

SENATE BILL NO. 222

INTRODUCED BY VAN VALKENBURG, THOMAS, T. NELSON, PHILLIPS,
GRADY, SQUIRES, NATHE, PIPINICH, SOUTHWORTH, J. BROWN,
HARPER, O'KEEFE, COCCHIARELLA

IN THE SENATE

JANUARY 29, 1991 INTRODUCED AND REFERRED TO COMMITTEE
ON STATE ADMINISTRATION.

 FIRST READING.

FEBRUARY 1, 1991 COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

FEBRUARY 2, 1991 PRINTING REPORT.

 SECOND READING, DO PASS.

FEBRUARY 4, 1991 ENGROSSING REPORT.

 THIRD READING, PASSED.
AYES, 49; NOES, 0.

 TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 4, 1991 INTRODUCED AND REFERRED TO COMMITTEE
ON STATE ADMINISTRATION.

FEBRUARY 5, 1991 FIRST READING.

MARCH 19, 1991 COMMITTEE RECOMMEND BILL BE
CONCURRED IN AS AMENDED. REPORT
ADOPTED.

APRIL 5, 1991 SECOND READING, CONCURRED IN.

APRIL 6, 1991 THIRD READING, CONCURRED IN.
AYES, 86; NOES, 10.

 RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 6, 1991 RECEIVED FROM HOUSE.

APRIL 9, 1991 ON MOTION, CONSIDERATION PASSED
UNTIL THE 76TH LEGISLATIVE DAY.

APRIL 17, 1991

ON MOTION, CONSIDERATION PASSED
UNTIL THE 87TH LEGISLATIVE DAY.

APRIL 23, 1991

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 24, 1991

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *822* *John Nelson*
 2 INTRODUCED BY *Van Valkenburg Thomas*
 3 *Phillips, Gandy, Jacobs, Nott, Cab, Reynolds*
 4 *Smith, J. Brown, Hays, Kifer*
 5 A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE
 6 ELIGIBILITY REQUIREMENTS FOR RETIREMENT UNDER THE MUNICIPAL
 7 POLICE OFFICERS' RETIREMENT SYSTEM; PROVIDING THAT MEMBERS
 8 WHO TERMINATE COVERED EMPLOYMENT AFTER 10 YEARS AND WHO
 9 REMAIN MEMBERS MAY BECOME ELIGIBLE TO DRAW A RETIREMENT
 10 BENEFIT UPON REACHING THE AGE OF 50; AMENDING SECTIONS
 11 19-9-104, 19-9-801, 19-9-802, 19-9-804, 19-9-902, 19-9-903,
 12 19-9-911, AND 19-9-1011, MCA; AND PROVIDING AN EFFECTIVE
 13 DATE."

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

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

16 "19-9-104. Definitions. Unless the context requires
17 otherwise, the following definitions apply in this chapter:

- 18 (1) "Administrator" means the public employees'
19 retirement division of the department of administration.
- 20 (2) "Base salary" means the sum of the monthly
21 compensations for each month in a given calendar year.
- 22 (3) "Board" means the retirement board described in
23 2-15-1009.
- 24 (4) "Credited service" means the aggregate of a
25 member's prior service and membership service.

1 (5) "Death benefit" means a monthly annuity paid to a
2 surviving spouse or dependent child or a lump-sum payment
3 made to a beneficiary on behalf of a member who dies before
4 retirement.

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

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

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

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

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

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

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



1 (12) "Member contributions" means the total of the
 2 deductions from the compensation of a member, either made
 3 during a period of active membership hereunder or made under
 4 a prior plan and transferred to this plan, standing to his
 5 credit, together with the interest thereon.

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

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

16 (15) "Minimum retirement date" ~~or--"normal-retirement~~
 17 ~~date"~~ means:

18 (a) for a member employed by an employer as a police
 19 officer on or before July 1, 1975, the first day of the
 20 month coinciding with or, if none coincides, immediately
 21 following the date on which a member completes at least 20
 22 years of qualified service and terminates employment as a
 23 police officer; or

24 (b) for a member first employed by an employer as a
 25 police officer after July 1, 1975, the first day of the

1 month coinciding with or, if none coincides, immediately
 2 following, ~~if none coincides,~~ the date on which a member
 3 becomes both age 50 or older, ~~and-completes 20~~ has completed
 4 10 or more years of credited qualified service, and has
 5 terminated employment as a police officer.

6 (16) "Monthly compensation" means the wage, excluding
 7 overtime, holiday payments, shift differential payments,
 8 compensation time payments, and payments in lieu of sick
 9 leave and annual leave, a member receives as an active
 10 police officer.

11 (17) Any reference to "municipality", "city", or "town"
 12 includes those jurisdictions which, prior to the effective
 13 date of a county-municipal consolidation, were incorporated
 14 municipalities, subsequent districts created for urban law
 15 enforcement services, or the entire county included in the
 16 county-municipal consolidation.

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

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

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

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

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

7 ~~(22)~~(23) "Retirement allowance" means the employer
8 annuity plus the member's annuity.

9 ~~(23)~~(24) "Retirement date" means the date on which the
10 first payment of the retirement, disability, or survivor
11 benefits of a member or a beneficiary is payable.

12 ~~(24)~~(25) "Surviving spouse" means the spouse married to
13 a member at the time of the member's death.

14 ~~(25)~~(26) "Totally and permanently disabled" means that
15 the board, upon certification by a licensed and practicing
16 physician, has determined that a member's disability is of
17 such a nature as to permanently impair his ability to
18 discharge his normal duties as a police officer."

19 **Section 2.** Section 19-9-801, MCA, is amended to read:

20 "19-9-801. Eligibility for service retirement --
21 commencement of allowance. Members are eligible for
22 retirement and shall retire as provided in this section:

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

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

5 (2) A member who was or is first employed by an
6 employer as a police officer after July 1, 1975, is eligible
7 to receive a service retirement allowance when he has
8 reached the age of 50, has completed ~~20~~ 10 years or more ~~in~~
9 ~~the-aggregate-as-a-probationary-officer,-a-regular--officer,~~
10 ~~or--a--special-officer,-in-any-capacity-or-rank~~ of qualified
11 service, and has terminated covered employment.

12 (3) (a) Except as provided in subsection (3)(b), the
13 retirement allowance may commence on the first day of the
14 month following the member's ~~last-day-of-membership--service~~
15 minimum retirement date or, if requested by the terminated
16 member in writing, on the first day of the month following
17 receipt of the written application.

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

21 **Section 3.** Section 19-9-802, MCA, is amended to read:

22 "19-9-802. Election to serve additional years. ~~(1)~~ A
23 police officer who is eligible for service retirement under
24 19-9-801(1) or (2) may retire as of the time he becomes
25 eligible or may elect to serve ~~an~~ additional ~~1-to-10~~ years

1 as an active police officer.

