

BEFORE THE PUBLIC EMPLOYEES' RETIREMENT BOARD
OF THE STATE OF MONTANA

In the matter of the amendment of)	NOTICE OF PROPOSED
ARM 2.43.3501 and 2.43.5101)	AMENDMENT
pertaining to the adoption by)	
reference of the State of Montana)	NO PUBLIC HEARING
Public Employee Defined)	CONTEMPLATED
Contribution Plan Document and the)	
State of Montana Public Employee)	
Deferred Compensation (457) Plan)	
Document)	

TO: All Concerned Persons

1. On February 24, 2018, the Public Employees' Retirement Board proposes to amend the above-stated rules.

2. The Public Employees' Retirement Board will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact Montana Public Employee Retirement Administration no later than 5:00 p.m. on February 2, 2018 to advise us of the nature of the accommodation that you need. Please contact Kris Vladoic, Montana Public Employee Retirement Administration, P.O. Box 200131, Helena, Montana, 59620-0131; telephone (406) 444-2578; fax (406) 444-5428; TDD (406) 444-1421; or e-mail kvladoic@mt.gov.

3. The rules as proposed to be amended provide as follows, new matter underlined, deleted matter interlined:

2.43.3501 ADOPTION OF DEFINED CONTRIBUTION PLAN DOCUMENT AND TRUST AGREEMENT (1) remains the same.

(a) State of Montana Public Employee Defined Contribution Plan Document (~~December 2015~~ January 2018 edition) that was approved by the board on ~~December 22, 2015~~ December 14, 2017 and ~~subsequently amended April 14, 2016 retroactive to December 22, 2015~~ and describes the terms and conditions related to the operation and administration of the plan;

(b) and (2) remain the same.

AUTH: 19-3-2104, MCA

IMP: 19-3-2102, MCA

2.43.5101 ADOPTION OF DEFERRED COMPENSATION PLAN DOCUMENT AND TRUST AGREEMENT (1) remains the same.

(a) State of Montana Public Employee Deferred Compensation Plan Document (~~August 2015~~ January 2018 edition), that was approved by the board on

~~August 13, 2015~~ December 14, 2017, and describes the terms and conditions related to the operation and administration of the plan; and
(b) and (2) remain the same.

AUTH: 19-50-102, MCA
IMP: 19-50-102, MCA

STATEMENT OF REASONABLE NECESSITY: The Public Employees' Retirement Board, as administrator of the Public Employee Retirement System's Defined Contribution Retirement Plan (DCRP) and the State of Montana 457(b) Deferred Compensation Plan, is proposing to revise the DCRP Plan Document and the Deferred Compensation Plan Document to incorporate recent changes to federal and state law requirements and processes adopted by the Montana legislature effective July 1, 2017.

In the Defined Contribution Retirement Plan Document there are updates to some of the definitions including compensation and rollover accounts. There are also clarifications made regarding employer contributions as well as rollover contributions. In the section regarding transfers from the defined benefit retirement plan, there are updated dates and interest rates that are applied to the transferred funds.

In the State of Montana 457(b) Deferred Compensation Plan Document there are updates to definitions including normal retirement age and the Roth contribution retirement account. There are also clarifications made regarding employer contributions as well as rollover contributions. Another change is to the minimum deferral amount from \$10.00 to \$20.00 per calendar month for 2018. The IRS has indexed limits for 2018 and the plan document incorporates those maximum deferral amounts for both annual deferral and the age 50 catch-up annual deferral.

The revised plan documents were reviewed and approved by the board at its December 14, 2017 board meeting.

Because the board determined to adopt the original plan documents by reference, 2-4-307(3), MCA, requires that changes to the documents also be adopted by reference. Therefore, it is necessary to amend the rules that adopt the plan documents to indicate the version of the plan documents being adopted by reference.

The plan documents are available on the board's web page at mpera.mt.gov.

4. Concerned persons may submit their data, views, or arguments concerning the proposed action in writing to: Montana Public Employee Retirement Administration, P.O. Box 200131, Helena, Montana, 59620-0131; telephone (406) 444-3154; fax (406) 444-5428; or e-mail mpera@mt.gov, and must be received no later than 5:00 p.m., February 9, 2018.

5. If persons who are directly affected by the proposed amendments wish to express their data, views, or arguments orally or in writing at a public hearing, they must make written request for a hearing and submit this request along with any written comments they have to Kris Vlado at the above address no later than 5:00 p.m., February 9, 2018.

6. If the Public Employees' Retirement Board receives requests for a public hearing on the proposed amendments from either 10 percent or 25, whichever is less, of the persons directly affected by the proposed amendment; from the appropriate administrative rule review committee of the Legislature; from a governmental subdivision or agency; or from an association having not less than 25 members who will be directly affected, a hearing will be held at a later date. Notice of the hearing will be published in the Montana Administrative Register. Ten percent of those directly affected has been determined to be 1,178 persons based on approximately 2,541 participants in the Defined Contribution Retirement Plan and 9,239 participants in the Deferred Compensation Plan as of June 30, 2017, for a total of 11,780 participants.

7. The Public Employees' Retirement Board maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to the contact person in 5 above or may be made by completing a request form at any rules hearing held by the PER Board.

8. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

9. With regard to the requirements of 2-4-111, MCA, the Public Employees' Retirement Board has determined that the amendment of the above-referenced rules will not significantly and directly impact small businesses.

/s/ Melanie A. Symons
Melanie A. Symons
Chief Legal Counsel
and Rule Reviewer

/s/ Maggie Peterson
Maggie Peterson
President
Public Employees' Retirement Board

Certified to the Secretary of State January 2, 2018.