

1                    HOUSE    BILL NO. 37  
2    INTRODUCED BY BARDANOUE

3  
4    A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND  
5    CLARIFY THE LAWS RELATING TO HIGHWAY PATROL RETIREMENT AND  
6    DEATH AND DISABILITY BENEFITS; AMENDING SECTIONS 31-201,  
7    31-207, 31-208, 31-213, 31-215, 31-222, 31-223, AND 31-228,  
8    R.C.M. 1947."

9  
10    BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11            Section 1. Section 31-201, R.C.M. 1947, is amended to  
12    read as follows:

13            "31-201. Definitions. Unless the context requires  
14    otherwise, in this act the following definitions apply:

15            (1) "Accumulated deductions" means the total of the  
16    amounts deducted from the salary of a contributor, and paid  
17    into the fund, and standing to his credit in the fund,  
18    together with the regular interest thereon.

19            (2) "Department" means the public employees'  
20    retirement division of the department of administration  
21    provided for in Title 82A, Chapter 2.

22            (3) "Beneficiary" means a person ~~or persons having an~~  
23    ~~insurable interest in his life~~ nominated to receive benefits  
24    under this chapter as he shall nominate by a member's  
25    written designation, duly acknowledged and filed with the

1    department.

2            (4) "Retired patrolman" means a person in receipt of a  
3    retirement allowance under this act.

4            (5) "Board" means the board of administration provided  
5    for in section 82A-210.

6            (6) "Compulsory retirement age" means ~~sixty~~ 60 years  
7    of age.

8            (7) "Contributor" means a person who has accumulated  
9    deductions in the fund, standing to his credit.

10            (8) "Final salary" means the average annual  
11    compensation received by a contributor, before any  
12    deductions have been made, and exclusive of maintenance,  
13    allowances, and expenses, for any ~~three~~ {3} years of  
14    continuous service upon which contributions have been made,  
15    or, in the event a member has not served ~~three~~ {3} years,  
16    the total retirement compensation earned, divided by the  
17    number of years served.

18            ~~(9) "Actuarial equivalent" means the accumulated~~  
19    ~~contributions and the present value of the member's state~~  
20    ~~service-based-on-length-of-service-and-member's-attained-age~~  
21    ~~used-to-provide-a-life-or-temporary-life-income-to-the~~  
22    ~~legally-designated-person-based-on-the-person's-attained~~  
23    ~~age-and-sex-at-the-time-the-option-becomes-available~~

24            (9) "Actuarial equivalent" means a benefit of equal  
25    value when computed on the basis of the actuarial tables in

1 use by the system.

2 (10) "Account" means the Montana highway patrolmen's  
3 retirement account in the agency fund.

4 (11) "Involuntary retirement" means a retirement not  
5 for cause and before retirement age.

6 (12) "Member's annuity" means payments for life  
7 derived from contributions made by the contributor.

8 (13) "Optional retirement age" means the age at which  
9 a contributor may retire after ~~twenty~~{20} years' service or  
10 more.

11 (14) "Retirement age" means the age at which a member  
12 retires after ~~twenty-five~~{25} years of creditable service  
13 with the Montana highway patrol.

14 (15) "Retirement allowance" means the state annuity  
15 plus the member's annuity.

16 (16) "State annuity" means payments for life derived  
17 from contributions made by the state of Montana."

18 Section 2. There is a new R.C.M. section numbered  
19 31-201.1 that reads as follows:

20 31-201.1. Retirement system. There is a retirement  
21 system known as the Montana highway patrolmen's retirement  
22 system, which is governed by the provisions of this chapter.

23 Section 3. Section 31-207, R.C.M. 1947, is amended to  
24 read as follows:

25 "31-207. Membership. ~~Every member~~ All members of the

1 Montana highway patrol, including the supervisor and  
2 assistant supervisors, ~~shall~~ must be a member members of the  
3 retirement system. ~~if a person becomes a member of the~~  
4 ~~Montana highway patrol after July 1, 1945, who was at any~~  
5 ~~time before July 1, 1945, a member of the Montana highway~~  
6 ~~patrol, he shall receive credit for any such service prior~~  
7 ~~to July 1, 1945, upon complying with the provisions of this~~  
8 ~~act."~~

9 Section 4. Section 31-208, R.C.M. 1947, is amended to  
10 read as follows:

11 "31-208. ~~Service allowance~~ Computation of the service  
12 of a contributor. In computing the length of service of a  
13 contributor for retirement purposes, full credit shall be  
14 given to each contributor for each year of service rendered  
15 to the patrol, including service rendered prior to July 1,  
16 1945, ~~upon complying if there is compliance~~ with the  
17 provisions of this act. As soon as practicable, the  
18 retirement board shall issue to each original member a  
19 certificate certifying the aggregate length of his service  
20 prior to July 1, 1945. ~~Such the~~ certificate ~~shall~~ will be  
21 final and conclusive as to his prior service unless  
22 thereafter modified by the board upon application of the  
23 contributor. The time during which a contributor is absent  
24 from service without pay ~~shall~~ may not be counted in  
25 computing the his service of ~~a contributor~~ for retirement

1 ~~PURPOSES:~~ except service with the armed forces of the United  
2 ~~States in time of war as provided in 31-223 in regard to~~  
3 ~~service with the armed forces of the United States."~~

4 Section 5. Section 31-213, R.C.M. 1947, is amended to  
5 read as follows:

6 "31-213. ~~Retirement Service retirement~~ allowance. Upon  
7 retirement from service a member shall receive a service  
8 retirement allowance which shall consist of the state  
9 annuity plus the member's annuity. The service retirement  
10 allowance shall be computed as follows: ~~twenty-(20)~~ through  
11 ~~twenty-five-(25)~~ years, ~~two-percent-(2%)~~ of his final salary  
12 for each year of service; ~~twenty-six-(26)~~ over 25 years and  
13 ~~over, two-percent-(2%)~~ of his final salary for each year of  
14 service through the ~~twenty-fifth~~ 25th plus ~~one-percent--(1%)~~  
15 of his final salary for each year of service past  
16 ~~twenty-five-(25)."~~

