who is elected or appointed to be a legislator may, but is not required to, continue the person's participation in
25 that public retirement system while engaged in official duties as a legislator.

26 (b) To continue participation as an active member in the public retirement system, a legislator
27 shall, within 90 days of taking office and in a manner prescribed by the appropriate board, file an irrevocable
28 written election with the teachers' retirement board or the public employees' retirement board.

1 (5) A legislator who elects to continue participation as an active member as provided in subsection
2 (4) shall continue the payments into the fund of the retirement system at the rate currently in effect in the
3 system based on the legislator's monthly salary as a member of that system.

4 (6) The state contribution must be made by legislative appropriation. It must equal the appropriate
5 employer contribution at the rate currently in effect in the system."

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7 NEW SECTION. **Section 2. Effective date.** [This act] is effective June 30, 2025.

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