I	MOSEL BILL NO.
2	INTRODUCED BYBARDANOUVE
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
5	CLARIFY THE LAWS RELATING TO HIGHWAY PATROL RETIREMENT AND
6	DEATH AND DISABILITY BENEFITS; AMENDING SECTIONS 31-201,
7	31-207, 31-208, 31-213, 31-215, 31-222, 31-223, AND 31-228,
8	R.C.M. 1947. M
9	
10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11	Section 1. Section 31-201, R.C.M. 1947, is amended to
12	read as follows:
13	#31-201. Definitions. Unless the context requires
14	otherwise, in this act the following definitions apply:
15	(1) "Accumulated deductions" means the total of the
16	amounts deducted from the salary of a contributor ${f z}$ and paid
17	into the fund, and standing to his credit in the fund,
18	together with the regular interest thereon.
19	(2) "Department" means the <u>public employees</u>
20	retirement division of the department of administration
21	provided-for-in-Title-824v-chapter-2.
22	(3) ™3eneficiary™ means a person <del>or-persons-havin</del> g <del>a</del> n
23	insurable-interest-in-his-life nominated to receive benefits
24	under this chapter as-he-shall-nominate by a member's
25	written designation, duly acknowledged and filed with the

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2	(4)	<b>M</b> Retired	patrolman <b>»</b>	means a	person	in receipt	of	
3	retiremen	t allowand	e under th	is act.				

department.

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- 4 (5) "Board" means the board of administration provided
  5 for in section 82A-210.
- 6 (6) "Compulsory retirement age" means <del>sixty 60</del> years
  7 of age.
- d (7) "Contributor" means a person who has accumulated
   deductions in the fundy standing to his credit.
- salary" means the average annual 10 (8) "Final ... 11 compensation received by a contributor before any 12 deductions have been madey and exclusive of maintenance, 13 allowances, and expenses, for any three--(3) years of 14 continuous service upon which contributions have been madey 15 or, in the event a member has not served three-(3) years, 16 the total retirement compensation earned, divided by the 17 number of years served.
  - (9)---\*\*Actuarial--equivalent\*\*--means---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--persony--based-on-the-person\*s-attained age-and-sex-at-the-time-the-option-becomes-availables
- 24 (9) "Actuarial equivalent" means a benefit of equal
  25 value when computed on the basis of the actuarial tables in

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acts.

read as follows:

## 1 use by the system.

- 2 (10) "Account" means the Montana highway patrolmen's
  3 retirement account in the agency fund.
- 4 (11) "Involuntary retirement" means a retirement not
  5 for cause and before retirement age.
- 6 (12) "Member's annuity" means payments for life 7 derived from contributions made by the contributor.
- 8 (13) "Optional retirement age" means the age at which
  9 a contributor may retire after twenty-{20} years' service or
  10 more.
- 11 (14) "Retirement age" means the age at which a member
  12 retires after twenty-five-(25) years of creditable service
  13 with the Montana highway patrol.
- 14 (15) "Retirement allowance" means the state annuity
  15 plus the member's annuity.
- 16 (16) "State annuity" means payments for life derived 17 from contributions made by the state of Montana."
- 18 Section 2. There is a new R.C.M. section numbered 19 31-201.1 that reads as follows:
- 20 31-201.1. Retirement system. There is a retirement
  21 system known as the Montana highway patrolmen's retirement
- 22 system, which is governed by the provisions of this chapter.
- 23 Section 3. Section 31-207, R.C.M. 1947, is amended to
- 24 read as follows:
- 25 "31-207. Membership. Every-member All members of the

