HOUSE BILL NO. 373

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

IN THE HOUSE

JANUARY 23, 1991

INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.

FIRST READING.

PRINTING REPORT.

- JANUARY 31, 1991
- FEBRUARY 1, 1991
- FEBRUARY 2, 1991
- FEBRUARY 4, 1991
- FEBRUARY 5, 1991

FEBRUARY 6, 1991

FEBRUARY 12, 1991

FEBRUARY 14, 1991

FEBRUARY 15, 1991

THIRD READING, PASSED. AYES, 99; NOES, 0.

ENGROSSING REPORT.

TRANSMITTED TO SENATE.

COMMITTEE RECOMMEND BILL

DO PASS. REPORT ADOPTED.

SECOND READING, DO PASS.

IN THE SENATE

INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.

FIRST READING.

COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.

SECOND READING, CONCURRED IN.

THIRD READING, CONCURRED IN. AYES, 49; NOES, 0.

RETURNED TO HOUSE.

IN THE HOUSE

FEBRUARY 16, 1991

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

52nd Legislature

LC 0526/01

HOUSE BILL NO. 373 1 Blanchar INTRODUCED BY 2 BY REQUEST OF THE PUBLIC EMPLOYEES RETIDEMENT BOARD ISector 3 Such Harris A BILL FOR AN ACT ENTITLED MAN ACT PROVIDING REFUNDS OF 5 CONTRIBUTIONS AND INTEREST TO MEMBERS WHO ELECT TO TERMINATE 6 THEIR MEMBERSHIP IN THE JUDGES', HIGHWAY PATROL OFFICERS', 7 SHERIFFS', GAME WARDENS', AND MUNICIPAL POLICE OFFICERS' 8 RETIREMENT SYSTEMS; AMENDING SECTIONS 19-5-403, 19-6-403, 9 19-7-304, 19-7-705, 19-8-503, AND 19-9-304, MCA; REPEALING 10 SECTION 19-7-305, MCA; AND PROVIDING AN EFFECTIVE DATE." 11 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 13 Section 1. Section 19-5-403, MCA, is amended to read: 14 "19-5-403. Refunds in case of resignation or discharge. 15

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 sha'' 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 nember willingly resigns or is discharged for cause before 24 becoming entitled to a retirement allowance, the <u>accumulated</u> 25 deductions standing to his credit shall <u>must</u> be paid to him

upon his written application to the board. 1 (2)--If--a--member--resigns--of--his-own-volition-before 2 3 becoming-entitled-to-a-retirement-allowance--his-accumulated deductions-shall-be-paid-to-him-" 4 Section 3. Section 19-7-304, MCA, is amended to read: 5 "19-7-304. Discharge or voluntary resignation prior to 6 7 eligibility for retirement. When, before becoming entitled to the retirement allowance, a member willingly resigns of 8 his--own--volition or is discharged for cause other-than 9 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-l--year-pending--reestablishment--of 20 eligibility." 21 Section 4. Section 19-7-705, MCA, is amended to read: 22 "14-7-705. Exemption from taxes and legal process. Any 23 money received or to be paid as a member's annuity, state 24annuity, or return of deductions or the right of any of

25

these is:

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INTRODUCED BILL

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

5 (2) exempt from levy, sale, garnishment, attachment, or6 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.

(2) A member entitled to retirement benefits may apply 16 17 in writing to the board to withdraw his accumulated contributions and interest in lieu of all other benefits 18 19 under the plin. If-he-has-10-years-or-more-of-service7-the amount-paid shall-include-regular-interest,-at-a-rate-to--be 20 21 determined -- by--the--board; -- on-such-amounts; -if-he-has-less 22 than-10-years-of-service,-he-shall-receive only--the--amount paid-through-salary-deductionsy-without-interest-" 23 Section 6. Section 19-9-304, MCA, is amended to read: 24

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. Ef-h e |
| 6 | has-10-years-or-moreofservice;theamountpaidshall |
| 7 | includeregular-interest;-at-a-rate-to-be-determined-by-the |
| 8 | boardy-on-such-amountsy-if-he-haslessthani0yearsof |
| 9 | service;heshallreceiveonlytheamount-paid-through |
| 10 | salary-deductionswithout-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 |
| - | |

LC 0526/01

17 effective July 1, 1991.