2 {2}--A--police--officer--whose--eligibility--depends--on
3 19-9-801{2}--and--who--completes--20--years--of--service--before
4 reaching--the--age--of--50--is--considered--to--have--elected--to
5 serve--an--additional--year--for--each--year---between---the
6 completion--of--his--20th--year--of--service--and--his--50th--birthday
7 and--shall--be--paid--the--additional--1%,--as--prescribed--in
8 19-9-804{2},--for--each--such--year--"

9 **Section 4.** Section 19-9-804, MCA, is amended to read:

10 "19-9-804. Amount of service retirement allowance --
11 continuation of allowance after death of member. (1) A
12 police officer with 20 years of qualified service who is
13 eligible under subsection (1) or (2) of 19-9-801 and does
14 not elect to serve any additional years as an active police
15 officer shall receive a service retirement allowance equal
16 to one-half his final average salary.

17 (2) A police officer who is eligible for service
18 retirement under subsection (1) or (2) of 19-9-801 after 20
19 years of qualified service and who elects to serve
20 additional years shall receive the allowance provided for in
21 subsection (1) plus an additional 1% of his final average
22 salary for each year of additional qualified service, up to
23 a maximum of 60% of his final average salary.

24 (3) A police officer who is eligible for service
25 retirement under subsection (2) of 19-9-801 with less than

1 20 years of qualified service shall receive a retirement
2 allowance equal to 2.5% of his final average salary for each
3 year of qualified service.

4 (4) (a) Upon the death of a police officer receiving a
5 service retirement allowance under subsection (1) or (2)
6 this section, his surviving spouse, if there is one, shall
7 receive from the fund a sum equal to one-half of the
8 officer's final average salary.

9 (b) Upon the death of a police officer receiving a
10 service retirement allowance under subsection (3), his
11 surviving spouse, if there is one, shall receive from the
12 fund a sum equal to the amount of the officer's allowance at
13 the time of his death.

14 (c) If the officer leaves one or more dependent
15 children, then upon his death, if he leaves no surviving
16 spouse or upon the death of the surviving spouse, the
17 officer's surviving dependent child, or children
18 collectively if there are more than one, shall receive the
19 same monthly payments a surviving spouse would receive for
20 as long as the child or one of the children remains
21 dependent as defined in 19-9-104. The payments must be made
22 to the child's appointed guardian for the child's use. If
23 there is more than one dependent child, upon each child no
24 longer qualifying as dependent under 19-9-104, the pro rata
25 payments to that child must cease and be made to the

1 remaining children until all the children are no longer
2 dependent."

3 **Section 5.** Section 19-9-902, MCA, is amended to read:

4 "19-9-902. Eligibility for disability retirement. If a
5 member police officer is determined by the board to be
6 totally and permanently disabled, he is entitled to a
7 disability retirement allowance, regardless of the length of
8 his service, commencing on the day following the member's
9 police officer's last day of membership service."

10 **Section 6.** Section 19-9-903, MCA, is amended to read:

11 "19-9-903. Amount of disability retirement allowance --
12 continuation of allowance after death of member. (1) A
13 police officer who is eligible under 19-9-902 before
14 completing 20 years of qualified service shall receive a
15 disability retirement allowance equal to one-half his
16 average final salary.

17 (2) A police officer who is retired under 19-9-902 and
18 who, at the time of his injury or disability, was eligible
19 at his option to be retired under subsection (1) or (2) of
20 19-9-801 but had elected to serve additional years in excess
21 of 20 years of qualified service and was then serving such
22 additional years shall be paid for the additional years at
23 the rate prescribed in 19-9-804(2).

24 (3) Upon the death of a police officer receiving a
25 disability allowance under this section, his surviving

1 spouse or dependent child is eligible for benefits as
2 provided in 19-9-804~~(3)~~(4)."

3 **Section 7.** Section 19-9-911, MCA, is amended to read:

4 "19-9-911. Death benefits. (1) Upon the death of a
5 police officer before retirement, his surviving spouse or
6 dependent child is eligible for benefits as provided in
7 19-9-804~~(3)~~(4).

8 (2) Upon the death of a member who is no longer
9 employed as a police officer and who did not attain the
10 minimum retirement eligibility at the age of 50, his
11 surviving spouse or dependent child is eligible for a refund
12 of the member's contributions and accumulated interest on
13 account with the retirement system on the date that the
14 refund is made to the survivors."

15 **Section 8.** Section 19-9-1011, MCA, is amended to read:

16 "19-9-1011. Allowance adjustment. (1) A monthly
17 allowance paid under section 31(3), Chapter 456, Laws of
18 1977 (formerly section 11-1890(3), R.C.M. 1947), 19-9-804(1)
19 or (2), 19-9-903, or 19-9-911 to a member retired on or
20 after July 1, 1975, or to his surviving spouse or dependent
21 child may not be less than one-half the monthly compensation
22 paid to a newly confirmed, active police officer of the city
23 that last employed the member as a police officer, as
24 provided each year in the budget of that city.

25 (2) At the beginning of each fiscal year, the

1 administrator shall request and the state auditor shall pay
2 to the administrator from the premium tax collected from
3 insurance sold in this state to insure against the risks
4 enumerated in 19-11-512(3) an amount sufficient to fund the
5 allowance adjustment provided for in subsection (1)."

6 NEW SECTION. **Section 9.** Effective date. [This act] is
7 effective July 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0222, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act changing the eligibility requirements for retirement under the municipal police officers' retirement system, providing that members who terminate covered employment after ten years and who remain members may become eligible to draw a retirement benefit upon reaching the age of 50.

ASSUMPTIONS:

1. The bill makes the following changes to current law for the municipal police officers' retirement system: Members first hired on or after July 1, 1975, who have at least ten years of service but are less than age 50 as an active police officer may terminate covered employment and leave their contributions on deposit with the system. Those members will be eligible for a service retirement allowance beginning after reaching age 50. Those members will not be eligible for disability or death benefits during the period of their inactive membership.
2. All service purchased under provisions of current law by members of the police retirement system will be used in qualifying members for service retirement.
3. An actuarial valuation of the system has determined that there is no actuarial cost to fund the enhancements contained in this legislation; therefore, no increase in employer, employee or state contributions will be required.
4. While some members will become eligible for increased benefits because of this legislation, there will be no increase in the amount of benefits paid during the 1993 biennium because none of the members impacted will be eligible to retire during this time period.

FISCAL IMPACT:

No impact if technical amendments are made.

