

PROPOSAL FOR RETIREMENT SYSTEM LEGISLATION

(for the 2013 Legislative Session)

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Additional copies of this form can be found at www.leg.mt.gov/sava

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1. Which retirement systems would be covered by the legislation? TEACHERS RETIREMENT SYSTEM
2. What is the problem or issue? PROVIDING FOR LONG-TERM ACTUARY SOUNDNESS OF THE TRS SYSTEM.

3. What do you want the legislation to do?

For new hires only:

- repeal 25 year retirement without penalty
- provide for a 2% multiplier after 30 years or more or creditable service
- amend FAS to 5 years in lieu of 3
- permit early retirement at 55

- permit "full" retirement at 30 years and 60 years of age

4. If possible, please list the Montana Code Annotated (MCA) sections to be amended. SEE ATTACHED BILL DRAFT FROM 2011 SESSION.

5. If the proposed change requires additional funding, what funding sources do you propose (i.e., an increase in employer contributions, employee contributions, both, other?) NA

6. Has similar legislation been requested in the past, been considered in another state, or provided as a model act? If so, please provide a citation, reference, or point of contact. YES. SEE ATTACHED BILL DRAFT.

7. If you are holdover senator or unopposed legislative candidate, would you like to make this a formal bill draft request for the 2013 Legislative Session? BILL DRAFT HAS BEEN SUBMITTED BY SEN. TOM FACEY.

PLEASE RETURN THIS FORM BY AUGUST 1, 2012

1 HOUSE BILL NO. 189

2 INTRODUCED BY DICK BARRETT

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN ENHANCED RETIREMENT BENEFIT, KNOWN AS
5 A "PROFESSIONAL RETIREMENT OPTION", FOR NEW MEMBERS OF THE TEACHERS' RETIREMENT
6 SYSTEM; REVISING THE FUNDING OF THE TEACHERS' RETIREMENT SYSTEM; INCREASING THE
7 NORMAL CONTRIBUTION FOR NEW MEMBERS; INCREASING THE EMPLOYER AND STATE
8 SUPPLEMENTAL CONTRIBUTION TO THE RETIREMENT SYSTEM; INCREASING THE AGE AT WHICH A
9 NEW MEMBER IS ELIGIBLE FOR A SERVICE RETIREMENT; REVISING THE AGE AT WHICH A NEW
10 MEMBER IS ELIGIBLE FOR EARLY RETIREMENT; INCREASING THE RETIREMENT ALLOWANCE FOR A
11 NEW MEMBER WITH 30 OR MORE YEARS OF SERVICE; REDUCING THE PERCENTAGE OF THE
12 RETIREMENT FUND BUDGET THAT A SCHOOL DISTRICT IS ALLOWED TO KEEP AS A RETIREMENT
13 FUND OPERATING RESERVE; TRANSFERRING EXCESS RESERVE FUNDS TO THE TEACHERS'
14 RETIREMENT SYSTEM AND THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; AMENDING SECTIONS
15 19-20-101, 19-20-602, 19-20-605, 19-20-607, 19-20-801, 19-20-802, 19-20-804, AND 20-9-501, MCA; AND
16 PROVIDING AN EFFECTIVE DATE."

17

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

19

20 **Section 1.** Section 19-20-101, MCA, is amended to read:21 **"19-20-101. Definitions.** As used in this chapter, unless the context clearly indicates otherwise, the
22 following definitions apply:23 (1) "Accumulated contributions" means the sum of all the amounts deducted from the compensation of
24 a member or paid by a member and credited to the member's individual account in the annuity savings account,
25 together with interest. Regular interest must be computed and allowed to provide a benefit at the time of
26 retirement.27 (2) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of the mortality
28 table and interest rate assumption set by the retirement board.29 (3) "Average final compensation" means the average of a member's earned compensation during the
30 3 consecutive years of full-time service or as provided under 19-20-805 that yield the highest average and on

1 which contributions have been made as required by 19-20-602. If amounts defined in subsection (6)(b) have been
2 converted by an employer to earned compensation for all members and have been continuously reported as
3 earned compensation in a like amount for at least the 5 fiscal years preceding the member's retirement, the
4 amounts may be included in the calculation of average final compensation. If amounts defined in subsection (6)(b)
5 have been reported as earned compensation for less than 5 fiscal years or if the member has been given the
6 option to have amounts reported as earned compensation, any amounts reported in the 3-year period that
7 constitute average final compensation must be included in average final compensation as provided under
8 19-20-716(1)(b).

