

House BILL NO. *274*

INTRODUCED BY

Richard Halverson *Jeffrey J. Brown* *Connelly Davis*

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT ALL SERVICE TIME PURCHASED BY A MEMBER OF THE MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM MAY BE CREDITED TOWARD THE MEMBER'S ELIGIBILITY FOR SERVICE RETIREMENT; DEFINING "QUALIFIED SERVICE"; AMENDING SECTIONS 19-9-104, 19-9-403, AND 19-9-801, MCA; AND PROVIDING AN EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

Section 1. Section 19-9-104, MCA, is amended to read:

"19-9-104. Definitions. Unless the context requires otherwise, the following definitions apply in this chapter:

- (1) "Administrator" means the public employees' retirement division of the department of administration.
- (2) "Base salary" means the sum of the monthly compensations for each month in a given calendar year.
- (3) "Board" means the retirement board described in 2-15-1009.
- (4) "Credited service" means the aggregate of a member's prior service and membership service.
- (5) "Death benefit" means a monthly annuity paid to a surviving spouse or dependent child or a lump-sum payment

made to a beneficiary on behalf of a member who dies before retirement.

(6) "Dependent child" means a child of a deceased member:

- (a) who is unmarried and under 18 years of age; or
- (b) who is unmarried, under 24 years of age, and attending an accredited postsecondary educational institution as a full-time student in anticipation of receiving a certificate or degree.

(7) "Employer" means any city which participated in a prior plan or which elects to join this plan under 19-9-107.

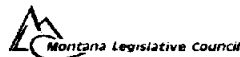
(8) "Employer annuity" means monthly payments for life derived from employer and state contributions.

(9) "Final average salary" means the monthly compensation of a member, averaged over the last 36 months of his active service or, in the event he has not been a member that long, over the period of his membership.

(10) "Fund" means the pension trust fund in the treasury system designated for the use of the plan.

(11) "Member" means a person who is employed by an employer as a police officer or who is entitled to a retirement allowance by virtue of his service to an employer as a police officer.

(12) "Member contributions" means the total of the deductions from the compensation of a member, either made



1 during a period of active membership hereunder or made under
2 a prior plan and transferred to this plan, standing to his
3 credit, together with the interest thereon.

4 (13) "Member's annuity" means monthly payments for life
5 derived from member contributions.

6 (14) "Membership service" means a period of employment
7 with an employer occurring after June 30, 1977, during which
8 the withholdings required by this chapter have been made
9 from a member's monthly compensation and credited to his
10 member contributions account. Pro rata credit shall be
11 granted for employment on a part-time basis or for
12 employment over a period of less than a complete fiscal
13 year.

14 (15) "Minimum retirement date" or "normal retirement
15 date" means the first day of the month coinciding with or
16 immediately following, if none coincides, the date on which
17 a member becomes both age 50 or older and completes 20 or
18 more years of credited service.

19 (16) "Monthly compensation" means the wage, excluding
20 overtime, holiday payments, shift differential payments,
21 compensation time payments, and payments in lieu of sick
22 leave and annual leave, a member receives as an active
23 police officer.

24 (17) Any reference to "municipality", "city", or "town"
25 includes those jurisdictions which, prior to the effective

1 date of a county-municipal consolidation, were incorporated
2 municipalities, subsequent districts created for urban law
3 enforcement services, or the entire county included in the
4 county-municipal consolidation.

5 (18) "Plan" means the municipal police officers'
6 retirement system created by this chapter.

7 (19) "Police officer" means a law enforcement officer
8 employed by an employer.

9 (20) "Prior plan" means the local police reserve or
10 retirement fund of a city which elects to join the plan
11 under 19-9-107 or the statewide police reserve fund
12 administered by the department of administration in
13 accordance with Chapter 335, Laws of 1974.

14 (21) "Prior service" means a period of employment as a
15 police officer for which credit was granted to a member
16 under a prior plan and has been transferred to this plan.

17 (22) "Qualified service" means credited service plus any
18 service purchased under the provisions of part 4 of this
19 chapter.

20 ~~(22)~~(23) "Retirement allowance" means the employer
21 annuity plus the member's annuity.

22 ~~(23)~~(24) "Retirement date" means the date on which the
23 first payment of the retirement, disability, or survivor
24 benefits of a member or a beneficiary is payable.

25 ~~(24)~~(25) "Surviving spouse" means the spouse married to

1 a member at the time of the member's death.

2 ~~{25}~~(26) "Totally and permanently disabled" means that
3 the board, upon certification by a licensed and practicing
4 physician, has determined that a member's disability is of
5 such a nature as to permanently impair his ability to
6 discharge his normal duties as a police officer."

