

1                    HOUSE    BILL NO.    32  
2    INTRODUCED BY    BARDANOUE

3  
4    A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND  
5    CLARIFY THE LAWS RELATING TO RETIREMENT OF AND DEATH AND  
6    DISABILITY BENEFITS FOR JUDGES OF DISTRICT COURTS AND  
7    JUSTICES OF THE SUPREME COURT; AMENDING SECTIONS 93-1107,  
8    93-1110, 93-1111, 93-1112, 93-1113, 93-1116, 93-1120,  
9    93-1128, AND 93-1131, R.C.M. 1947."

10  
11    BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
12        Section 1. Section 93-1107, R.C.M. 1947, is amended to  
13    read as follows:

14        "93-1107. ~~Judges' retirement system~~ ~~definitions~~  
15    Definitions. ~~The following words and phrases as used in~~  
16    ~~this act, unless~~ Unless a different meaning is plainly  
17    implied by the context, ~~shall have the following meanings~~  
18    the following definitions apply in this act:

19        (1) "Accumulated deductions"— means the total of the  
20    amounts deducted from the salary of a contributor, and paid  
21    into the fund, and standing to his credit in the fund,  
22    together with the regular interest thereon.

23        (2) "Beneficiary"— ~~shall be such~~ means the person or  
24    ~~persons having an insurable interest in his life as he shall~~  
25    ~~nominate who the contributor nominates~~ by written

1    designation, duly acknowledged and filed with the board.

2        (3) "Retired judge"— ~~means any person judge or~~  
3    justice in receipt of a retirement allowance under this act.

4        (4) "Board"— means the Montana judges' retirement  
5    board.

6        (5) "Penalty retirement age"— ~~seventy~~ means 70  
7    years of age.

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

10        (7) "Final salary"— means the annual current salary  
11    for the office retired from.

12        ~~"Actuarial equivalent" the accumulated contributions~~  
13    ~~and the present value of the member's state service based on~~  
14    ~~length of service and member's attained age used to provide~~  
15    ~~a life or temporary life income to the legally designated~~  
16    ~~person, based on such person's attained age and sex at the~~  
17    ~~time the option becomes available~~

18        (8) "Actuarial equivalent" means a benefit of equal  
19    value when computed upon the basis of the actuarial tables  
20    in use by the system.

21        (9) "Fund"— means the Montana judges' retirement ~~fund~~  
22    system agency account.

23        (10) "Involuntary retirement"— means a retirement not  
24    for cause and before retirement age.

25        (11) "Member's annuity"— means payments for life

1 derived from contributions made by the contributor.

2 (12) "Retirement allowance"— means the state annuity  
3 plus the member's annuity.

4 (13) "State annuity"— means payments for life derived  
5 from contributions made by the state of Montana."

6 Section 2. There is a new R.C.M. section numbered  
7 93-1107.1 that reads as follows:

8 93-1107.1. Retirement system. There is a retirement  
9 system known as the Montana judges' retirement system, which  
10 is governed by the provisions of 93-1107 through 93-1132.

11 Section 3. Section 93-1110, R.C.M. 1947, is amended to  
12 read as follows:

13 "93-1110. Administrative expenses. (1) The expense of  
14 the administration of this act, exclusive of the payment of  
15 retirement allowances and other benefits, shall be paid from  
16 the ~~Montana judges' retirement account fund~~.

17 (2) Before July 15, 1970, and before July 15 of each  
18 year thereafter, the board shall compute the administrative  
19 costs for the immediately preceding fiscal year and transfer  
20 that amount from the ~~Montana judges' retirement account fund~~  
21 to the public employees' retirement system account in the  
22 ~~earmarked revenue~~ agency fund."

23 Section 4. Section 93-1111, R.C.M. 1947, is amended to  
24 read as follows:

25 "93-1111. Payments into the ~~Montana judges' retirement~~

1 fund ~~investment~~. All appropriations made by the state of  
2 Montana, all contributions by members ~~of the Montana judges,~~  
3 ~~in the amount hereinafter specified,~~ and all interest on and  
4 increase of the investments and moneys ~~under this account in~~  
5 the fund shall be paid to the ~~secretary of the public~~  
6 ~~employees' retirement system board (PERS), who public~~  
7 employees' retirement division of the department of  
8 administration, which shall credit ~~said the~~ payments to the  
9 ~~Montana judges' retirement fund. Said These~~ funds may be  
10 ~~earmarked as judges' retirement fund~~ separate accounts shall  
11 be maintained for the Montana judges' retirement system."

12 Section 5. Section 93-1112, R.C.M. 1947, is amended to  
13 read as follows:

14 "93-1112. ~~Rules and regulations—actuarial data~~ Powers  
15 and duties of board. (1) The board may establish such rules  
16 ~~and regulations~~ as it ~~deems~~ considers necessary, ~~and is~~  
17 ~~charged within~~ Within the limitations of this act, ~~for the~~  
18 board is charged with and is the authority as to its proper  
19 administration, operation, and enforcement, ~~and shall be~~  
20 ~~the authority under this act for its proper administration,~~  
21 ~~operation, and enforcement, and shall be~~ The board is the  
22 authority under this act as to the conditions under which  
23 persons may ~~be admitted to~~ become members of and ~~continue to~~  
24 receive benefits under the retirement system.

1        (2) ~~It~~ The board shall keep such data as shall be is  
 2 necessary for actuarial valuation purposes. It shall cause  
 3 to be made periodic actuarial investigations into the  
 4 mortality and service experience of the contributors to and  
 5 the beneficiaries of the fund, and shall adopt for the  
 6 retirement system one or more mortality tables."

7        Section 6. Section 93-1113, R.C.M. 1947, is amended to  
 8 read as follows:

9        "93-1113. Membership. ~~(a)(1) Any~~ A judge or justice,  
 10 who ~~has, previous to the adoption of this act, been was~~ a  
 11 member of the PERS prior to March 2, 1967, may elect to  
 12 remain under that system; ~~such election to be made in~~  
 13 ~~writing to the PERS board within three (3) months after the~~  
 14 ~~effective date of this act by notifying the board of~~  
 15 ~~administration of the PERS in writing of the election on or~~  
 16 ~~before October 1, 1967.~~

17        (2) Every other judge of a district court or justice  
 18 of the supreme court must be a member of the Montana judges'  
 19 retirement system.

