45th Legislature LC 0029/01 LC 0029/01

25

1	HOUSE BILL NO. 32
2	INTRODUCED BY BARDANOUVE
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.H. 1947."
10	
11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HONTANA:
12	Section 1. Section 93-1107, R.C.M. 1947, is amended to
13	read as follows:
14	#93-1107. Judges! rotirosent-systes 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

2 (3) "Retired judge"— means any persea judge or 3 justice in receipt of a retirement allowance under this act. [4] "Board"- means the Montana judges' retirement board. 5 (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. 10 (7) "Pinal salary" means the annual current salary for the office retired from. 11 12 "Motuarial equivalent" the accusulated contributions 13 and the procent-vilue of the member's state service based on 14 longth of service and member's attained age used to provide a life or temporary life income to the logally -designated 15 16 person, based on such person's attained ago and ser 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.

designation, duly acknowledged and filed with the board.

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

LC 0029/01 LC 0029/01

- derived from contributions made by the contributor.
- 2 <u>(12)</u> "Retirement allowance"— <u>means</u> 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.H. 1947, is amended to
- 12 read as follows:
- 13 **93-1110. Administrative expenses. (†) 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 Mentana 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 Hontana judgest retirement account fund
- 21 to the public employees retirement system account in the
- 22 earwarked rovenue agency fund."
- 23 Section 4. Section 93-1111, B.C.H. 1947, is amended to
- 24 read as follows:
- 25 "93-1111. Payments into the Montage judges! retirement

- fund -- invectment, All appropriations made by the state of
- 2 Montana, all contributions by members of the Montana judges,
- 3 in-the-asount hereinafter specified, and all interest on and
- increase of the investments and moneys ander this account in
- 5 the fund shall be paid to the secretary of the public
- 6 employees retirement system beard (PERS), who public
- 7 employees' retirement division of the department of
- administration, which shall credit said the payments to the
- 9 Sontana judgos retirement fund. Said These funds may be
- 10 so-mingled commingled with funds of the PERS, but shall be
- 11 earsarked as judges! retirement fund separate accounts shall
- 12 be maintained for the Montana judges! retirement system."
- 13 Section 5. Section 93-1112, R.C.E. 1947, is amended to
- 14 read as follows:
- 15 m93-1112. gulos-and regulations--actuarial data Powers
- 16 and duties of board. (1) The board may establish such rules
- 17 and regulations as it doese considers necessary, and is
- 18 charged within <u>Within</u> the limitations of this act, <u>for the</u>
- 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 propor 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.

-3-

LC 0029/01 LC 0029/01

necessary for actuarial valuation purposes. It shall cause to be made periodic actuarial investigations into the mortality and service experience of the contributors to and the beneficiaries of the fund, and shall adopt for the retirement system one or more mortality tables."

1

3

9 10

11

12

13

14

15 16

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

who has, provious to the adoption of this act, been was a number of the PERS prior to March 2, 1967, may elect to remain under that system; such election to be sade in writing to the PERS board within three (3) menths after the effective date of this act by notifying the board of administration of the PERS in writing of the election on or 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, chall 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

-5-

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 to such the back payments owing, and shall be continued until the full amount of such the back payments shall have been completed has been paid. Any such A deduction increase 7 way 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 allowence is 11 granted, and if it is not so anticipated and paid in 12 full, then a seaber's the contributor's retirement allowance shall will be calculated for the total years and months on 13 14 which contributions have been made in accordance with 15 section 12 F 93-1118 of this act. Every contributor who 16 shall 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 southly contribute monthly to the
24 fund a sum equal to six-per-sent (6%) of the salary of each
25 member, of the Montana judiciary retirement system. In

