

1 HOUSE BILL NO. 12
2 INTRODUCED BY BARDANOUE

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
5 CLARIFY THE LAWS RELATING TO SHERIFFS' RETIREMENT AND DEATH
6 AND DISABILITY BENEFITS; AMENDING SECTIONS 68-2602, 68-2604,
7 68-2607, 68-2610, 68-2614, 68-2616, 68-2618, 68-2621,
8 68-2622, 68-2626, 68-2627, AND 68-2628, R.C.M. 1947."

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

11 Section 1. Section 68-2602, R.C.M. 1947, is amended to
12 read as follows:

13 "68-2602. Definitions. ~~The words and phrases used in~~
14 ~~this act shall have the following meanings: (1) "Accumulated~~
15 ~~deductions" the total amount deducted from the salary of a~~
16 ~~member either during a period of membership service or as~~
17 ~~transferred from the public employees' retirement system~~
18 ~~with respect to a period of prior service and standing to~~
19 ~~his credit in the account together with the accrued~~
20 ~~interest. Unless the context requires otherwise, the~~
21 following definitions apply in this chapter:

22 ~~(2) (1)~~ "Accumulated contributions" or "accumulated
23 deductions" means the total amount deducted from the salary
24 of a member ~~either~~ during a period of membership service ~~or~~
25 as plus the total amount deducted during a period of prior

1 service and transferred from the public employees'
2 retirement system ~~with respect to a period of prior service~~
3 and, standing to ~~his~~ the member's credit in the account,
4 together with the accrued interest.

5 ~~(3) (2)~~ "Beneficiary" means a person ~~having an~~
6 ~~insurable interest in the member's life~~ who is nominated in
7 an acknowledged document by the member, which is filed with
8 the board.

9 ~~(4) (3)~~ "Retired sheriff" means a person receiving a
10 retirement allowance under this act.

11 ~~(5) (4)~~ "Board" means the sheriffs' retirement board.

12 ~~(6) (5)~~ "Member" means any person who has accumulated
13 deductions in the account to his credit.

14 ~~(7) (6)~~ "Final salary" means the average annual
15 salary received by a member, before any deductions are made,
16 and exclusive of maintenance, allowances, and expenses, for
17 any ~~three~~ ~~(3)~~ years of continuous service from which
18 contributions were deducted. ~~In or, in~~ the event that a
19 member has not served ~~three~~ ~~(3)~~ years, the total salary
20 earned, divided by the number of years served.

21 ~~(8) (7)~~ "Actuarial equivalent" means a benefit
22 computed using the mortality tables and interest rates
23 adopted by the board, compounded annually.

24 ~~(9) (8)~~ "Account" means the Montana sheriffs'
25 retirement account administered by the sheriffs' retirement

1 board.

2 ~~(10)~~ (9) "Vested retirement"— means a retirement not

3 for cause and before retirement age.

4 ~~(11)~~ (10) "Member's annuity"— means payments for life

5 derived from contributions made by the contributor while

6 employed.

7 ~~(12)~~ (11) "Retirement allowance"— means the state

8 annuity plus the member's annuity.

9 ~~(13)~~ (12) "State annuity"— means payments for life

10 derived from ~~contributions made by~~ county contributions into

11 the sheriffs' retirement account, together with any

12 supplemental legislative appropriations to ~~said the~~ account.

13 ~~(14)~~ (13) "Creditable service"— means the aggregate of

14 all of a member's current and prior service.

15 ~~(15) "Service credits"— the credit a member employed on~~

16 ~~a part time basis shall receive which is a year of service~~

17 ~~for each fiscal year during which the member was employed~~

18 ~~the whole year and was engaged in his duties the full amount~~

19 ~~of time he was required by employment.~~

20 ~~(16)~~ (14) "Membership service"— means service for which

21 an amount is deducted from the salary of a member and paid

22 into the account.

23 ~~(17)~~ (15) "Prior service"— means ~~that~~ service for which

24 credit was granted by the public employees' retirement

25 system of the state of Montana.

1 ~~(16)~~ (16) "Service"— means employment as a sheriff.

2 ~~(17)~~ (17) "Sheriff"— means any elected or appointed

3 county sheriff, undersheriff, or regularly appointed and

4 acting deputy sheriff."

5 Section 2. Section 68-2604, R.C.M. 1947, is amended to

6 read as follows:

7 "68-2604. Functions of the board. The board ~~may~~

8 ~~establish such rules and regulations as it deems necessary~~

9 ~~and~~ is charged with the proper administration, operation,

10 and enforcement of this act, and it may establish such

11 rules as it considers necessary. The board shall be ~~the~~

12 ~~authority to~~ prescribe the conditions under which persons

13 ~~may be admitted to become members of and continue to receive~~

14 benefits under the retirement system. It shall keep the data

15 necessary for actuarial valuation purposes. It shall have

16 biennial actuarial investigations made into the mortality

17 and service experience of the members and ~~to~~ the

18 beneficiaries of the account, and shall adopt one or more

19 mortality tables."

20 Section 3. Section 68-2607, R.C.M. 1947, is amended to

21 read as follows:

22 "68-2607. ~~Rules of membership commencement of~~

23 ~~members' contributions~~ Membership. Every sheriff ~~shall be is~~

24 required to become a member of the sheriffs' retirement

25 system ~~established by this act~~ on July 1, 1974, unless he

1 was previously a member of the public employees' retirement
 2 system, in which case, he may at his option become a member
 3 of the sheriffs' retirement system ~~established by this act.~~
 4 Contributions by members under this act shall commence with
 5 the first payroll after July 1, 1974. All sheriffs who
 6 become members of the sheriffs' retirement system ~~shall~~ must
 7 remain members so long as actively employed in such
 8 capacity."

9 Section 4. Section 68-2610, R.C.M. 1947, is amended to
 10 read as follows:

11 "68-2610. Eligibility and application for service
 12 retirement. ~~(1) Any~~ A sheriff in service who has completed
 13 at least ~~twenty-five (25)~~ years of service, and who has
 14 reached the age of ~~fifty-five (55)~~ years, may retire on a
 15 service retirement allowance upon written application to the
 16 board, submitted not less than ~~thirty (30)~~ days ~~and~~ or more
 17 than ~~ninety (90)~~ days from the desired date of retirement.
 18 The application ~~shall~~ must state the date he desires to be
 19 retired.

20 ~~(2) Retirement shall be~~ is compulsory for any
 21 nonelected sheriff ~~with exception of undersheriff~~ at age
 22 ~~sixty-five (65)~~, except in the case of undersheriffs."

23 Section 5. Section 68-2614, R.C.M. 1947, is amended to
 24 read as follows:

25 "68-2614. ~~Retirement~~ Involuntary retirement allowance

1 ~~for member involuntarily discontinued from service. Should~~
 2 If a member be is involuntarily discontinued from service
 3 after having completed ~~ten (10)~~ years of total service but
 4 before reaching retirement age, he shall, upon filing an
 5 application, be paid in one of the following ways:

6 (1) ~~The~~ the full amount of his accumulated deductions
 7 ~~standing to his credit; or~~

8 (2) a member's annuity of equivalent actuarial value
 9 to his accumulated deductions ~~standing to his credit~~, plus
 10 an annuity which is the actuarial equivalent of a ~~state~~
 11 ~~annuity having a value equal to the present value of a~~ the
 12 ~~state annuity then standing to his credit."~~

13 Section 6. Section 68-2616, R.C.M. 1947, is amended to
 14 read as follows:

15 "68-2616. Reinstatement after withdrawal of
 16 contributions ~~redeposit of contributions.~~ ~~(1) Any~~ A member
 17 may deposit in the retirement fund, in one ~~(1)~~ sum or in ~~not~~
 18 ~~to exceed twelve~~ no more than ~~(12)~~ monthly or ~~twenty-four~~
 19 ~~(24)~~ semimonthly payments, an amount equal to that which was
 20 withdrawn at the last termination of membership plus an
 21 amount equal to the interest which would have been credited
 22 to the account had the member not withdrawn the
 23 contributions upon termination of membership, subject to
 24 minimum monthly or semimonthly payments as fixed by the
 25 board.

