

CLERK'S CERTIFICATION

RECEIVED  
MAY 26 2016  
MPERA

State of Montana )

County of Granite )

Agency Name Drummond Schools  
Community Library District

I, Dorene Pfendler, Clerk of Drummond School and  
Community Library District Board,  
(Board or other legislative body)

certify:

That the total number of employees of this agency appearing on the payroll on the date of the employee secret ballot election for Public Employees' Retirement System (PERS) coverage was 2.

That the total number of employees on the date of the employee secret ballot election for PERS coverage who were ineligible for membership in PERS<sup>1</sup> was 0.

That the number of eligible employees voting for participation in the Public Employees' Retirement System was 2, which constitutes 100% percent of the total number of eligible employees.

DATED this 19<sup>th</sup> day of May, 2016.

(SEAL, if applicable)

Signature of Clerk:



Printed Name:

Dorene Pfendler

Formal Title:

Drummond School's Community Library District Clerk

<sup>1</sup> / Section 19-3-403, Montana Code Annotated:

# BALLOT

## **PERS Summary for Employees**

Should any information in this Employer Summary conflict with statute or rule, statute or rule will apply.

**Contributions** – Effective July 1, 2013 eligible PERS members contribute 7.9% of gross compensation into PERS; this rate will be decreased to 6.9% on January 1 following actuary valuation results showing the amortization period has dropped below and will remain below 25 years following the reduction of both the employer and member contribution rates. The contribution is made pre-tax. The investment earnings on the contributions are tax deferred. Members will pay taxes when the benefits are received. Effective July 1, 2013 the employer and the state contribute a total of 8.17% of payroll to PERS, most of which directly helps fund the member's benefit. This rate will increase 0.1% every year through fiscal year 2024 but will revert to 6.9% following an actuarial valuation determining that terminating both the member and employer increases which were effective beginning July 1, 2013 would not cause the amortization period to exceed 25 years. The employer contribution is not deducted from the member's paycheck, but is paid directly to PERS by the employer and the state.

**Two Plans** – New PERS members have one year to choose between two distinct retirement plans in PERS – the Defined Benefit Retirement Plan or the Defined Contribution Retirement Plan.

The **Defined Benefit Retirement Plan (DBRP)** deposits contributions into a pension trust fund with all other plan members' contributions. The Montana Board of Investments directs the investment of the pension trust fund. A member's retirement benefit does not depend on gains and losses in the pension trust fund. Instead, a lifetime monthly benefit is calculated by a formula using the member's years of PERS service, age, and highest average compensation.

The **Defined Contribution Retirement Plan (DCRP)** credits each member's individual account with member contributions and a portion of employer contributions. The member invests his or her account in the available investment options. The member realizes all gains and losses from those investments. The balance in the member's account will determine retirement income.

Complete information regarding the two plans is available on the MPERA's website: <http://mpera.mt.gov/>.

**Benefit Eligibility** – A member must terminate PERS-covered employment to be eligible for a benefit from either plan.

A **DBRP** member who terminates covered employment prior to 5 years of service is eligible to receive a lump-sum payment of their contributions plus regular interest. Taxes and IRS penalties may apply.

A **DBRP** member who terminates covered employment after 5 years of service is eligible to receive a monthly benefit or a lump-sum payment of their contributions plus regular interest. Taxes and IRS penalties may apply.

A **DCRP** member who terminates covered employment prior to 5 years of service is eligible to receive their contributions plus investment earnings. Taxes and IRS penalties may apply.

A **DCRP** member who terminates covered employment after 5 years of service is eligible to receive their contributions plus investment earnings, and the allowable portion of employer contributions. Taxes and IRS penalties may apply.

**Disability Benefit** – In either plan, if the Public Employees' Retirement Board finds a vested member disabled, the member can receive a monthly benefit regardless of the member's age. The monthly benefit is paid after the member terminates PERS-covered employment.

**Death Benefit** – In either plan, a member's benefit can be paid to designated beneficiary(ies) after the member dies.

### VOTE

Should Drummond School's Community Library establish the Public Employees' Retirement System as a retirement plan for its employees on the same basis as for State of Montana employees, pursuant to Title 19, Chapters 2 and 3, Montana Code Annotated. The contract for PERS coverage will become effective either with the first regular pay period that begins at least one month after PER Board approval or with the pay period beginning July 1, 2016, whichever is later.<sup>2</sup>

YES

NO

<sup>1</sup> Formal Agency Name

<sup>2</sup> Effective date must be after the PER Board approval and must allow time for proper implementation.

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### VOTE

Should Drummond School + Community Library District<sup>1</sup> establish the Public Employees' Retirement System as a retirement plan for its employees on the same basis as for State of Montana employees, pursuant to Title 19, Chapters 2 and 3, Montana Code Annotated. The contract for PERS coverage will become effective either with the first regular pay period that begins at least one month after PER Board approval or with the pay period beginning July 1, 2016, whichever is later.<sup>2</sup>

YES

NO

<sup>1</sup> Formal Agency Name

<sup>2</sup> Effective date must be after the PER Board approval and must allow time for proper implementation.

**CONTRACT**  
**FOR PUBLIC EMPLOYEES' RETIREMENT SYSTEM COVERAGE**

THIS AGREEMENT, by and between Drummond School & Community Library<sup>1</sup> (Employer) and the Montana Public Employees' Retirement Board, is made on the date of the latest signature below.

