

# HB 226: Harmful and Chaotic Overreach

## HOUSE BILL 226:

- (1) **Infringes on legislators' authority** to oversee public pension systems.
- (2) **Harms new workers by reducing their retirement benefits.** Opting new hires into defined contribution plans means they will retire with less.
- (3) **Creates chaos for employers** by forcing them to cover unforeseen, unbudgeted obligations.

**KEEP MONTANA'S  
PROMISE TO OUR  
PUBLIC EMPLOYEES!**



## THE FACTS ABOUT OUR PENSION SYSTEM:

- **Pension benefits drive the economy.** In 2020, pension benefits supported 9,314 Montana jobs and generated \$1.4 billion in total economic output. \$1.00 of taxpayer investment in pensions generates ~\$6.79 in output.<sup>1</sup>
- Defined benefit **pensions perform an average of 25% better than 401(k)s.**<sup>2</sup>
- By looking at return rates over a 30 to 50 year horizon, **our pension system is stable through economic highs and lows.**
- **Defined-benefit pensions lead to workforce retention and recruitment.** 90% of all state and local workers said pensions were integral to their willingness to stay on the job. Over 70% said they'd be more likely to transition to the private sector if their defined benefit pension was moved to a 401(k).<sup>3</sup>

<sup>1</sup> National Institute on Retirement Security (2023)

<sup>2</sup> National Public Pension Coalition (2016)

<sup>3</sup> National Institute of Retirement Security (2019)