



Montana Legislative Services Division

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TO: State Administration and Veterans' Affairs Interim Committee

FROM: Andria Hardin, Legislative Attorney

DATE: April 10, 2026

RE: Legislative Administrative Rule Review Report

Pursuant to 5-5-228, MCA, the State Administration and Veterans' Affairs Interim Committee has prepared this report for informational purposes only. This report does not represent any action or opinion of the State Administration and Veterans' Affairs Interim Committee and does not preclude additional action that may be taken by the State Administration and Veterans' Affairs Interim Committee pursuant to its authority under the Montana Administrative Procedure Act (Title 2, chapter 4, MCA).

MAR NOTICE NUMBER: 2026-20.1

AGENCY/BOARD: Public Employees' Retirement Board

RULE CLASSIFICATION (e.g., substantive/interpretive/emergency/temporary): Substantive

SUBJECT: Calculation of highest average compensation with lump-sum payment – contents and duration for defined benefit plans in family law orders – application of actuarial assumptions for determining amount of coal severance tax and interest income statutorily appropriated to PERS defined benefit plan trust fund

NOTICE DESCRIPTION (e.g., proposal notice/adoption notice): Notice of Proposed Rulemaking

SUMMARY OF RULE(S): The board seeks to amend ARM 2.43.2110 to change the manner in which the highest average compensation (HAC) with a lump sum payment is calculated (1) by using an averaged regular hourly rate during the HAC instead of the hourly rate upon termination, and (2) when upon termination of employment a lump-sum payment for paid leave is used to calculate the HAC, replacement months may be applied non-consecutively. ARM 2.43.3008 will add a requirement that the statutorily defined "regular interest" rate must be used in family law orders assessing interest. And ARM 2.43.1312 will be repealed as the statutory appropriation of coal severance tax and interest income to the PERS defined benefit plan trust fund was repealed.

NOTES: No hearing is contemplated. The public comment period ends on April 17, 2026 at 5:00 p.m.

STAFF COMMENT: None.

FULL TEXT OF NOTICE: <https://rules.mt.gov/browse/collections/5e1173a6-33c7-4df8-b426-5e0077cfc430/policies/0feacf01-1f9f-49fb-9f49-08ee669dcace>