LC 0029/01 LC 0629/01

1

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 addition to the above, three-quarters (3/4) - of the fees 2 collected-wader-section 25-232, as ascaded, and section 3 25-233, as amended, shall be raid into the county treasurer 4 on -the first Bonday of each south as provided in section 5 25-203, and the other one-quarter shall be transmitted by the clerk to the secretary of the PBBS board on the first 7 Monday of each month, and by his exedited to the judicial retirement fund, The fees collected under costion 82 503, as 9 amended, shall be by the clock of the supreme court paid by 10 him, three-quarters (3/4) into the state treasury to be 11 gredited to the general fund, and one quarter (1/4) of which 12 shall be paid by his to the secretary of the PBRS 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 is hereby set aside to be used exclusively for the purpose 23 24 of paying the accrued retirement benefits and expenses provided for herein."

read as follows:

"93-1120. Involuntary retirement allowance. (1) Should

If a contributor be is involuntarily discontinued from

service, not voluntarily, after having completed five (5)

years of total service, but before reaching retirement age,

he shall, upon filing of an application in the manner herein

provided for retirement, be paid as he may elect as follows

prescribed by the board, be paid whichever of the following

allowances that he elects:

Section 8. Section 93-1120, R.C.M. 1947, is amended to

- (a) the full amount of his accumulated deductions standing to his gradit; or
- (b) a member's annuity of equivalent actuarial value to his accumulated deductions standing to his oredit, plus an annuity which is the actuarial equivalent of a state annuity having a value equal to the present value of a the state annuity then standing to his credity. OF
- (2) Should If a contributor be is involuntarily discontinued from service, not voluntarily, after having completed twelve (12) years of total service, but before reaching retirement age, he shall, upon filing of an application in the manner herein provided for retirement, be paid as he may elect as follows prescribed by the board, be paid whichever of the following allowances that he elects:
- (a) the full amount of his accumulated deductions

-7-

LC 0029/01

standing to his stedit; or

2

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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

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

*93-1128. Service in the armed forces of the United States <u>Military service</u>. (1) Any h member of the Montana judiciary new in or hereafter inducted into the armed forces of the United States, shall have has the option to:

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

- 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."
- 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 woid and of no
- 15 offect, and the death shall will be considered as that of a
- 16 member before retirement.
- 17 <u>(2)</u> 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 is death, his lesser
- 25 retirement allowance shall will be continued throughout the

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

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

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

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

-End-

HOUSE MEMBERS

ROBERT L. MARKS
CHAIRMAN
FRANCIS BARDANOUVE
SCAR KVAALEN

AT MC KITTRICK

ROSE WEBER
EXECUTIVE DIRECTOR
PAMELA DUENSING

ROBERTA MOODY
SUPERVISOR, ALTER SYSTEM

ADMINISTRATIVE ASSISTANT



Montana Legislative Council

State Capitol Helena, 59601 SENATE MEMBERS

NEIL J. LYNCH VICE CHAIRMAN GLEN DRAKE CARROLL GRAHAM FRANK HAZELBAKER

DIANA DOWLING
DIRECTOR, LEGAL SERVICES;
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 <u>clarify</u> 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

HOUSE BILL NO. 32 1 BARDANOUVE 2 INTRODUCED BY 3 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 6 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." 9 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF BONTABA: 11 Section 1. Section 93-1107, R.C.M. 1947, is amended to 12 read as follows: 13 "93-1107. Judgest retirement system definitions 14 Definitions. The following words and phrases as used in 15 this act, unless unless a different meaning is plainly 16 implied by the context, shall have the following meanings 17 the following definitions apply in this act: 18 (1) "Accumulated deductions" -- means the total of the 19 amounts deducted from the salary of a contributor, and paid 20 into the fund, and standing to his credit in the fund, 21 together with the regular interest thereon. 22 (2) "Beneficiary"—shall be such means the person or 23 24 persons having an insurable interest in his life as he shall nominate who the contributor nominates by written 25

designation, duly acknowledged and filed with the board. 2 (3) "Retired judge"- means any person judge or justice in receipt of a retirement allowance under this act. q (4) "Board" - means the Montana judges' retirement 5 board. 6 (5) "Penalty retirement age"-seventy (means 70) 7 vears of age. (6) "Contributor" -- means any person who has accumulated deductions in the fund standing to his credit. 10 (7) "Final salary" - seams the annual current salary 11 for the office retired from. "Actuarial equivalent" the accumulated contributions 12 13 and the procent value of the member's state certice based on 14 longth 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 fand system agency account. 23 (10) "Involuntary retirement" -- means a retirement not 24 for cause and before retirement age.