17 Section 6. Section 31-215, R.C.M. 1947, is amended to  
18 read as follows:

19 "31-215. Involuntary retirement allowance. ~~Should if~~ a  
20 contributor be ~~is involuntarily~~ discontinued from service,  
21 ~~not voluntarily,~~ after having completed ~~ten--(10)~~ years of  
22 total service, but before reaching retirement age, he shall,  
23 upon filing of a written application ~~in the manner herein~~  
24 ~~provided for retirement with the department,~~ be paid  
25 whichever of the following allowances that he elects as he

1 may elect as follows:

2 ~~(a)(i)~~ the full amount of his accumulated deductions  
3 ~~standing to his credit; or~~

4 ~~(b)(2)~~ a member's annuity of equivalent actuarial  
5 value to his accumulated deductions ~~standing to his credit,~~  
6 plus an annuity which is the actuarial equivalent of a ~~state~~  
7 ~~annuity--having--a value equal to~~ the present value of a the  
8 ~~state annuity then standing to his credit."~~

9 Section 7. Section 31-222, R.C.M. 1947, is amended to  
10 read as follows:

11 "31-222. Nomination of beneficiary. Every contributor  
12 may name his beneficiary by written designation, duly  
13 acknowledged and filed with the department, and to may  
14 change the beneficiary in like manner. ~~Such designation--and~~  
15 ~~all changes must be filed with the department."~~

16 Section 8. Section 31-223, R.C.M. 1947, is amended to  
17 read as follows:

18 "31-223. ~~Service in the armed forces of the United~~  
19 ~~States Military service.~~ (1)(a) A member of the Montana  
20 highway patrol inducted into the armed forces of the United  
21 States ~~shall have~~ has the option to:

22 ~~(a)(i)~~ to continue his payments into the fund; or

23 ~~(b)(iii)~~ allow the department to make his payments for  
24 him during his military service, in which event he ~~shall~~  
25 must repay the fund the full amount of the payments upon

1 ~~within 2 years after~~ his return to the Montana highway  
 2 patrol, ~~and these repayments must be made within two (2)~~  
 3 ~~years after his return to the patrol, however, a member's~~  
 4 ~~service in the armed forces of the United States shall be~~  
 5 ~~credited to and made a part of the member's service~~  
 6 ~~allowance.~~

7 (b) If a member chooses one of the options in  
 8 subsection (1)(a) and meets its requirements, he shall be  
 9 given credit for his service in the armed forces of the  
 10 United States as if it were service in the Montana highway  
 11 patrol.

12 (2) A member with ~~fifteen (15)~~ years or more of  
 13 service with the Montana highway patrol may at any time  
 14 prior to his retirement make a written election with the  
 15 department to qualify all or any portion of his active  
 16 service in the armed forces of the United States for the  
 17 purpose of calculating retirement benefits, up to a maximum  
 18 of ~~five (5)~~ years, if he is not otherwise eligible to  
 19 receive credit for this same service pursuant to subsection  
 20 (1). To qualify this service he must contribute to the  
 21 account the amount determined by the department due based on  
 22 his compensation and normal contribution rate as of his  
 23 ~~sixteenth 16th~~ year and as many succeeding years as are  
 24 required to qualify this service, with interest from the  
 25 date he becomes eligible for this benefit to the date he

1 contributes. He may not qualify more of this service than he  
 2 has service with the Montana highway patrol in excess of  
 3 ~~fifteen (15)~~ years.\*

4 Section 9. Section 31-228, R.C.M. 1947, is amended to  
 5 read as follows:

6 \*31-228. Optional retirement allowance. ~~until~~ (1) A  
 7 member or a beneficiary may elect one of the optional  
 8 retirement allowances set forth in subsection (2) at any  
 9 time before the first payment on account of any retirement  
 10 allowance is made, ~~and subject to the conditions that, if he~~  
 11 ~~die if a member dies~~ after retirement and within ~~thirty (30)~~  
 12 days from the date upon which his election or changed  
 13 election ~~is~~ was received ~~at the office of~~ by the department,  
 14 then the election is void, and the death ~~shall~~ will be  
 15 considered as that of a member before retirement.

16 (2) A member or a beneficiary may elect, or prior to  
 17 the approval of a previous election, revoke or change a the  
 18 previous election prior to the approval of the previous  
 19 election and elect to receive the actuarial equivalent of  
 20 his retirement allowance as of the date of retirement, in a  
 21 lesser retirement allowance, payable throughout life with  
 22 one of the following options:

23 ~~(1)(a) Option 1--upon~~ upon his death, his lesser  
 24 retirement allowance ~~shall~~ will be continued throughout the  
 25 life of and paid to the person ~~having an insurable interest~~

1 ~~in his life as~~ that he nominates nominated by written  
2 designation, duly executed and filed with the department at  
3 the time of his retirement.

4 (2)(b) Option 2 ~~Upon~~ upon his death, one-half of  
5 his lesser retirement allowance ~~shall~~ will be continued  
6 throughout the life of and paid to the person ~~having an~~  
7 ~~insurable interest in his life as~~ that he nominates  
8 nominated by written designation, duly executed and filed  
9 with the department at the time of his retirement.

10 (3)(c) Option 3 ~~Such~~ such other benefit ~~or~~  
11 benefits ~~shall~~ will be paid, either to the beneficiary or to  
12 the any other person ~~or persons as~~ that he nominates  
13 nominated, as, together with such ~~the~~ lesser retirement  
14 allowance, are the actuarial equivalent of his retirement  
15 allowance, and ~~shall be~~ have been approved by the board."

-End-

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DIRECTOR, RESEARCH

LC 0030

1977 Legislature  
Code Commissioner Bill - Summary

House Bill No. 37

TO GENERALLY REVISE AND CLARIFY THE LAWS RELATING TO  
HIGHWAY PATROL RETIREMENT AND DEATH AND DISABILITY  
BENEFITS.

