

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *373*
 2 INTRODUCED BY *Rafa Castanella B. Bausch*
 3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD *Becker*
 4 *Clark Hayes J. Brown Patrick Brady J. Lee*
 5 *Madison Southworth Thom* AN ACT PROVIDING REFUNDS OF

6 CONTRIBUTIONS AND INTEREST TO MEMBERS WHO ELECT TO TERMINATE
 7 THEIR MEMBERSHIP IN THE JUDGES', HIGHWAY PATROL OFFICERS',
 8 SHERIFFS', GAME WARDENS', AND MUNICIPAL POLICE OFFICERS'
 9 RETIREMENT SYSTEMS; AMENDING SECTIONS 19-5-403, 19-6-403,
 10 19-7-304, 19-7-705, 19-8-503, AND 19-9-304, MCA; REPEALING
 11 SECTION 19-7-305, MCA; AND PROVIDING AN EFFECTIVE DATE."

12
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 **Section 1.** Section 19-5-403, MCA, is amended to read:
 15 "19-5-403. Refunds in case of resignation or discharge.
 16 Where When a contributor willingly resigns ~~of--his-own~~
 17 ~~volition~~ or is discharged for cause before becoming entitled
 18 to a retirement allowance, ~~then~~ the accumulated deductions
 19 standing to his credit ~~shall~~ must be paid to him upon the
 20 board's receipt of his written application for a refund."

21 **Section 2.** Section 19-6-403, MCA, is amended to read:
 22 "19-6-403. Refund of member's contribution. (1) If a
 23 member willingly resigns or is discharged for cause before
 24 becoming entitled to a retirement allowance, the accumulated
 25 deductions standing to his credit ~~shall~~ must be paid to him

1 upon his written application to the board.
 2 (2) ~~If a member resigns of his own volition before~~
 3 ~~becoming entitled to a retirement allowance, his accumulated~~
 4 ~~deductions shall be paid to him."~~

5 **Section 3.** Section 19-7-304, MCA, is amended to read:
 6 "19-7-304. Discharge or voluntary resignation prior to
 7 eligibility for retirement. When, before becoming entitled
 8 to the retirement allowance, a member willingly resigns ~~of~~
 9 ~~his--own--volition~~ or is discharged for cause ~~other--than~~
 10 ~~incompetence, malfeasance in office, or unlawful conduct,~~ he
 11 ~~must:~~

12 (1) ~~notify the board of his termination of eligibility~~
 13 ~~and may apply in writing to the board to withdraw the~~
 14 ~~accumulated contributions standing to his credit at the time~~
 15 ~~of his termination of eligibility, or~~

16 (2) ~~notify the board of his termination of current~~
 17 ~~eligibility---but--request--that--accumulated--contributions~~
 18 ~~standing to his credit be retained by the board for a period~~
 19 ~~of time not to exceed 1 year pending reestablishment of~~
 20 ~~eligibility."~~

21 **Section 4.** Section 19-7-705, MCA, is amended to read:
 22 "19-7-705. Exemption from taxes and legal process. Any
 23 money received or to be paid as a member's annuity, state
 24 annuity, or return of deductions or the right of any of
 25 these is:



1 (1) exempt from any state, county, or municipal tax
2 except for a refund paid under 19-7-304~~(i)~~ of a member's
3 contributions picked up by an employer after June 30, 1985,
4 as provided in 19-7-403;

5 (2) exempt from levy, sale, garnishment, attachment, or
6 any other process; and

7 (3) unassignable except as specifically provided in
8 19-7-706."

9 **Section 5.** Section 19-8-503, MCA, is amended to read:

10 "19-8-503. Refund of member's contribution. Upon
11 ~~termination--of (1) When~~ the employment of an active member
12 ~~is terminated~~ prior to his ~~retirement-date~~ becoming entitled
13 to retirement benefits, he shall apply in writing to the
14 board to withdraw the amount of his member contributions,
15 including the accumulated interest on his account.

16 (2) A member entitled to retirement benefits may apply
17 in writing to the board to withdraw his accumulated
18 contributions and interest in lieu of all other benefits
19 under the plan. ~~if he has 10 years or more of service, the~~
20 amount paid shall include regular interest, at a rate to be
21 determined by the board, on such amounts, if he has less
22 than 10 years of service, he shall receive only the amount
23 paid through salary deductions, without interest."

24 **Section 6.** Section 19-9-304, MCA, is amended to read:

25 "19-9-304. Termination of employment prior to

1 retirement. ~~Upon termination of (1) When~~ the employment of
2 an active member is terminated prior to his minimum
3 retirement date, he shall withdraw the amount of his member
4 contributions, including the accumulated interest on his
5 account, in lieu of all other benefits under the plan. ~~if he~~
6 ~~has 10 years or more of service, the amount paid shall~~
7 ~~include regular interest, at a rate to be determined by the~~
8 ~~board, on such amounts, if he has less than 10 years of~~
9 ~~service, he shall receive only the amount paid through~~
10 ~~salary deductions, without interest.~~

11 (2) If an active member's employment terminates by
12 reason of his death, his beneficiaries are entitled to the
13 benefits prescribed in 19-9-911."