20        ~~(b)(3) Every~~ A judge or justice who was in service in  
 21 either a district court or a the supreme court of the state  
 22 of Montana, prior to July 1, 1967, ~~shall have the option and~~  
 23 ~~he~~ may elect to make back payments to the date when he first  
 24 entered the service of the judiciary. ~~Such~~ The back payments  
 25 may be spread over a period of ~~five (5)~~ years by having the

1 regular payroll deduction of the contributor increased in an  
 2 amount equal to the total of his back payments divided by  
 3 ~~sixty (60)~~, which ~~The~~ deduction increase shall be credited  
 4 to ~~such~~ the back payments owing, and shall be continued  
 5 until the full amount of ~~such~~ the back payments ~~shall have~~  
 6 ~~been completed~~ has been paid. ~~Any such~~ A deduction increase  
 7 may be anticipated in part or in full by the contributor at  
 8 any time, and In order for the contributor to receive full  
 9 credit for his service, it must be anticipated in full at  
 10 the time of retirement, ~~before a retirement allowance is~~  
 11 ~~granted, and if~~ If it is not so anticipated and paid in  
 12 full, ~~then a member's~~ the contributor's retirement allowance  
 13 ~~shall~~ will be calculated for the total years and months on  
 14 which contributions have been made in accordance with  
 15 ~~section 12 [93-1118] of this act.~~ Every contributor who  
 16 ~~shall elect~~ elects to make ~~such~~ back payments shall receive  
 17 full credit ~~under this act~~ for all contributions made into  
 18 the fund and for all service credits to which he might  
 19 thereby be entitled."

20        Section 7. Section 93-1116, R.C.M. 1947, is amended to  
 21 read as follows:

22        "93-1116. Contributions by the state ~~of Montana.~~ The  
 23 state of Montana shall ~~monthly~~ contribute monthly to the  
 24 fund a sum equal to ~~six per cent (6%)~~ of the salary of each  
 25 member, ~~of the Montana judiciary retirement system. In~~

1 addition to the above, ~~three quarters (3/4) of the fees~~  
 2 ~~collected under section 25-232, as amended, and section~~  
 3 ~~25-233, as amended, shall be paid into the county treasurer~~  
 4 ~~on the first Monday of each month as provided in section~~  
 5 ~~25-203, and the other one quarter shall be transmitted by~~  
 6 ~~the clerk to the secretary of the PERS board on the first~~  
 7 ~~Monday of each month, and by him credited to the judicial~~  
 8 ~~retirement fund. The fees collected under section 82-503, as~~  
 9 ~~amended, shall be by the clerk of the supreme court paid by~~  
 10 ~~him, three quarters (3/4) into the state treasury to be~~  
 11 ~~credited to the general fund, and one quarter (1/4) of which~~  
 12 ~~shall be paid by him to the secretary of the PERS board,~~  
 13 ~~which shall be credited to the credit of the judicial~~  
 14 ~~retirement fund. In addition, on the first Monday of each~~  
 15 month the clerk of each district court shall transmit  
 16 one-fourth of the fees collected under 25-232 and 25-233 to  
 17 the public employees' retirement division of the department  
 18 of administration to be credited to the fund. The clerk of  
 19 the supreme court shall pay one-fourth of the fees collected  
 20 under 82-503 to the public employees' retirement division of  
 21 the department of administration to be credited to the fund.  
 22 The full amount of ~~such~~ the fund as created and accumulated  
 23 is hereby set aside to be used exclusively for the purpose  
 24 of paying the ~~accrued~~ retirement benefits and expenses  
 25 provided for herein."

1 Section 8. Section 93-1120, R.C.M. 1947, is amended to  
 2 read as follows:

3 "93-1120. Involuntary retirement allowance. (1) ~~Should~~  
 4 If a contributor be is involuntarily discontinued from  
 5 service, ~~not voluntarily,~~ after having completed ~~five~~ (5)  
 6 years of total service, but before reaching retirement age,  
 7 he shall, upon filing ~~of an~~ application in the manner ~~herein~~  
 8 provided for retirement, be paid as he may elect as follows  
 9 prescribed by the board, be paid whichever of the following  
 10 allowances that he elects:

11 (a) the full amount of his accumulated deductions  
 12 ~~standing to his credit;~~ or

13 (b) a member's annuity of equivalent actuarial value  
 14 to his accumulated deductions ~~standing to his credit,~~ plus  
 15 an annuity which is the actuarial equivalent of a ~~state~~  
 16 ~~annuity having a value equal to~~ the present value of a the  
 17 state annuity then standing to his credit, ~~or~~

18 (2) ~~Should~~ If a contributor be is involuntarily  
 19 discontinued from service, ~~not voluntarily,~~ after having  
 20 completed ~~twelve~~ (12) years of total service, but before  
 21 reaching retirement age, he shall, upon filing ~~of an~~  
 22 application in the manner ~~herein provided for retirement, be~~  
 23 ~~paid as he may elect as follows~~ prescribed by the board, be  
 24 paid whichever of the following allowances that he elects:

25 (a) the full amount of his accumulated deductions

1 ~~standing to his credit; or~~

2 (b) ~~the a member's annuity which shall be the~~  
 3 ~~actuarial equivalent of the contributor's aggregate~~  
 4 ~~contributions standing to his credit of equivalent actuarial~~  
 5 ~~value to his accumulated deductions, plus the a state~~  
 6 ~~annuity which shall be in an amount which, when added to the~~  
 7 ~~member's annuity, will provide a total annuity equal to the~~  
 8 ~~allowance provided for in section 93-1118."~~

9 Section 9. Section 93-1128, R.C.M. 1947, is amended to  
 10 read as follows:

11 ~~"93-1128. Service in the armed forces of the United~~  
 12 ~~States Military Service. (1) Any A member of the Montana~~  
 13 ~~judiciary now in or hereafter inducted into the armed forces~~  
 14 ~~of the United States, shall have has the option to:~~

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

16 (b) allow the board to make his payments for him  
 17 during ~~such his~~ military service, in which event he ~~shall~~  
 18 ~~must~~ repay the fund the full amount of ~~such the~~ payments  
 19 ~~upon within 2 years after~~ his return to the Montana  
 20 ~~judiciary, and such repayments must be made within two (2)~~  
 21 ~~years after his return to the judiciary provided that a~~  
 22 ~~member's service in the armed forces of the United States~~  
 23 ~~shall be credited to and made a part of the member's service~~  
 24 ~~allowance.~~

25 (2) If a member chooses one of the options in

1 subsection (1) and meets its requirements, he shall be given  
 2 credit for his service in the armed forces of the United  
 3 States as if it were service in the judiciary."