(This summary does not include discussion of routine form  
or grammatical changes.)

Section 1. 31-201. Definitions. In subsection (2),  
made the definition of "department" more accurate and specific.  
For example, under 31-223, the division, not the department,  
has the power to make payments. In subsection (3), reworded  
for clarity and deleted reference to "insurable interest" as  
inaccurate and meaningless. The department of administration  
considers that an insurable interest is created by the member's  
designation of a beneficiary. Subsection (9), which defines  
"actuarial equivalent" has been replaced by the language of  
68-1503(21) as simpler and more accurate.

Section 2. 31-201.1. Retirement system. New section  
enacted to establish official name of retirement system and  
to replace 31-202 which was repealed.

Section 3. 31-207. Membership. Last sentence deleted  
as redundant - contained in first sentence of 31-208.

Section 4. 31-208. Computation of the service of a  
contributor. "In time of war" deleted and reference to 31-  
223 inserted to correct inconsistency and apparent error.

Section 5. 31-213. Service retirement allowance.  
Changed "26 years and over" to "over 25 years" to correct  
an apparent error. A member with 25-1/2 years was not covered  
in the unamended version.

Section 6. 31-215. Involuntary retirement allowance. Rewritten for clarity. Specified how application made for clarity.

Section 7. 31-222. Nomination of beneficiary. "To" changed to "may" to correct apparent error. Last sentence deleted as redundant.

Section 8. 31-223. Military service. Created a new subsection (1)(b) and rewrote to make clear that the payments must be made in order for service credit to be given and to delete the reference to a service allowance, which is not defined.

Section 9. 31-228. Optional retirement allowance. Rewritten for clarity. References to "insurable interest" deleted for same reason as under 31-201. Note: this section provides that "a member or a beneficiary may elect". The inclusion of a beneficiary is inaccurate and confusing. The legislature may want to delete the reference.

Approved by Committee  
on State Administration

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6 DEATH AND DISABILITY BENEFITS; AMENDING SECTIONS 31-201,  
7 31-207, 31-208, 31-213, 31-215, 31-222, 31-223, AND 31-228,  
8 R.C.M. 1947."

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

11        Section 1. Section 31-201, R.C.M. 1947, is amended to  
12 read as follows:

13        "31-201. Definitions. Unless the context requires  
14 otherwise, in this act the following definitions apply:

15        (1) "Accumulated deductions" means the total of the  
16 amounts deducted from the salary of a contributor, and paid  
17 into the fund, and standing to his credit in the fund,  
18 together with the regular interest thereon.

19        (2) "Department" means the public employees'  
20 retirement division of the department of administration  
21 provided for in Title 82A, chapter 2.

22        (3) "Beneficiary" means a person ~~or persons having an~~  
23 ~~insurable interest in his life~~ nominated to receive benefits  
24 under this chapter ~~as he shall nominate~~ by a member's  
25 written designation, duly acknowledged and filed with the

1 department.

2        (4) "Retired patrolman" means a person in receipt of a  
3 retirement allowance under this act.

4        (5) "Board" means the board of administration provided  
5 for in section 82A-210.

6        (6) "Compulsory retirement age" means ~~sixty~~ 60 years  
7 of age.

8        (7) "Contributor" means a person who has accumulated  
9 deductions in the fund, standing to his credit.

10        (8) "Final salary" means the average annual  
11 compensation received by a contributor, before any  
12 deductions have been made, and exclusive of maintenance,  
13 allowances, and expenses, for any ~~three~~ three (3) years of  
14 continuous service upon which contributions have been made,  
15 or, in the event a member has not served ~~three~~ three (3) years,  
16 the total retirement compensation earned, divided by the  
17 number of years served.

18        ~~(9) "Actuarial equivalent" means the accumulated~~  
19 ~~contributions and the present value of the member's state~~  
20 ~~service based on length of service and member's attained age~~  
21 ~~used to provide a life or temporary life income to the~~  
22 ~~legally designated person, based on the person's attained~~  
23 ~~age and sex at the time the option becomes available.~~

24        (9) "Actuarial equivalent" means a benefit of equal  
25 value when computed on the basis of the actuarial tables in

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1 use by the system.

2 (10) "Account" means the Montana highway patrolmen's  
3 retirement account in the agency fund.

4 (11) "Involuntary retirement" means a retirement not  
5 for cause and before retirement age.

6 (12) "Member's annuity" means payments for life  
7 derived from contributions made by the contributor.

8 (13) "Optional retirement age" means the age at which  
9 a contributor may retire after ~~twenty-(20)~~ years' service ~~or~~  
10 ~~more.~~

11 (14) "Retirement age" means the age at which a member  
12 retires after ~~twenty-five-(25)~~ years of creditable service  
13 with the Montana highway patrol.

14 (15) "Retirement allowance" means the state annuity  
15 plus the member's annuity.

16 (16) "State annuity" means payments for life derived  
17 from contributions made by the state of Montana."

18 Section 2. There is a new R.C.M. section numbered  
19 31-201.1 that reads as follows:

20 31-201.1. Retirement system. There is a retirement  
21 system known as the Montana highway patrolmen's retirement  
22 system, which is governed by the provisions of this chapter.