TECHNICAL NOTES:

1. The original statutes say "on July 1, 1975" because the Municipal Police Officers' Retirement System did not exist before July 1, 1975, and no one could have been employed as a police officer (as defined in this law) by an employer (as defined in this law) before July 1, 1975. As proposed, the bill changes "on" to "on or before" in Section 1 (15)(a) and Section 2 (1).
2. The term "police officer" should be changed to "member" in Section 4 (3) and (4)(b) because the amendments are meant to define benefits for members who are not actively employed as police officers.

Rod Sundsted
ROD SUNDSTED, BUDGET DIRECTOR

1-91
DATE

Office of Budget and Program Planning

Fred R. Van Valkenburg
FRED R. VAN VALKENBURG, PRIMARY SPONSOR

2-4-91
DATE

Fiscal Note for SB0222, as introduced

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APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

SENATE BILL NO. 222

INTRODUCED BY VAN VALKENBURG, THOMAS, T. NELSON, PHILLIPS,
GRADY, SQUIRES, NATHE, PIPINICH, SOUTHWORTH, J. BROWN,
HARPER, O'KEEFE, COCCHIARELLA

A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE
ELIGIBILITY REQUIREMENTS FOR RETIREMENT UNDER THE MUNICIPAL
POLICE OFFICERS' RETIREMENT SYSTEM; PROVIDING THAT MEMBERS
WHO TERMINATE COVERED EMPLOYMENT AFTER 10 YEARS AND WHO
REMAIN MEMBERS MAY BECOME ELIGIBLE TO DRAW A RETIREMENT
BENEFIT UPON REACHING THE AGE OF 50; AMENDING SECTIONS
19-9-104, 19-9-801, 19-9-802, 19-9-804, 19-9-902, 19-9-903,
19-9-911, AND 19-9-1011, MCA; AND PROVIDING AN EFFECTIVE
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

SECOND READING

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1 retirement allowance by virtue of his service to an employer
2 as a police officer.

3 (12) "Member contributions" means the total of the
4 deductions from the compensation of a member, either made
5 during a period of active membership hereunder or made under
6 a prior plan and transferred to this plan, standing to his
7 credit, together with the interest thereon.

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

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

18 (15) "Minimum retirement date" ~~or--"normal-retirement~~
19 ~~date"~~ means:

20 (a) for a member employed by an employer as a police
21 officer on or--before July 1, 1975, the first day of the
22 month coinciding with or, if none coincides, immediately
23 following the date on which a member completes at least 20
24 years of qualified service and terminates employment as a
25 police officer; or

1 (b) for a member first employed by an employer as a
2 police officer after July 1, 1975, the first day of the
3 month coinciding with or, if none coincides, immediately
4 following,--if-none-coincides, the date on which a member
5 becomes both age 50 or older, and-completes 20 has completed
6 10 or more years of credited qualified service, and has
7 terminated employment as a police officer.

8 (16) "Monthly compensation" means the wage, excluding
9 overtime, holiday payments, shift differential payments,
10 compensation time payments, and payments in lieu of sick
11 leave and annual leave, a member receives as an active
12 police officer.

13 (17) Any reference to "municipality", "city", or "town"
14 includes those jurisdictions which, prior to the effective
15 date of a county-municipal consolidation, were incorporated
16 municipalities, subsequent districts created for urban law
17 enforcement services, or the entire county included in the
18 county-municipal consolidation.

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

21 (19) "Police officer" means a law enforcement officer
22 employed by an employer.

23 (20) "Prior plan" means the local police reserve or
24 retirement fund of a city which elects to join the plan
25 under 19-9-107 or the statewide police reserve fund

1 administered by the department of administration in
2 accordance with Chapter 335, Laws of 1974.

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

6 (22) "Qualified service" means credited service plus any
7 service purchased under the provisions of part 4 of this
8 chapter.

9 ~~(22)~~(23) "Retirement allowance" means the employer
10 annuity plus the member's annuity.

11 ~~(23)~~(24) "Retirement date" means the date on which the
12 first payment of the retirement, disability, or survivor
13 benefits of a member or a beneficiary is payable.

14 ~~(24)~~(25) "Surviving spouse" means the spouse married to
15 a member at the time of the member's death.

16 ~~(25)~~(26) "Totally and permanently disabled" means that
17 the board, upon certification by a licensed and practicing
18 physician, has determined that a member's disability is of
19 such a nature as to permanently impair his ability to
20 discharge his normal duties as a police officer."

21 **Section 2.** Section 19-9-801, MCA, is amended to read:

22 "19-9-801. Eligibility for service retirement --
23 commencement of allowance. Members are eligible for
24 retirement and shall retire as provided in this section:

25 (1) A member who was employed by an employer as a

1 police officer on ~~or--before~~ July 1, 1975, is eligible to
2 receive a service retirement allowance when he has completed
3 20 years or more ~~in-the-aggregate-as-a-probationary-officer,~~
4 ~~a-regular-officer,-or-a-special-officer,-in-any-capacity--or~~
5 ~~rank,~~ of qualified service and has terminated covered
6 employment.

7 (2) A member who was or is first employed by an
8 employer as a police officer after July 1, 1975, is eligible
9 to receive a service retirement allowance when he has
10 reached the age of 50, has completed ~~20~~ 10 years or more ~~in~~
11 ~~the-aggregate-as-a-probationary-officer,-a-regular--officer,~~
12 ~~or--a--special-officer,-in-any-capacity-or-rank~~ of qualified
13 service, and has terminated covered employment.

14 (3) (a) Except as provided in subsection (3)(b), the
15 retirement allowance may commence on the first day of the
16 month following the member's ~~last-day-of-membership--service~~
17 minimum retirement date or, if requested by the terminated
18 member in writing, on the first day of the month following
19 receipt of the written application.

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

23 **Section 3.** Section 19-9-802, MCA, is amended to read:

24 "19-9-802. Election to serve additional years. ~~(1)~~ A
25 police officer who is eligible for service retirement under

1 19-9-801(1) or (2) may retire as of the time he becomes
2 eligible or may elect to serve an additional 1-to-10 years
3 as an active police officer.

4 (2) A police officer whose eligibility depends on
5 19-9-801(2) and who completes 20 years of service before
6 reaching the age of 50 is considered to have elected to
7 serve an additional year for each year between the
8 completion of his 20th year of service and his 50th birthday
9 and shall be paid the additional 1% as prescribed in
10 19-9-804(2) for each such year."

11 **Section 4.** Section 19-9-804, MCA, is amended to read:

12 "19-9-804. Amount of service retirement allowance --
13 continuation of allowance after death of member. (1) A
14 police officer with 20 years of qualified service who is
15 eligible under subsection (1) or (2) of 19-9-801 and does
16 not elect to serve any additional years as an active police
17 officer shall receive a service retirement allowance equal
18 to one-half his final average salary.