- Montana highway patrol, including the supervisor and assistant supervisors, shall must be a-member members of the retirement system. If-a-person-becomes-a-member-of-the Montana-highway-patrol-after-duly-ly-1945y-who-was-at-any time-before-duly-ly-1945y-a-member-of-the-Montana-highway patroly-he-shall-receive-credit-for-any-such-service-prior to-duly-ly-1945y-upon-complying-with-the-provisions-of-this
- 9 Section 4. Section 31-208, R.C.M. 1947, is amended to
  - of a contributor. In computing the length of service of a contributor for retirement purposes, full credit shall be given to each contributor for each year of service rendered to the patrol: including service rendered prior to July 1, 1945, upon—complying if there is compliance with the provisions of this act. As soon as practicable, the retirement board shall issue to each original member a certificate certifying the aggregate length of his service prior to July 1, 1945. Such The certificate shall will be final and conclusive as to his prior service unless thereafter modified by the board upon application of the contributor. The time during which a contributor is absent from service without pay shall may not be counted in

computing the his service of-a-contributor for retirement

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- 1 <u>purposes</u>: except service-with-the-armed-forces-of-the-United 2 States-in-time-of-wer as provided in 31-223 in regard to 3 service with the armed forces of the United States." Section 5. Section 31-213, R.C.M. 1947, is amended to read as follows: "31-213. Retirement Service retirement allowance. Upon 6 7 retirement from service a member shall receive a service retirement allowance which shall consist of the state Q annuity plus the member's annuity. The service retirement 10
- allowance shall be computed as follows: twenty-{20} through 11 twenty-five-(25) years, two-percent-(2%) of his final salary 12 for each year of service; twenty-six-(26) over 25 years and 13 over, two-percent-(2%) of his final salary for each year of service through the twenty-fifth 25th plus one-percent--(12) 14 15 of his final salary for each year of service past 16 twenty-five-(25).\*
- Section 6. Section 31-215, R.C.M. 1947, is amended to 17 read as follows: 18
- 19 \*31-215. Involuntary retirement allowance. Should If a 20 contributor be is involuntarily discontinued from servicey not-voluntarily after having completed ten--(10) years of total servicey but before reaching retirement age, he small, upon filing of a written application in-the-manner-herein provides-for-retirement with the department, be paid whichever of the following allowances that he elects as he

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- may-elect-as-follows:
- taill the full amount of his accumulated deductions standing-to-his-creait: or
- tbt(2) 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-credit."
- Section 7. Section 31-222, R.C.M. 1947, is amended to 10 read as follows:
- 11 #31-222. Nomination of beneficiary. Every contributor may name his beneficiary by written designations duly 12 13 acknowledged and filed with the department, and to may 14 change the beneficiary in like manner. Such-designation -- and 15 all-changes-must-be-filed-with-the-department\*\*
- 16 Section 8. Section 31-223, R.C.M. 1947, is amended to 17 read as follows:
- 18 #31-223. Service-in-the-armed--forces--of--the--United 19 States Military service. (1)(a) A member of the Montana 20 highway patrol inducted into the armed forces of the United 21 Statesy-shall-have has the option to:
- ta)(i) to continue his payments into the fund; or 22
- 23 (b)(ii) allow the department to make his payments for 24 him during his military service, in which event be shall 25 must repay the fund the full amount of the payments upon

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7.

1 <u>within 2 years after</u> his return to the Montana highway
2 patroly\_ and—these—repayments-must-be-made-within-two-(2)
3 years-after-his-return-to-the-patroly—howevery—a—member\*s
4 service—in—the—armed-forces-of-the-United-States-shall-be
5 credited—to—and—made—a—part—of-—the—member\*s—service
6 allowances

- (b) If a member chooses one of the options in subsection (1)(d) 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 Montana highway patrol.
- (2) A member with fifteen—(15) years or more of service with the Montana highway patrol may at any time prior to his retirement make a written election with the department to qualify all or any portion of his active service in the armed forces of the United States for the purpose of calculating retirement benefits, up to a maximum of five—(5) years, if he is not otherwise eligible to receive credit for this same service pursuant to subsection (1). To qualify this service he must contribute to the account the amount determined by the department due based on his compensation and normal contribution rate as of his sixteenth loth year and as many succeeding years as are required to qualify this service, with interest from the date he becomes eligible for this benefit to the date he