1 (2) If a member, ~~upon~~ who is reentering the retirement
2 system after a termination of membership, does not elect to
3 make or does not make the redeposit, ~~the member shall he~~
4 must reenter as a new member without credit for any service
5 except the prior service credited before the termination. If
6 a member does make ~~such~~ the redeposit, his membership ~~shall~~
7 be is continuous and unbroken by the last termination.

8 (3) Regardless of whether ~~such~~ the redeposit is made,
9 the documents held by the retirement system, as executed by
10 ~~said~~ the member prior to termination of membership, shall be
11 held by the system for the same purposes as prior to ~~said~~
12 the termination, and beneficiaries nominated shall remain
13 unchanged."

14 Section 7. Section 68-2618, R.C.M. 1947, is amended to
15 read as follows:

16 "68-2618. Payments in case of death before retirement.

17 (1) If a member dies before retirement, his beneficiary
18 ~~shall be~~ is entitled to elect among those of the following
19 options for which the member ~~qualifies~~ qualified:

20 (1)(a) ~~A a lump sum~~ lump-sum payment of the
21 accumulated deductions standing to the member's credit at
22 his death;

23 (2)(b) ~~If a~~ if the member ~~were~~ was not eligible to
24 retire at the time of death, a retirement allowance
25 commencing on the member's death which is the actuarial

1 equivalent of a retirement allowance in the amount of ~~two~~
2 ~~percent~~ (2%) of the final salary for each year of service up
3 to a maximum of ~~twenty-five~~ (25) years;

4 (3)(c) ~~If if~~ the member ~~were~~ was eligible to retire at
5 the time of death, a retirement allowance commencing on the
6 member's death in the amount of ~~two percent~~ (2%) of the
7 final salary for each year of service up to a maximum of
8 ~~twenty-five~~ (25) years;

9 (4)(d) ~~If if~~ the board ~~shall find~~ finds that the
10 member died as a direct and proximate result of injuries
11 received in the course of employment, a retirement allowance
12 commencing on the member's death in the amount of ~~fifty~~
13 ~~percent~~ (50%) of the final salary, less the amount ~~which is~~
14 paid to ~~any such~~ the beneficiary under the ~~Workmen's~~
15 Workers' Compensation Act of the state of Montana, during
16 the period such compensation is paid or payable;

17 (2) ~~provided that in no event shall a beneficiary A~~
18 beneficiary may not be paid for a period longer than the
19 time it would have taken the deceased member to reach the
20 age of ~~sixty-five~~ (65) years or ~~were~~ longer than ~~fifteen~~
21 (15) years, whichever is greater."

22 Section 8. Section 68-2621, R.C.M. 1947, is amended to
23 read as follows:

24 "68-2621. Designation of beneficiary. Every
25 ~~contributor shall have the authority to~~ member may name a

1 beneficiary by a written acknowledged designation properly
2 filed with the board, and to change the beneficiary in like
3 manner. ~~Such~~ The designation and ~~all any~~ changes ~~must~~ may be
4 filed with the board up until, but not after, the time of
5 retirement."

6 Section 9. Section 68-2622, R.C.M. 1947, is amended to
7 read as follows:

8 *68-2622. ~~Election to qualify military~~ Military
9 ~~service for credit.~~ (1) ~~Any~~ A member now on active duty in,
10 or hereafter inducted into the armed forces of the United
11 States, ~~shall have~~ has the option to:

12 ~~(1)(a)~~ to continue payments into the account, or
13 ~~(2)(b)~~ to allow the board to make the payments during
14 ~~such~~ his military service, in which event ~~the member shall~~
15 he must repay the account the full amount of ~~such~~ the
16 payments upon within 2 years after his return to ~~the~~ his
17 former status as a sheriff, ~~and such repayments shall be~~
18 ~~made within two (2) years after return to such status.~~

19 ~~(2) provided that a member's~~ If a member chooses one
20 of the options in subsection (1) and meets its requirements,
21 he shall be given credit for his service in the armed forces
22 of the United States ~~shall be credited to and made a part of~~
23 ~~member's service allowance as if it were service as a~~
24 Sheriff."

25 Section 10. Section 68-2626, R.C.M. 1947, is amended

1 to read as follows:

2 *68-2626. ~~Retirement~~ Optional retirement allowance
3 ~~options.~~ Until (1) A member or a beneficiary may elect one
4 of the optional retirement allowances set forth in
5 subsection (2), at any time before the first payment on
6 account of any retirement allowance is made ~~and subject to~~
7 ~~the conditions that, if the~~ If a member dies after
8 retirement and within ~~thirty (30)~~ days from the date upon
9 which ~~the member's~~ his election or changed election is was
10 received at ~~the office of~~ by the retirement board, ~~then said~~
11 the election is void ~~and of no effect,~~ and the death ~~shall~~
12 will be considered as that of a member before retirement.

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

20 ~~(1)(a)~~ Upon the member's Option 1 — upon his death, a
21 the lesser retirement allowance ~~shall~~ will be continued
22 throughout the life of and paid to ~~such~~ the person, ~~having~~
23 ~~an insurable interest in the member's life, as the member~~
24 ~~nominatees that he nominated~~ by written designation, duly
25 executed and filed with the board at the time of retirement.

1 ~~(2)(b) Upon the member's Option 2 -- upon his death,~~
 2 one-half ~~(1/2)~~ of the lesser retirement allowance ~~shall will~~
 3 be continued throughout the life of and paid to ~~such the~~
 4 person, ~~having an insurable interest in the member's life as~~
 5 ~~the member nominated that he nominated~~ by written
 6 designation, duly executed and filed with the board at the
 7 time of retirement.

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

15 Section 11. Section 68-2627, R.C.M. 1947, is amended
 16 to read as follows:

17 ~~"68-2627. Rules of transfer of member's accumulated~~
 18 ~~deductions to employer's account~~ Transfer of dormant
 19 accumulated deductions. The board may, in its discretion,
 20 transfer the accumulated deductions of a member to the
 21 employer's account in the sheriffs' retirement account if
 22 the member's account has been dormant for a period of ~~ten~~
 23 ~~(10) years, provided that. However,~~ no right of the member
 24 shall may be jeopardized by ~~such the~~ transfer, and the
 25 accumulated ~~deduction shall~~ deductions must be transferred

1 back to the member's name upon his subsequent reentry ~~to~~
 2 membership into the system."

3 Section 12. Section 68-2628, R.C.M. 1947, is amended
 4 to read as follows:

5 ~~"68-2628. Sheriffs ineligible~~ Ineligibility for
 6 membership in public employees' retirement system. (1) After
 7 July 1, 1974, no sheriff ~~shall be is~~ eligible to ~~membership~~
 8 to become a member of the state public employees' retirement
 9 system and the provisions of ~~said law shall~~ The Public
 10 Employees' Retirement System Act do not apply to sheriffs,
 11 except as provided in 68-2607.

12 (2) No provision of this act is to be construed as to
 13 deny any sheriff any benefits accrued under provisions of
 14 the state public employees' retirement system prior to July
 15 1, 1974."

-End-

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DIRECTOR, RESEARCH

LC 0031

1977 Legislature
Code Commissioner Bill - Summary

_____ Bill No. _____

TO GENERALLY REVISE AND CLARIFY THE LAWS RELATING TO SHERIFFS' RETIREMENT AND DEATH AND DISABILITY BENEFITS.