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

25

LC 0029/01 LC 0029/01

- 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.H. 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.H. 1947, is amended to
- 12 read as follows:
- 13 *93-1110. Idministrative 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 Hentana judges retirement aggount 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 Hontana-judges! retirement-assount fund
- 21 to the public employees retirement system account in the
- 22 carmarked revenue agency fund."
- 23 Section 4. Section 93-1117, R.C.M. 1947, is amended to
- 24 read as follows:
- 25 M93-1111. Payments into the Hontana-judges!-retirement

- fund -- invectment. 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 ander-this-assemnt 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 Nontana judges retirement fund. Said These funds may be
- 10 se-mingled commingled with funds of the PERS, but shall be
- 11 carmarked as judges! retirement fund separate accounts shall
- 12 be maintained for the Montana judges' retirement system."
- Section 5. Section 93-1112, B.C.H. 1947, is amended to
- 14 read as follows:
- 15 #93-1112. Reloc and regulations asturrial data Powers
- 16 and duties of board. (1) The board may establish such rules
- 17 and regulations as it dooms 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 chall 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.

LC 0029/01

LC 0029/01

necessary for actuarial valuation purposes. It shall cause to be made periodic actuarial investigations into the mortality and service experience of the contributors to and the beneficiaries of the fund, and shall adopt for the retirement system one or more mortality tables.*

1

2

3

5

7

8

9

10

11

12

14

15

16 17

18

19

20

21

23

24

25

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

who has, previous to the adoption of this act, been was a member of the PERS prior to March 2, 1967, may elect to remain under that system; such election to be made in writing to the PERS board within three (3) months after the effective date of this act by notifying the board of administration of the PERS in writing of the election on or before October 1, 1967.

(2) Every other judge of a district court or justice of the supreme court must be a member of the Montana judges!

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

1 regular payroll deduction of the contributor increased in an amount equal to the total of his back payments divided by sixty - (60) y. which The deduction increase shall be credited to such the back payments owing, and shall be continued until the full amount of such the back payments shall have been completed has been paid. Any such A deduction increase 7 may be anticipated in part or in full by the contributor at any time, and In order for the contributor to receive full credit for his service, it must be anticipated in full at 10 the time of retirement. before a retirement allowance is granted, and if If it is not so anticipated and paid in 12 full, then a seeber's the contributor's retirement allowance 13 shall will be calculated for the total years and months on which contributions have been made in accordance with 15 costion-12-f93-11181-of this act. Every contributor who 16 shall 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, B.C.M. 1947, is amended to 21 read as follows:

22 "93-1116. Contributions by the state of Sontana. The
23 state of Sontana shall sonthly contribute sonthly 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

LC 0029/01 LC 0629/01

11

12

13

14

15

16

17

18

19

20

22

23

25

1 addition to the above, three-guarters (3/4) -of the fees 2 collected under section 25 232, as amended, and section 3 25-233, as spended, shall be paid into the county treasurer on -- the -first -- Monday -- of -- oach -- conth--as -- provided in -- section 25-203, and the other one guarter chall be transmitted by the clork to the secretary of the PBRS board on the first Monday of each south, and by his gradited to the fudicial retirement fund. The fees collected under costion 82-503, as amended, -shall be by the clerk of the supress court paid by 10 him, three quarters (3/4) into the state treasury to be 11 oredited to the general fund, and one quarter (1/4) of which 12 shall be paid by his to the secretary of the PRSS board, 13 which shall be credited to the credit of the indicial 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 of administration to be credited to the fund. The clerk of 18 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. The full amount of such the fund as created and accumulated 22 23 is hereby set aside to be used exclusively for the purpose 24 of paying the accrued retirement benefits and expenses provided for herein."