4 Section 10. Section 93-1131, R.C.M. 1947, is amended  
 5 to read as follows:

6 ~~"93-1131. 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 by the board at the office of the~~  
 14 ~~retirement board, then said the election is void and of no~~  
 15 ~~effect, and the death shall will be considered as that of a~~  
 16 ~~member before retirement.~~

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

24 (a) Option 1, ~~Upon~~ upon his death, his lesser  
 25 retirement allowance shall will be continued throughout the

1 life of and paid to ~~such the~~ person, ~~having an insurable~~  
2 ~~interest in his life, as that~~ he ~~nominates~~ nominated by  
3 written designation, duly executed and filed with the board  
4 at the time of his retirement.

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

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

-End-

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FRANCIS BARDANOUVE

OSCAR KVAALEN

WAT MC KITTRICK

ROSE WEBER  
EXECUTIVE DIRECTOR

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ADMINISTRATIVE ASSISTANT

ROBERTA MOODY  
SUPERVISOR, ALTER SYSTEM



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CODE COMMISSIONER

ROBERT PERSON  
DIRECTOR, RESEARCH

LC 0029

1977 Legislature  
Code Commissioner Bill - Summary

House Bill No. 32

TO GENERALLY REVISE AND CLARIFY THE LAWS RELATING TO RETIREMENT OF AND DEATH AND DISABILITY BENEFITS FOR JUDGES OF DISTRICT COURTS AND JUSTICES OF THE SUPREME COURT.

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

Section 1. 93-1107. Definitions. In definition of beneficiary (now subsection (2)), delete reference to insurable interest as meaningless. Department of Administration considers that such an interest is created by the member's designation. Definition of "actuarial equivalent" replaced by definition used in PERS, 68-1503(21), which is more accurate and less confusing. Definition of "fund", subsection (9), changed to refer to the account that actually exists; there is no "Montana judges' retirement fund". Definition of "retired judge", subsection (3), changed "person" to "judge or justice" to correct apparent error - beneficiaries get retirement allowances under 93-1123.

Section 2. 93-1107.1. Retirement system. This is a new section enacted to replace 93-1108, which was repealed. Section needed to give the system an official name.

Section 3. 93-1110. Administrative expenses. Corrected terminology. In subsection (2), changed "earmarked revenue fund" to "agency fund" to correct apparent error - see 68-1503(6).

Section 4. 93-1111. Payments into fund. Deleted "of the Montana judges" - incorrect and superfluous. Deleted "in the amount hereinafter specified" - superfluous. Changed "under this account" to "in the fund" and "Montana judges' retirement fund" to "fund" - consistency in terminology. "fund" is defined. Changed "secretary ... (PERS)" to "public ... administration" - accord with actual practice, no secretary

exists. Rewrote last clause to clarify - in practice separate accounts are maintained and "earmarked" has a technical meaning not appropriate here.

Section 5. 93-1112. Powers and duties of board. Subsection (1) rewritten for clarity.

Section 6. 93-1113. Membership. Added a new subsection (2) to clarify that membership in the system is required. The unamended version is ambiguous, and the amendment accords with actual practice.

Section 7. 93-1116. Contributions by the state. Reworded and deleted provisions relating to the three-fourths of the fees that do not go into the retirement fund. The provisions are redundant and do not affect the retirement system - simplification and clarification. Corrected reference to "secretary of PERS board" - does not exist. Changed "accrued retirement" in last sentence to "retirement benefits" - apparent error.

Section 8. 93-1120. Involuntary retirement allowance. "Filing of application in the manner herein provided for retirement" changed to "filing an application in the manner prescribed by the board" because there is no method of filing prescribed and the board is given administrative authority in 93-1112 - correction of apparent error.

Section 9. 93-1128. Military service. In subsection (1), deleted "now in or hereafter" - "now" has no application and "hereafter" is superfluous. New subsection (2) created and rewritten to make clear that credit for military service is only given when payments have been made for that time.

Section 10. 93-1131. Optional retirement allowance. Extensively rewritten to clarify and conform style to current bill drafting guidelines. Deleted references to "insurable interest" for same reason as under 93-1107. 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

1                    HOUSE BILL NO. 32  
2 INTRODUCTION BY BARDANOUE  
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6 DISABILITY BENEFITS FOR JUDGES OF DISTRICT COURTS AND  
7 JUSTICES OF THE SUPREME COURT; AMENDING SECTIONS 93-1107,  
8 93-1110, 93-1111, 93-1112, 93-1113, 93-1116, 93-1120,  
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15 Definitions. ~~The following words and phrases as used in~~  
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17 implied by the context, ~~shall have the following meanings~~  
18 the following definitions apply in this act:  
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22 together with the regular interest thereon.  
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24 ~~persons having an insurable interest in his life as he shall~~  
25 ~~nominate who the contributor nominates~~ by written

1 designation, duly acknowledged and filed with the board.  
2        (3) "Retired judge"— means any ~~person~~ judge or  
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5 board.  
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18        (8) "Actuarial equivalent" means a benefit of equal  
19 value when computed upon the basis of the actuarial tables  
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24 for cause and before retirement age.  
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1 derived from contributions made by the contributor.

2 (12) "Retirement allowance"— means the state annuity  
3 plus the member's annuity.

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16 the ~~Montana judges' retirement account fund~~.

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18 year thereafter, the board shall compute the administrative  
19 costs for the immediately preceding fiscal year and transfer  
20 that amount from the ~~Montana judges' retirement account fund~~  
21 to the public employees' retirement system account in the  
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5 the fund shall be paid to the ~~secretary of the public~~  
6 ~~employees' retirement system board (PERS), the public~~  
7 employees' retirement division of the department of  
8 administration, which shall credit ~~said the~~ payments to the  
9 ~~Montana judges' retirement fund. Said These~~ funds may be  
10 ~~se-mingled commingled~~ with funds of the PERS, but ~~shall be~~  
11 ~~earmarked as judges' retirement fund separate accounts shall~~  
12 be maintained for the Montana judges' retirement system."