9 (4) "Beneficiary" means one or more persons formally designated by a member, retiree, or benefit
10 recipient to receive a retirement allowance or payment upon the death of the member, retiree, or benefit recipient.

11 (5) "Creditable service" is that service defined by 19-20-401.

12 (6) (a) "Earned compensation" means, except as limited by 19-20-715, remuneration, exclusive of
13 maintenance, allowance, and expenses, paid for services by a member out of funds controlled by an employer
14 before any pretax deductions allowed under the Internal Revenue Code are deducted from the member's
15 compensation.

16 (b) Earned compensation does not mean:

17 (i) direct employer premium payments on behalf of members for health or dependent care expense
18 accounts or any employer contribution for health, medical, pharmaceutical, disability, life, vision, dental, or any
19 other insurance;

20 (ii) any direct employer payment or reimbursement for:

21 (A) professional membership dues;

22 (B) maintenance;

23 (C) housing;

24 (D) day care;

25 (E) automobile, travel, lodging, or entertaining expenses; or

26 (F) any similar payment for any form of maintenance, allowance, or expenses;

27 (iii) the imputed value of health, life, or disability insurance or any other fringe benefits; or

28 (iv) any noncash benefit provided by an employer to or on behalf of an employee.

29 (c) Unless included pursuant to 19-20-716, earned compensation does not include termination pay.

30 (d) Adding a direct employer-paid or noncash benefit to an employee's contract or subtracting the same

1 or like amount as a pretax deduction is considered a fringe benefit and not earned compensation.

2 (e) Earned compensation does not include:

3 (i) compensation paid to a member from a plan for the deferral of compensation under section 457(f) of
4 the Internal Revenue Code, 26 U.S.C. 457(f);

5 (ii) payment for sick, annual, or other types of leave that is allowed to a member and that is accrued in
6 excess of that normally allowed; or

7 (iii) incentive or bonus payments paid to a member that are not part of a series of annual payments.

8 (7) "Employer" means:

9 (a) the state of Montana;

10 (b) a public school district, as provided in 20-6-101 and 20-6-701;

11 (c) the office of public instruction;

12 (d) the board of public education;

13 (e) an education cooperative;

14 (f) the Montana school for the deaf and blind, as described in 20-8-101;

15 (g) the Montana youth challenge program, as defined in 10-1-101;

16 (h) a state youth correctional facility, as defined in 41-5-103;

17 (i) the Montana university system;

18 (j) a community college; or

19 (k) any other agency or subdivision of the state that employs a person who is designated a member of
20 the retirement system pursuant to 19-20-302.

21 (8) "Full-time service" means service that is:

22 (a) at least 180 days in a fiscal year;

23 (b) at least 140 hours a month during 9 months in a fiscal year; or

24 (c) full-time under an alternative school calendar adopted by a school board that is less than 180 days
25 but meets minimum accreditation requirements of 1,080 hours.

26 (9) "Internal Revenue Code" has the meaning provided in 15-30-2101.

27 (10) "Member" means a person who has an individual account in the annuity savings account. An active
28 member is a person included under the provisions of 19-20-302. An inactive member is a person included under
29 the provisions of 19-20-303.

30 (11) "Normal form" or "normal form benefit" means a monthly retirement benefit payable during the

1 lifetime of the retired member.

2 (12) "Normal retirement age" means an age no earlier than 55 years of age, with the right to receive
3 immediate retirement benefits without an actuarial reduction in the benefits.

4 (13) "Part-time service" means service that is less than 180 days in a fiscal year or less than 140 hours
5 a month during 9 months in a fiscal year. Part-time service must be credited in the proportion that the actual time
6 worked compares to full-time service.

7 (14) "Regular interest" means interest at a rate set by the retirement board in accordance with
8 19-20-501(2).

9 (15) "Retired member" means a person who has terminated employment that qualified the person for
10 membership under 19-20-302 and who has received at least one monthly retirement benefit paid pursuant to this
11 chapter.

12 (16) "Retirement allowance" means a monthly payment due to a person who has qualified for service or
13 disability retirement or due to a beneficiary as provided in 19-20-1001.

14 (17) "Retirement board" or "board" means the retirement system's governing board provided for in
15 2-15-1010.

16 (18) "Retirement system", "system", or "plan" means the teachers' retirement system of the state of
17 Montana provided for in 19-20-102.