read as follows:

"93-1120. Involuntary retirement allowance. (1) Should

If a contributor be is involuntarily discontinued from

service, not voluntarily, after having completed five (5)

years of total service, but before reaching retirement age,

he shall, upon filing of an application in the manner berein

provided for retirement, be paid as he may elect as follows

prescribed by the board, be paid whichever of the following

allowances that he elects:

Section 8. Section 93-1120, R.C.M. 1947, is amended to

- (a) the full amount of his accumulated deductions standing to his oredit; or
- (b) a member's annuity of equivalent actuarial value to his accumulated deductions standing to his credit, plus an annuity which is the actuarial equivalent of a state annuity having a value equal to the present value of a the state annuity then standing to his credity, or
- (2) Should If a contributor be is involuntarily discontinued from service, not voluntarily, after having completed twelve (12) years of total service, but before reaching retirement age, he shall, upon filing of an application in the manner herein provided for retirement, be paid as he may elect as follows prescribed by the board, be paid whichever of the following allowances that he elects:
 - (a) the full amount of his accumulated deductions

LC 0029/01

standing to his credit; or

1

2

3

4

5

7

8

11

12

13

14

- (b) the a member's annuity which shall be the actuarial equivalent of the contributor's aggregate contributions standing to his ordit of equivalent actuarial value to his accumulated deductions, plus the a state annuity which shall be in an amount which, when added to the member's annuity, will provide a total annuity equal to the allowance provided for in section 93-1118."
- 9 Section 9. Section 93-1128, R.C.H. 1947, is amended to 10 read as follows:
 - #93-1128. Service is the armed forces of the United

 States Military service. [1] har A member of the Montana
 judiciary new is or horeafter inducted into the armed forces
 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 aust repay the fund the full amount of such the payments 18 upon within 2 years after his return to the Montana 19 judiciaryy. and such repayments such be sade within two (2) 20 21 years after his return to the judiciary - provided that a sesher's service in the armed forces of the United States 22 23 phall-be-gredited-to-and-made-a part-of-the-member's-service 24 allowance.
- 25 (2) If a member chooses one of the options in

- 1 <u>subsection (1) and meets its requirements, he shall be given</u>
- 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 would 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
- -
- •

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:

21

- 24 (a) Option 1- Open 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 nominated by
3 written designation, duly executed and filed with the board
4 at the time of his retirement.

5 (b) Option 2-Open — 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 possess 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-

45th Legislature LC 0029/01 LC 0029/01

25

1	HOUSE BILL BO. 32
2	INTRODUCED BY BARDANOUVE
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.H. 1947."
10	
11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12	Section 1. Section 93-1107, R.C.H. 1947, is amended to
13	read as follows:
14	#93-1107. Judgest retirement system definitions
15	Definitions. The following words and phrases as used in
16	this act, unless <u>Unless</u> a different meaning is plainly
17	implied by the context, shall have the following meanings
18	the following definitions apply in this act:
19	11) "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 er
24	porsons -baving-an insurable interest in his life-as he shall
25	mominate who the contributor nominates by written

designation, duly acknowledged and filed with the board. 2 (3) "Retired judge" -- means any porses judge or justice in receipt of a retirement allowance under this act. (4) "Board"— weans the Montana indges' retirement 5 board. (5) "Penalty retirement age" seventy (means 70) 7 years of age. (6) "Contributor"- means any person who has accumulated deductions in the fund standing to his credit. [7] "Final salary" __ geans the annual current salary 11 for the office retired from. 33 "lotuarial equivalent" the ecountated 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 ago and -sex at the 17 time the option becomes available 18 (6) "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.