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

Section 1. 68-2602. Definitions. In subsection (3) [now (2)], deleted reference to "insurable interest" because the department of administration considers that such an interest is created by the member's designation - deleted as inaccurate and meaningless. In subsection (13) [now (12)], deleted "contributions made by" to correct an apparent error. Deleted subsection (15) as unnecessary, confusing, and inaccurate - the term does not appear anywhere else in the chapter.

Section 2. 68-2604. Functions of the board. In the last sentence deleted "to" to correct an apparent error. Reworded the second sentence to clarify.

Section 3. 68-2607. Membership. In the last sentence, added the word "members" to correct an apparent error.

Section 4. 68-2610. Eligibility and application for service retirement. Grammar and clarification only.

Section 5. 68-2614. Involuntary retirement allowance. "Standing to his credit" deleted as redundant with the definition of "accumulated deductions". Wording of subsection (2) clarified.

Section 6. 68-2616. Reinstatement after withdrawal of contributions. "Not to exceed" changed to "no more than" to improve grammar.

Section 7. 68-2618. Payments in case of death before retirement. Grammar and clarification only.

Section 8. 68-2621. Designation of beneficiary. "Contributor" changed to "member" for consistency; "contributor" is not defined. "Must" changed to "may" to correct apparent error.

Section 9. 68-2622. Military service. The proviso at the end has been made subsection (2) and reworded to clarify that credit for military service is given only if payments are made under subsection (1).

Section 10. 68-2626. Optional retirement allowance. References to "insurable interest" deleted as inaccurate and meaningless - the department of administration considers that such an interest is created by the member's designation. Rewritten for clarity and to make language uniform with 31-228 and 68-1427. 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.

Section 11. 68-2627. Transfer of dormant accumulated deductions. "Accumulated deduction" changed to "Accumulated deductions" to correct terminology.

Section 12. 68-2628. Ineligibility for membership in PERS. Reworded subsection (1) to clarify and avoid an apparent conflict with 68-2607. Corrected terminology and clarified "said law".

Approved by Committee
on State Administration

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5 CLARIFY THE LAWS RELATING TO SHERIFFS' RETIREMENT AND DEATH
6 AND DISABILITY BENEFITS; AMENDING SECTIONS 68-2602, 68-2604,
7 68-2607, 68-2610, 68-2614, 68-2616, 68-2618, 68-2621,
8 68-2622, 68-2626, 68-2627, AND 68-2628, R.C.M. 1947."

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

11 Section 1. Section 68-2602, R.C.M. 1947, is amended to
12 read as follows:

13 "68-2602. Definitions. ~~The words and phrases used in~~
14 ~~this act shall have the following meanings: (1) "Accumulated~~
15 ~~deductions" the total amount deducted from the salary of a~~
16 ~~member either during a period of membership service or as~~
17 ~~transferred from the public employees' retirement system~~
18 ~~with respect to a period of prior service and standing to~~
19 ~~his credit in the account together with the accrued~~
20 ~~interest. Unless the context requires otherwise, the~~
21 following definitions apply in this chapter:

22 ~~(2) (1)~~ "Accumulated contributions" ~~or "accumulated~~
23 ~~deductions" means the total amount deducted from the salary~~
24 ~~of a member either during a period of membership service or~~
25 ~~as plus the total amount deducted during a period of prior~~

1 service and transferred from the public employees'
2 retirement system ~~with respect to a period of prior service~~
3 ~~and,~~ standing to his the member's credit in the account,
4 together with the accrued interest.

5 ~~(3) (2)~~ "Beneficiary" ~~means a person having an~~
6 ~~insurable interest in the member's life who is nominated in~~
7 an acknowledged document by the member, which is filed with
8 the board.

9 ~~(4) (3)~~ "Retired sheriff" ~~means a person receiving a~~
10 retirement allowance under this act.

11 ~~(5) (4)~~ "Board" ~~means the sheriffs' retirement board.~~

12 ~~(6) (5)~~ "Member" ~~means any person who has accumulated~~
13 deductions in the account to his credit.

14 ~~(7) (6)~~ "Final salary" ~~means the average annual~~
15 salary received by a member, before any deductions are made,
16 and exclusive of maintenance, allowances, and expenses, for
17 any ~~three~~ (3) years of continuous service from which
18 contributions were deducted. ~~In or, in~~ the event that a
19 member has not served ~~three~~ (3) years, the total salary
20 earned, divided by the number of years served.

21 ~~(8) (7)~~ "Actuarial equivalent" ~~means a benefit~~
22 computed using the mortality tables and interest rates
23 adopted by the board, compounded annually.

24 ~~(9) (8)~~ "Account" ~~means the Montana sheriffs'~~
25 retirement account administered by the sheriffs' retirement

1 board.

2 ~~(19)~~ (19) "Vested retirement"— means a retirement not
3 for cause and before retirement age.

4 ~~(10)~~ (10) "Member's annuity"— means payments for life
5 derived from contributions made by the contributor while
6 employed.

7 ~~(11)~~ (11) "Retirement allowance"— means the state
8 annuity plus the member's annuity.

9 ~~(12)~~ (12) "State annuity"— means payments for life
10 derived from ~~contributions made by~~ county contributions into
11 the sheriffs' retirement account, together with any
12 supplemental legislative appropriations to ~~said the~~ account.

13 ~~(13)~~ (13) "Creditable service"— means the aggregate of
14 all of a member's current and prior service.

15 ~~(15) "Service credits"— the credit a member employed on~~
16 ~~a part-time basis shall receive which is a year of service~~
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21 an amount is deducted from the salary of a member and paid
22 into the account.

23 ~~(15)~~ (15) "Prior service"— means that service for which
24 credit was granted by the public employees' retirement
25 system of the state of Montana.

1 ~~(16)~~ (16) "Service"— means employment as a sheriff.

2 ~~(17)~~ (17) "Sheriff"— means any elected or appointed
3 county sheriff, undersheriff, or regularly appointed and
4 acting deputy sheriff."

5 Section 2. Section 68-2604, R.C.M. 1947, is amended to
6 read as follows:

7 "68-2604. Functions of the board. The board ~~may~~
8 ~~establish such rules and regulations as it deems necessary~~
9 ~~and is charged with the proper administration, operation,~~
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11 rules as it considers necessary. The board shall ~~be the~~
12 ~~authority to~~ prescribe the conditions under which persons
13 ~~may be admitted to become members of and continue to receive~~
14 benefits under the retirement system. It shall keep the data
15 necessary for actuarial valuation purposes. It shall have
16 biennial actuarial investigations made into the mortality
17 and service experience of the members and ~~to~~ the
18 beneficiaries of the account, and shall adopt one or more
19 mortality tables."

20 Section 3. Section 68-2607, R.C.M. 1947, is amended to
21 read as follows:

22 "68-2607. ~~Rules of membership commencement of~~
23 ~~members' contributions~~ Membership. Every sheriff ~~shall be is~~
24 required to become a member of the sheriffs' retirement
25 system ~~established by this act~~ on July 1, 1974, unless he

1 was previously a member of the public employees' retirement
 2 system, in which case, he may at his option become a member
 3 of the sheriffs' retirement system ~~established by this act.~~
 4 Contributions by members under this act shall commence with
 5 the first payroll after July 1, 1974. All sheriffs who
 6 become members of the sheriffs' retirement system ~~shall must~~
 7 remain members so long as actively employed in such
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 13 at least ~~twenty-five~~ (25) years of service, and who has
 14 reached the age of ~~fifty-five~~ (55) years, may retire on a
 15 service retirement allowance upon written application to the
 16 board, submitted not less than ~~thirty~~ (30) days ~~or~~ or more
 17 than ~~ninety~~ (90) days from the desired date of retirement.
 18 The application ~~shall must~~ state the date he desires to be
 19 retired.