-End-

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52nd Legislature

LC 0526/01

APPROVED BY COMMITTEE ON STATE ADMINISTRATION

BILL NO. 373 HOUSE 1 2 INTRODUCED BY BY REQUEST OF THE PUBLIC EMPLOYEES RETIDEMENT BOARD Locker 3 A STALLS AN ACT PROVIDING REFUNDS OF A BILL FOR AN ACT ENTITLED CONTRIBUTIONS AND INTEREST TO MEMBERS WHO ELECT TO TERMINATE б THEIR MEMBERSHIP IN THE JUDGES', HIGHWAY PATROL OFFICERS', 7 SHERIFFS', GAME WARDENS', AND MUNICIPAL POLICE OFFICERS' 8 RETIREMENT SYSTEMS; AMENDING SECTIONS 19-5-403, 19-6-403, 9 19-7-304, 19-7-705, 19-8-503, AND 19-9-304, MCA; REPEALING 10 SECTION 19-7-305, MCA; AND PROVIDING AN EFFECTIVE DATE." 11 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 13 Section 1. Section 19-5-403, MCA, is amended to read: 14 *19-5-403. Refunds in case of resignation or discharge. 15 Where When a contributor willingly resigns of--his-own 16 volition or is discharged for cause before becoming entitled 17 to a retirement allowance, then the accumulated deductions 18 standing to his credit shall must be paid to him upon the 19 board's receipt of his written application for a refund." 20 Section 2. Section 19-6-403, MCA, is amended to read: 21 "19-6-403. Refund of member's contribution. (1) If a 22 member willingly resigns or is discharged for cause before 23 becoming entitled to a retirement allowance, the accumulated 24 deductions standing to his credit shall must be paid to him 25

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 <u>willingly</u> 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:

- 2 -

HB 373

SECOND READING

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

5 (2) exempt from levy, sale, garnishment, attachment, or6 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-interest7-at-a-rate-to--be 21 determined--by--the--board7--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: *19-9-304. Termination of 25 employment prior to LC 0526/01

| 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 |
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| 9 | service;heshallreceiveonlytheamount-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 GROWTON Contine 9 per 11 - 1 - 1 - 1 - 1 |

16 NEW SECTION. Section 8. Effective date. [This act] is

17 effective July 1, 1991.

-End-

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BILL NO. 373 1 mesticilla BBanchart INTRODUCED BY 2 BY REQUEST OF THE PUBLIC EMPLOYEES RETIDEMENT BOARD Becker 3 "AN ACT PROVIDING REFUNDS OF A BILL FOR AN ACT ENTITLED CONTRIBUTIONS AND INTEREST TO MEMBERS WHO ELECT TO TERMINATE 6 THEIR MEMBERSHIP IN THE JUDGES', HIGHWAY PATROL OFFICERS', 7 SHERIFFS', GAME WARDENS', AND MUNICIPAL POLICE OFFICERS' 8 RETIREMENT SYSTEMS; AMENDING SECTIONS 19-5-403, 19-6-403, 9 19-7-304, 19-7-705, 19-8-503, AND 19-9-304, MCA; REPEALING 10 SECTION 19-7-305, MCA; AND PROVIDING AN EFFECTIVE DATE." 11

12

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

Section 1. Section 19-5-403, MCA, is amended to read: 14 *19-5-403. Refunds in case of resignation or discharge. 15 Where When a contributor willingly resigns of--his-own 16 volition or is discharged for cause before becoming entitled 17 to a retirement allowance, then the accumulated deductions 18 standing to his credit shall must be paid to him upon the 19 board's receipt of his written application for a refund." 20 Section 2. Section 19-6-403, MCA, is amended to read: 21 *19-6-403. Refund of member's contribution. (1) If a 22 member willingly resigns or is discharged for cause before 23

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2 (2)--If-a--member--resigns-of--his-own-volition-before
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4 deductions-shall-be-paid-to-him;"

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12 (1)--notify-the-board-of-his-termination-of--eligibility

13 and <u>may apply in writing to the board to withdraw the</u> 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 eligibility---but--request--that--accumulated--contributions standing-to-his-credit-be-retained-by-the-board-for-a-period of-time-not-to-exceed--l--year--pending--reestablishment--of eligibility."

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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
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-2-

THIRD READING

(1) exempt from any state, county, or municipal tax
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 contributions picked up by an employer after June 30, 1985,
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5 (2) exempt from levy, sale, garnishment, attachment, or
6 any other process; and

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1 retirement. Upon-termination-of (1) When the employment of 2 active member is terminated prior to his minimum an 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--le--years--of 9 service;--he--shall--receive--only--the--amount-paid-through 10 salary-deductionsy-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." NEW SECTION. Section 7. Repealer. Section 19-7-305. 14 15 MCA, is repealed.