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

- derived from contributions made by the contributor.
- 2 <u>(12)</u> "Retirement allowance"— means the state annuity
 3 plus the member's annuity.
- 4 (13) "State annuity"— agans payments for life derived
 5 from contributions made by the state of Montana."
- 5 Section 2. There is a new R.C.M. section numbered
 7 93-1107.1 that reads as follows:
- 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.H. 1947, is amended to read as follows:

13

14

15

16

17

18

19

20

21

22

- *93-1110. Administrative expenses. (1) The expense of the administration of this act, exclusive of the payment of retirement allowances and other benefits, shall be paid from the nontana indeed retirement account fund.
- (2) Before July 15, 1970, and before July 15 of each year thereafter, the board shall compute the administrative costs for the immediately preceding fiscal year and transfer that amount from the Hontone judges! retirement account fund to the public employees retirement system account in the compared revenue agency fund."
- 23 Section 4. Section 93-1111, R.C.H. 1947, is amended to read as follows:
- 25 "93-1111. Payments into the Boatana-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 mader this account in
- 5 the fund shall be paid to the secretary of the public
- 6 employees retirement system beard (PERS), who public
- 7 employees' retirement division of the department of
- 8 administration, which shall credit said the payments to the
- 9 Hontana judgos' roticoment fund. <u>Said These</u> funds may be
- 10 co-mingled commingled with funds of the PERS, but chell be
- 11 oarnarked-as judgest-retirement fund separate accounts shall
- 12 be maintained for the Montana judges' retirement system."
- 13 Section 5. Section 93-1112, R.C.E. 1947, is amended to
- 14 read as follows:
- 15 #93-1112, Bules and regulations actuarial data Powers
- 16 and duties of board. [1] The board may establish such rules
- 17 and regulations as it doors considers necessary, and is
- 18 sharged-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 chall-be
- 21 the authority under this act for its propor 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.

LC 0029/01 LC 0029/01

standing to his credit; or

1

2

3

5

7

11

12

13

14

15

16

17

18

19

20 21

22

23

24

(b) the a member's annuity which shall be the actuarial equivalent of the contributor's aggregate contributions standing to his credit of equivalent actuarial value to his accusulated deductions, plus the a state annuity which shall be in an amount which, when added to the member's annuity, will provide a total annuity equal to the allowance provided for in section 93-1118.*

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

*93_1128. Service in the armed forces of the United States <u>Hilitary service</u>. (1) has 1 member of the Hontana judiciary new in or horoafter inducted into the armed forces of the United States, shall have has the option to:

- (a) to continue his payments into the fund; or
- (b) allow the board to make his payments for his during such his military service, in which event he shall must repay the fund the full amount of such the payments appear within 2 years after his return to the Sontana judiciary, and such repayments aust be made within two (3) years after his return to the judiciary provided that a sember's service in the armed forces of the United States shall be credited to and made a part of the member's service allowance.
- 25 (2) If a member chooses one of the options in

subsection (1) and meets its requirements, he shall be given

credit for his service in the armed forces of the United

States as if it were service in the judiciary."

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

6 #93-1131. Optional retirement allowance. Whtil (1) A 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 die If a member dies after retirement and within thisty (30) 11 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 beard, they said the election is void and of as 15 offoct, and the death shall will be considered as that of a 16 member before retirement.

17 <u>(2)</u> A member or a beneficiary may electy 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:

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

-9-

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

5

7

10 11

12

13

14

15

16

(b) Option 2. Spec __ upon his death, one-half (1/2) of his lesser retirement allowance chall will be continued throughout the life of and paid to such the person, having as insurable interest in his life, as that he assisted nominated by written designation, duly executed and filed with the board at the time of his retirement.

(c) Option 3.—Such — such other benefits shall will be paid, either to the his beneficiary or to such any other person or persons as that he membrates mominated, as, together with such the lesser retirement allowance, are the actuarial equivalent of his retirement allowance, and shall be have been approved by the board."