20 ~~(2) Retirement shall be is~~ compulsory for any
 21 nonelected sheriff ~~with exception of undersheriff~~ at age
 22 ~~sixty-five~~ (65), except in the case of undersheriffs."

23 Section 5. Section 68-2614, R.C.M. 1947, is amended to
 24 read as follows:

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 2 If a member be is involuntarily discontinued from service
 3 after having completed ~~ten~~ (10) years of total service but
 4 before reaching retirement age, he shall, upon filing an
 5 application, be paid in one of the following ways:

6 (1) ~~The the~~ full amount of his accumulated deductions
 7 ~~standing to his credit; or~~

8 (2) a member's annuity of equivalent actuarial value
 9 to his accumulated deductions ~~standing to his credit,~~ plus
 10 an annuity which is the actuarial equivalent of a ~~state~~
 11 ~~annuity having a value equal to~~ the present value of a the
 12 ~~state annuity then standing to his credit."~~

13 Section 6. Section 68-2616, R.C.M. 1947, is amended to
 14 read as follows:

15 "68-2616. Reinstatement after withdrawal of
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 19 ~~(24)~~ semimonthly payments, an amount equal to that which was
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 21 amount equal to the interest which would have been credited
 22 to the account had the member not withdrawn the
 23 contributions upon termination of membership, subject to
 24 minimum monthly or semimonthly payments as fixed by the
 25 board.

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2 system after a termination of membership, does not elect to
3 make or does not make the redeposit, ~~the member shall he~~
4 must reenter as a new member without credit for any service
5 except the prior service credited before the termination. If
6 a member does make ~~such~~ the redeposit, his membership shall
7 be is continuous and unbroken by the last termination.

8 (3) Regardless of whether ~~such~~ the redeposit is made,
9 the documents held by the retirement system, as executed by
10 ~~said~~ the member prior to termination of membership, shall be
11 held by the system for the same purposes as prior to ~~said~~
12 the termination, and beneficiaries nominated shall remain
13 unchanged."

14 Section 7. Section 68-2618, R.C.M. 1947, is amended to
15 read as follows:

16 "68-2618. Payments in case of death before retirement.

17 (1) If a member dies before retirement, his beneficiary
18 ~~shall be~~ is entitled to elect among those of the following
19 options for which the member qualifies qualified:

20 (1)(a) ~~a~~ a ~~lump-sum~~ lump-sum payment of the
21 accumulated deductions standing to the member's credit at
22 his death;

23 (2)(b) ~~if a~~ if the member ~~were~~ was not eligible to
24 retire at the time of death, a retirement allowance
25 commencing on the member's death which is the actuarial

1 equivalent of a retirement allowance in the amount of ~~two~~
2 ~~percent~~ (2%) of the final salary for each year of service up
3 to a maximum of ~~twenty-five~~ (25) years;

4 (3)(c) ~~if~~ if the member ~~were~~ was eligible to retire at
5 the time of death, a retirement allowance commencing on the
6 member's death in the amount of ~~two percent~~ (2%) of the
7 final salary for each year of service up to a maximum of
8 ~~twenty-five~~ (25) years;

9 (4)(d) ~~if~~ if the board ~~shall find~~ finds that the
10 member died as a direct and proximate result of injuries
11 received in the course of employment, a retirement allowance
12 commencing on the member's death in the amount of ~~fifty~~
13 ~~percent~~ (50%) of the final salary, less the amount ~~which is~~
14 paid to ~~any such~~ the beneficiary under the ~~Workmen's~~
15 Workers' Compensation Act of the state of Montana, during
16 the period such compensation is paid or payable.

17 (2) ~~provided that in no event shall a beneficiary A~~
18 beneficiary may not be paid for a period longer than the
19 time it would have taken the deceased member to reach the
20 age of ~~sixty-five~~ (65) years or ~~more~~ longer than ~~fifteen~~
21 (15) years, whichever is greater."

22 Section 8. Section 68-2621, R.C.M. 1947, is amended to
23 read as follows:

24 "68-2621. Designation of beneficiary. Every
25 ~~contributor shall have the authority to~~ member may name a

1 beneficiary by a written acknowledged designation properly
2 filed with the board, and to change the beneficiary in like
3 manner. ~~Such~~ The designation and ~~all any~~ changes ~~must say~~ be
4 filed with the board up until, but not after, the time of
5 retirement."

6 Section 9. Section 68-2622, R.C.M. 1947, is amended to
7 read as follows:

8 "68-2622. ~~Election to qualify military~~ Military
9 ~~service for credit. (1) Any~~ a member now on active duty in,
10 or hereafter inducted into the armed forces of the United
11 States, ~~shall have~~ has the option to:

12 ~~(1)(a)~~ to continue payments into the account; or
13 ~~(2)(b)~~ to allow the board to make the payments during
14 such his military service, in which event ~~the member shall~~
15 he must repay the account the full amount of ~~such the~~
16 payments upon within 2 years after his return to ~~the his~~
17 former status as a sheriff, ~~and such repayments shall be~~
18 made within two (2) years after return to such status.

19 ~~(2) provided that a member's~~ If a member chooses one
20 of the options in subsection (1) and meets its requirements,
21 he shall be given credit for his service in the armed forces
22 of the United States ~~shall be credited to and made a part of~~
23 ~~member's service allowance as if it were service as a~~
24 sheriff."

25 Section 10. Section 68-2626, R.C.M. 1947, is amended

1 to read as follows:

2 "68-2626. ~~Retirement~~ Optional retirement allowance
3 ~~options. Until (1) A member or a beneficiary may elect one~~
4 of the optional retirement allowances set forth in
5 subsection (2), at any time before the first payment on
6 account of any retirement allowance is made ~~and subject to~~
7 ~~the conditions that, if the~~ If a member dies after
8 retirement and within ~~thirty (30)~~ days from the date upon
9 which ~~the member's his~~ election or changed election ~~is was~~
10 received ~~at the office of by~~ the retirement board, ~~then said~~
11 the election is void ~~and of no effect,~~ and the death ~~shall~~
12 will be considered as that of a member before retirement.

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

20 ~~(1)(a) Upon the member's~~ Option 1. Upon his death, a
21 the lesser retirement allowance ~~shall will~~ be continued
22 throughout the life of and paid to ~~such the~~ person, ~~having~~
23 ~~an insurable interest in the member's life, as the member~~
24 nominatees that he nominated by written designation, duly
25 executed and filed with the board at the time of retirement.

1 ~~(2)(b)~~ Upon the member's Option 2 -- upon his death,
 2 one-half ~~(1/2)~~ of the lesser retirement allowance shall will
 3 be continued throughout the life of and paid to ~~such~~ the
 4 person, ~~having an insurable interest in the member's life as~~
 5 ~~the member nominated~~ that he nominated by written
 6 designation, duly executed and filed with the board at the
 7 time of retirement.

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

15 Section 11. Section 68-2627, R.C.S. 1947, is amended
 16 to read as follows:

17 "68-2627. ~~Rules of transfer of member's accumulated~~
 18 ~~deductions to employer's account~~ Transfer of dormant
 19 accumulated deductions. The board may, in its discretion,
 20 transfer the accumulated deductions of a member to the
 21 employer's account in the sheriffs' retirement account if
 22 the member's account has been dormant for a period of ~~ten~~
 23 ~~(10) years, provided that. However,~~ no right of the member
 24 shall may be jeopardized by ~~such~~ the transfer, and the
 25 accumulated ~~deduction shall~~ deductions must be transferred

1 back to the member's name upon his subsequent reentry ~~to~~
 2 membership into the system."