19 (2) A police officer who is eligible for service
20 retirement under subsection (1) or (2) of 19-9-801 after 20
21 years of qualified service and who elects to serve
22 additional years shall receive the allowance provided for in
23 subsection (1) plus an additional 1% of his final average
24 salary for each year of additional qualified service, up to
25 a maximum of 60% of his final average salary.

1 (3) A police officer MEMBER who is eligible for service
2 retirement under subsection (2) of 19-9-801 with less than
3 20 years of qualified service shall receive a retirement
4 allowance equal to 2.5% of his final average salary for each
5 year of qualified service.

6 (4) (a) Upon the death of a police officer receiving a
7 service retirement allowance under subsection (1) or (2)
8 this section, his surviving spouse, if there is one, shall
9 receive from the fund a sum equal to one-half of the
10 officer's final average salary.

11 (b) Upon the death of a police officer MEMBER receiving
12 a service retirement allowance under subsection (3), his
13 surviving spouse, if there is one, shall receive from the
14 fund a sum equal to the amount of the officer's allowance at
15 the time of his death.

16 (c) If the officer leaves one or more dependent
17 children, then upon his death, if he leaves no surviving
18 spouse or upon the death of the surviving spouse, the
19 officer's surviving dependent child, or children
20 collectively if there are more than one, shall receive the
21 same monthly payments a surviving spouse would receive for
22 as long as the child or one of the children remains
23 dependent as defined in 19-9-104. The payments must be made
24 to the child's appointed guardian for the child's use. If
25 there is more than one dependent child, upon each child no

1 longer qualifying as dependent under 19-9-104, the pro rata
2 payments to that child must cease and be made to the
3 remaining children until all the children are no longer
4 dependent."

5 **Section 5.** Section 19-9-902, MCA, is amended to read:

6 "19-9-902. Eligibility for disability retirement. If a
7 member police officer is determined by the board to be
8 totally and permanently disabled, he is entitled to a
9 disability retirement allowance, regardless of the length of
10 his service, commencing on the day following the ~~member's~~
11 police officer's last day of membership service."

12 **Section 6.** Section 19-9-903, MCA, is amended to read:

13 "19-9-903. Amount of disability retirement allowance --
14 continuation of allowance after death of member. (1) A
15 police officer who is eligible under 19-9-902 before
16 completing 20 years of qualified service shall receive a
17 disability retirement allowance equal to one-half his
18 average final salary.

19 (2) A police officer who is retired under 19-9-902 and
20 who, at the time of his injury or disability, was eligible
21 at his option to be retired under subsection (1) or (2) of
22 19-9-801 but had elected to serve ~~additional~~ years in excess
23 of 20 years of qualified service and was then serving such
24 additional years shall be paid for the additional years at
25 the rate prescribed in 19-9-804(2).

1 (3) Upon the death of a police officer receiving a
2 disability allowance under this section, his surviving
3 spouse or dependent child is eligible for benefits as
4 provided in 19-9-804~~(3)~~(4)."

5 **Section 7.** Section 19-9-911, MCA, is amended to read:

6 "19-9-911. Death benefits. (1) Upon the death of a
7 police officer before retirement, his surviving spouse or
8 dependent child is eligible for benefits as provided in
9 19-9-804~~(3)~~(4).

10 (2) Upon the death of a member who is no longer
11 employed as a police officer and who did not attain the
12 minimum retirement eligibility at the age of 50, his
13 surviving spouse or dependent child is eligible for a refund
14 of the member's contributions and accumulated interest on
15 account with the retirement system on the date that the
16 refund is made to the survivors."

17 **Section 8.** Section 19-9-1011, MCA, is amended to read:

18 "19-9-1011. Allowance adjustment. (1) A monthly
19 allowance paid under section 31(3), Chapter 456, Laws of
20 1977 (formerly section 11-1890(3), R.C.M. 1947), 19-9-804(1)
21 or (2), 19-9-903, or 19-9-911 to a member retired on or
22 after July 1, 1975, or to his surviving spouse or dependent
23 child may not be less than one-half the monthly compensation
24 paid to a newly confirmed, active police officer of the city
25 that last employed the member as a police officer, as

1 provided each year in the budget of that city.

2 (2) At the beginning of each fiscal year, the
3 administrator shall request and the state auditor shall pay
4 to the administrator from the premium tax collected from
5 insurance sold in this state to insure against the risks
6 enumerated in 19-11-512(3) an amount sufficient to fund the
7 allowance adjustment provided for in subsection (1)."

8 NEW SECTION. **Section 9.** Effective date. [This act] is
9 effective July 1, 1991.

-End-

1 SENATE BILL NO. 222

2 INTRODUCED BY VAN VALKENBURG, THOMAS, T. NELSON, PHILLIPS,
3 GRADY, SQUIRES, NATHE, PIPINICH, SOUTHWORTH, J. BROWN,
4 HARPER, O'KEEFE, COCCHIARELLA
5

6 A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE
7 ELIGIBILITY REQUIREMENTS FOR RETIREMENT UNDER THE MUNICIPAL
8 POLICE OFFICERS' RETIREMENT SYSTEM; PROVIDING THAT MEMBERS
9 WHO TERMINATE COVERED EMPLOYMENT AFTER 10 YEARS AND WHO
10 REMAIN MEMBERS MAY BECOME ELIGIBLE TO DRAW A RETIREMENT
11 BENEFIT UPON REACHING THE AGE OF 50; AMENDING SECTIONS
12 19-9-104, 19-9-801, 19-9-802, 19-9-804, 19-9-902, 19-9-903,
13 19-9-911, AND 19-9-1011, MCA; AND PROVIDING AN EFFECTIVE
14 DATE."
15

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

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

18 "19-9-104. **Definitions.** Unless the context requires
19 otherwise, the following definitions apply in this chapter:

20 (1) "Administrator" means the public employees'
21 retirement division of the department of administration.

22 (2) "Base salary" means the sum of the monthly
23 compensations for each month in a given calendar year.

24 (3) "Board" means the retirement board described in
25 2-15-1009.

1 (4) "Credited service" means the aggregate of a
2 member's prior service and membership service.

3 (5) "Death benefit" means a monthly annuity paid to a
4 surviving spouse or dependent child or a lump-sum payment
5 made to a beneficiary on behalf of a member who dies before
6 retirement.

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

9 (a) who is unmarried and under 18 years of age; or

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

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

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

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

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

24 (11) "Member" means a person who is employed by an
25 employer as a police officer or who is entitled to a

THIRD READING

1 retirement allowance by virtue of his service to an employer
2 as a police officer.