-End-

standing to bis gredit: or

1

11

12

13

14

15

17

- (b) the a member's annuity which shall be the 2 actuarial occivalent of the contributor a accreta contributions standing to his oredit of equivalent actuarial value to his accumulated deductions, plus the a state annuity which shall be in an amount which, when added to the member's annuity, will provide a total annuity equal to the allowance provided for in section 93-1118."
- 9 Section 9. Section 93-1128, R.C.B. 1947, is amended to 10 read as follows:
 - #93-1128. Service in the armed-forces of the United States Military service. (1) hay h member of the Montana indiciary now in or hereafter inducted into the armed forces of the United States, shall have has the option to:
 - (a) to continue his payments into the fund; or
- 16 (b) allow the board to make his payments for him during such his military service, in which event he shall nust repay the fund the full amount of such the payments 18 apon within 2 years after his return to the Montana 19 20 judiciary, and such repayments such be made within two (2) vears after his return to the -judiciary - provided - that -a 21 22 scaber's pervice in the armed forces of the Smited States 23 shall be gredited to and made a part of the member's corride 24 allowance.
- 25 (2) If a member chooses one of the options in

- 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."
- 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 retirement allowances set forth in subsection (2) at any 9 time before the first payment on account of any retirement allowance is made, and subject to the conditions that, if he 11 die If a member dies after retirement and within thirty-430} 12 days from the date upon which his election or changed 13 election is was received by the board at the effice of the 14 retirement beard, then said the election is void and of me effect, and the death shall will be considered as that of a 15 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 one of the following options:
- 24 (a) Option 1- Open - 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 assisted by
3 written designation, duly executed and filed with the board
4 at the time of his retirement.

5 (b) Option 2- 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 neminates
9 nominated by written designation, duly executed and filed
10 with the board at the time of his retirement.

11

12

13

14

15 16 (c) Option 3. Such ___such other benefits explained by the paid, either to the his beneficiary or to such any other person expersons as that he assisted hosisted, as, together with such the lesser retirement allowance, are the actuarial equivalent of his retirement allowance, and shall be have been approved by the board."

-End-

45th Legislature H8 0032/02 H8 0032/02

ı

ı	HOUSE SILL NO. 32
2	INTRODUCED BY BARDANOUVE
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
Ś	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,
y	93-1128, AND 93-1131, R.C.M. 1947."
10	
11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
ız	Section 1. Section 93-1107, R.C.M. 1947, is amended to
L3	read as follows:
14	#93-1107. Judges*-retirementsystemdefinitions
15	<u>Definitions</u> . The following-words-and-phrases-as-used-in
16	this-acty-unless Unless a different meaning is plainly
1.7	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 end paid
21	into the fund, and standing to his credit in the fund.
22	together with the regular interest thereon.
23	(2) "Beneficiary"shell-besuch means the person or
24	persons-having-an-insurable-interest-in-his-life-as-he-shall
25	nominate who the contributor nominates by written

(3) "Retired judge"-- means any person judge or 3 iustice in receipt of a retirement allowance under this act. 141 "Board" -- means the Montana judges' retirement board. 151 "Penalty retirement age"--seventy--+ means 70+ 7 years of age. (6) "Contributor"-- means any person who has 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 and-the-present-volue-of-the-member*s-state-service-bused-on 14 tength-of-service-and-member*s-attained-age-used-to-provide 15 a-life-or-temporary-life-income-to--the--legally--designated 16 persony--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 <u>value_when_computed_upon_the_basis_of_the_actuarial_tables</u> in use by the system. 21 (9) "Fund"-- means the Montana judges' retirement fund 22 system agency account. (10) "Involuntary retirement" -- means a retirement not 43 24 for cause and before retirement age. 25 (11) "Member's annuity"-- means payments for life

designation, duly acknowledged and filed with the board.