3 Section 12. Section 68-2628, R.C.S. 1947, is amended
 4 to read as follows:

5 "68-2628. ~~Sheriffs ineligible~~ Ineligibility for
 6 membership in public employees' retirement system. (1) After
 7 July 1, 1974, no sheriff ~~shall be~~ is eligible to ~~membership~~
 8 ~~to become a member of~~ the state public employees' retirement
 9 system and the provisions of ~~said law shall~~ The Public
 10 Employees' Retirement System Act do not apply to sheriffs,
 11 except as provided in 68-2607.

12 (2) No provision of this act is to be construed as to
 13 deny any sheriff any benefits accrued under provisions of
 14 the ~~state~~ public employees' retirement system prior to July
 15 1, 1974."

-End-

1 HOUSE BILL NO. 12
2 INTRODUCED BY BARDANOUE

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
5 CLARIFY THE LAWS RELATING TO SHERIFFS' RETIREMENT AND DEATH
6 AND DISABILITY BENEFITS; AMENDING SECTIONS 68-2602, 68-2604,
7 68-2607, 68-2610, 68-2614, 68-2616, 68-2618, 68-2621,
8 68-2622, 68-2626, 68-2627, AND 68-2628, R.C.M. 1947."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 Section 1. Section 68-2602, R.C.M. 1947, is amended to
12 read as follows:

13 "68-2602. Definitions. ~~The words and phrases used in~~
14 ~~this act shall have the following meanings: (1) "Accumulated~~
15 ~~deductions" the total amount deducted from the salary of a~~
16 ~~member either during a period of membership service or as~~
17 ~~transferred from the public employees' retirement system~~
18 ~~with respect to a period of prior service and standing to~~
19 ~~his credit in the account together with the accrued~~
20 ~~interest. Unless the context requires otherwise, the~~
21 following definitions apply in this chapter:

22 ~~(2) (1) "Accumulated contributions" or "accumulated~~
23 ~~deductions" means the total amount deducted from the salary~~
24 ~~of a member either during a period of membership service or~~
25 as plus the total amount deducted during a period of prior

1 service and transferred from the public employees'
2 retirement system ~~with respect to a period of prior service~~
3 ~~and,~~ standing to his the member's credit in the account,
4 together with the accrued interest.

5 ~~(3) (2) "Beneficiary" means a person having an~~
6 ~~insurable interest in the member's life~~ who is nominated in
7 an acknowledged document by the member, which is filed with
8 the board.

9 ~~(4) (3) "Retired sheriff" means a person receiving a~~
10 retirement allowance under this act.

11 ~~(5) (4) "Board" means the sheriffs' retirement board.~~

12 ~~(6) (5) "Member" means any person who has accumulated~~
13 deductions in the account to his credit.

14 ~~(7) (6) "Final salary" means the average annual~~
15 salary received by a member, before any deductions are made,
16 and exclusive of maintenance, allowances, and expenses, for
17 any ~~three (3)~~ years of continuous service from which
18 contributions were deducted. ~~In or, in~~ the event that a
19 member has not served ~~three (3)~~ years, the total salary
20 earned, divided by the number of years served.

21 ~~(8) (7) "Actuarial equivalent" means a benefit~~
22 computed using the mortality tables and interest rates
23 adopted by the board, compounded annually.

24 ~~(9) (8) "Account" means the Montana sheriffs'~~
25 retirement account administered by the sheriffs' retirement

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1 board.

2 ~~(40)~~ (9) "Vested retirement"— means a retirement not
3 for cause and before retirement age.

4 ~~(41)~~ (10) "Member's annuity"— means payments for life
5 derived from contributions made by the contributor while
6 employed.

7 ~~(42)~~ (11) "Retirement allowance"— means the state
8 annuity plus the member's annuity.

9 ~~(43)~~ (12) "State annuity"— means payments for life
10 derived from ~~contributions made by~~ county contributions into
11 the sheriffs' retirement account, together with any
12 supplemental legislative appropriations to ~~said~~ the account.

13 ~~(44)~~ (13) "Creditable service"— means the aggregate of
14 all of a member's current and prior service.

15 ~~(45) "Service credits"— the credit a member employed on~~
16 ~~a part-time basis shall receive which is a year of service~~
17 ~~for each fiscal year during which the member was employed~~
18 ~~the whole year and was engaged in his duties the full amount~~
19 ~~of time he was required by employment.~~

20 ~~(46)~~ (14) "Membership service"— means service for which
21 an amount is deducted from the salary of a member and paid
22 into the account.

23 ~~(47)~~ (15) "Prior service"— means that service for which
24 credit was granted by the public employees' retirement
25 system of the state of Montana.

1 ~~(48)~~ (16) "Service"— means employment as a sheriff.

2 ~~(49)~~ (17) "Sheriff"— means any elected or appointed
3 county sheriff, undersheriff, or regularly appointed and
4 acting deputy sheriff."

5 Section 2. Section 68-2604, R.C.M. 1947, is amended to
6 read as follows:

7 "68-2604. Functions of the board. The board ~~may~~
8 ~~establish such rules and regulations as it deems necessary~~
9 ~~and is charged with the proper administration, operation,~~
10 ~~and enforcement of this act, and it may establish such~~
11 ~~rules as it considers necessary.~~ The board shall be ~~the~~
12 ~~authority to~~ prescribe the conditions under which persons
13 ~~may be admitted to become members of and continue to receive~~
14 benefits under the retirement system. It shall keep the data
15 necessary for actuarial valuation purposes. It shall have
16 biennial actuarial investigations made into the mortality
17 and service experience of the members and ~~to~~ the
18 beneficiaries of the account, and shall adopt one or more
19 mortality tables."

20 Section 3. Section 68-2607, R.C.M. 1947, is amended to
21 read as follows:

22 "68-2607. ~~Rules of membership commencement of~~
23 ~~members' contributions~~ Membership. Every sheriff shall be is
24 required to become a member of the sheriffs' retirement
25 system ~~established by this act~~ on July 1, 1974, unless he

1 was previously a member of the public employees' retirement
 2 system, in which case, he may at his option become a member
 3 of the sheriffs' retirement system ~~established by this act.~~
 4 Contributions by members under this act shall commence with
 5 the first payroll after July 1, 1974. All sheriffs who
 6 become members of the sheriffs' retirement system shall must
 7 remain members so long as actively employed in such
 8 capacity."

9 Section 4. Section 68-2610, R.C.M. 1947, is amended to
 10 read as follows:

11 "68-2610. Eligibility and application for service
 12 retirement. ~~(1) Any~~ A sheriff in service who has completed
 13 at least ~~twenty five (25)~~ years of service, and who has
 14 reached the age of ~~fifty five (55)~~ years, may retire on a
 15 service retirement allowance upon written application to the
 16 board, submitted not less than ~~thirty (30)~~ days ~~or~~ or more
 17 than ~~sixty (90)~~ days from the desired date of retirement.
 18 The application shall must state the date he desires to be
 19 retired.

20 ~~(2) Retirement shall be~~ is compulsory for any
 21 non-elected sheriff ~~with exception of undersheriff~~ at age
 22 ~~sixty five (65)~~, except in the case of undersheriffs."