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18 ~~charged within Within~~ the limitations of this act, ~~for the~~  
19 board is charged with and is the authority as to its proper  
20 administration, operation, and enforcement, ~~and shall be~~  
21 ~~the authority under this act for its proper administration,~~  
22 ~~operation, and enforcement, and shall be~~ The board is the  
23 authority ~~under this act~~ as to the conditions under which  
24 persons may be admitted to become members of and ~~continue to~~  
25 receive benefits under the retirement system.

1        ~~(2) The board~~ shall keep such data as ~~shall be~~ is  
 2 necessary for actuarial valuation purposes. It shall cause  
 3 to be made periodic actuarial investigations into the  
 4 mortality and service experience of the contributors to and  
 5 the beneficiaries of the fund, and shall adopt for the  
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 11 member of the PERS prior to March 2, 1967, may elect to  
 12 remain under that system; ~~such election to be made in~~  
 13 ~~writing to the PERS board within three (3) months after the~~  
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 15 ~~administration of the PERS in writing of the election on or~~  
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17        (2) Every other judge of a district court or justice  
 18 of the supreme court must be a member of the Montana judges'  
 19 retirement system.

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 21 either a district court or a the supreme court of the state  
 22 of Montana, prior to July 1, 1967, ~~shall have the option and~~  
 23 ~~he~~ may elect to make back payments to the date when he first  
 24 entered the service of the judiciary. ~~Such~~ The back payments  
 25 may be spread over a period of ~~five (5)~~ years by having the

1 regular payroll deduction of the contributor increased in an  
 2 amount equal to the total of his back payments divided by  
 3 ~~sixty (60)~~, which The deduction increase shall be credited  
 4 to ~~such~~ the back payments owing, and shall be continued  
 5 until the full amount of ~~such~~ the back payments ~~shall have~~  
 6 ~~been completed~~ has been paid. ~~Any such~~ A deduction increase  
 7 may be anticipated in part or in full by the contributor at  
 8 any time, and in order for the contributor to receive full  
 9 credit for his service, it must be anticipated in full at  
 10 the time of retirement, before a retirement allowance is  
 11 granted, and if if it is not so anticipated and paid in  
 12 full, ~~then a member's~~ the contributor's retirement allowance  
 13 ~~shall~~ will be calculated for the total years and months on  
 14 which contributions have been made in accordance with  
 15 ~~section 12 [93-1118] of this act.~~ Every contributor who  
 16 ~~shall elect~~ elects to make ~~such~~ back payments shall receive  
 17 full credit ~~under this act~~ for all contributions made into  
 18 the fund and for all service credits to which he might  
 19 thereby be entitled."

20        Section 7. Section 93-1116, R.C.M. 1947, is amended to  
 21 read as follows:

22        "93-1116. Contributions by the state ~~of Montana.~~ The  
 23 state of Montana shall ~~monthly~~ contribute monthly to the  
 24 fund a sum equal to ~~six per cent (6%)~~ of the salary of each  
 25 member, ~~of the Montana judiciary retirement system. In~~

1 ~~addition to the above, three quarters (3/4) of the fees~~  
 2 ~~collected under section 25-232, as amended, and section~~  
 3 ~~25-233, as amended, shall be paid into the county treasurer~~  
 4 ~~on the first Monday of each month as provided in section~~  
 5 ~~25-203, and the other one quarter shall be transmitted by~~  
 6 ~~the clerk to the secretary of the PERS board on the first~~  
 7 ~~Monday of each month, and by him credited to the judicial~~  
 8 ~~retirement fund. The fees collected under section 82-503, as~~  
 9 ~~amended, shall be by the clerk of the supreme court paid by~~  
 10 ~~him, three quarters (3/4) into the state treasury to be~~  
 11 ~~credited to the general fund, and one quarter (1/4) of which~~  
 12 ~~shall be paid by him to the secretary of the PERS board,~~  
 13 ~~which shall be credited to the credit of the judicial~~  
 14 ~~retirement fund. In addition, on the first Monday of each~~  
 15 ~~month the clerk of each district court shall transmit~~  
 16 ~~one-fourth of the fees collected under 25-232 and 25-233 to~~  
 17 ~~the public employees' retirement division of the department~~  
 18 ~~of administration to be credited to the fund. The clerk of~~  
 19 ~~the supreme court shall pay one-fourth of the fees collected~~  
 20 ~~under 82-503 to the public employees' retirement division of~~  
 21 ~~the department of administration to be credited to the fund.~~  
 22 The full amount of ~~such~~ the fund as created and accumulated  
 23 is hereby set aside to be used exclusively for the purpose  
 24 of paying the ~~accrued~~ retirement benefits and expenses  
 25 provided for herein."

1 Section 8. Section 93-1120, R.C.M. 1947, is amended to  
 2 read as follows:  
 3 "93-1120. Involuntary retirement allowance. (1) ~~Should~~  
 4 If a contributor be is involuntarily discontinued from  
 5 service, ~~not voluntarily,~~ after having completed ~~five~~ (5)  
 6 years of total service, but before reaching retirement age,  
 7 he shall, upon filing ~~of an~~ application in the manner ~~herein~~  
 8 ~~provided for retirement, be paid as he may elect as follows~~  
 9 prescribed by the board, be paid whichever of the following  
 10 allowances that he elects:  
 11 (a) the full amount of his accumulated deductions  
 12 ~~standing to his credit; or~~  
 13 (b) a member's annuity of equivalent actuarial value  
 14 to his accumulated deductions ~~standing to his credit,~~ plus  
 15 an annuity which is the actuarial equivalent of ~~a state~~  
 16 ~~annuity having a value equal to~~ the present value of ~~a the~~  
 17 state annuity then standing to his credit, ~~or~~  
 18 (2) ~~Should~~ If a contributor be is involuntarily  
 19 discontinued from service, ~~not voluntarily,~~ after having  
 20 completed ~~twelve~~ (12) years of total service, but before  
 21 reaching retirement age, he shall, upon filing ~~of an~~  
 22 application in the manner ~~herein provided for retirement, be~~  
 23 ~~paid as he may elect as follows~~ prescribed by the board, be  
 24 paid whichever of the following allowances that he elects:  
 25 (a) the full amount of his accumulated deductions