HB 0032/02

H8 0032/02

- derived from contributions made by the contributor.
- 2 (12) "Retirement allowance"—— means the state annuity
- 3 plus the member's annuity.
- 4 1131 "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 fundam
- 23 Section 4. Section 93-1111, R.C.M. 1947, is amended to
- 24 read as follows:
- 25 #93-1111. Payments into the-Montano-judges*-retirement

- fung ---investment. All appropriations made by the state of
- 2 Montana, all contributions by members of-the-Montana-judgesy
- $3 = \frac{1}{100} + \frac{1}{100} +$
- 4 increase of the investments and moneys under-this-account in
- 5 <u>tne fund</u> shall be paid to the secretary-of-the-public
- 6 employees*--retirement--system--board--(PER5)v--who <u>public</u>
- ! employees* retirement division of the department of
- administration, which shall credit said the payments to the
- 9 Hontons--judges*--retirement fund. Said <u>These</u> funds may be
- 10 co-mingled commingled with funds of the PERS, but shall-be
- 11 earmorked-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--actuariat-data <u>Powers</u>
- 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-administrationy
- 22 operationy-and-enforcementy-and-shall-be Ihe 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

-4-

25 receive benefits under the retirement system.

HB 32

HB 0032/02 HB 0032/02

necessary for actuarial valuation purposes. It shall cause to be made periodic actuarial investigations into the mortality and service experience of the contributors to and the beneficiaries of the fundy and shall adopt for the retirement system one or more mortality tables.

ı

2

7

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

25

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

w93-1113. Membership. (e)(1) Any A judge or justicey who hasy-previous-to-the-adoption-of-this-acty-been was a member of the PERS prior to March 2. 1967. may elect to remain under that system;—such-election—to—be—made—in writing—to-the—PERS—board-within—three—(3)—months-after—the effective—date—of—this—ect by notifying the board of administration of the PERS in writing of the election on or before October 1. 1961.

(2) Every other judge of a district court or justice of the supreme court must be a member of the Montana judges!

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

1 regular payroll deduction of the contributor increased in an amount equal to the total of his back payments divided by sixty--f60}y, which The deduction increase shall be credited 3 to such the back payments owing, and shall be continued until the full amount of such the back payments shall-have 5 been-completed has been paid. Any-such A deduction increase 7 may be anticipated in part or in full by the contributor at 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--e-retirement--allowance--is grantedy--and--if If it is not so anticipated and paid in 11 full: then-a-member*s the contributor's retirement allowance 12 13 shall will be calculated for the total years and months on 14 which contributions have been made in accordance with section-12-F93-11184-of--this--oct. Every contributor who 15 16 snall--elect elects to make such back payments shall receive 17 full credit under-this-act for all contributions made into the fund and for all service credits to which he might 18 19 thereby be entitled."

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

state of Montana shall monthly contribute monthly to the fund a sum equal to six-per-cent-(6%) of the salary of each member. of-the-Montana-judiciary--retirement--systemw-In

HB 32

HB 0032702 HB 0032702

allowances that he elects:

1

10

11

12

13

14

15

16

17

1.8

19

20

21

22

23

24

addition-to-the-abovey--three-quarters--/3/4}--of--the--fees collected--under--section--25-232y--as--amendedy-and-section 25-233v-cs-amendedy-shall-be-paid-into-the-county--treasurer on--the--first--Monday--of-each-month-as-provided-in-section 25-203y-and-the-other-one-guarter-shall--be--transmitted--hy the--clerk--to--the-secretary-of-the-PERS-board-on-the-first Monday-of-each-monthy-and-by-him-credited--to--the--judicial retirement-funds-The-fees-collected-under-section-02-503y-gs amendedy--shall-be-by-the-clerk-of-the-supreme-court-paid-by himy-three-quarters-(3/4)-into--the--state--treasury--to--be credited-to-the-general-fundy-and-one-guarter-(1/4)-of-which shall-be-paid-by-him-to-the-secretary-of-the-PERS-boardy which-shall-be--credited--to--the--credit--af--the--judicial retirement-funds In additions on the first Monday of each month the clerk of each district court shall transmit one-fourth of the fees collected under 25-232 and 25-233 to the public employees retirement division of the department of administration to be credited to the fund. The clerk of the supreme court shall pay one-fourth of the fees collected under 82-501 to the public employees* retirement division of the department of administration to be credited to the fund. The full amount of such the fund as created and accumulated is nereby set aside to be used exclusively for the purpose of paying the accrued retirement benefits and expenses provided for herein."

