



ADMINISTRATIVE RULES OF MONTANA

2.43.2319 PURCHASE OF "ONE-FOR-FIVE" SERVICE BY EMPLOYERS FOR REDUCTION IN FORCE EMPLOYEES

- (1) Members who are subject to a reduction in force and wish to apply for additional service under 19-2-706, MCA, must do so on forms provided by MPERA prior to involuntary termination from covered employment.
- (2) MPERA will review the application and the member's file to determine the number of years of additional service a member is eligible to purchase and the required employer contributions for the purchase. MPERA may request any additional information it deems necessary from the employer or the member to complete this review.
- (3) After review, MPERA will send the application to the employer to certify the following data:
 - (a) termination date;
 - (b) reason for termination (voluntary, reduction in force, or other);
 - (c) whether the member has taken advantage of other benefits provided as an alternative to this program; and
 - (d) whether the position was eliminated or reclassified.
- (4) After receiving the requested certified information, MPERA will formally review and approve the request, if appropriate.
- (5) The cost of the one-for-five service will be based on the member's final 12 months of salary, ending with the last full month of service. When calculating the cost for a member working part-time but whose final average compensation or highest average compensation will be based on full-time service, the final 12-month salary will be proportionally adjusted.
- (6) A cost statement for the employer's portion of the cost of the one-for-five service will be sent to the member's former employer after the member terminates. The employer may pay the amount in full within one month of billing, or may select an installment plan of no more than ten years duration. Installment plans will include interest compounded monthly at the actuarially assumed rate of return for the trust fund in effect on the date of the member's termination.
- (7) Employers who chose the installment plan option must make annual payments no later than June of each year.
 - (a) MPERA will provide early payoff or pay down figures at the request of an employer.
 - (b) If the employer prepays on the installment plan, MPERA will recalculate the interest due following each payment, based on the remaining balance due. Prepayments will not relieve the employer of the obligation to make the next installment payment unless the amount owing is paid in full.

- (8) The member will be billed for his or her portion of the cost of the one-for-five service.

Authorizing statute(s): 19-2-403, MCA

Implementing statute(s): 19-2-706, MCA

History: NEW, 1993 MAR p. 2008, Eff. 8/27/93; AMD, 1995 MAR p. 1320, Eff. 7/14/95; AMD, 1999 MAR p. 1504, Eff. 7/2/99; AMD & TRANS, from ARM 2.43.451, 2008 MAR p. 2467, Eff. 12/1/08; AMD, 2011 MAR p. 1678, Eff. 8/26/11; AMD, 2017 MAR p. 1515, Eff. 9/9/17.