1 ~~standing to his credit; or~~

2 (b) ~~the a member's annuity which shall be the~~  
 3 ~~actuarial equivalent of the contributor's aggregate~~  
 4 ~~contributions standing to his credit of equivalent actuarial~~  
 5 ~~value to his accumulated deductions, plus the a state~~  
 6 ~~annuity which shall be in an amount which, when added to the~~  
 7 ~~member's annuity, will provide a total annuity equal to the~~  
 8 ~~allowance provided for in section 93-1118."~~

9 Section 9. Section 93-1128, R.C.M. 1947, is amended to  
 10 read as follows:

11 "~~93-1128. Service in the armed forces of the United~~  
 12 ~~States Military Service. (1) ~~any~~ A member of the Montana~~  
 13 ~~judiciary now in or hereafter~~ inducted into the armed forces  
 14 of the United States, ~~shall have~~ has the option to:

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

16 (b) allow the board to make his payments for him  
 17 during ~~such~~ his military service, in which event he ~~shall~~  
 18 ~~must~~ repay the fund the full amount of ~~such~~ the payments  
 19 ~~upon~~ within 2 years after his return to the Montana  
 20 judiciary, ~~and such repayments must be made within two (2)~~  
 21 ~~years after his return to the judiciary provided that a~~  
 22 ~~member's service in the armed forces of the United States~~  
 23 ~~shall be credited to and made a part of the member's service~~  
 24 ~~allowance.~~

25 (2) If a member chooses one of the options in

1 subsection (1) and meets its requirements, he shall be given  
 2 credit for his service in the armed forces of the United  
 3 States as if it were service in the judiciary."

4 Section 10. Section 93-1131, R.C.M. 1947, is amended  
 5 to read as follows:

6 "~~93-1131. 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 by the board at the office of the  
 14 ~~retirement board, then said the~~ election is void ~~and of no~~  
 15 ~~effect,~~ and the death ~~shall will~~ be considered as that of a  
 16 member before retirement.

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

24 (a) Option 1, ~~Upon~~ upon his death, his lesser  
 25 retirement allowance ~~shall will~~ be continued throughout the

1 life of and paid to ~~such the~~ person, ~~having an insurable~~  
2 ~~interest in his life, as that~~ he ~~nominates~~ nominated by  
3 written designation, duly executed and filed with the board  
4 at the time of his retirement.

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

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

-End-

1                    HOUSE    BILL NO.    32  
 2    INTRODUCED BY BARDANOUE

3  
 4    A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND  
 5    CLARIFY THE LAWS RELATING TO RETIREMENT OF AND DEATH AND  
 6    DISABILITY BENEFITS FOR JUDGES OF DISTRICT COURTS AND  
 7    JUSTICES OF THE SUPREME COURT; AMENDING SECTIONS 93-1107,  
 8    93-1110, 93-1111, 93-1112, 93-1113, 93-1116, 93-1120,  
 9    93-1128, AND 93-1131, R.C.M. 1947."

10  
 11    BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 12        Section 1. Section 93-1107, R.C.M. 1947, is amended to  
 13    read as follows:

14        "93-1107. Judges' retirement system ~~definitions~~  
 15    Definitions. ~~The following words and phrases as used in~~  
 16    ~~this act, unless~~ Unless a different meaning is plainly  
 17    implied by the context, ~~shall have the following meanings~~  
 18    the following definitions apply in this act:

19        (1) "Accumulated deductions"— means the total of the  
 20    amounts deducted from the salary of a contributor, and paid  
 21    into the fund, and standing to his credit in the fund,  
 22    together with the regular interest thereon.

23        (2) "Beneficiary" ~~shall be such~~ means the person or  
 24    ~~persons having an insurable interest in his life as he shall~~  
 25    ~~nominate~~ who the contributor nominates by written

1    designation, duly acknowledged and filed with the board.

2        (3) "Retired judge"— means any person judge or  
 3    justice in receipt of a retirement allowance under this act.

4        (4) "Board"— means the Montana judges' retirement  
 5    board.

6        (5) "Penalty retirement age" ~~seventy~~ means 70  
 7    years of age.

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

10        (7) "Final salary"— means the annual current salary  
 11    for the office retired from.

12        ~~"Actuarial equivalent" the accumulated contributions~~  
 13    ~~and the present value of the member's state service based on~~  
 14    ~~length of service and member's attained age used to provide~~  
 15    ~~a life or temporary life income to the legally designated~~  
 16    ~~person, based on such person's attained age and sex at the~~  
 17    ~~time the option becomes available~~

18        (8) "Actuarial equivalent" means a benefit of equal  
 19    value when computed upon the basis of the actuarial tables  
 20    in use by the system.

21        (9) "Fund"— means the Montana judges' retirement ~~fund~~  
 22    system agency account.

23        (10) "Involuntary retirement"— means a retirement not  
 24    for cause and before retirement age.

25        (11) "Member's annuity"— means payments for life

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1 derived from contributions made by the contributor.

2 (12) "Retirement allowance"— means the state annuity  
3 plus the member's annuity.

4 (13) "State annuity"— means payments for life derived  
5 from contributions made by the state of Montana."

6 Section 2. There is a new R.C.M. section numbered  
7 93-1107.1 that reads as follows:

8 93-1107.1. Retirement system. There is a retirement  
9 system known as the Montana judges' retirement system, which  
10 is governed by the provisions of 93-1107 through 93-1132.

11 Section 3. Section 93-1110, R.C.M. 1947, is amended to  
12 read as follows:

13 "93-1110. Administrative expenses. (1) The expense of  
14 the administration of this act, exclusive of the payment of  
15 retirement allowances and other benefits, shall be paid from  
16 the ~~Montana judges' retirement account fund~~.

17 (2) Before July 15, 1970, and before July 15 of each  
18 year thereafter, the board shall compute the administrative  
19 costs for the immediately preceding fiscal year and transfer  
20 that amount from the ~~Montana judges' retirement account fund~~  
21 to the public employees' retirement system account in the  
22 ~~earmarked revenue agency~~ fund."

23 Section 4. Section 93-1111, R.C.M. 1947, is amended to  
24 read as follows:

25 "93-1111. Payments into the ~~Montana judges' retirement~~

1 fund ~~investment~~. All appropriations made by the state of  
2 Montana, all contributions by members ~~of the Montana judges,~~  
3 ~~in the amount hereinafter specified,~~ and all interest on and  
4 increase of the investments and moneys ~~under this account in~~  
5 the fund shall be paid to the ~~secretary of the public~~  
6 ~~employees' retirement system board (PERS), the public~~  
7 employees' retirement division of the department of  
8 administration, which shall credit said ~~the~~ payments to the  
9 ~~Montana judges' retirement fund. Said These~~ funds may be  
10 ~~earmarked as judges' retirement fund~~ separate accounts shall  
11 be maintained for the Montana judges' retirement system."