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

-End-

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HB 0373/02

2 INTRODUCED BY O'KEEFE, COCCHIARELLA, BARNHART, BECKER, 3 CLARK, HARPER, J. BROWN, PAVLOVICH, GRADY, J. RICE, 4 MADISON, SOUTHWORTH, THOMAS 5 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD 6 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING REFUNDS OF 7 8 CONTRIBUTIONS AND INTEREST TO MEMBERS WHO ELECT TO TERMINATE 9 THEIR MEMBERSHIP IN THE JUDGES', HIGHWAY PATROL OFFICERS', 10 SHERIFFS', GAME WARDENS', AND MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEMS; AMENDING SECTIONS 19-5-403, 19-6-403, 11 12 19-7-304, 19-7-705, 19-8-503, AND 19-9-304, MCA; REPEALING 13 SECTION 19-7-305, MCA; AND PROVIDING AN EFFECTIVE DATE." 14

HOUSE BILL NO. 373

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 16 Section 1. Section 19-5-403, MCA, is amended to read: 17 "19-5-403. Refunds in case of resignation or discharge. 18 Where When a contributor willingly resigns of -- his-own 19 volition or is discharged for cause before becoming entitled to a retirement allowance, then the accumulated deductions 20 21 standing to his credit shall must be paid to him upon the 22 board's receipt of his written application for a refund." 23 Section 2. Section 19-6-403, MCA, is amended to read: 24 *19-6-403. Refund of member's contribution. (1) If a 25 member willingly resigns or is discharged for cause before

Montana Legislative Council

| 1 | becoming entitled to a retirement allowance, the accumulated |
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| 5 | becoming-entitled-to-a-retirement-allowance7-his-accumulated |
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| 10 | to the retirement allowance, a member <u>willingly</u> resigns of |
| 11 | hisownvolition or is discharged for cause other-than |
| 12 | incompetence;-malfeasance-in-office;-or-unlawful-conduct, he |
| 13 | must: |
| 14 | (1)notify-the-board-of-his-termination-ofeligibility |
| 15 | and may apply in writing to the board to withdraw the |
| 16 | accumulated contributions standing to his credit at the time |
| 17 | of his termination of-eligibility;-or |
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| 19 | cligibilitybutrequestthataccumulatedcontributions |
| 20 | standing-to-his-credit-be-retained-by-the-board-for-a-period |
| 21 | of-time-not-to-exceedlyearpendingreestablishmentof |
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| 23 | Section 4. Section 19-7-705, MCA, is amended to read: |
| 24 | "19-7-705. Exemption from taxes and legal process. Any |

25 money received or to be paid as a member's annuity, state

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REFERENCE BILL

HB 0373/02

HB 0373/02

1 annuity, or return of deductions or the right of any of 2 these is:

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

7 (2) exempt from levy, sale, garnishment, attachment, or8 any other process; and

9 (3) unassignable except as specifically provided in 10 19-7-706."

Section 5. Section 19-8-503, MCA, is amended to read: "19-8-503. Refund of member's contribution. Upon termination--of (1) When the employment of an active member is terminated prior to his retirement-date becoming entitled to retirement benefits, he shall apply in writing to the board to withdraw the amount of his member contributions, including the accumulated interest on his account.

18 (2) A member entitled to retirement benefits may apply 19 in writing to the board to withdraw his accumulated 20 contributions and interest in lieu of all other benefits 21 under the plan. If-he-has-10-years-or-more-of-service;-the 22 amount-paid-shall-include-regular-interesty-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:"

HB 0373/02

| 1 | Section 6. Section 19-9-304, MCA, is amended to read: |
|----|--|
| 2 | *19-9-304. Termination of employment prior to |
| 3 | retirement. Upon-termination-of (1) When the employment of |
| 4 | an active member is terminated prior to his minimum |
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| 13 | (2) If an active member's employment terminates by |
| 14 | reason of his death, his beneficiaries are entitled to the |
| 15 | benefits prescribed in 19-9-911." |
| 16 | NEW SECTION. Section 7. Repealer. Section 19-7-305, |
| 17 | MCA, is repealed. |
| 10 | NEW CECTURE Soction 8 References data [This act] is |

18 <u>NEW SECTION.</u> Section 8. Effective date. [This act] is

19 effective July 1, 1991.

-End-

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