3 (12) "Member contributions" means the total of the
4 deductions from the compensation of a member, either made
5 during a period of active membership hereunder or made under
6 a prior plan and transferred to this plan, standing to his
7 credit, together with the interest thereon.

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

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

18 (15) "Minimum retirement date" or--"~~normal-retirement~~
19 ~~date~~" means:

20 (a) for a member employed by an employer as a police
21 officer on or--before July 1, 1975, the first day of the
22 month coinciding with or, if none coincides, immediately
23 following the date on which a member completes at least 20
24 years of qualified service and terminates employment as a
25 police officer; or

1 (b) for a member first employed by an employer as a
2 police officer after July 1, 1975, the first day of the
3 month coinciding with or, if none coincides, immediately
4 following--if-none-coincides, the date on which a member
5 becomes both age 50 or older, and--~~completes 20~~ has completed
6 10 or more years of credited qualified service, and has
7 terminated employment as a police officer.

8 (16) "Monthly compensation" means the wage, excluding
9 overtime, holiday payments, shift differential payments,
10 compensation time payments, and payments in lieu of sick
11 leave and annual leave, a member receives as an active
12 police officer.

13 (17) Any reference to "municipality", "city", or "town"
14 includes those jurisdictions which, prior to the effective
15 date of a county-municipal consolidation, were incorporated
16 municipalities, subsequent districts created for urban law
17 enforcement services, or the entire county included in the
18 county-municipal consolidation.

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

21 (19) "Police officer" means a law enforcement officer
22 employed by an employer.

23 (20) "Prior plan" means the local police reserve or
24 retirement fund of a city which elects to join the plan
25 under 19-9-107 or the statewide police reserve fund

1 administered by the department of administration in
2 accordance with Chapter 335, Laws of 1974.

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

6 (22) "Qualified service" means credited service plus any
7 service purchased under the provisions of part 4 of this
8 chapter.

9 ~~(22)~~(23) "Retirement allowance" means the employer
10 annuity plus the member's annuity.

11 ~~(23)~~(24) "Retirement date" means the date on which the
12 first payment of the retirement, disability, or survivor
13 benefits of a member or a beneficiary is payable.

14 ~~(24)~~(25) "Surviving spouse" means the spouse married to
15 a member at the time of the member's death.

16 ~~(25)~~(26) "Totally and permanently disabled" means that
17 the board, upon certification by a licensed and practicing
18 physician, has determined that a member's disability is of
19 such a nature as to permanently impair his ability to
20 discharge his normal duties as a police officer."

21 **Section 2.** Section 19-9-801, MCA, is amended to read:

22 "19-9-801. Eligibility for service retirement --
23 commencement of allowance. Members are eligible for
24 retirement and shall retire as provided in this section:

25 (1) A member who was employed by an employer as a

1 police officer on or--before July 1, 1975, is eligible to
2 receive a service retirement allowance when he has completed
3 20 years or more ~~in-the-aggregate-as-a-probationary-officer,~~
4 ~~a-regular-officer,-or-a-special-officer,-in-any-capacity--or~~
5 ~~rank,~~ of qualified service and has terminated covered
6 employment.

7 (2) A member who was or is first employed by an
8 employer as a police officer after July 1, 1975, is eligible
9 to receive a service retirement allowance when he has
10 reached the age of 50, has completed ~~20~~ 10 years or more ~~in~~
11 ~~the-aggregate-as-a-probationary-officer,-a-regular--officer,~~
12 ~~or--a--special-officer,-in-any-capacity-or-rank~~ of qualified
13 service, and has terminated covered employment.

14 (3) (a) Except as provided in subsection (3)(b), the
15 retirement allowance may commence on the first day of the
16 month following the member's ~~last-day-of-membership--service~~
17 minimum retirement date or, if requested by the terminated
18 member in writing, on the first day of the month following
19 receipt of the written application.

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

23 **Section 3.** Section 19-9-802, MCA, is amended to read:

24 "19-9-802. Election to serve additional years. ~~(1)~~ A
25 police officer who is eligible for service retirement under

1 19-9-801(1) or (2) may retire as of the time he becomes
2 eligible or may elect to serve an additional ~~1-to-10~~ years
3 as an active police officer.

4 ~~{2}--A--police--officer--whose--eligibility--depends--on
5 19-9-801{2}-and-who-completes-20--years--of--service--before
6 reaching--the--age--of--50--is-considered-to-have-elected-to
7 serve--an--additional--year--for--each--year---between---the
8 completion-of-his-20th-year-of-service-and-his-50th-birthday
9 and--shall--be--paid--the--additional--1%,--as-prescribed-in
10 19-9-804{2},-for-each-such-year."~~

11 **Section 4.** Section 19-9-804, MCA, is amended to read:

12 "19-9-804. Amount of service retirement allowance --
13 continuation of allowance after death of member. (1) A
14 police officer with 20 years of qualified service who is
15 eligible under subsection (1) or (2) of 19-9-801 and does
16 not elect to serve any additional years as an active police
17 officer shall receive a service retirement allowance equal
18 to one-half his final average salary.

19 (2) A police officer who is eligible for service
20 retirement under subsection (1) or (2) of 19-9-801 after 20
21 years of qualified service and who elects to serve
22 additional years shall receive the allowance provided for in
23 subsection (1) plus an additional 1% of his final average
24 salary for each year of additional qualified service, up to
25 a maximum of 60% of his final average salary.

1 (3) A police-officer MEMBER who is eligible for service
2 retirement under subsection (2) of 19-9-801 with less than
3 20 years of qualified service shall receive a retirement
4 allowance equal to 2.5% of his final average salary for each
5 year of qualified service.

6 (4) (a) Upon the death of a police officer receiving a
7 service retirement allowance under subsection (1) or (2)
8 this-section, his surviving spouse, if there is one, shall
9 receive from the fund a sum equal to one-half of the
10 officer's final average salary.

11 (b) Upon the death of a police-officer MEMBER receiving
12 a service retirement allowance under subsection (3), his
13 surviving spouse, if there is one, shall receive from the
14 fund a sum equal to the amount of the officer's allowance at
15 the time of his death.

16 (c) If the officer leaves one or more dependent
17 children, then upon his death, if he leaves no surviving
18 spouse or upon the death of the surviving spouse, the
19 officer's surviving dependent child, or children
20 collectively if there are more than one, shall receive the
21 same monthly payments a surviving spouse would receive for
22 as long as the child or one of the children remains
23 dependent as defined in 19-9-104. The payments must be made
24 to the child's appointed guardian for the child's use. If
25 there is more than one dependent child, upon each child no

1 longer qualifying as dependent under 19-9-104, the pro rata
2 payments to that child must cease and be made to the
3 remaining children until all the children are no longer
4 dependent."