23 Section 5. Section 68-2614, R.C.M. 1947, is amended to
 24 read as follows:

25 "68-2614. Retirement Involuntary retirement allowance

1 ~~for member involuntarily discontinued from service. Should~~
 2 If a member ~~be is~~ involuntarily discontinued from service
 3 after having completed ~~ten (10)~~ years of total service but
 4 before reaching retirement age, he shall, upon filing an
 5 application, be paid in one of the following ways:

6 (1) ~~The the~~ full amount of his accumulated deductions
 7 ~~standing to his credit; or~~

8 (2) a member's annuity of equivalent actuarial value
 9 to his accumulated deductions ~~standing to his credit~~, plus
 10 an annuity which is the actuarial equivalent of a ~~state~~
 11 ~~annuity having a value equal to~~ the present value of a the
 12 ~~state annuity then standing to his credit.~~"

13 Section 6. Section 68-2616, R.C.M. 1947, is amended to
 14 read as follows:

15 "68-2616. Reinstatement after withdrawal of
 16 contributions ~~redeposit of contributions.~~ ~~(1) Any~~ A member
 17 may deposit in the retirement fund, in one ~~(1)~~ sum or in ~~not~~
 18 ~~to exceed twelve no more than (12)~~ monthly or ~~twenty-four~~
 19 ~~(24)~~ semimonthly payments, an amount equal to that which was
 20 withdrawn at the last termination of membership plus an
 21 amount equal to the interest which would have been credited
 22 to the account had the member not withdrawn the
 23 contributions upon termination of membership, subject to
 24 minimum monthly or semimonthly payments as fixed by the
 25 board.

1 (2) If a member, ~~upon who is~~ reentering the retirement
2 system after a termination of membership, does not elect to
3 make or does not make the redeposit, ~~the member shall he~~
4 must reenter as a new member without credit for any service
5 except the prior service credited before the termination. If
6 a member does make ~~such the~~ redeposit, his membership shall
7 be is continuous and unbroken by the last termination.

8 (3) Regardless of whether ~~such the~~ redeposit is made,
9 the documents held by the retirement system, as executed by
10 ~~said the~~ member prior to termination of membership, shall be
11 held by the system for the same purposes as prior to ~~said~~
12 the termination, and beneficiaries nominated shall remain
13 unchanged."

14 Section 7. Section 68-2618, R.C.M. 1947, is amended to
15 read as follows:

16 "68-2618. Payments in case of death before retirement.

17 (1) If a member dies before retirement, his beneficiary
18 ~~shall be is~~ entitled to elect among those of the following
19 options for which the member ~~qualifies~~ qualified:

20 (4)(a) ~~a~~ a ~~lump-sum~~ lump-sum payment of the
21 accumulated deductions standing to the member's credit at
22 his death;

23 (3)(b) ~~If a~~ if the member were was not eligible to
24 retire at the time of death, a retirement allowance
25 commencing on the member's death which is the actuarial

1 equivalent of a retirement allowance in the amount of ~~two~~
2 ~~percent (2%)~~ of the final salary for each year of service up
3 to a maximum of ~~twenty-five (25)~~ years;

4 (2)(c) ~~If if~~ the member were was eligible to retire at
5 the time of death, a retirement allowance commencing on the
6 member's death in the amount of ~~two percent (2%)~~ of the
7 final salary for each year of service up to a maximum of
8 ~~twenty-five (25)~~ years;

9 (4)(d) ~~If if~~ the board shall ~~find~~ finds that the
10 member died as a direct and proximate result of injuries
11 received in the course of employment, a retirement allowance
12 commencing on the member's death in the amount of ~~fifty~~
13 ~~percent (50%)~~ of the final salary, less the amount ~~which is~~
14 paid to ~~any such the~~ beneficiary under the ~~Workers'~~
15 Workers' Compensation Act of the state of Montana, during
16 the period such compensation is paid or payable,

17 (2) ~~provided that in no event shall a beneficiary a~~
18 beneficiary may not be paid for a period longer than the
19 time it would have taken the deceased member to reach the
20 age of ~~sixty-five (65)~~ years or ~~more~~ longer than ~~fifteen~~
21 ~~(15)~~ years, whichever is greater."

22 Section 8. Section 68-2621, R.C.M. 1947, is amended to
23 read as follows:

24 "68-2621. Designation of beneficiary. Every
25 contributor ~~shall have the authority to member may~~ name a

1 beneficiary by a written acknowledged designation properly
2 filed with the board, and to change the beneficiary in like
3 manner. ~~Such~~ The designation and ~~all any~~ changes ~~must~~ may be
4 filed with the board up until, but not after, the time of
5 retirement."

6 Section 9. Section 68-2622, R.C.M. 1947, is amended to
7 read as follows:

8 "68-2622. ~~Election to qualify military~~ Military
9 ~~service for credit.~~ (1) Any A member now on active duty in,
10 or hereafter inducted into the armed forces of the United
11 States, ~~shall have has~~ the option to:

12 ~~(a)~~ (a) to continue payments into the account; or

13 ~~(b)~~ (b) to allow the board to make the payments during
14 such his military service, in which event ~~the member shall~~
15 he must repay the account the full amount of ~~such the~~
16 payments upon within 2 years after his return to the his
17 former status as a sheriff, ~~and such repayments shall be~~
18 ~~made within two (2) years after return to such status.~~

19 ~~(2) provided that a member's~~ If a member chooses one
20 of the options in subsection (1) and meets its requirements,
21 he shall be given credit for his service in the armed forces
22 of the United States ~~shall be credited to and made a part of~~
23 ~~member's service allowance as if it were service as a~~
24 sheriff."

25 Section 10. Section 68-2626, R.C.M. 1947, is amended

1 to read as follows:

2 "68-2626. ~~Retirement~~ Optional retirement allowance
3 ~~options.~~ Until (1) A member or a beneficiary may elect one
4 of the optional retirement allowances set forth in
5 subsection (2), at any time before the first payment on
6 account of any retirement allowance is made ~~and subject to~~
7 ~~the conditions that, if the~~ If a member dies after
8 retirement and within ~~thirty (30)~~ days from the date upon
9 which ~~the member's~~ his election or changed election ~~is was~~
10 received ~~at the office of by~~ the retirement board, ~~then said~~
11 the election is void and of no effect, and the death ~~shall~~
12 will be considered as that of a member before retirement.

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

20 ~~(a)~~ (a) Upon the member's Option 1 — upon his death, a
21 the lesser retirement allowance ~~shall will~~ be continued
22 throughout the life of and paid to ~~such the~~ person, ~~having~~
23 ~~an insurable interest in the member's life, as the member~~
24 ~~nominatees that he nominated~~ by written designation, duly
25 executed and filed with the board at the time of retirement.

1 ~~(2) (b) Upon the member's Option 2 — upon his~~ death,
 2 one-half ~~(1/2)~~ of the lesser retirement allowance shall will
 3 be continued throughout the life of and paid to ~~such the~~
 4 person, ~~having an insurable interest in the member's life as~~
 5 ~~the member nominated that he nominated~~ by written
 6 designation, duly executed and filed with the board at the
 7 time of retirement.

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

15 Section 11. Section 68-2627, R.C.M. 1947, is amended
 16 to read as follows:

17 ~~"68-2627. Rules of transfer of member's accumulated~~
 18 ~~deductions to employer's account~~ Transfer of dormant
 19 accumulated deductions. The board may, in its discretion,
 20 transfer the accumulated deductions of a member to the
 21 employer's account in the sheriffs' retirement account if
 22 the member's account has been dormant for a period of ~~ten~~
 23 ~~(10) years, provided that.~~ However, no right of the member
 24 shall may be jeopardized by ~~such the~~ transfer, and the
 25 ~~accumulated deduction shall deductions must~~ be transferred

1 back to the member's name upon his subsequent reentry to
 2 membership into the system."

3 Section 12. Section 68-2628, R.C.M. 1947, is amended
 4 to read as follows:

5 ~~"68-2628. Sheriffs — ineligible~~ Ineligibility for
 6 membership in public employees' retirement system. (1) After
 7 July 1, 1974, no sheriff ~~shall be~~ is eligible to ~~membership~~
 8 ~~to become a member of~~ the state public employees' retirement
 9 system and the provisions of ~~said law shall~~ The Public
 10 Employees' Retirement System Act do not apply to sheriffs,
 11 except as provided in 68-2607.