14 **NEW SECTION. Section 7.** Repealer. Section 19-7-305,
15 MCA, is repealed.

16 **NEW SECTION. Section 8.** Effective date. [This act] is
17 effective July 1, 1991.

-End-

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

1 HOUSE BILL NO. 373
2 INTRODUCED BY Rufe Creechulla B. Bandhart
3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD Becker
4 Clark Thayer J. Brown Patrick Sandy J. Lee
5 Madison Southwell Thom A BILL FOR AN ACT ENTITLED "AN ACT PROVIDING REFUNDS OF

6 CONTRIBUTIONS AND INTEREST TO MEMBERS WHO ELECT TO TERMINATE
7 THEIR MEMBERSHIP IN THE JUDGES', HIGHWAY PATROL OFFICERS',
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16 Where When a contributor willingly resigns of--his-own
17 volition or is discharged for cause before becoming entitled
18 to a retirement allowance, then the accumulated deductions
19 standing to his credit shall must be paid to him upon the
20 board's receipt of his written application for a refund."

21 **Section 2.** Section 19-6-403, MCA, is amended to read:

22 "19-6-403. Refund of member's contribution. {1} If a
23 member willingly resigns or is discharged for cause before
24 becoming entitled to a retirement allowance, the accumulated
25 deductions standing to his credit shall must be paid to him

1 upon his written application to the board.
2 {2}--if--a--member--resigns--of--his--own--volition--before
3 becoming--entitled--to--a--retirement--allowance--his--accumulated
4 deductions--shall--be--paid--to--him--"

5 **Section 3.** Section 19-7-304, MCA, is amended to read:
6 "19-7-304. Discharge or voluntary resignation prior to
7 eligibility for retirement. When, before becoming entitled
8 to the retirement allowance, a member willingly resigns of
9 his--own--volition or is discharged for cause other--than
10 incompetence--malfeasance--in--office--or--unlawful--conduct, he
11 must:

12 {1}--notify--the--board--of--his--termination--of--eligibility
13 and may apply in writing to the board to withdraw the
14 accumulated contributions standing to his credit at the time
15 of his termination of-eligibility--or

16 {2}--notify--the--board--of--his--termination--of--current
17 eligibility---but--request--that--accumulated--contributions
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23 money received or to be paid as a member's annuity, state
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1 (1) exempt from any state, county, or municipal tax
2 except for a refund paid under 19-7-304~~(1)~~ of a member's
3 contributions picked up by an employer after June 30, 1985,
4 as provided in 19-7-403;

5 (2) exempt from levy, sale, garnishment, attachment, or
6 any other process; and

7 (3) unassignable except as specifically provided in
8 19-7-706."

9 **Section 5.** Section 19-8-503, MCA, is amended to read:

10 "19-8-503. Refund of member's contribution. Upon
11 termination--of (1) When the employment of an active member
12 is terminated prior to his retirement date becoming entitled
13 to retirement benefits, he shall apply in writing to the
14 board to withdraw the amount of his member contributions,
15 including the accumulated interest on his account.

16 (2) A member entitled to retirement benefits may apply
17 in writing to the board to withdraw his accumulated
18 contributions and interest in lieu of all other benefits
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20 amount paid shall include regular interest, at a rate to be
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23 paid through salary deductions, without interest."

24 **Section 6.** Section 19-9-304, MCA, is amended to read:

25 "19-9-304. Termination of employment prior to

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-End-

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INTRODUCED BY O'KEEFE, COCCHIARELLA, BARNHART, BECKER,
CLARK, HARPER, J. BROWN, PAVLOVICH, GRADY, J. RICE,

MADISON, SOUTHWORTH, THOMAS

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING REFUNDS OF CONTRIBUTIONS AND INTEREST TO MEMBERS WHO ELECT TO TERMINATE THEIR MEMBERSHIP IN THE JUDGES', HIGHWAY PATROL OFFICERS', SHERIFFS', GAME WARDENS', AND MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEMS; AMENDING SECTIONS 19-5-403, 19-6-403, 19-7-304, 19-7-705, 19-8-503, AND 19-9-304, MCA; REPEALING SECTION 19-7-305, MCA; AND PROVIDING AN EFFECTIVE DATE."

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~~{1}--notify--the--board--of--his--termination--of--eligibility--and--may--apply--in--writing--to--the--board--to--withdraw--the--accumulated--contributions--standing--to--his--credit--at--the--time--of--his--termination--of--eligibility,--or~~

~~{2}--notify--the--board--of--his--termination--of--current--eligibility--but--request--that--accumulated--contributions--standing--to--his--credit--be--retained--by--the--board--for--a--period--of--time--not--to--exceed--1--year--pending--reestablishment--of--eligibility."~~

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REFERENCE BILL

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8 any other process; and

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21 under the plan. ~~if-he-has-10-years-or-more-of-service;-the~~
22 ~~amount-paid-shall-include-regular-interest;-at-a-rate-to--be~~
23 ~~determined--by--the--board;--on-such-amounts;-if-he-has-less~~
24 ~~than-10-years-of-service;-he-shall-receive-only--the--amount~~
25 ~~paid-through-salary-deductions;-without-interest;"~~

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4 an active member is terminated prior to his minimum
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