18 (19) "Service" means the performance of instructional duties or related activities that would entitle the
19 person to active membership in the retirement system under the provisions of 19-20-302.

20 (20) "Termination" or "terminate" means that the member has severed the employment relationship with
21 the member's employer and that all, if any, payments due upon termination of employment, including but not
22 limited to accrued sick and annual leave balances, have been paid to the member.

23 (21) (a) "Termination pay" means any form of bona fide vacation leave, sick leave, severance pay,
24 amounts provided under a window or early retirement incentive plan, or other payments contingent on the
25 employee terminating employment and on which employee and employer contributions have been paid as
26 required by 19-20-716.

27 (b) Termination pay does not include:

28 (i) amounts that are not wages under section 3121 of the Internal Revenue Code, determined without
29 regard to the wage base limitation; and

30 (ii) amounts that are payable to a member from a plan for the deferral of compensation under section

1 457(f) of the Internal Revenue Code, 26 U.S.C. 457(f).

2 (22) "Tier one member" means a member hired before July 1, 2011.

3 (23) "Tier two member" means a member hired on or after July 1, 2011.

4 ~~(22)~~(24) "Vested" means that a member has been credited with at least 5 full years of membership
5 service upon which contributions have been made, as required by 19-20-602, 19-20-605, and 19-20-607, and
6 who has a right to a future retirement benefit.

7 ~~(23)~~(25) "Written application" or "written election" means a written instrument, required by statute or the
8 rules of the board, properly signed and filed with the board, that contains all the required information, including
9 documentation that the board considers necessary."
10

11 **Section 2.** Section 19-20-602, MCA, is amended to read:

12 **"19-20-602. Annuity savings account -- member's contribution.** (1) The annuity savings account is
13 an account in which the contributions for the members to provide for their retirement allowance or benefits must
14 be accumulated in individual accounts for each member.

15 (2) The normal contribution of each tier one member is 7.15% of the member's earned compensation.

16 (3) The normal contribution of each tier two member is 7.69% of the member's earned compensation.

17 ~~(2)~~(4) Contributions to and payments from the annuity savings account must be made in the following
18 manner:

19 (a) Each employer, pursuant to section 414(h)(2) of the Internal Revenue Code:

20 (i) shall pick up and pay the contributions that would be payable by the member under this subsection
21 ~~(2)~~ (4) for service rendered after June 30, 1985,

22 (ii) shall pick up and pay the contributions that would be paid in the manner provided in 19-20-716; and

23 (iii) may pick up and pay the contributions that would be payable by the member pursuant to 19-20-415.

24 (b) The member's contributions picked up by the employer must be designated for all purposes of the
25 retirement system as the member's contributions, except for the determination of a tax upon a distribution from
26 the retirement system. These contributions must become part of the member's accumulated contributions but
27 must be accounted for separately from those previously accumulated.

28 (c) The member's contributions picked up by the employer must be payable from the same source as
29 is used to pay compensation to the member and must be included in the member's earned compensation as
30 defined in 19-20-101. The employer shall deduct from the member's compensation an amount equal to the

1 amount of the member's contributions picked up by the employer and remit the total of the contributions to the
2 retirement board.

3 (d) The deductions must be made notwithstanding that the minimum compensation provided by law for
4 a member may be reduced by the deductions. Each member is considered to consent to the deductions
5 prescribed by this section, and payment of salary or compensation less the deductions is a complete discharge
6 of all claims for the services rendered by the member during the period covered by the payment, except as to the
7 benefits provided by the retirement system.

8 ~~(3)(5)~~ The accumulated contributions of a member withdrawn by the member or paid to the member's
9 estate or to the member's designated beneficiary in event of the member's death must be paid from the annuity
10 savings account. Upon the retirement of a member, the member's accumulated contributions must be transferred
11 from the annuity savings account to the pension accumulation account."
12

13 **Section 3.** Section 19-20-605, MCA, is amended to read:

14 **"19-20-605. Pension accumulation account -- employer's contribution.** (1) The pension
15 accumulation account is the account in which the reserves for payment of retirement allowances and benefits
16 must be accumulated and from which retirement allowances and benefits must be paid to retirees or their
17 beneficiaries. Contributions to and payments from the pension accumulation account must be made as provided
18 in this section.

19 (2) ~~(a)~~ Except as provided in ~~subsection~~ subsections (2)(b) and (3), for each member employed during
20 the whole or part of the preceding payroll period, the employer shall pay into the pension accumulation account
21 an amount equal to 9.85% of total earned compensation.