5 **Section 5.** Section 19-9-902, MCA, is amended to read:

6 "19-9-902. **Eligibility for disability retirement.** If a
7 member police officer is determined by the board to be
8 totally and permanently disabled, he is entitled to a
9 disability retirement allowance, regardless of the length of
10 his service, commencing on the day following the member's
11 police officer's last day of membership service."

12 **Section 6.** Section 19-9-903, MCA, is amended to read:

13 "19-9-903. **Amount of disability retirement allowance --**
14 **continuation of allowance after death of member.** (1) A
15 police officer who is eligible under 19-9-902 before
16 completing 20 years of qualified service shall receive a
17 disability retirement allowance equal to one-half his
18 average final salary.

19 (2) A police officer who is retired under 19-9-902 and
20 who, at the time of his injury or disability, was eligible
21 at his option to be retired under subsection (1) or (2) of
22 19-9-801 but had elected to serve additional years in excess
23 of 20 years of qualified service and was then serving such
24 additional years shall be paid for the additional years at
25 the rate prescribed in 19-9-804(2).

1 (3) Upon the death of a police officer receiving a
2 disability allowance under this section, his surviving
3 spouse or dependent child is eligible for benefits as
4 provided in 19-9-804~~(3)~~(4)."

5 **Section 7.** Section 19-9-911, MCA, is amended to read:

6 "19-9-911. **Death benefits.** (1) Upon the death of a
7 police officer before retirement, his surviving spouse or
8 dependent child is eligible for benefits as provided in
9 19-9-804~~(3)~~(4).

10 (2) Upon the death of a member who is no longer
11 employed as a police officer and who did not attain the
12 minimum retirement eligibility at the age of 50, his
13 surviving spouse or dependent child is eligible for a refund
14 of the member's contributions and accumulated interest on
15 account with the retirement system on the date that the
16 refund is made to the survivors."

17 **Section 8.** Section 19-9-1011, MCA, is amended to read:

18 "19-9-1011. **Allowance adjustment.** (1) A monthly
19 allowance paid under section 31(3), Chapter 456, Laws of
20 1977 (formerly section 11-1890(3), R.C.M. 1947), 19-9-804(1)
21 or (2), 19-9-903, or 19-9-911 to a member retired on or
22 after July 1, 1975, or to his surviving spouse or dependent
23 child may not be less than one-half the monthly compensation
24 paid to a newly confirmed, active police officer of the city
25 that last employed the member as a police officer, as

1 provided each year in the budget of that city.

2 (2) At the beginning of each fiscal year, the
3 administrator shall request and the state auditor shall pay
4 to the administrator from the premium tax collected from
5 insurance sold in this state to insure against the risks
6 enumerated in 19-11-512(3) an amount sufficient to fund the
7 allowance adjustment provided for in subsection (1)."

8 NEW SECTION. **Section 9.** Effective date. [This act] is
9 effective July 1, 1991.

-End-

HOUSE STANDING COMMITTEE REPORT

March 19, 1991
Page 2 of 2

March 19, 1991

Page 1 of 2

Mr. Speaker: We, the committee on State Administration report that Senate Bill 222 (third reading copy -- blue) be concurred in as amended .

Signed: 
Jan Brown, Chairman

Carried by: Rep. Cocchiarella

And, that such amendments read:

1. Page 11.

Following: line 7

Insert: "NEW SECTION. Section 9. Coordination instruction. If House Bill No. 595 and [this act] are passed and approved, then the following amendments apply:

(1) The definition of "minimum retirement date" or "normal retirement date" under the provisions of 19-9-104 is amended to read as follows:

"(15) "Minimum retirement date" means the first day of the month coinciding with or immediately following, if none coincides, the date on which a member both becomes age 50 and completes 10 years of qualified service.

(2) Section 19-9-104 is amended to include a new definition to read as follows and subsequent subsections are renumbered:

"(18) "Normal retirement date" means the first day of the month coinciding with or immediately following, if none coincides, the date on which a member completes 20 or more years of qualified service and has terminated employment as a police officer."

(3) Section 19-9-801, MCA, is amended to read:
"19-9-801. Eligibility for service retirement -- commencement of allowance. Members are eligible for retirement and shall retire as provided in this section:

(1) A member employed by an employer as a police officer is eligible to receive a service retirement allowance when he has completed 20 years or more of qualified service and has terminated covered employment.

(2) A member who terminates employment as a police officer with an employer after completing at least 10 years of qualified service but prior to completing 20 years of qualified service is

eligible to receive a service retirement allowance when he has reached 50 years of age.

(3) (a) Except as provided in subsection (3)(b), the retirement allowance may commence on the first day of the month following the member's minimum retirement date or, if requested by the terminated member in writing, on the first day of the month following receipt of the written application.

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

(4) All references to subsections of 19-9-801 must be stricken from sections 19-9-802, 19-9-804, and 19-9-903."

Renumber: subsequent section

1 SENATE BILL NO. 222

2 INTRODUCED BY VAN VALKENBURG, THOMAS, T. NELSON, PHILLIPS,
3 GRADY, SQUIRES, NATHE, PIPINICH, SOUTHWORTH, J. BROWN,
4 HARPER, O'KEEFE, COCCHIARELLA
5

6 A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE
7 ELIGIBILITY REQUIREMENTS FOR RETIREMENT UNDER THE MUNICIPAL
8 POLICE OFFICERS' RETIREMENT SYSTEM; PROVIDING THAT MEMBERS
9 WHO TERMINATE COVERED EMPLOYMENT AFTER 10 YEARS AND WHO
10 REMAIN MEMBERS MAY BECOME ELIGIBLE TO DRAW A RETIREMENT
11 BENEFIT UPON REACHING THE AGE OF 50; AMENDING SECTIONS
12 19-9-104, 19-9-801, 19-9-802, 19-9-804, 19-9-902, 19-9-903,
13 19-9-911, AND 19-9-1011, MCA; AND PROVIDING AN EFFECTIVE
14 DATE."
15

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

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

18 "19-9-104. **Definitions.** Unless the context requires
19 otherwise, the following definitions apply in this chapter:

20 (1) "Administrator" means the public employees'
21 retirement division of the department of administration.

22 (2) "Base salary" means the sum of the monthly
23 compensations for each month in a given calendar year.

24 (3) "Board" means the retirement board described in
25 2-15-1009.

1 (4) "Credited service" means the aggregate of a
2 member's prior service and membership service.

3 (5) "Death benefit" means a monthly annuity paid to a
4 surviving spouse or dependent child or a lump-sum payment
5 made to a beneficiary on behalf of a member who dies before
6 retirement.

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

9 (a) who is unmarried and under 18 years of age; or

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

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

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

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

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

24 (11) "Member" means a person who is employed by an
25 employer as a police officer or who is entitled to a

1 retirement allowance by virtue of his service to an employer
2 as a police officer.