The parties mutually covenant and agree that:

1. The Public Employees' Retirement System (PERS) shall apply to the employees of the employer upon identical terms as for State of Montana employees with regard to rights, benefits, payments, duties, obligations, and in all other respects, effective July 1, 2016 or the first regular employer pay period beginning one month after PER Board approval, whichever is later.
2. The employer shall deduct and withhold the member contributions required by Montana Code Annotated Title 19, Chapters 2 and 3 from every salary payment earned by and paid to all eligible, covered employees after the effective date of this contract.
3. The employer shall promptly file employer reports and shall promptly pay to the PERS appropriate member contributions and employer contributions as required by Montana Code Annotated Title 19, Chapters 2 and 3.
4. Any amendments to the PERS, pursuant to Montana law, shall immediately apply to and become a part of this Contract, and shall amend the same accordingly. This Contract cannot otherwise be cancelled, amended or abrogated by any act of the parties.

IN WITNESS WHEREOF, the duly authorized officers of the parties have signed the document on the date indicated.

\_\_\_\_\_ <sup>2</sup> Public Employees' Retirement Board:  
by: \_\_\_\_\_ <sup>3</sup> by: \_\_\_\_\_  
Sue Peterson <sup>4</sup> Sheena Wilson, President  
Attest: \_\_\_\_\_ <sup>5</sup> Attest: \_\_\_\_\_  
Judith Davis - Bd. Member Dore D. Schwinden, MPERA Exec. Director  
Date: 05/19/2016 Date: \_\_\_\_\_

<sup>1/</sup> Insert name of board or other legislative body.  
<sup>2/</sup> Insert name of board or other legislative body.  
<sup>3/</sup> Signature of chief executive officer.  
<sup>4/</sup> Print name and title of chief executive officer.  
<sup>5/</sup> Signature of clerk (or other similar employee), printed name and title.

### Agency Motion to Adopt Contract

WHEREAS: The Public Employees' Retirement System Act, in sections 19-3-201 to 19-3-203, MCA, provides for the establishment of a retirement plan for employees of certain public agencies.

WHEREAS: This agency would like to become a covered employer on the same basis as the State of Montana under the Public Employees' Retirement System, as expressed in Montana Code Annotated Title 19, Chapters 2 and 3, and related rules, policies, and plan documents, as the same may be changed in the future.

WHEREAS: This agency, as a governmental entity, believes it meets the criteria to have sections 19-3-201 to 19-3-203, MCA apply.

WHEREAS: A secret ballot election of all eligible employees was held on the 19<sup>th</sup> day of May, 2016, between the hours of 8:00 a.m. and 5:00 p.m., in the office of the clerk of this agency, at which election all eligible employees were requested and allowed to vote on the ballot prescribed on page two of this motion to adopt contract.

WHEREAS: The result of the employee election has been canvassed and the number of eligible employees voting for participation in the Public Employees' Retirement System was 2, which constitutes 100 percent of the total number of eligible employees.

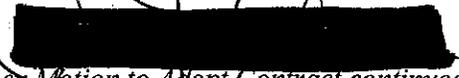
**THEREFORE IT IS MOVED:**

That this agency adopt the Public Employees' Retirement System coverage contract as it appears on page three of this motion to adopt contract; that the appropriate blank on the contract reflect a requested effective date of either the first regular pay period that begins at least one month after PER Board approval or the pay period beginning July 1, 2016, whichever is later; that the duplicate originals of the contract be signed and sealed as indicated; and that all necessary documents be sent to the PER Board.

THIS MOTION was duly passed by an affirmative vote of at least two-thirds of the members of Diamond School Community Library District Board (Board or other legislative body) on this 19<sup>th</sup> day of May, 2016.

Officer Signature:  Title: vice chairman

Certified as a true and accurate statement and proper signature: (SEAL) (if applicable)

Signature of Clerk:   
(Agency Motion to Adopt Contract continued on next page)

<sup>1/</sup> Effective date must be after the PER Board approval and must allow time for proper implementation.

# Employer Payment Policy

## I. Section 19-3-505, MCA

### Payment of Employer Contributions and Interest on Previous Service

A Public Employees' Retirement System (PERS) member may purchase (1) all or a portion of the member's employment with an employer prior to the time the employer entered into a contract for PERS coverage and (2) all or a portion of the member's employment for which optional PERS membership was declined (both of which are known as previous service). PERS employers must establish policies regarding payment of employer contributions and employer interest due for the previous service being purchased by an employee. The policy must be applied indiscriminately to all employees and former employees. Thus, it is our policy to:

- pay the employer's contributions due on previous service; OR  
 not pay the employer's contributions due on previous service.

and to:

- pay the outstanding interest due on the employer's contributions for the previous service; OR  
 not pay the outstanding interest due on the employer's contributions for the previous service.

## II. Section 19-3-504, MCA

### Payment of Interest on Employer Contributions for Workers' Compensation Time

A PERS member may purchase time during which the member is absent from service because of an employment-related injury entitling the member to workers' compensation payments. PERS employers are required to pay employer contributions and must establish a policy for the payment of interest on employer contributions due for the workers' compensation time being purchased by an employee. The policy regarding payment of interest must be applied to all employees similarly situated. Thus, it is our policy to:

- pay the outstanding interest due on the employer's contributions for the employee's purchase of workers' compensation time; OR  
 not pay the outstanding interest due on the employer's contributions for the employee's purchase of workers' compensation time.

NAME OF EMPLOYER Drummond School & Community Library District

Signature of Officer: 

Printed Name: Sue Peterson

Title of Officer: Vice Chairman

Dated: May 19, 2016.