-7-

1

2

5

8

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

read as follows:

"93-1120. Involuntary retirement allowance. (1) Should

If a contributor be is involuntarily discontinued from

service, not-voluntarily after having completed five--+(5);

years of total service, but before reaching retirement age,

he shall, upon filing of an application in the manner herein

provided-for-retirement, be paid as he may elect as following

prescribed by the board, be paid whichever of the following

Section 8. Section 93-1120. R.C.M. 1947. is amended to

- (a) the full amount of <u>his</u> accumulated deductions standing-to-his-credit; or
- (b) a member's annuity of equivalent actuarial value to his accumulated deductions standing-to-his-credit, plus an annuity which is the actuarial equivalent of a-state annuity-having-a-value-equal-to the present value of a the state annuity then standing to his creditt, or
- (2) Should If a contributor be is involuntarily discontinued from service, not—voluntarily, after having completed twelve—(12) years of total service, but before reaching retirement age, he shall, upon filing of an application in the manner herein-provided-for-retirement, be paid—as-he-may-elect-as-follows prescribed by the board, be paid whichever of the following allowances that he elects:
- 25 (a) the full amount of his accumulated deductions

HB 0032/02 HB 0032/02

stending-to-his-credit; or

2

*

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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

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

*93-1128. Service-in-the-armed-forces-of-the-United
States <u>Hilitary service</u>. [1] Any A member of the Montana
judiciary now-in-or-hereafter inducted into the armed forces
of the United Statesy-shall-have has the option to:

- (a) to continue his payments into the fund; or
- (b) allow the board to make his payments for him during such his military service, in which event he shall must repay the fund the full amount of such the payments upon within 2 years after his return to the Montana judiciaryve and-such-repayments-must-be-made-within-two-(2) years-after-his-return-to-the-judiciary-provided-that-a member's-service-in-the-ormed-forces-of-the-united-States shall-be-credited-to-and-made-s-part-of-the-member's-service allowances
 - (2) If a member chooses one of the options in

-9-

subsection (1) and meets its requirements, he shall be given

credit for his service in the armed forces of the United

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:

*93-1131. Optional retirement allowance. Until A member or a beneficiary may elect one of the optional retirement allowances set forth in subsection (2) at any time before the first payment on account of any retirement 10 allowance is made. end-subject-to-the-conditions-thatw-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 election is was received by the board at-the-office -- of -- the retirement--boardy--then-said the election is void and-of-no 14 15 effecty and the death shall will be considered as that of a 16 member before retirement.

17 (2) A member or a beneficiary may electy 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 retirementy in a
22 lesser retirementy allowancey 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

HB 32

-10- HB 32

H9 0032/02

l life of and paid to such the person—having—an—insurable

interest in—his—life—as that he nominates nominated by

written designation, duly executed and filed with the board

at the time of his retirement.

1b) Option 2x-Mpon == upon his death; one-half (11/2) of his lesser retirement allowance shall will be continued throughout the life of and paid to such the persony—having an—insurable—interest—in—his—life; as that he nominates nominated by written designation, duly executed and filed with the board at the time of his retirement.

1c1 Option 3---Such --- such other benefit-or benefits shall will be paid, either to the his beneficiary or to such any other person or-persons that he nominates nominated, as, together with such the lesser retirement allowance, are the actuarial equivalent of his retirement allowance, and shall-be have been approved by the board."

-End-

-11- HB 32