12 (2) No provision of this act is to be construed as to
 13 deny any sheriff any benefits accrued under provisions of
 14 the state public employees' retirement system prior to July
 15 1, 1974."

-End-

HOUSE BILL NO. 12

INTRODUCED BY BARDANOUVE

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND CLARIFY THE LAWS RELATING TO SHERIFFS' RETIREMENT AND DEATH AND DISABILITY BENEFITS; AMENDING SECTIONS 68-2602, 68-2604, 68-2607, 68-2610, 68-2614, 68-2616, 68-2618, 68-2621, 68-2622, 68-2626, 68-2627, AND 68-2628, R.C.M. 1947."

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

Section 1. Section 68-2602, R.C.M. 1947, is amended to read as follows:

"68-2602. Definitions. ~~The words and phrases used in this act shall have the following meanings: (1) "Accumulated deductions" the total amount deducted from the salary of a member either during a period of membership service or as transferred from the public employees' retirement system with respect to a period of prior service and standing to his credit in the account together with the accrued interest. Unless the context requires otherwise, the following definitions apply in this chapter:~~

(2)(1) "Accumulated contributions" or "accumulated deductions" means the total amount deducted from the salary of a member either during a period of membership service or as plus the total amount deducted during a period of prior

service and transferred from the public employees' retirement system with respect to a period of prior service and standing to his the member's credit in the account, together with the accrued interest.

(3)(2) "Beneficiary" means a person having ~~an insurable interest in the member's life~~ who is nominated in an acknowledged document by the member, which is filed with the board.

(4)(3) "Retired sheriff" means a person receiving a retirement allowance under this act.

(5)(4) "Board" means the sheriffs' retirement board.

(6)(5) "Member" means any person who has accumulated deductions in the account to his credit.

(7)(6) "Final salary" means the average annual salary received by a member, before any deductions are made, and exclusive of maintenance, allowances, and expenses, for any three (3) years of continuous service from which contributions were deducted. ~~In or, in~~ the event that a member has not served three (3) years, the total salary earned, divided by the number of years served.

(8)(7) "Actuarial equivalent" means a benefit computed using the mortality tables and interest rates adopted by the board, compounded annually.

(9)(8) "Account" means the Montana sheriffs' retirement account administered by the sheriffs' retirement

1 board.

2 {10}(9) "Vested retirement"-- means a retirement not
3 for cause and before retirement age.

4 {11}(10) "Member's annuity"-- means payments for life
5 derived from contributions made by the contributor while
6 employed.

7 {12}(11) "Retirement allowance"-- means the state
8 annuity plus the member's annuity.

9 {13}(12) "State annuity"-- means payments for life
10 derived from contributions made by county contributions into
11 the sheriffs' retirement account, together with any
12 supplemental legislative appropriations to said the account.

13 {14}(13) "Creditable service"-- means the aggregate of
14 all of a member's current and prior service.

15 {15}-"Service credits"--the credit a member employed on
16 a part-time basis shall receive which is a year of service
17 for each fiscal year during which the member was employed
18 the whole year and was engaged in his duties the full amount
19 of time he was required by employment.

20 {16}(14) "Membership service"-- means service for which
21 an amount is deducted from the salary of a member and paid
22 into the account.

23 {17}(15) "Prior service"-- means that service for which
24 credit was granted by the public employees' retirement
25 system of the state of Montana.

1 {18}(16) "Service"-- means employment as a sheriff.

2 {19}(17) "Sheriff"-- means any elected or appointed
3 county sheriff, undersheriff, or regularly appointed and
4 acting deputy sheriff."

5 Section 2. Section 68-2604, R.C.M. 1947, is amended to
6 read as follows:

7 "68-2604. Functions of the board. The board may
8 ~~establish such rules and regulations as it deems necessary~~
9 and is charged with the proper administration, operations,
10 and enforcement of this act, and it may establish such
11 rules as it considers necessary. The board shall be ~~the~~
12 ~~authority to~~ prescribe the conditions under which persons
13 may be admitted to become members of and continue to receive
14 benefits under the retirement system. It shall keep the data
15 necessary for actuarial valuation purposes. It shall have
16 biennial actuarial investigations made into the mortality
17 and service experience of the members and to the
18 beneficiaries of the account and shall adopt one or more
19 mortality tables."

20 Section 3. Section 68-2607, R.C.M. 1947, is amended to
21 read as follows:

22 "68-2607. ~~Rules of membership commencement of~~
23 ~~members' contributions~~ Membership. Every sheriff ~~shall be~~ is
24 required to become a member of the sheriffs' retirement
25 system established by this act on July 1, 1974, unless he

1 was previously a member of the public employees' retirement
 2 system, in which case, he may at his option become a member
 3 of the sheriffs' retirement system ~~established by this act.~~
 4 Contributions by members under this act shall commence with
 5 the first payroll after July 1, 1974. All sheriffs who
 6 become members of the sheriffs' retirement system ~~shall~~ must
 7 remain members so long as actively employed in such
 8 capacity."

9 Section 4. Section 68-2610, R.C.M. 1947, is amended to
 10 read as follows:

11 "68-2610. Eligibility and application for service
 12 retirement. ~~(1) Any A~~ sheriff in service who has completed
 13 at least ~~twenty-five~~ ~~(25)~~ years of service, and who has
 14 reached the age of ~~fifty-five~~ ~~(55)~~ years, may retire on a
 15 service retirement allowance upon written application to the
 16 board, submitted not less than ~~thirty~~ ~~(30)~~ days ~~nor or~~ more
 17 than ~~ninety~~ ~~(90)~~ days from the desired date of retirement.
 18 The application ~~shall~~ must state the date he desires to be
 19 retired.

20 ~~(4) Retirement shall~~ is compulsory for any
 21 non-elected sheriff ~~with--exception--of undersheriff~~ at age
 22 ~~sixty-five~~ ~~(65)~~, except in the case of undersheriffs."

23 Section 5. Section 68-2614, R.C.M. 1947, is amended to
 24 read as follows:

25 "68-2614. Retirement involuntary retirement allowance

1 ~~for--member--involuntarily discontinued from service. Should~~
 2 ~~If a member be~~ is involuntarily discontinued from service
 3 after having completed ~~ten~~ ~~(10)~~ years of total service but
 4 before reaching retirement age, he shall, upon filing an
 5 application, be paid in one of the following ways:

6 (1) ~~The~~ the full amount of his accumulated deductions
 7 ~~standing to his credit; or~~

8 (2) a member's annuity of equivalent actuarial value
 9 to his accumulated deductions ~~standing to his credit~~, plus
 10 an annuity which is the actuarial equivalent of ~~a--state~~
 11 ~~annuity--having--a value equal to~~ the present value of ~~a~~ the
 12 ~~state annuity then standing to his credit."~~

13 Section 6. Section 68-2616, R.C.M. 1947, is amended to
 14 read as follows:

15 "68-2616. Reinstatement after withdrawal of
 16 contributions ~~redeposit--of contributions.~~ ~~(1) Any A~~ member
 17 may deposit in the retirement fund, in one ~~(1)~~ sum or in ~~not~~
 18 ~~to exceed twelve~~ no more than ~~(12)~~ monthly or ~~twenty-four~~
 19 ~~(24)~~ semimonthly payments, an amount equal to that which was
 20 withdrawn at the last termination of membership plus an
 21 amount equal to the interest which would have been credited
 22 to the account had the member not withdrawn the
 23 contributions upon termination of membership, subject to
 24 minimum monthly or semimonthly payments as fixed by the
 25 board.