12 Section 5. Section 93-1112, R.C.M. 1947, is amended to  
13 read as follows:

14 "93-1112. ~~Rules and regulations actuarial data Powers~~  
15 and duties of board. (1) The board may establish such rules  
16 and regulations as it ~~deems~~ considers necessary, ~~and is~~  
17 ~~changed within~~ within the limitations of this act, ~~for the~~  
18 board is charged with and is the authority as to its proper  
19 administration, operation, and enforcement, ~~and shall be~~  
20 ~~the authority under this act for its proper administration,~~  
21 ~~operation, and enforcement, and shall be~~ The board is the  
22 authority ~~under this act~~ as to the conditions under which  
23 persons may be admitted to become members of and ~~continue to~~  
24 receive benefits under the retirement system.  
25



1 ~~standing to his credit; or~~

2 (b) ~~the a member's annuity which shall be the~~  
3 ~~actuarial equivalent of the contributor's aggregate~~  
4 ~~contributions standing to his credit of equivalent actuarial~~  
5 ~~value to his accumulated deductions, plus the a state~~  
6 ~~annuity which shall be in an amount which, when added to the~~  
7 ~~member's annuity, will provide a total annuity equal to the~~  
8 ~~allowance provided for in section 93-1118."~~

9 Section 9. Section 93-1128, R.C.M. 1947, is amended to  
10 read as follows:

11 "~~93-1128. Service in the armed forces of the United~~  
12 ~~States Military Service. (1) Any a member of the Montana~~  
13 ~~judiciary now in or hereafter inducted into the armed forces~~  
14 ~~of the United States, shall have has the option to:~~

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

16 (b) allow the board to make his payments for his  
17 during ~~such his~~ military service, in which event he shall  
18 ~~must~~ repay the fund the full amount of ~~such the~~ payments  
19 ~~upon within 2 years after~~ his return to the Montana  
20 judiciary, ~~and such repayments must be made within two (2)~~  
21 ~~years after his return to the judiciary provided that a~~  
22 ~~member's service in the armed forces of the United States~~  
23 ~~shall be credited to and made a part of the member's service~~  
24 ~~allowance.~~

25 (2) If a member chooses one of the options in

1 subsection (1) and meets its requirements, he shall be given  
2 credit for his service in the armed forces of the United  
3 States as if it were service in the judiciary."

4 Section 10. Section 93-1131, R.C.M. 1947, is amended  
5 to read as follows:

6 "93-1131. 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 by the board at the office of the  
14 ~~retirement board, then said the~~ election is void ~~and of no~~  
15 ~~effect,~~ and the death shall will be considered as that of a  
16 member before retirement.

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

24 (a) Option 1. ~~Upon -- upon~~ his death, his lesser  
25 retirement allowance shall will be continued throughout the

1 life of and paid to ~~each the person, having an insurable~~  
2 ~~interest in his life, as that~~ he nominates nominated by  
3 written designation, duly executed and filed with the board  
4 at the time of his retirement.

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

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

-End-

1 ~~standing to his credit; or~~

2 (b) ~~the a member's annuity which shall be the~~  
 3 ~~actuarial equivalent of the contributor's aggregate~~  
 4 ~~contributions standing to his credit of equivalent actuarial~~  
 5 ~~value to his accumulated deductions, plus the a state~~  
 6 ~~annuity which shall be in an amount which, when added to the~~  
 7 ~~member's annuity, will provide a total annuity equal to the~~  
 8 ~~allowance provided for in section 93-1118."~~

9 Section 9. Section 93-1128, R.C.M. 1947, is amended to  
 10 read as follows:

11 ~~"93-1128. Service in the armed forces of the United~~  
 12 ~~States Military service. (1) Any a member of the Montana~~  
 13 ~~judiciary now in or hereafter inducted into the armed forces~~  
 14 ~~of the United States, shall have has the option to:~~

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

16 (b) allow the board to make his payments for his  
 17 during ~~such~~ his military service, in which event he ~~shall~~  
 18 ~~must~~ repay the fund the full amount of ~~such~~ the payments  
 19 ~~upon~~ within 2 years after his return to the Montana  
 20 judiciary, ~~and such repayments must be made within two (2)~~  
 21 ~~years after his return to the judiciary provided that a~~  
 22 ~~member's service in the armed forces of the United States~~  
 23 ~~shall be credited to and made a part of the member's service~~  
 24 ~~allowance.~~

25 (2) If a member chooses one of the options in

1 subsection (1) and meets its requirements, he shall be given  
 2 credit for his service in the armed forces of the United  
 3 States as if it were service in the judiciary."

4 Section 10. Section 93-1131, R.C.M. 1947, is amended  
 5 to read as follows:

6 ~~"93-1131. 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 by the board ~~at the office of the~~~~  
 14 ~~retirement board, ~~then said~~ the election is void ~~and of no~~~~  
 15 ~~effect, and the death ~~shall~~ will be considered as that of a~~  
 16 ~~member before retirement.~~

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

24 (a) Option 1. ~~Upon~~ upon his death, his lesser  
 25 retirement allowance ~~shall~~ will be continued throughout the

1 life of and paid to ~~such the~~ person, ~~having an insurable~~  
2 ~~interest in his life, as that~~ he ~~nominate~~ nominated by  
3 written designation, duly executed and filed with the board  
4 at the time of his retirement.

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

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

-End-

## HOUSE BILL NO. 32

INTRODUCED BY BARDANOUVE

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND CLARIFY THE LAWS RELATING TO RETIREMENT OF AND DEATH AND DISABILITY BENEFITS FOR JUDGES OF DISTRICT COURTS AND JUSTICES OF THE SUPREME COURT; AMENDING SECTIONS 93-1107, 93-1110, 93-1111, 93-1112, 93-1113, 93-1116, 93-1120, 93-1128, AND 93-1131, R.C.M. 1947."