3 (12) "Member contributions" means the total of the
4 deductions from the compensation of a member, either made
5 during a period of active membership hereunder or made under
6 a prior plan and transferred to this plan, standing to his
7 credit, together with the interest thereon.

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

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

18 (15) "Minimum retirement date" ~~or--"normal retirement~~
19 ~~date"~~ means:

20 (a) for a member employed by an employer as a police
21 officer on or--before July 1, 1975, the first day of the
22 month coinciding with or, if none coincides, immediately
23 following the date on which a member completes at least 20
24 years of qualified service and terminates employment as a
25 police officer; or

1 (b) for a member first employed by an employer as a
2 police officer after July 1, 1975, the first day of the
3 month coinciding with or, if none coincides, immediately
4 following--if-none-coincides, the date on which a member
5 becomes both age 50 or older, and--completes 20 has completed
6 10 or more years of credited qualified service, and has
7 terminated employment as a police officer.

8 (16) "Monthly compensation" means the wage, excluding
9 overtime, holiday payments, shift differential payments,
10 compensation time payments, and payments in lieu of sick
11 leave and annual leave, a member receives as an active
12 police officer.

13 (17) Any reference to "municipality", "city", or "town"
14 includes those jurisdictions which, prior to the effective
15 date of a county-municipal consolidation, were incorporated
16 municipalities, subsequent districts created for urban law
17 enforcement services, or the entire county included in the
18 county-municipal consolidation.

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

21 (19) "Police officer" means a law enforcement officer
22 employed by an employer.

23 (20) "Prior plan" means the local police reserve or
24 retirement fund of a city which elects to join the plan
25 under 19-9-107 or the statewide police reserve fund

1 administered by the department of administration in
2 accordance with Chapter 335, Laws of 1974.

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

6 (22) "Qualified service" means credited service plus any
7 service purchased under the provisions of part 4 of this
8 chapter.

9 ~~(22)~~(23) "Retirement allowance" means the employer
10 annuity plus the member's annuity.

11 ~~(23)~~(24) "Retirement date" means the date on which the
12 first payment of the retirement, disability, or survivor
13 benefits of a member or a beneficiary is payable.

14 ~~(24)~~(25) "Surviving spouse" means the spouse married to
15 a member at the time of the member's death.

16 ~~(25)~~(26) "Totally and permanently disabled" means that
17 the board, upon certification by a licensed and practicing
18 physician, has determined that a member's disability is of
19 such a nature as to permanently impair his ability to
20 discharge his normal duties as a police officer."

21 **Section 2.** Section 19-9-801, MCA, is amended to read:

22 "19-9-801. Eligibility for service retirement --
23 commencement of allowance. Members are eligible for
24 retirement and shall retire as provided in this section:

25 (1) A member who was employed by an employer as a

1 police officer on ~~or--before~~ July 1, 1975, is eligible to
2 receive a service retirement allowance when he has completed
3 20 years or more ~~in-the-aggregate-as-a-probationary-officer,~~
4 ~~a-regular-officer,--or-a-special-officer,--in-any-capacity--or~~
5 ~~rank,~~ of qualified service and has terminated covered
6 employment.

7 (2) A member who was or is first employed by an
8 employer as a police officer after July 1, 1975, is eligible
9 to receive a service retirement allowance when he has
10 reached the age of 50, has completed 20 10 years or more ~~in~~
11 ~~the-aggregate-as-a-probationary-officer,--a-regular--officer,~~
12 ~~or--a--special-officer,--in-any-capacity-or-rank~~ of qualified
13 service, and has terminated covered employment.

14 (3) (a) Except as provided in subsection (3)(b), the
15 retirement allowance may commence on the first day of the
16 month following the member's ~~last-day-of-membership--service~~
17 minimum retirement date or, if requested by the terminated
18 member in writing, on the first day of the month following
19 receipt of the written application.

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

23 **Section 3.** Section 19-9-802, MCA, is amended to read:

24 "19-9-802. Election to serve additional years. ~~(1)~~ A
25 police officer who is eligible for service retirement under

1 19-9-801(1) or (2) may retire as of the time he becomes
2 eligible or may elect to serve an additional 1-to-10 years
3 as an active police officer.

4 (2) A police officer whose eligibility depends on
5 19-9-801(2) and who completes 20 years of service before
6 reaching the age of 50 is considered to have elected to
7 serve an additional year for each year between the
8 completion of his 20th year of service and his 50th birthday
9 and shall be paid the additional 1% as prescribed in
10 19-9-804(2), for each such year."

11 **Section 4.** Section 19-9-804, MCA, is amended to read:

12 "19-9-804. Amount of service retirement allowance --
13 continuation of allowance after death of member. (1) A
14 police officer with 20 years of qualified service who is
15 eligible under subsection (1) or (2) of 19-9-801 and does
16 not elect to serve any additional years as an active police
17 officer shall receive a service retirement allowance equal
18 to one-half his final average salary.

19 (2) A police officer who is eligible for service
20 retirement under subsection (1) or (2) of 19-9-801 after 20
21 years of qualified service and who elects to serve
22 additional years shall receive the allowance provided for in
23 subsection (1) plus an additional 1% of his final average
24 salary for each year of additional qualified service, up to
25 a maximum of 60% of his final average salary.

1 (3) A police officer MEMBER who is eligible for service
2 retirement under subsection (2) of 19-9-801 with less than
3 20 years of qualified service shall receive a retirement
4 allowance equal to 2.5% of his final average salary for each
5 year of qualified service.

6 (4) (a) Upon the death of a police officer receiving a
7 service retirement allowance under subsection (1) or (2)
8 this section, his surviving spouse, if there is one, shall
9 receive from the fund a sum equal to one-half of the
10 officer's final average salary.

11 (b) Upon the death of a police officer MEMBER receiving
12 a service retirement allowance under subsection (3), his
13 surviving spouse, if there is one, shall receive from the
14 fund a sum equal to the amount of the officer's allowance at
15 the time of his death.

16 (c) If the officer leaves one or more dependent
17 children, then upon his death, if he leaves no surviving
18 spouse or upon the death of the surviving spouse, the
19 officer's surviving dependent child, or children
20 collectively if there are more than one, shall receive the
21 same monthly payments a surviving spouse would receive for
22 as long as the child or one of the children remains
23 dependent as defined in 19-9-104. The payments must be made
24 to the child's appointed guardian for the child's use. If
25 there is more than one dependent child, upon each child no

1 longer qualifying as dependent under 19-9-104, the pro rata
2 payments to that child must cease and be made to the
3 remaining children until all the children are no longer
4 dependent."