1 ~~(2)~~ If a member ~~upon who is~~ reentering the retirement
 2 system after a termination of membership does not elect to
 3 make or does not make the redeposit, ~~the member shall he~~
 4 ~~must~~ reenter as a new member without credit for any service
 5 except the prior service credited before the termination. If
 6 a member does make such ~~the~~ redeposit, his membership ~~shall~~
 7 be ~~is~~ continuous and unbroken by the last termination.

8 ~~(3)~~ Regardless of whether such ~~the~~ redeposit is made,
 9 the documents held by the retirement system, as executed by
 10 ~~said the~~ member prior to termination of membership, shall be
 11 held by the system for the same purposes as prior to ~~said~~
 12 ~~the~~ termination, and beneficiaries nominated shall remain
 13 unchanged."

14 Section 7. Section 68-2618, R.C.M. 1947, is amended to
 15 read as follows:

16 "68-2618. Payments in case of death before retirement.

17 ~~(1)~~ If a member dies before retirement, his beneficiary
 18 ~~shall--be~~ is entitled to elect among those of the following
 19 options for which the member ~~qualifies~~ qualified:

20 ~~(a)~~ A ~~temp--sum~~ ~~lump-sum~~ payment of the
 21 accumulated deductions standing to the member's credit at
 22 his death;

23 ~~(b)~~ ~~if-a~~ ~~if the~~ member were ~~was~~ not eligible to
 24 retire at the time of death, a retirement allowance
 25 commencing on the member's death which is the actuarial

1 equivalent of a retirement allowance in the amount of two
 2 percent-~~(2%)~~ of the final salary for each year of service up
 3 to a maximum of twenty-five-~~(25)~~ years;

4 ~~(c)~~ ~~if~~ if the member were ~~was~~ eligible to retire at
 5 the time of death, a retirement allowance commencing on the
 6 member's death in the amount of two-percent-~~(2%)~~ of the
 7 final salary for each year of service up to a maximum of
 8 twenty-five-~~(25)~~ years;

9 ~~(d)~~ ~~if~~ if the board ~~shall--find~~ ~~finds~~ that the
 10 member died as a direct and proximate result of injuries
 11 received in the course of employment, a retirement allowance
 12 commencing on the member's death in the amount of fifty
 13 percent-~~(50%)~~ of the final salary, less the amount which--is
 14 paid to ~~any--such the~~ beneficiary under the Workmen's
 15 ~~Workers'~~ Compensation Act of the state of Montana, during
 16 the period such compensation is paid or payable;

17 ~~(2)~~ ~~provided--that--in--no--event--shall--a--beneficiary~~ A
 18 ~~beneficiary may not~~ be paid for a period longer than the
 19 time it would have taken the deceased member to reach the
 20 age of sixty-five-~~(65)~~ years or more longer than fifteen
 21 ~~(15)~~ years, whichever is greater."

22 Section 8. Section 68-2621, R.C.M. 1947, is amended to
 23 read as follows:

24 "68-2621. Designation of beneficiary. Every
 25 contributor-~~shall--have--the--authority--to~~ ~~member~~ may name a

1 beneficiary by a written acknowledged designation properly
 2 filed with the board, and to change the beneficiary in like
 3 manner. Such ~~the~~ designation and ~~all any~~ changes ~~must~~ may be
 4 filed with the board up until, but not after, the time of
 5 retirement."

6 Section 9. Section 68-2622, R.C.M. 1947, is amended to
 7 read as follows:

8 "68-2622. Election ~~to qualify military~~ Military
 9 service for credit. (1) Any ~~A~~ member now on active duty in ~~y~~
 10 or hereafter inducted into the armed forces of the United
 11 States ~~shall have~~ has the option to:

- 12 (1)(a) to continue payments into the account; or
- 13 (2)(b) to allow the board to make the payments during
- 14 such his military service, in which event ~~the member shall~~
- 15 he must repay the account the full amount of such ~~the~~
- 16 payments upon within 2 years after his return to the his
- 17 former status as a sheriff, ~~and such repayments shall be~~
- 18 ~~made within two (2) years after return to such status.~~

19 (2) ~~provided that a member's~~ If a member chooses one
 20 of the options in subsection (1) and meets its requirements,
 21 he shall be given credit for his service in the armed forces
 22 of the United States ~~shall be credited to and made a part of~~
 23 ~~member's service allowance as if it were~~ service as a
 24 sheriff."

25 Section 10. Section 68-2626, R.C.M. 1947, is amended

1 to read as follows:

2 "68-2626. Retirement Optional retirement allowance
 3 ~~options.~~ Until (1) A member or a beneficiary may elect one
 4 of the optional retirement allowances set forth in
 5 subsection (2), at any time before the first payment on
 6 account of any retirement allowance is made ~~and subject to~~
 7 ~~the conditions that,~~ if the if a member dies after
 8 retirement and within thirty ~~(30)~~ days from the date upon
 9 which ~~the member's~~ his election or changed election ~~is~~ was
 10 received ~~at the office of~~ by the retirement board, ~~then said~~
 11 ~~the~~ election is void ~~and of no effect,~~ and the death ~~shall~~
 12 will be considered as that of a member before retirement.

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

- 20 (1)(a) ~~Upon the member's~~ Option 1 -- upon his death, a
 21 the lesser retirement allowance ~~shall~~ will be continued
 22 throughout the life of and paid to such ~~the~~ person, ~~having~~
 23 ~~an insurable interest in the member's life as the member~~
 24 ~~nominates that he nominated~~ by written designation, duly
 25 executed and filed with the board at the time of retirement.

1 ~~{2}(b)~~ Upon ~~the member's~~ Option 2 -- upon his death,
 2 one-half ~~{1/2}~~ of the lesser retirement allowance shall will
 3 be continued throughout the life of and paid to such the
 4 ~~person having an insurable interest in the member's life as~~
 5 ~~the member nominated~~ that he nominated by written
 6 designation, duly executed and filed with the board at the
 7 time of retirement.

8 ~~{3}(c)~~ Such Option 3 -- such other benefit or benefits
 9 shall will be paid, either to the beneficiary or such to any
 10 other person or ~~persons as the member nominates~~ that he
 11 nominated, as, together with such ~~other~~ the lesser
 12 retirement ~~allowances~~ allowance, are the actuarial
 13 equivalent of ~~the member's~~ his retirement allowance, and
 14 shall ~~be have been~~ approved by the board."

15 Section 11. Section 68-2627, R.C.M. 1947, is amended
 16 to read as follows:

17 ~~"68-2627. Rules of transfer of member's accumulated~~
 18 ~~deductions to employer's account~~ Transfer of dormant
 19 accumulated deductions. The board may, in its discretion,
 20 transfer the accumulated deductions of a member to the
 21 employer's account in the sheriffs' retirement account if
 22 the member's account has been dormant for a period of ten
 23 ~~{10} years, provided that, However,~~ no right of the member
 24 shall may be jeopardized by such the transfer, and the
 25 accumulated ~~deduction shall~~ deductions must be transferred

1 back to the member's name upon his subsequent reentry to
 2 membership into the system."

3 Section 12. Section 68-2628, R.C.M. 1947, is amended
 4 to read as follows:

5 ~~"68-2628. Sheriffs ineligible~~ Ineligibility for
 6 membership in public employees' retirement system. {1} After
 7 July 1, 1974, no sheriff shall ~~be is~~ eligible to membership
 8 to become a member of the state public employees' retirement
 9 system and the provisions of ~~said law shall~~ the Public
 10 Employees' Retirement System Act do not apply to sheriffs,
 11 except as provided in 68-2607.

12 {2} No provision of this act is to be construed as to
 13 deny any sheriff any benefits accrued under provisions of
 14 the state public employees' retirement system prior to July
 15 1, 1974."

-End-