22 (b) Beginning July 1, 2011, the employer contribution rate required by subsection (2)(a) must increase
23 by 0.5% on July 1 of each year until July 1, 2023, unless the amortization period as of the most recent actuarial
24 valuation is less than or equal to 30 years.

25 (3) For each member employed by a school district, an education cooperative, a county, or a community
26 college during the whole or part of the preceding payroll period, the employer shall pay into the pension
27 accumulation account an amount equal to 7.47% of total earned compensation.

28 (4) Beginning July 1, 2013, for each retired member who returns to covered employment under the
29 provisions of 19-20-731 during all or part of the preceding payroll period, the employer shall pay into the pension
30 accumulation account an amount equal to 9.85% of the total earned compensation paid to the retired member.

1 ~~(5) If the employer is a district or community college district, the trustees shall budget and pay for the~~
 2 ~~employer's contribution under the provisions of 20-9-501.~~

3 ~~(6) If the employer is the superintendent of public instruction, a public institution of the state of Montana,~~
 4 ~~a unit of the Montana university system, or the Montana state school for the deaf and blind, the legislature shall~~
 5 ~~appropriate to the employer an adequate amount to allow the payment of the employer's contribution.~~

6 ~~(7) If the employer is a county, the county commissioners shall budget and pay for the employer's~~
 7 ~~contribution in the manner provided by law for the adoption of a county budget and for payments under the~~
 8 ~~budget.~~

9 ~~(8) All interest and other earnings realized on the money of the retirement system must be credited to~~
 10 ~~the pension accumulation account, and the amount required to allow regular interest on the annuity savings~~
 11 ~~account must be transferred to that account from the pension accumulation account.~~

12 ~~(9) The board may transfer from the pension accumulation account to the expense account an amount~~
 13 ~~necessary to cover expenses of administration."~~

14
 15 **Section 4.** Section 19-20-607, MCA, is amended to read:

16 ~~"19-20-607. Supplemental state contribution. (1) Each month, the state shall contribute as a~~
 17 ~~supplemental contribution to the teachers' retirement system, from the general fund to the pension trust fund an~~
 18 ~~amount equal to:~~

19 ~~_____ (a) beginning July 1, 2007, through June 30, 2009, 2% of the total earned compensation of school district~~
 20 ~~and community college active members participating in the system; and~~

21 ~~_____ (b) beginning July 1, 2009, 2.38% of the total earned compensation of school district and community~~
 22 ~~college active members participating in the system.~~

23 ~~(2) Beginning July 1, 2011, the supplemental contribution rate required by subsection (1) must increase~~
 24 ~~by 0.5% on July 1 of each year until July 1, 2023, unless the amortization period of the most recent valuation is~~
 25 ~~less than or equal to 30 years.~~

26 ~~(2)(3) The contributions are statutorily appropriated, as provided in 17-7-502, to the pension trust fund.~~
 27 ~~The board shall determine and shall certify to the state treasurer amounts due under this section on a monthly~~
 28 ~~basis. The state treasurer shall transfer the certified amounts to the pension trust fund within 1 week following~~
 29 ~~receipt of the certification from the board."~~

1 **Section 5.** Section 19-20-801, MCA, is amended to read:

2 **"19-20-801. Eligibility for service retirement.** (1) A tier one member who is eligible to receive a service
3 retirement allowance under 19-20-804(1) if the member has:

4 (a) at least 5 full years of creditable service and who has attained the age of 60; or

5 (b) has been credited with full-time or part-time creditable service in 25 or more years may retire from
6 service.

7 (2) A tier two member is eligible to receive a service retirement allowance under 19-20-804(1) if the
8 member has:

9 (a) at least 5 full years of creditable service and has attained the age of 60; or

10 (b) been credited with full-time or part-time creditable service in 25 or more years and has attained the
11 age of 55.

12 (3) A tier two member with 30 or more years of creditable service is eligible for a professional retirement
13 option allowance under 19-20-804(2).

14 (4) To receive a service retirement allowance or a professional retirement option allowance, a member
15 must have if the member has terminated employment in all positions from which the member is eligible to retire
16 and files shall file a written application with the retirement board a written application."

17
18 **Section 6.** Section 19-20-802, MCA, is amended to read:

19 **"19-20-802. Early retirement.** (1) (a) A tier one member who is not eligible for service retirement but
20 who has at least 5 years of creditable service and who has attained the age of 50 years of age may retire from
21 service and be eligible for an early retirement allowance.