23 Section 3. Section 31-207, R.C.M. 1947, is amended to  
24 read as follows:

25 "31-207. Membership. ~~Every-member~~ All members of the

1 Montana highway patrol, including the supervisor and  
2 assistant supervisors, ~~shall~~ must be ~~a-member~~ members of the  
3 retirement system. ~~if-a-person-becomes-a-member-of-the~~  
4 ~~Montana-highway-patrol-after-July-1-1945-who-was-at-any~~  
5 ~~time-before-July-1-1945-a-member-of-the-Montana-highway~~  
6 ~~patrol-he-shall-receive-credit-for-any-such-service-prior~~  
7 ~~to-July-1-1945-upon-complying-with-the-provisions-of-this~~  
8 ~~act."~~

9 Section 4. Section 31-208, R.C.M. 1947, is amended to  
10 read as follows:

11 "31-208. Service-allowance Computation of the service  
12 of a contributor. In computing the length of service of a  
13 contributor for retirement purposes, full credit shall be  
14 given to each contributor for each year of service rendered  
15 to the patrol, including service rendered prior to July 1,  
16 1945, ~~upon-complying~~ if there is compliance with the  
17 provisions of this act. As soon as practicable, the  
18 retirement board shall issue to each original member a  
19 certificate certifying the aggregate length of his service  
20 prior to July 1, 1945. ~~Such~~ the certificate ~~shall~~ will be  
21 final and conclusive as to his prior service unless  
22 thereafter modified by the board upon application of the  
23 contributor. The time during which a contributor is absent  
24 from service without pay ~~shall~~ may not be counted in  
25 computing the his service of ~~a-contributor~~ for retirement

1 ~~purposes, except service with the armed forces of the United~~  
 2 ~~States in time of war as provided in 31-223 in regard to~~  
 3 ~~service with the armed forces of the United States."~~

4 Section 5. Section 31-213, R.C.M. 1947, is amended to  
 5 read as follows:

6 "31-213. Retirement ~~Service retirement~~ allowance. Upon  
 7 retirement from service a member shall receive a service  
 8 retirement allowance which shall consist of the state  
 9 annuity plus the member's annuity. The service retirement  
 10 allowance shall be computed as follows: ~~twenty-(20)~~ through  
 11 ~~twenty-five-(25)~~ years, ~~two-percent-(2%)~~ of his final salary  
 12 for each year of service; ~~twenty-six-(26)~~ over 25 years ~~and~~  
 13 ~~over, two-percent-(2%)~~ of his final salary for each year of  
 14 service through the ~~twenty-fifth~~ 25th plus ~~one-percent--(1%)~~  
 15 of his final salary for each year of service past  
 16 ~~twenty-five-(25)."~~

17 Section 6. Section 31-215, R.C.M. 1947, is amended to  
 18 read as follows:

19 "31-215. Involuntary retirement allowance. ~~Should if a~~  
 20 contributor be is involuntarily discontinued from service  
 21 ~~not voluntarily~~, after having completed ~~ten--(10)~~ years of  
 22 total service, but before reaching retirement age, he shall,  
 23 upon filing of a written application ~~in the manner herein~~  
 24 ~~provided for retirement with the department~~, be paid  
 25 whichever of the following allowances that he elects as he

1 may elect as follows:

2 ~~(a)(i)~~ the full amount of his accumulated deductions  
 3 ~~standing to his credit; or~~

4 ~~(b)(i)~~ a member's annuity of equivalent actuarial  
 5 value to his accumulated deductions ~~standing to his credit,~~  
 6 plus an annuity which is the actuarial equivalent of a state  
 7 ~~annuity--having a value equal to~~ the present value of the  
 8 state annuity ~~then standing to his credit."~~

9 Section 7. Section 31-222, R.C.M. 1947, is amended to  
 10 read as follows:

11 "31-222. Nomination of beneficiary. Every contributor  
 12 may name his beneficiary by written designation, duly  
 13 acknowledged and filed with the department, and to may  
 14 change the beneficiary in like manner. ~~Such designation--and~~  
 15 ~~all changes must be filed with the department."~~

16 Section 8. Section 31-223, R.C.M. 1947, is amended to  
 17 read as follows:

18 "~~31-223. Service in the armed forces of the United~~  
 19 ~~States Military Service.~~ (1)(a) A member of the Montana  
 20 highway patrol inducted into the armed forces of the United  
 21 States ~~shall have~~ has the option to:

22 ~~(a)(i)~~ to continue his payments into the fund; or

23 ~~(b)(ii)~~ allow the department to make his payments for  
 24 him during his military service, in which event he ~~shall~~  
 25 ~~must~~ repay the fund the full amount of the payments upon

1 within 2 years after his return to the Montana highway  
 2 patrol, ~~and these repayments must be made within two (2)~~  
 3 ~~years after his return to the patrol, however, a member's~~  
 4 ~~service in the armed forces of the United States shall be~~  
 5 ~~credited to and made a part of the member's service~~  
 6 ~~allowance.~~

7 (b) If a member chooses one of the options in  
 8 subsection (1)(a) and meets its requirements, he shall be  
 9 given credit for his service in the armed forces of the  
 10 United States as if it were service in the Montana highway  
 11 patrol.

12 (2) A member with ~~fifteen (15)~~ years or more of  
 13 service with the Montana highway patrol may at any time  
 14 prior to his retirement make a written election with the  
 15 department to qualify all or any portion of his active  
 16 service in the armed forces of the United States for the  
 17 purpose of calculating retirement benefits, up to a maximum  
 18 of ~~five (5)~~ years, if he is not otherwise eligible to  
 19 receive credit for this same service pursuant to subsection  
 20 (1). To qualify this service he must contribute to the  
 21 account the amount determined by the department due based on  
 22 his compensation and normal contribution rate as of his  
 23 ~~sixteenth~~ 16th year and as many succeeding years as are  
 24 required to qualify this service, with interest from the  
 25 date he becomes eligible for this benefit to the date he

1 contributes. He may not qualify more of this service than he  
 2 has service with the Montana highway patrol in excess of  
 3 ~~fifteen (15)~~ years."

4 Section 9. Section 31-228, R.C.M. 1947, is amended to  
 5 read as follows:

6 "31-228. Optional retirement allowance. ~~Until (1) A~~  
 7 ~~member or a beneficiary may elect one of the optional~~  
 8 ~~retirement allowances set forth in subsection (2) at any~~  
 9 ~~time before~~ the first payment on account of any retirement  
 10 allowance is made, ~~and subject to the conditions that if he~~  
 11 ~~die if a member dies~~ after retirement and within ~~thirty (30)~~  
 12 days from the date upon which his election or changed  
 13 election ~~is~~ was received ~~at the office of by~~ the department,  
 14 then the election is void, and the death ~~shall will~~ be  
 15 considered as that of a member before retirement.

