

1 _____ BILL NO. _____

2 INTRODUCED BY _____

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE CREATION OF A DEFINED CONTRIBUTION
5 PLAN IN THE HIGHWAY PATROL OFFICERS' RETIREMENT SYSTEM; PROVIDING A TIMELINE;
6 PROVIDING PLAN PROVISIONS; AMENDING SECTION 61-3-406, MCA; AND PROVIDING AN IMMEDIATE
7 EFFECTIVE DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10
11 NEW SECTION. **Section 1. Development of defined contribution plan for highway patrol**
12 **officers' retirement system.** (1) The legislature intends that no later than July 1, 2027, the highway patrol
13 officers' retirement system shall create a defined contribution plan for all new members of the retirement
14 system.
15 (2) The defined contribution plan must include the following provisions:
16 (a) all employees hired on or after July 1, 2027, must be members of the defined contribution plan;
17 (b) all employees hired on or before June 30, 2027, must have the option to switch to the defined
18 contribution plan;
19 (c) all members are immediately vested on joining the defined contribution plan;
20 (d) members must have the choice between a 401(k) defined contribution plan or a Roth 401(k);
21 (e) the current employer contribution rate of 34.40% must be split so that 10% goes to the defined
22 contribution plan as the employer contribution rate and the remainder be reallocated to fund salaries for
23 highway patrol officers; and
24 (f) the current employee contribution rate must have a minimum rate of 10%.
25 (3) The public employees' retirement board in consultation with stakeholders, shall, no later than
26 May 1, 2026, provide a plan to the state administration and veterans' affairs interim committee for the creation
27 of the defined contribution plan. The plan must include:
28 (a) all of the provisions required in subsection (2);

1 (b) additional plan provisions considered necessary by the public employees' retirement board and
2 stakeholders;

3 (c) the projected cost of the defined benefit plan until the last plan member or beneficiary dies;

4 (d) suggested legislation for the implementation of the defined contribution plan; and

5 (e) any other information and suggestions the public employees' retirement board and
6 stakeholders consider relevant to provide to the state administration and veterans' affairs interim committee.

7 (4) The state administration and veterans' affairs interim committee shall consider the report and
8 develop legislation to introduce during the 70th legislative session to implement the defined contribution plan.

9
10 **Section 2.** Section 61-3-406, MCA, is amended to read:

11 **"61-3-406. Fees for personalized plates -- disposition.** (1) In addition to all other fees and taxes
12 imposed by law, the applicant for a personalized license plate shall pay a fee of ~~\$25~~ \$30 for the original
13 personalized license plate and a fee of \$10 for each transfer or renewal of the personalized license plate.

14 (2) The revenue derived from the fee must be deposited in the ~~state general fund~~ Montana
15 highway patrol officers' retirement system pension fund until the closed highway patrol officers' retirement
16 system defined benefit plan is fully paid off. When the defined benefit plan is fully paid off, the revenue derived
17 from the fee must be deposited in the state general fund."

18
19 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

20 - END -