7 **Section 2.** Section 19-9-403, MCA, is amended to read:

8 "19-9-403. Election to qualify previous military
9 service. (1) A member with 15 years or more of service may,
10 at any time prior to his retirement, make a written election
11 with the board to qualify all or any portion of his active
12 service in the armed forces of the United States for the
13 purpose of calculating retirement benefits, up to a maximum
14 of 5 years, if he is not otherwise eligible to receive
15 credit. To qualify this service he must contribute to the
16 account the actuarial cost of granting the service to be
17 determined by the board based on his compensation and normal
18 contribution rate as of his 16th year and as many succeeding
19 years as are required to qualify this service, with interest
20 from the date he becomes eligible for this benefit to the
21 date he contributes. He may not qualify more of his military
22 service than he has service in excess of 15 years. ~~Military
23 service--purchased-under-this-section-may-not-be-used-in-the
24 determination--of--eligibility--for--a--service--retirement
25 requiring-a-minimum-of-20-years-service.~~

1 (2) If a member has retired from active duty in the
2 armed forces of the United States with normal service
3 retirement benefits, he may not qualify his military service
4 under subsection (1). However, a member who is serving or
5 has served in the military reserves with the expectation of
6 receiving a military service pension may qualify his active
7 military service under subsection (1) if his active duty in
8 the armed forces of the United States is not more than 25%
9 of the total of all his years of military service, including
10 reserve and active duty time."

11 **Section 3.** Section 19-9-801, MCA, is amended to read:

12 "19-9-801. Eligibility for service retirement --
13 commencement of allowance. Members are eligible for
14 retirement and shall retire as provided in this section:

15 (1) A member who was employed by an employer as a
16 police officer on July 1, 1975, is eligible to receive a
17 service retirement allowance when he has completed 20 years
18 or more ~~in--the--aggregate--as--a--probationary-officer--a
19 regular-officer--or--a--special-officer--in--any--capacity--or
20 rank, of qualified service~~ and has terminated covered
21 employment.

22 (2) A member who was or is first employed by an
23 employer as a police officer after July 1, 1975, is eligible
24 to receive a service retirement allowance when he has
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4 (3) (a) Except as provided in subsection (3)(b), the
5 retirement allowance may commence on the first day of the
6 month following the member's last day of membership service
7 or, if requested by the terminated member in writing, on the
8 first day of the month following receipt of the written
9 application.

10 (b) The retirement allowance for an eligible terminated
11 member must commence no later than the first day of the
12 month following the member's 55th birthday."

13 NEW SECTION. Section 4. Retroactive applicability.
14 [This act] applies retroactively, within the meaning of
15 1-2-109, to retirements on or after January 1, 1991.

16 NEW SECTION. Section 5. Effective date. [This act] is
17 effective July 1, 1991.

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APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

HOUSE BILL NO. 274

INTRODUCED BY STRIZICH, NISBET, BACHINI, GALVIN,
WYATT, J. BROWN, CONNELLY, DAVIS, PHILLIPS, LEE

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HB 274

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23 (2) A member who was or is first employed by an
24 employer as a police officer after July 1, 1975, is eligible
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5 (3) (a) Except as provided in subsection (3)(b), the
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HB 274

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21 (11) "Member" means a person who is employed by an
22 employer as a police officer or who is entitled to a
23 retirement allowance by virtue of his service to an employer
24 as a police officer.

25 (12) "Member contributions" means the total of the

REFERENCE BILL
HB 274

1 deductions from the compensation of a member, either made
2 during a period of active membership hereunder or made under
3 a prior plan and transferred to this plan, standing to his
4 credit, together with the interest thereon.

5 (13) "Member's annuity" means monthly payments for life
6 derived from member contributions.

7 (14) "Membership service" means a period of employment
8 with an employer occurring after June 30, 1977, during which
9 the withholdings required by this chapter have been made
10 from a member's monthly compensation and credited to his
11 member contributions account. Pro rata credit shall be
12 granted for employment on a part-time basis or for
13 employment over a period of less than a complete fiscal
14 year.

15 (15) "Minimum retirement date" or "normal retirement
16 date" means the first day of the month coinciding with or
17 immediately following, if none coincides, the date on which
18 a member becomes both age 50 or older and completes 20 or
19 more years of credited service.

20 (16) "Monthly compensation" means the wage, excluding
21 overtime, holiday payments, shift differential payments,
22 compensation time payments, and payments in lieu of sick
23 leave and annual leave, a member receives as an active
24 police officer.