16 (2) A member or a beneficiary may elect, or prior to  
 17 the approval of a previous election, revoke, or change ~~the~~  
 18 previous election ~~prior to the approval of the previous~~  
 19 ~~election and elect~~ to receive the actuarial equivalent of  
 20 his retirement allowance as of the date of retirement, in a  
 21 lesser retirement allowance, payable throughout life with  
 22 one of the following options:

23 (1)(a) Option 1--~~Upon~~ upon his death, his lesser  
 24 retirement allowance ~~shall will~~ be continued throughout the  
 25 life of and paid to the person ~~having an insurable interest~~

1 ~~in his life as that~~ he nominates ~~nominated~~ by written  
2 designation, duly executed and filed with the department at  
3 the time of his retirement.

4 (2)(b) Option 2 ~~upon~~ ~~upon~~ his death, one-half of  
5 his lesser retirement allowance ~~shall~~ ~~will~~ be continued  
6 throughout the life of and paid to the person ~~having an~~  
7 ~~insurable interest in his life as that~~ he nominates  
8 ~~nominated~~ by written designation, duly executed and filed  
9 with the department at the time of his retirement.

10 (3)(c) Option 3 ~~Such~~ ~~such~~ other benefit ~~or~~  
11 benefits ~~shall~~ ~~will~~ be paid, either to the beneficiary or to  
12 the ~~any~~ other person ~~or persons as that~~ he nominates  
13 ~~nominated~~, as, together with ~~such the~~ lesser retirement  
14 allowance, are the actuarial equivalent of his retirement  
15 allowance, and ~~shall be~~ ~~have been~~ approved by the board."

-End-

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8    R.C.M. 1947."

9  
10    BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11            Section 1. Section 31-201, R.C.M. 1947, is amended to  
12    read as follows:

13            "31-201. Definitions. Unless the context requires  
14    otherwise, in this act the following definitions apply:

15            (1) "Accumulated deductions" means the total of the  
16    amounts deducted from the salary of a contributor, and paid  
17    into the fund, and standing to his credit in the fund,  
18    together with the regular interest thereon.

19            (2) "Department" means the public employees'  
20    retirement division of the department of administration  
21    provided for in Title 02A, chapter 2.

22            (3) "Beneficiary" means a person ~~or persons having an~~  
23    ~~insurable interest in his life~~ nominated to receive benefits  
24    under this chapter as he shall nominate by a member's  
25    written designation, duly acknowledged and filed with the

1    department.

2            (4) "Retired patrolman" means a person in receipt of a  
3    retirement allowance under this act.

4            (5) "Board" means the board of administration provided  
5    for in section 82A-210.

6            (6) "Compulsory retirement age" means ~~sixty 60~~ years  
7    of age.

8            (7) "Contributor" means a person who has accumulated  
9    deductions in the fund standing to his credit.

10           (8) "Final salary" means the average annual  
11    compensation received by a contributor, before any  
12    deductions have been made, and exclusive of maintenance,  
13    allowances, and expenses, for any ~~three~~ three years of  
14    continuous service upon which contributions have been made  
15    or, in the event a member has not served ~~three~~ three years,  
16    the total retirement compensation earned, divided by the  
17    number of years served.

18           ~~(9) "Actuarial equivalent" means the accumulated~~  
19    ~~contributions and the present value of the member's state~~  
20    ~~service based on length of service and member's attained age~~  
21    ~~used to provide a life or temporary life income to the~~  
22    ~~legally designated person, based on the person's attained~~  
23    ~~age and sex at the time the option becomes available.~~

24           (9) "Actuarial equivalent" means a benefit of equal  
25    value when computed on the basis of the actuarial tables in

1 ~~use by the system.~~

2 (10) "Account" means the Montana highway patrolmen's  
3 retirement account in the agency fund.

4 (11) "Involuntary retirement" means a retirement not  
5 for cause and before retirement age.

6 (12) "Member's annuity" means payments for life  
7 derived from contributions made by the contributor.

8 (13) "Optional retirement age" means the age at which  
9 a contributor may retire after ~~twenty~~{20} years' service or  
10 ~~more.~~

11 (14) "Retirement age" means the age at which a member  
12 retires after ~~twenty-five~~{25} years of creditable service  
13 with the Montana highway patrol.

14 (15) "Retirement allowance" means the state annuity  
15 plus the member's annuity.

16 (16) "State annuity" means payments for life derived  
17 from contributions made by the state of Montana."

18 Section 2. There is a new R.C.M. section numbered  
19 31-201.1 that reads as follows:

20 31-201.1. Retirement system. There is a retirement  
21 system known as the Montana highway patrolmen's retirement  
22 system, which is governed by the provisions of this chapter.

23 Section 3. Section 31-207, R.C.M. 1947, is amended to  
24 read as follows:

25 "31-207. Membership. ~~Every member~~ All members of the

1 Montana highway patrol, including the supervisor and  
2 assistant supervisors, ~~shall~~ must be ~~a member~~ members of the  
3 retirement system. ~~If a person becomes a member of the~~  
4 ~~Montana highway patrol after July 1, 1945, who was at any~~  
5 ~~time before July 1, 1945, a member of the Montana highway~~  
6 ~~patrol, he shall receive credit for any such service prior~~  
7 ~~to July 1, 1945, upon complying with the provisions of this~~  
8 ~~act."~~

9 Section 4. Section 31-208, R.C.M. 1947, is amended to  
10 read as follows:

11 "31-208. Service-allowance Computation of the service  
12 of a contributor. In computing the length of service of a  
13 contributor for retirement purposes, full credit shall be  
14 given to each contributor for each year of service rendered  
15 to the patrol, including service rendered prior to July 1,  
16 1945, upon complying if there is compliance with the  
17 provisions of this act. As soon as practicable, the  
18 retirement board shall issue to each original member a  
19 certificate certifying the aggregate length of his service  
20 prior to July 1, 1945. ~~Such~~ The certificate ~~shall~~ will be  
21 final and conclusive as to his prior service unless  
22 thereafter modified by the board upon application of the  
23 contributor. The time during which a contributor is absent  
24 from service without pay ~~shall~~ may not be counted in  
25 computing the his service of ~~a contributor~~ for retirement