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

Section 1. Section 93-1107, R.C.M. 1947, is amended to read as follows:

"93-1107. ~~Judges' retirement system-----definitions~~  
~~Definitions. The following words and phrases as used in~~  
~~this act, unless~~ Unless a different meaning is plainly implied by the context, ~~shall have the following meanings~~  
~~the following definitions apply in this act:~~

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

(2) "Beneficiary"--~~shall be such~~ means the person or persons having an insurable interest in his life as he shall nominate who the contributor nominates by written

designation, duly acknowledged and filed with the board.

(3) "Retired judge"-- means any person judge or justice in receipt of a retirement allowance under this act.

(4) "Board"-- means the Montana judges' retirement board.

(5) "Penalty retirement age"--~~seventy--~~ means 70 years of age.

(6) "Contributor"-- means any person who has accumulated deductions in the fund standing to his credit.

(7) "Final salary"-- means the annual current salary for the office retired from.

~~"Actuarial equivalent"--the accumulated contributions and the present value of the member's state service based on length of service and member's attained age used to provide a life or temporary life income to the legally designated person--based on such person's attained age and sex at the time the option becomes available~~

(8) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of the actuarial tables in use by the system.

(9) "Fund"-- means the Montana judges' retirement fund system agency account.

(10) "Involuntary retirement"-- means a retirement not for cause and before retirement age.

(11) "Member's annuity"-- means payments for life

1 derived from contributions made by the contributor.

2 (12) "Retirement allowance"-- means the state annuity  
3 plus the member's annuity.

4 (13) "State annuity"-- means payments for life derived  
5 from contributions made by the state of Montana."

6 Section 2. There is a new R.C.M. section numbered  
7 93-1107.1 that reads as follows:

8 93-1107.1. Retirement system. There is a retirement  
9 system known as the Montana judges' retirement system, which  
10 is governed by the provisions of 93-1107 through 93-1132.

11 Section 3. Section 93-1110, R.C.M. 1947, is amended to  
12 read as follows:

13 "93-1110. Administrative expenses. (1) The expense of  
14 the administration of this act, exclusive of the payment of  
15 retirement allowances and other benefits, shall be paid from  
16 the Montana-judges'-retirement-account fund.

17 (2) Before July 15, 1970<sub>1</sub> and before July 15 of each  
18 year thereafter, the board shall compute the administrative  
19 costs for the immediately preceding fiscal year and transfer  
20 that amount from the Montana-judges'-retirement-account fund  
21 to the public employees' retirement system account in the  
22 earmarked-revenue agency fund."

23 Section 4. Section 93-1111, R.C.M. 1947, is amended to  
24 read as follows:

25 "93-1111. Payments into the-Montana-judges'-retirement

1 fund --investment. All appropriations made by the state of  
2 Montana, all contributions by members of-the-Montana-judges,  
3 in-the-amount-hereinafter-specified, and all interest on and  
4 increase of the investments and moneys under-this-account in  
5 the fund shall be paid to the secretary-of-the-public  
6 employees'-retirement-system-board--(PERS)--who public  
7 employees' retirement division of the department of  
8 administration, which shall credit said the payments to the  
9 Montana--judges'-retirement fund. Said these funds may be  
10 co-mingled commingled with funds of the PERS, but shall-be  
11 earmarked-as-judges'-retirement-fund separate accounts shall  
12 be maintained for the Montana judges' retirement system."

13 Section 5. Section 93-1112, R.C.M. 1947, is amended to  
14 read as follows:

15 "93-1112. Rules-and-regulations--actuarial-data Powers  
16 and duties of board. (1) The board may establish such rules  
17 and-regulations as it deems considers necessary, and-is  
18 charged-within Within the limitations of this act, for the  
19 board is charged with and is the authority as to its proper  
20 administration, operation, and enforcement, and--shall--be  
21 the--authority-under-this-act-for-its-proper-administration,  
22 operation-and-enforcement-and-shall-be the board is the  
23 authority under--this--act as to the conditions under which  
24 persons may be-admitted-to become members of and continue-to  
25 receive benefits under the retirement system.

1       (2) ~~It~~ ~~the board~~ shall keep such data as ~~shall--be~~ is  
 2 necessary for actuarial valuation purposes. It shall cause  
 3 to be made periodic actuarial investigations into the  
 4 mortality and service experience of the contributors to and  
 5 the beneficiaries of the fund, and shall adopt for the  
 6 retirement system one or more mortality tables."

7       Section 6. Section 93-1113, R.C.M. 1947, is amended to  
 8 read as follows:

9       "93-1113. Membership. ~~(a)(1)~~ Any A judge or justice  
 10 who ~~hasv--previous-to-the-adoption-of-this-actv--been~~ was a  
 11 member of the PERS prior to March 2, 1967, may elect to  
 12 remain under that system; ~~such--election--to--be--made--in~~  
 13 ~~writing--to--the--PERS--board--within--three--(3)--months--after--the~~  
 14 ~~effective--date--of--this--act~~ by notifying the board of  
 15 administration of the PERS in writing of the election on or  
 16 before October 1, 1967.

17       (2) Every other judge of a district court or justice  
 18 of the supreme court must be a member of the Montana judges'  
 19 retirement system.

20       ~~(b)(3)~~ Every A judge or justice who was in service in  
 21 either a district court or a ~~the~~ supreme court of the state  
 22 of Montana, ~~prior to July 1, 1967, shall have the option and~~  
 23 ~~he~~ may elect to make back payments to the date when he first  
 24 entered the service of the judiciary. ~~Such~~ the back payments  
 25 may be spread over a period of ~~five--(5)~~ years by having the

1       regular payroll deduction of the contributor increased in an  
 2 amount equal to the total of his back payments divided by  
 3 ~~sixty--(60)~~ 12, which ~~the~~ deduction increase shall be credited  
 4 to ~~such~~ the back payments owing, and shall be continued  
 5 until the full amount of ~~such~~ the back payments ~~shall have~~  
 6 ~~been completed~~ has been paid. Any ~~such~~ A deduction increase  
 7 may be anticipated in part or in full by the contributor at  
 8 any time, and in order for the contributor to receive full  
 9 credit for his services, it must be anticipated in full at  
 10 the time of retirement, ~~before--a--retirement--allowance--is~~  
 11 ~~grantedv--and--if~~ if it is not so anticipated and paid in  
 12 full, ~~then--a--member's~~ the contributor's retirement allowance  
 13 ~~shall~~ will be calculated for the total years and months on  
 14 which contributions have been made in accordance with  
 15 ~~section--12--[93-1118]--of--this--act~~. Every contributor who  
 16 ~~shall--elect~~ elects to make such back payments shall receive  
 17 full credit ~~under--this--act~~ for all contributions made into  
 18 the fund and for all service credits to which he might  
 19 thereby be entitled."