5 **Section 5.** Section 19-9-902, MCA, is amended to read:

6 "19-9-902. **Eligibility for disability retirement.** If a
7 member police officer is determined by the board to be
8 totally and permanently disabled, he is entitled to a
9 disability retirement allowance, regardless of the length of
10 his service, commencing on the day following the member's
11 police officer's last day of membership service."

12 **Section 6.** Section 19-9-903, MCA, is amended to read:

13 "19-9-903. **Amount of disability retirement allowance --**
14 **continuation of allowance after death of member.** (1) A
15 police officer who is eligible under 19-9-902 before
16 completing 20 years of qualified service shall receive a
17 disability retirement allowance equal to one-half his
18 average final salary.

19 (2) A police officer who is retired under 19-9-902 and
20 who, at the time of his injury or disability, was eligible
21 at his option to be retired under subsection (1) or (2) of
22 19-9-801 but had elected to serve additional years in excess
23 of 20 years of qualified service and was then serving such
24 additional years shall be paid for the additional years at
25 the rate prescribed in 19-9-804(2).

1 (3) Upon the death of a police officer receiving a
2 disability allowance under this section, his surviving
3 spouse or dependent child is eligible for benefits as
4 provided in 19-9-804(3)(4)."

5 **Section 7.** Section 19-9-911, MCA, is amended to read:

6 "19-9-911. **Death benefits.** (1) Upon the death of a
7 police officer before retirement, his surviving spouse or
8 dependent child is eligible for benefits as provided in
9 19-9-804(3)(4).

10 (2) Upon the death of a member who is no longer
11 employed as a police officer and who did not attain the
12 minimum retirement eligibility at the age of 50, his
13 surviving spouse or dependent child is eligible for a refund
14 of the member's contributions and accumulated interest on
15 account with the retirement system on the date that the
16 refund is made to the survivors."

17 **Section 8.** Section 19-9-1011, MCA, is amended to read:

18 "19-9-1011. **Allowance adjustment.** (1) A monthly
19 allowance paid under section 31(3), Chapter 456, Laws of
20 1977 (formerly section 11-1890(3), R.C.M. 1947), 19-9-804(1)
21 or (2), 19-9-903, or 19-9-911 to a member retired on or
22 after July 1, 1975, or to his surviving spouse or dependent
23 child may not be less than one-half the monthly compensation
24 paid to a newly confirmed, active police officer of the city
25 that last employed the member as a police officer, as

1 provided each year in the budget of that city.

2 (2) At the beginning of each fiscal year, the
3 administrator shall request and the state auditor shall pay
4 to the administrator from the premium tax collected from
5 insurance sold in this state to insure against the risks
6 enumerated in 19-11-512(3) an amount sufficient to fund the
7 allowance adjustment provided for in subsection (1)."

8 NEW SECTION. SECTION 9. COORDINATION INSTRUCTION. IF
9 HOUSE BILL NO. 595 AND [THIS ACT] ARE PASSED AND APPROVED,
10 THEN THE FOLLOWING AMENDMENTS APPLY:

11 (1) THE DEFINITION OF "MINIMUM RETIREMENT DATE" OR
12 "NORMAL RETIREMENT DATE" UNDER THE PROVISIONS OF 19-9-104 IS
13 AMENDED TO READ AS FOLLOWS:

14 "(15) "MINIMUM RETIREMENT DATE" MEANS THE FIRST DAY OF
15 THE MONTH COINCIDING WITH OR IMMEDIATELY FOLLOWING, IF NONE
16 COINCIDES, THE DATE ON WHICH A MEMBER BOTH BECOMES AGE 50
17 AND COMPLETES 10 YEARS OF QUALIFIED SERVICE."

18 (2) SECTION 19-9-104 IS AMENDED TO INCLUDE A NEW
19 DEFINITION TO READ AS FOLLOWS AND SUBSEQUENT SUBSECTIONS ARE
20 RENUMBERED:

21 "(18) "NORMAL RETIREMENT DATE" MEANS THE FIRST DAY OF
22 THE MONTH COINCIDING WITH OR IMMEDIATELY FOLLOWING, IF NONE
23 COINCIDES, THE DATE ON WHICH A MEMBER COMPLETES 20 OR MORE
24 YEARS OF QUALIFIED SERVICE AND HAS TERMINATED EMPLOYMENT AS
25 A POLICE OFFICER."

1 (3) SECTION 19-9-801, MCA, IS AMENDED TO READ:

2 "19-9-801. ELIGIBILITY FOR SERVICE RETIREMENT --
3 COMMENCEMENT OF ALLOWANCE. MEMBERS ARE ELIGIBLE FOR
4 RETIREMENT AND SHALL RETIRE AS PROVIDED IN THIS SECTION:

5 (1) A MEMBER EMPLOYED BY AN EMPLOYER AS A POLICE
6 OFFICER IS ELIGIBLE TO RECEIVE A SERVICE RETIREMENT
7 ALLOWANCE WHEN HE HAS COMPLETED 20 YEARS OR MORE OF
8 QUALIFIED SERVICE AND HAS TERMINATED COVERED EMPLOYMENT.

9 (2) A MEMBER WHO TERMINATES EMPLOYMENT AS A POLICE
10 OFFICER WITH AN EMPLOYER AFTER COMPLETING AT LEAST 10 YEARS
11 OF QUALIFIED SERVICE BUT PRIOR TO COMPLETING 20 YEARS OF
12 QUALIFIED SERVICE IS ELIGIBLE TO RECEIVE A SERVICE
13 RETIREMENT ALLOWANCE WHEN HE HAS REACHED 50 YEARS OF AGE.

14 (3) (A) EXCEPT AS PROVIDED IN SUBSECTION (3)(B), THE
15 RETIREMENT ALLOWANCE MAY COMMENCE ON THE FIRST DAY OF THE
16 MONTH FOLLOWING THE MEMBER'S MINIMUM RETIREMENT DATE OR, IF
17 REQUESTED BY THE TERMINATED MEMBER IN WRITING, ON THE FIRST
18 DAY OF THE MONTH FOLLOWING RECEIPT OF THE WRITTEN
19 APPLICATION.

20 (B) THE RETIREMENT ALLOWANCE FOR AN ELIGIBLE TERMINATED
21 MEMBER MUST COMMENCE NO LATER THAN THE FIRST DAY OF THE
22 MONTH FOLLOWING THE MEMBER'S 55TH BIRTHDAY."

23 (4) ALL REFERENCES TO SUBSECTIONS OF 19-9-801 MUST BE
24 STRICKEN FROM SECTIONS 19-9-802, 19-9-804, AND 19-9-903.

25 NEW SECTION. Section 10. Effective date. [This act] is

SB 0222/03

1 effective July 1, 1991.

-End-