1 ~~purposes, except service with the armed forces of the United~~  
 2 ~~States in time of war as provided in 31-223 in regard to~~  
 3 ~~service with the armed forces of the United States."~~

4 Section 5. Section 31-213, R.C.M. 1947, is amended to  
 5 read as follows:

6 "31-213. Retirement ~~Service retirement~~ allowance. Upon  
 7 retirement from service a member shall receive a service  
 8 retirement allowance which shall consist of the state  
 9 annuity plus the member's annuity. The service retirement  
 10 allowance shall be computed as follows: ~~twenty-(20)~~ through  
 11 ~~twenty-five-(25)~~ years, ~~two-percent-(2%)~~ of his final salary  
 12 for each year of service; ~~twenty-six-(26)~~ over 25 years and  
 13 ~~over, two-percent-(2%)~~ of his final salary for each year of  
 14 service through the ~~twenty-fifth~~ 25th plus ~~one-percent--(1%)~~  
 15 of his final salary for each year of service past  
 16 ~~twenty-five-(25)."~~

17 Section 6. Section 31-215, R.C.M. 1947, is amended to  
 18 read as follows:

19 "31-215. Involuntary retirement allowance. ~~Should~~ If a  
 20 contributor be is involuntarily discontinued from service,  
 21 ~~not voluntarily,~~ after having completed ~~ten--(10)~~ years of  
 22 total service, but before reaching retirement age, he shall,  
 23 upon filing of a written application ~~in the manner herein~~  
 24 ~~provided for retirement with the department,~~ be paid  
 25 whichever of the following allowances that he elects as he

1 may elect as follows:

2 ~~(a)(1)~~ the full amount of his accumulated deductions  
 3 standing to his credit; or

4 ~~(b)(2)~~ a member's annuity of equivalent actuarial  
 5 value to his accumulated deductions standing to his credit,  
 6 plus an annuity which is the actuarial equivalent of a state  
 7 annuity ~~having a value equal to~~ the present value of a ~~the~~  
 8 state annuity then standing to his credit."

9 Section 7. Section 31-222, R.C.M. 1947, is amended to  
 10 read as follows:

11 "31-222. Nomination of beneficiary. Every contributor  
 12 may name his beneficiary by written designation, duly  
 13 acknowledged and filed with the department, and to may  
 14 change the beneficiary in like manner. ~~Such designation and~~  
 15 ~~all changes must be filed with the department."~~

16 Section 8. Section 31-223, R.C.M. 1947, is amended to  
 17 read as follows:

18 "31-223. ~~Service in the armed forces of the United~~  
 19 States Military service. (1)(a) A member of the Montana  
 20 highway patrol inducted into the armed forces of the United  
 21 States, shall have has the option to:

22 ~~(a)(i)~~ to continue his payments into the fund; or

23 ~~(b)(iii)~~ allow the department to make his payments for  
 24 him during his military service, in which event he shall  
 25 must repay the fund the full amount of the payments upon

1 ~~within 2 years after~~ his return to the Montana highway  
 2 patrol, ~~and these repayments must be made within two (2)~~  
 3 ~~years after his return to the patrol, however, a member's~~  
 4 ~~service in the armed forces of the United States shall be~~  
 5 ~~credited to and made a part of the member's service~~  
 6 ~~allowance.~~

7 (b) If a member chooses one of the options in  
 8 subsection (1)(a) and meets its requirements, he shall be  
 9 given credit for his service in the armed forces of the  
 10 United States as if it were service in the Montana highway  
 11 patrol.

12 (2) A member with ~~fifteen (15)~~ years or more of  
 13 service with the Montana highway patrol may at any time  
 14 prior to his retirement make a written election with the  
 15 department to qualify all or any portion of his active  
 16 service in the armed forces of the United States for the  
 17 purpose of calculating retirement benefits, up to a maximum  
 18 of ~~five (5)~~ years, if he is not otherwise eligible to  
 19 receive credit for this same service pursuant to subsection  
 20 (1). To qualify this service he must contribute to the  
 21 account the amount determined by the department due based on  
 22 his compensation and normal contribution rate as of his  
 23 ~~sixteenth 16th~~ year and as many succeeding years as are  
 24 required to qualify this service, with interest from the  
 25 date he becomes eligible for this benefit to the date he

1 contributes. He may not qualify more of this service than he  
 2 has service with the Montana highway patrol in excess of  
 3 ~~fifteen (15)~~ years."

4 Section 9. Section 31-228, R.C.M. 1947, is amended to  
 5 read as follows:

6 "31-228. Optional retirement allowance. ~~Until (1) A~~  
 7 ~~member or a beneficiary may elect one of the optional~~  
 8 ~~retirement allowances set forth in subsection (2) at any~~  
 9 ~~time before~~ the first payment on account of any retirement  
 10 allowance is made, ~~and subject to the conditions that if he~~  
 11 ~~dies if a member dies~~ after retirement and within thirty (30)  
 12 days from the date upon which his election or changed  
 13 election ~~is was~~ received ~~at the office of by~~ the department,  
 14 then the election is void, and the death ~~shall will~~ be  
 15 considered as that of a member before retirement.

16 (2) A member or a beneficiary may elect, or prior to  
 17 the approval of a previous election, revoke, or change ~~a the~~  
 18 previous election ~~prior to the approval of the previous~~  
 19 ~~election and elect~~ to receive the actuarial equivalent of  
 20 his retirement allowance as of the date of retirement, in a  
 21 lesser retirement allowance, payable throughout life with  
 22 one of the following options:

23 ~~(1)(a) Option 1--Upon~~ upon his death, his lesser  
 24 retirement allowance ~~shall will~~ be continued throughout the  
 25 life of and paid to the person ~~having an insurable interest~~

1 ~~in his life as~~ that he nominates ~~nominated~~ by written  
2 designation, duly executed and filed with the department at  
3 the time of his retirement.