20       Section 7. Section 93-1116, R.C.M. 1947, is amended to  
 21 read as follows:

22       "93-1116. Contributions by the state ~~of--Montana~~. The  
 23 state of Montana shall ~~monthly~~ contribute monthly to the  
 24 fund a sum equal to ~~six-per-cent--(6%)~~ of the salary of each  
 25 member, ~~of--the--Montana--judiciary--retirement--systemv--in~~

1 addition to the above, ~~three quarters (3/4) of the fees~~  
 2 ~~collected under section 25-232, as amended, and section~~  
 3 ~~25-233, as amended, shall be paid into the county treasurer~~  
 4 ~~on the first Monday of each month as provided in section~~  
 5 ~~25-203, and the other one quarter shall be transmitted by~~  
 6 ~~the clerk to the secretary of the PERS board on the first~~  
 7 ~~Monday of each month, and by him credited to the judicial~~  
 8 ~~retirement funds. The fees collected under section 02-503, as~~  
 9 ~~amended, shall be by the clerk of the supreme court paid by~~  
 10 ~~him three quarters (3/4) into the state treasury to be~~  
 11 ~~credited to the general fund, and one quarter (1/4) of which~~  
 12 ~~shall be paid by him to the secretary of the PERS board,~~  
 13 ~~which shall be credited to the credit of the judicial~~  
 14 ~~retirement funds. In addition, on the first Monday of each~~  
 15 ~~month the clerk of each district court shall transmit~~  
 16 ~~one-fourth of the fees collected under 25-232 and 25-233 to~~  
 17 ~~the public employees' retirement division of the department~~  
 18 ~~of administration to be credited to the fund. The clerk of~~  
 19 ~~the supreme court shall pay one-fourth of the fees collected~~  
 20 ~~under 02-503 to the public employees' retirement division of~~  
 21 ~~the department of administration to be credited to the fund.~~  
 22 The full amount of such ~~the~~ fund as created and accumulated  
 23 is hereby set aside to be used exclusively for the purpose  
 24 of paying the accrued retirement benefits and expenses  
 25 provided for herein."

1 section 8. Section 93-1120, R.C.M. 1947, is amended to  
 2 read as follows:

3 "93-1120. Involuntary retirement allowance. (1) ~~Should~~  
 4 ~~if~~ a contributor be is involuntarily discontinued from  
 5 service, ~~not voluntarily~~ after having completed ~~five (5)~~  
 6 years of total service, but before reaching retirement age,  
 7 he shall, upon filing of ~~an~~ application in the manner herein  
 8 ~~provided for retirement, be paid as he may elect as follows~~  
 9 prescribed by the board, be paid whichever of the following  
 10 allowances that he elects:

11 (a) the full amount of his accumulated deductions  
 12 ~~standing to his credit; or~~

13 (b) a member's annuity of equivalent actuarial value  
 14 to his accumulated deductions ~~standing to his credit,~~ plus  
 15 an annuity which is the actuarial equivalent of ~~a state~~  
 16 ~~annuity having a value equal to~~ the present value of ~~a the~~  
 17 state annuity then standing to his credit, ~~or~~

18 (2) ~~Should~~ If a contributor be is involuntarily  
 19 discontinued from service, ~~not voluntarily~~ after having  
 20 completed ~~twelve (12)~~ years of total service, but before  
 21 reaching retirement age, he shall, upon filing of ~~an~~  
 22 application in the manner ~~herein provided for retirement, be~~  
 23 ~~paid as he may elect as follows~~ prescribed by the board, be  
 24 paid whichever of the following allowances that he elects:

25 (a) the full amount of his accumulated deductions



1 standing to his credit; or

2 (b) the a member's annuity which ~~shall be the~~  
 3 ~~actuarial equivalent of the contributor's aggregate~~  
 4 ~~contributions standing to his credit of equivalent actuarial~~  
 5 ~~value to his accumulated deductions,~~ plus the a state  
 6 annuity which ~~shall be~~ in an amount which, when added to the  
 7 member's annuity, will provide a total annuity equal to the  
 8 allowance provided for in section 93-1118."

9 Section 9. Section 93-1128, R.C.M. 1947, is amended to  
 10 read as follows:

11 "93-1128. ~~Service in the armed forces of the United~~  
 12 ~~States~~ Military service. (1) Any A member of the Montana  
 13 judiciary now ~~in or hereafter~~ inducted into the armed forces  
 14 of the United States ~~shall have~~ has the option to:

- 15 (a) to continue his payments into the fund; or
- 16 (b) allow the board to make his payments for him
- 17 during such his military service, in which event he ~~shall~~  
 18 ~~must~~ repay the fund the full amount of such ~~the~~ payments  
 19 upon within 2 years after his return to the Montana  
 20 judiciary, ~~and such repayments must be made within two (2)~~  
 21 ~~years after his return to the judiciary provided that a~~  
 22 ~~member's service in the armed forces of the United States~~  
 23 ~~shall be credited to and made a part of the member's service~~  
 24 ~~allowance.~~

25 (2) If a member chooses one of the options in

1 subsection (1) and meets its requirements, he shall be given  
 2 credit for his service in the armed forces of the United  
 3 States as if it were service in the judiciary."

4 Section 10. Section 93-1131, R.C.M. 1947, is amended  
 5 to read as follows:

6 "93-1131. Optional retirement allowance. ~~Unit (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 by the board at the office of the  
 14 ~~retirement board then said the~~ election is void and of no  
 15 effect, and the death ~~shall~~ will be considered as that of a  
 16 member before retirement.

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

- 24 (a) Option 1 ~~upon~~ upon his death, his lesser  
 25 retirement allowance ~~shall~~ will be continued throughout the

1 life of and paid to such ~~the~~ person~~y~~-~~having-an-insurable~~  
2 ~~interest-in-his-life-as~~ ~~that~~ he nominates ~~nominated~~ by  
3 written designation~~s~~ duly executed and filed with the board  
4 at the time of his retirement.

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

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

-End-