22 (b) A tier two member who is not eligible for service retirement but who has at least 5 years of creditable
23 service and who has attained 55 years of age may retire from service and be eligible for an early retirement
24 allowance.

25 (c) if the member files A member retiring under subsection (1)(a) or (1)(b) must file a written application
26 with the retirement board the member's written application.

27 (2) The early retirement allowance must be determined as prescribed in 19-20-804 and section 5,
28 Chapter 549, Laws of 1981, with the exception that the allowance will be reduced as follows:

29 (a) by 1/2 of 1% multiplied by the number of months up to a maximum of 60 months by which the
30 retirement date precedes the date on which the member would have retired had the member attained 60 years

1 of age or had the member completed 25 years of creditable service; and
2 (b) by 3/10 of 1% multiplied by the number of months in excess of the 60 months in subsection (2)(a)
3 but not to exceed 60 additional months that the retirement date precedes the date on which the member would
4 have retired had the member attained 60 years of age or had the member completed 25 years of creditable
5 service."

6

7 **Section 7.** Section 19-20-804, MCA, is amended to read:

8 **"19-20-804. Allowance for service retirement -- professional retirement option allowance --**
9 **limitation on creditable service.** (1) ~~Upon~~ Except as provided in subsection (2), upon termination, a member
10 who qualifies for benefits pursuant to 19-20-801(1) or (2) must receive a retirement allowance equal to
11 one-sixtieth of the member's average final compensation, as limited by 19-20-715, multiplied by the sum of the
12 ~~number of member's~~ years of creditable service and service transferred under 19-20-409.

13 (2) Upon termination, a tier two member who qualifies for benefits pursuant to 19-20-801(3) must receive
14 a retirement allowance equal to 2% of the member's final average compensation, as limited by 19-20-715,
15 multiplied by the sum of the member's years of creditable service and service transferred under 19-20-409.

16 (3) For the purposes of subsection (2), creditable service does not include any previous membership
17 service that was withdrawn before the member became a tier two member and redeposited with the retirement
18 system in the member's capacity as a tier two member pursuant to 19-20-427."

19

20 **Section 8.** Section 20-9-501, MCA, is amended to read:

21 **"20-9-501. Retirement costs and retirement fund.** (1) The trustees of a district or the management
22 board of a cooperative employing personnel who are members of the teachers' retirement system or the public
23 employees' retirement system, who are covered by unemployment insurance, or who are covered by any federal
24 social security system requiring employer contributions shall establish a retirement fund for the purposes of
25 budgeting and paying the employer's contributions to the systems as provided in subsection (2)(a). The district's
26 or the cooperative's contribution for each employee who is a member of the teachers' retirement system must
27 be calculated in accordance with Title 19, chapter 20, part 6. The district's or the cooperative's contribution for
28 each employee who is a member of the public employees' retirement system must be calculated in accordance
29 with 19-3-316. The district's or the cooperative's contributions for each employee covered by any federal social
30 security system must be paid in accordance with federal law and regulation. The district's or the cooperative's

1 contribution for each employee who is covered by unemployment insurance must be paid in accordance with Title
2 39, chapter 51, part 11.

3 (2) (a) The district or the cooperative shall pay the employer's contributions to the retirement, federal
4 social security, and unemployment insurance systems from the retirement fund for the following:

5 (i) a district employee whose salary and health-related benefits, if any health-related benefits are
6 provided to the employee, are paid from state or local funding sources;

7 (ii) a cooperative employee whose salary and health-related benefits, if any health-related benefits are
8 provided to the employee, are paid from the cooperative's interlocal cooperative fund if the fund is supported
9 solely from districts' general funds and state special education allowable cost payments, pursuant to 20-9-321,
10 or are paid from the miscellaneous programs fund, provided for in 20-9-507, from money received from the
11 medicaid program, pursuant to 53-6-101;

12 (iii) a district employee whose salary and health-related benefits, if any health-related benefits are
13 provided to the employee, are paid from the district's school food services fund provided for in 20-10-204;

14 (iv) a district employee whose salary and health-related benefits, if any health-related benefits are
15 provided to the employee, are paid from the district impact aid fund, pursuant to 20-9-514; and

16 (v) for the 2011 biennium only, a district employee whose salary and health-related benefits, if any
17 health-related benefits are provided to the employee, are budgeted in the district general fund but are paid from
18 state fiscal stabilization funds received pursuant the American Recovery and Reinvestment Act of 2009, Public
19 Law 111-5.