25 (17) Any reference to "municipality", "city", or "town"

1 includes those jurisdictions which, prior to the effective
2 date of a county-municipal consolidation, were incorporated
3 municipalities, subsequent districts created for urban law
4 enforcement services, or the entire county included in the
5 county-municipal consolidation.

6 (18) "Plan" means the municipal police officers'
7 retirement system created by this chapter.

8 (19) "Police officer" means a law enforcement officer
9 employed by an employer.

10 (20) "Prior plan" means the local police reserve or
11 retirement fund of a city which elects to join the plan
12 under 19-9-107 or the statewide police reserve fund
13 administered by the department of administration in
14 accordance with Chapter 335, Laws of 1974.

15 (21) "Prior service" means a period of employment as a
16 police officer for which credit was granted to a member
17 under a prior plan and has been transferred to this plan.

18 (22) "Qualified service" means credited service plus any
19 service purchased under the provisions of part 4 of this
20 chapter.

21 ~~(22)~~(23) "Retirement allowance" means the employer
22 annuity plus the member's annuity.

23 ~~(23)~~(24) "Retirement date" means the date on which the
24 first payment of the retirement, disability, or survivor
25 benefits of a member or a beneficiary is payable.

1 ~~(24)~~(25) "Surviving spouse" means the spouse married to
2 a member at the time of the member's death.

3 ~~(25)~~(26) "Totally and permanently disabled" means that
4 the board, upon certification by a licensed and practicing
5 physician, has determined that a member's disability is of
6 such a nature as to permanently impair his ability to
7 discharge his normal duties as a police officer."

8 **Section 2.** Section 19-9-403, MCA, is amended to read:

9 "**19-9-403. Election to qualify previous military**
10 **service.** (1) A member with 15 years or more of service may,
11 at any time prior to his retirement, make a written election
12 with the board to qualify all or any portion of his active
13 service in the armed forces of the United States for the
14 purpose of calculating retirement benefits, up to a maximum
15 of 5 years, if he is not otherwise eligible to receive
16 credit. To qualify this service he must contribute to the
17 account the actuarial cost of granting the service to be
18 determined by the board based on his compensation and normal
19 contribution rate as of his 16th year and as many succeeding
20 years as are required to qualify this service, with interest
21 from the date he becomes eligible for this benefit to the
22 date he contributes. He may not qualify more of his military
23 service than he has service in excess of 15 years. ~~Military~~
24 ~~service-purchased-under-this-section-may-not-be-used-in-the~~
25 ~~determination-of-eligibility-for-a-service-retirement~~

1 ~~requiring-a-minimum-of-20-years-service:~~

2 (2) If a member has retired from active duty in the
3 armed forces of the United States with normal service
4 retirement benefits, he may not qualify his military service
5 under subsection (1). However, a member who is serving or
6 has served in the military reserves with the expectation of
7 receiving a military service pension may qualify his active
8 military service under subsection (1) if his active duty in
9 the armed forces of the United States is not more than 25%
10 of the total of all his years of military service, including
11 reserve and active duty time."

12 **Section 3.** Section 19-9-801, MCA, is amended to read:

13 "**19-9-801. Eligibility for service retirement --**
14 **commencement of allowance.** Members are eligible for
15 retirement and shall retire as provided in this section:

16 (1) A member who was employed by an employer as a
17 police officer on July 1, 1975, is eligible to receive a
18 service retirement allowance when he has completed 20 years
19 or more ~~in-the-aggregate-as-a-probationary-officer--a~~
20 ~~regular-officer--or-a-special-officer--in-any-capacity-or~~
21 ~~rank, of qualified service~~ and has terminated covered
22 employment.

23 (2) A member who was or is first employed by an
24 employer as a police officer after July 1, 1975, is eligible
25 to receive a service retirement allowance when he has

1 reached the age of 50, has completed 20 years or more in-the
2 aggregate-as-a-probationary-officer,-a-regular-officer,-or-a
3 special-officer,-in-any-capacity-or-rank, of qualified
4 service, and has terminated covered employment.

5 (3) (a) Except as provided in subsection (3)(b), the
6 retirement allowance may commence on the first day of the
7 month following the member's last day of membership service
8 or, if requested by the terminated member in writing, on the
9 first day of the month following receipt of the written
10 application.

11 (b) The retirement allowance for an eligible terminated
12 member must commence no later than the first day of the
13 month following the member's 55th birthday."

14 NEW SECTION. **Section 4. Retroactive applicability.**

15 [This act] applies retroactively, within the meaning of
16 1-2-109, to retirements on or after January 1, 1991.

17 NEW SECTION. **Section 5. Effective date.** [This act] is
18 effective ~~July 17, 1991~~ ON PASSAGE AND APPROVAL.

-End-