ADMINISTRATIVE RULES OF MONTANA

2.21.1940 CONTRIBUTIONS

(1) Employer contributions into an account, the accumulation of interest or other earnings in an account, and payments from an account for qualified health care expenses are tax-exempt, as provided in 15-30-2110, MCA, and under applicable federal laws to the extent that the plan meets requirements under applicable sections of the Internal Revenue Code.

(2) Each contracting employer shall make contributions to the Montana VEBA HRA for participants. The department or its administrator, as applicable, shall establish an account for each participant.

(3) Sick leave is a contribution source, if approved by a vote of the group, and may convert tax-free as a contribution. The sick leave contribution rate is 25% of the member's balance at time of separation from service. As agreed upon by the group, the sick leave balance of 25% may be divided as defined by the department between a Montana VEBA HRA contribution and taxable cash.

(4) Annual vacation leave is a contribution source, if approved by a vote of the group, and may convert tax-free as a contribution. The annual vacation leave rate is 100% of the member's balance at the time of separation from service.

(5) Other contributions may be allowed as permitted by statute and federal law, but may not be discriminatory in favoring highly compensated employees. All members of a group must participate in any form of approved contributions.

Authorizing statute(s): 2-18-1305, MCA

Implementing statute(s): 2-18-1311, MCA

History: NEW, 2005 MAR p. 911, Eff. 4/29/05; AMD, 2013 MAR p. 1083, Eff. 6/21/13; AMD, 2019 MAR p. 2011, Eff. 11/9/19.