20 (b) For an employee whose benefits are not paid from the retirement fund, the district or the cooperative
21 shall pay the employer's contributions to the retirement, federal social security, and unemployment insurance
22 systems from the funding source that pays the employee's salary.

23 (3) The trustees of a district required to make a contribution to a system referred to in subsection (1) shall
24 include in the retirement fund of the final budget the estimated amount of the employer's contribution. After the
25 final retirement fund budget has been adopted, the trustees shall pay the employer contributions to the systems
26 in accordance with the financial administration provisions of this title.

27 (4) When the final retirement fund budget has been adopted, the county superintendent shall establish
28 the levy requirement by:

29 (a) determining the sum of the money available to reduce the retirement fund levy requirement by adding:

30 (i) any anticipated money that may be realized in the retirement fund during the ensuing school fiscal

1 year;

2 (ii) oil and natural gas production taxes;

3 (iii) coal gross proceeds taxes under 15-23-703;

4 (iv) any fund balance available for reappropriation as determined by subtracting the amount of the
5 end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school fiscal
6 year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund operating
7 reserve may not be more than ~~35%~~ 20% of the final retirement fund budget for the ensuing school fiscal year and
8 must be used for the purpose of paying retirement fund warrants issued by the district under the final retirement
9 fund budget.

10 (v) any other revenue anticipated that may be realized in the retirement fund during the ensuing school
11 fiscal year, excluding any guaranteed tax base aid.

12 (b) notwithstanding the provisions of subsection (9), subtracting the money available for reduction of the
13 levy requirement, as determined in subsection (4)(a), from the budgeted amount for expenditures in the final
14 retirement fund budget.

15 (5) The county superintendent shall:

16 (a) total the net retirement fund levy requirements separately for all elementary school districts, all high
17 school districts, and all community college districts of the county, including any prorated joint district or special
18 education cooperative agreement levy requirements; and

19 (b) report each levy requirement to the county commissioners on the fourth Monday of August as the
20 respective county levy requirements for elementary district, high school district, and community college district
21 retirement funds.

22 (6) The county commissioners shall fix and set the county levy or district levy in accordance with
23 20-9-142.

24 (7) The net retirement fund levy requirement for a joint elementary district or a joint high school district
25 must be prorated to each county in which a part of the district is located in the same proportion as the district ANB
26 of the joint district is distributed by pupil residence in each county. The county superintendents of the counties
27 affected shall jointly determine the net retirement fund levy requirement for each county as provided in 20-9-151.

28 (8) The net retirement fund levy requirement for districts that are members of special education
29 cooperative agreements must be prorated to each county in which the district is located in the same proportion
30 as the special education cooperative budget is prorated to the member school districts. The county

1 superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each
2 county in the same manner as provided in 20-9-151, and the county commissioners shall fix and levy the net
3 retirement fund levy for each county in the same manner as provided in 20-9-152.

4 (9) The county superintendent shall calculate the number of mills to be levied on the taxable property
5 in the county to finance the retirement fund net levy requirement by dividing the amount determined in subsection
6 (5)(a) by the sum of:

7 (a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as certified
8 by the superintendent of public instruction; and

9 (b) the taxable valuation of the district divided by 1,000.

10 (10) The levy for a community college district may be applied only to property within the district.

11 (11) The county superintendent of each county shall submit a report of the revenue amounts used to
12 establish the levy requirements for county school funds supporting elementary and high school district retirement
13 obligations to the superintendent of public instruction not later than the second Monday in September. The report
14 must be completed on forms supplied by the superintendent of public instruction."

15

16 ~~**NEW SECTION. Section 9. Transfer of excess school district retirement fund reserves to**~~
17 ~~**retirement systems.** (1) On August 1, 2011, the trustees of a district that maintains a retirement fund as provided~~
18 ~~in 20-9-501 shall transfer to the teachers' retirement system and the public employees' retirement system the~~
19 ~~excess funds generated by the reduction of allowable reserves from 35% to 20%.~~

20 ~~(2) To determine the amounts to be transferred to each retirement system as required by subsection (1),~~
21 ~~the trustees of a district shall use the same ratio of the payments made to the retirement systems in fiscal year~~
22 ~~2010.~~

23

24 **NEW SECTION. Section 10. Effective date.** [This act] is effective July 1, 2011.

25

- END -