4 ~~(2)(b)~~ Option 2 ~~Upon -- upon~~ his death, one-half of  
5 his lesser retirement allowance ~~shall~~ will be continued  
6 throughout the life of and paid to the person ~~having an~~  
7 ~~insurable interest in his life as~~ that he nominates  
8 ~~nominated~~ by written designation, duly executed and filed  
9 with the department at the time of his retirement.

10 ~~(3)(c)~~ Option 3 ~~Such -- such~~ other benefit ~~or~~  
11 benefits ~~shall~~ will be paid, either to the beneficiary or to  
12 the any other person ~~or persons as~~ that he nominates  
13 ~~nominated~~, as, together with ~~such~~ the lesser retirement  
14 allowance, are the actuarial equivalent of his retirement  
15 allowance, and ~~shall be~~ have been approved by the board."

-End-

## 1 HOUSE BILL NO. 37

2 INTRODUCED BY BARDANOUVE

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND  
5 CLARIFY THE LAWS RELATING TO HIGHWAY PATROL RETIREMENT AND  
6 DEATH AND DISABILITY BENEFITS; AMENDING SECTIONS 31-201,  
7 31-207, 31-208, 31-213, 31-215, 31-222, 31-223, AND 31-228,  
8 R.C.M. 1947."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:11 Section 1. Section 31-201, R.C.M. 1947, is amended to  
12 read as follows:13 "31-201. Definitions. Unless the context requires  
14 otherwise, in this act the following definitions apply:15 (1) "Accumulated deductions" means the total of the  
16 amounts deducted from the salary of a contributor<sub>2</sub> and paid  
17 into the fund<sub>3</sub> and standing to his credit in the fund<sub>3</sub>  
18 together with the regular interest thereon.19 (2) "Department" means the public employees'  
20 retirement division of the department of administration  
21 provided for in Title 82A, chapter 2.22 (3) "Beneficiary" means a person ~~or persons having an~~  
23 ~~insurable interest in his life~~ nominated to receive benefits  
24 under this chapter as he shall nominate by a member's  
25 written designation, duly acknowledged and filed with the

1 department.

2 (4) "Retired patrolman" means a person in receipt of a  
3 retirement allowance under this act.4 (5) "Board" means the board of administration provided  
5 for in ~~section~~ 82A-210.6 (6) "Compulsory retirement age" means ~~sixty~~ 60 years  
7 of age.8 (7) "Contributor" means a person who has accumulated  
9 deductions in the fund<sub>4</sub> standing to his credit.10 (8) "Final salary" means the average annual  
11 compensation received by a contributor<sub>1</sub> before any  
12 deductions have been made<sub>5</sub> and exclusive of maintenance,  
13 allowances<sub>1</sub> and expenses, for any ~~three--(3)~~ years of  
14 continuous service upon which contributions have been made<sub>6</sub>  
15 or, in the event a member has not served ~~three--(3)~~ years,  
16 the total retirement compensation earned<sub>7</sub> divided by the  
17 number of years served.18 ~~(9) "Actuarial equivalent" means the accumulated~~  
19 ~~contributions--and--the--present--value--of--the--member's--state~~  
20 ~~service--based--on--length--of--service--and--member's--attained--age~~  
21 ~~used--to--provide--a--life--or--temporary--life--income--to--the~~  
22 ~~legally--designated--person--based--on--the--person's--attained~~  
23 ~~age--and--sex--at--the--time--the--option--becomes--available.~~24 (9) "Actuarial equivalent" means a benefit of equal  
25 value when computed on the basis of the actuarial tables in

1 ~~use by the system.~~

2 (10) "Account" means the Montana highway patrolmen's  
3 retirement account in the agency fund.

4 (11) "Involuntary retirement" means a retirement not  
5 for cause and before retirement age.

6 (12) "Member's annuity" means payments for life derived  
7 from contributions made by the contributor.

8 (13) "Optional retirement age" means the age at which a  
9 contributor may retire after ~~twenty~~{20} years' service or  
10 ~~more.~~

11 (14) "Retirement age" means the age at which a member  
12 retires after ~~twenty-five~~{25} years of creditable service  
13 with the Montana highway patrol.

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15 plus the member's annuity.

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1 Montana highway patrol, including the supervisor and  
2 assistant supervisors, ~~shall~~ must be ~~a member~~ members of the  
3 retirement system. ~~If a person becomes a member of the~~  
4 ~~Montana highway patrol after July 1, 1945, who was at any~~  
5 ~~time before July 1, 1945, a member of the Montana highway~~  
6 ~~patrol, he shall receive credit for any such service prior~~  
7 ~~to July 1, 1945, upon complying with the provisions of this~~  
8 ~~act."~~

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12 of a contributor. In computing the length of service of a  
13 contributor for retirement purposes, full credit shall be  
14 given to each contributor for each year of service rendered  
15 to the patrol, including service rendered prior to July 1,  
16 1945, ~~upon complying if there is compliance~~ with the  
17 provisions of this act. As soon as practicable, the  
18 retirement board shall issue to each original member a  
19 certificate certifying the aggregate length of his service  
20 prior to July 1, 1945. ~~Such~~ The certificate ~~shall~~ will be  
21 final and conclusive as to his prior service unless  
22 thereafter modified by the board upon application of the  
23 contributor. The time during which a contributor is absent  
24 from service without pay ~~shall~~ may not be counted in  
25 computing the his service of ~~a contributor~~ for retirement

1 ~~purposes, except service with the armed forces of the United~~  
 2 ~~States in time of war as provided in 31-223 in regard to~~  
 3 ~~service with the armed forces of the United States."~~

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 5 read as follows:

6 "31-213. Retirement Service retirement allowance. Upon  
 7 retirement from service a member shall receive a service  
 8 retirement allowance which shall consist of the state  
 9 annuity plus the member's annuity. The service retirement  
 10 allowance shall be computed as follows: ~~twenty-(20)~~ through  
 11 ~~twenty-five-(25)~~ years, ~~two-percent-(2%)~~ of his final salary  
 12 for each year of service; ~~twenty-six-(26)~~ over 25 years and  
 13 ~~over, two-percent-(2%)~~ of his final salary for each year of  
 14 service through the ~~twenty-fifth~~ 25th plus ~~one-percent-(1%)~~  
 15 of his final salary for each year of service past  
 16 ~~twenty-five-(25).~~"

17 Section 6. Section 31-215, R.C.M. 1947, is amended to  
 18 read as follows:

19 "31-215. Involuntary retirement allowance. ~~Should~~ If a  
 20 contributor ~~be~~ is involuntarily discontinued from service  
 21 ~~not voluntarily,~~ after having completed ~~ten-(10)~~ years of  
 22 total service, but before reaching retirement age, he shall,  
 23 upon filing of a written application ~~in the manner herein~~  
 24 ~~provided for retirement with the department,~~ be paid  
 25 ~~whichever of the following allowances that he elects as the~~

1 may effect as follows:

2 ~~(b)(i)~~ the full amount of his accumulated deductions  
 3 ~~standing to his credit;~~ or

4 ~~(b)(ii)~~ a member's annuity of equivalent actuarial  
 5 value to his accumulated deductions ~~standing to his credit,~~  
 6 plus an annuity which is the actuarial equivalent of a state  
 7 ~~annuity having a value equal to~~ the present value of a the  
 8 state annuity ~~then standing to his credit."~~

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 15 ~~all changes must be filed with the department."~~

16 Section 8. Section 31-223, R.C.M. 1947, is amended to  
 17 read as follows:

18 "~~31-223. Service in the armed forces of the United~~  
 19 States military service. (1) (a) A member of the Montana  
 20 highway patrol inducted into the armed forces of the United  
 21 States, ~~shall have~~ has the option to:

22 ~~(b)(i)~~ to continue his payments into the fund; or  
 23 ~~(b)(ii)~~ allow the department to make his payments for  
 24 him during his military service, in which event he ~~shall~~  
 25 must repay the fund the full amount of the payments ~~upon~~

1 ~~within 2 years after~~ his return to the Montana highway  
 2 patrol, ~~and these repayments must be made within two (2)~~  
 3 ~~years after his return to the patrol, however, a member's~~  
 4 ~~service in the armed forces of the United States shall be~~  
 5 ~~credited to and made a part of the member's service~~  
 6 ~~allowance.~~

7 (b) If a member chooses one of the options in  
 8 subsection (1)(a) and meets its requirements, he shall be  
 9 given credit for his service in the armed forces of the  
 10 United States as if it were service in the Montana highway  
 11 patrol.

12 (2) A member with ~~fifteen (15)~~ years or more of  
 13 service with the Montana highway patrol may at any time  
 14 prior to his retirement make a written election with the  
 15 department to qualify all or any portion of his active  
 16 service in the armed forces of the United States for the  
 17 purpose of calculating retirement benefits, up to a maximum  
 18 of ~~five (5)~~ years, if he is not otherwise eligible to  
 19 receive credit for this same service pursuant to subsection  
 20 (1). To qualify this service he must contribute to the  
 21 account the amount determined by the department due based on  
 22 his compensation and normal contribution rate as of his  
 23 ~~sixteenth 16th~~ year and as many succeeding years as are  
 24 required to qualify this service, with interest from the  
 25 date he becomes eligible for this benefit to the date he

1 contributes. He may not qualify more of this service than he  
 2 has service with the Montana highway patrol in excess of  
 3 ~~fifteen (15)~~ years."

4 Section 9. Section 31-228, R.C.M. 1947, is amended to  
 5 read as follows:

6 "31-228. Optional retirement allowance. ~~Until (1) A~~  
 7 member or a beneficiary may elect one of the optional  
 8 retirement allowances set forth in subsection (2) at any  
 9 time before the first payment on account of any retirement  
 10 allowance is made, ~~and subject to the conditions that, if he~~  
 11 die if a member dies after retirement and within ~~thirty (30)~~  
 12 days from the date upon which his election or changed  
 13 election ~~is was~~ received ~~at the office of~~ by the department,  
 14 then the election is void, and the death ~~shall will~~ be  
 15 considered as that of a member before retirement.

16 (2) A member or a beneficiary may elect, or prior to  
 17 the approval of a previous election, revoke, or change a ~~the~~  
 18 previous election ~~prior to the approval of the previous~~  
 19 ~~election and elect~~ to receive the actuarial equivalent of  
 20 his retirement allowance as of the date of retirement, in a  
 21 lesser retirement allowance, payable throughout life with  
 22 one of the following options:

23 (1)(a) Option 1. ~~Upon -- upon~~ his death, his lesser  
 24 retirement allowance ~~shall will~~ be continued throughout the  
 25 life of and paid to the person, ~~having an insurable interest~~

1 ~~in his life as that~~ he nominates nominated by written  
2 designation, duly executed and filed with the department at  
3 the time of his retirement.

4 ~~(2)(b)~~ Option 2 ~~Upon -- upon~~ his death, one-half of  
5 his lesser retirement allowance ~~shall will~~ be continued  
6 throughout the life of and paid to the person ~~having an~~  
7 ~~insurable interest in his life as that~~ he nominates  
8 nominated by written designation, duly executed and filed  
9 with the department at the time of his retirement.

10 ~~(3)(c)~~ Option 3 ~~Such -- such~~ other benefit or  
11 benefits ~~shall will~~ be paid, either to the beneficiary or to  
12 ~~the any~~ other person or ~~persons as that~~ he nominates  
13 nominated, as, together with such the lesser retirement  
14 allowance, are the actuarial equivalent of his retirement  
15 allowance, and ~~shall be~~ have been approved by the board."

-End-