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

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

"31-228. Optional retirement allowance. Until 11 A member or a beneficiary may elect one of the optional В retirement allowances set forth in subsection (2) at any time before the first payment on account of any retirement allowance is made and subject to the conditions that rifthe die If a member dies after retirement and within thirty (30) days from the date upon which his election or changed election is was received at-the-office of by the department, then the election is voidy and the death shall will be considered as that of a member before retirement. 

the approval of a previous election: revoker or change a the previous election prior—to—the—approval—of—the—previous election prior—to—the—approval—of—the—previous election and elect to receive the actuarial equivalent of his retirement allowance as of the date of retirement; in a lesser retirement allowance, payable throughout life with one of the following options:

thrian Option lw--Upon --- upon his death, his lesser retirement allowance shall will be continued throughout the life of and paid to the personw-having-an-insurable-interest

in-his-lifey-os that he nominates nominated by written 2 designations duly executed and filed with the department at 3 the time of his retirement. 4 t2)(b) Option 2. -- Upon -- upon his death, one-half of his lesser retirement allowance shall will be continued 5 throughout the life of and paid to the person<del>y-having-an</del> 6 insurable--interest--in--his--lifey--as that he nominates 7 nominated by written designations duly executed and filed 8 with the department at the time of his retirement. 9 (3)(c) Option 3--Such -- such other benefit---or 10 penefits shall will be paid, either to the beneficiary or to 11 the any other person or-persons-as that he nominates 12 nominated, as, together with such the lesser retirement 13 allowance, are the actuarial equivalent of his retirement 14 15 allowance, and shall-be have been approved by the board."

-End-

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HOUSE MEMBERS

ROBERT L. MARKS CHAIRMAN

FRANCIS BARDANOUVE

OSCAR KVAALEN

PAT MC KITTRICK

ROSE WEBER EXECUTIVE DIRECTOR

PAMELA DUENSING ADMINISTRATIVE ASSISTANT

ROBERTA MOODY

SUPERVISOR, ALTER SYSTEM



## Montana Legislative Council

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DIANA DOWLING DIRECTOR, LEGAL SERVICES; CODE COMMISSIONER

ROBERT PERSON DIRECTOR, RESEARCH

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1977 Legislature Code Commissioner Bill - Summary

House Bill No. 37

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

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

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

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

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

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

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

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

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

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

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

department.

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Approved by Committee on State Administration

ı	HOUSE BILL NO. 37
2	INTRODUCED SY BARDANOUVE
3	
4	A BILL FOR AN ACT ENTITLED: MAN ACT TO GENERALLY REVISE AND
5	CLARIFY THE LAWS RELATING TO HIGHWAY PATROL RETIREMENT AND
ò	DEATH AND DISABILITY BENEFITS; AMENDING SECTIONS 31-201.
7	31-207, 31-206, 31-213, 31-215, 31-222, 31-223, AND 31-228,
8	R-C-M- 1947-M
9	
10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
i i	Section 1. Section 31-201, R.C.M. 1947, is amended to
14	read as follows:
13	*31-201. Definitions. Unless the context requires
14	otherwise, in this act the following definitions apply:
15	(1) "Accumulated deductions" means the total of the
16	amounts deducted from the salary of a contributors and paid
17	into the fund, and standing to his credit in the fund,
13	together with the regular interest thereon.
19	(2) "Department" means the <u>public employees</u>
20	retirement division of the department of administration
15	prov <del>ided-for-in-Title-82Ay-chapter-2</del> .
22	(3) ™3eneficiary™ means a person <del>or-persons-havin</del> g- <del>-an</del>
23	insurable-interest-in-his-life nominated to receive benefits
24	under this chapter as-he-shall-nominate by a member's

written designation, duly acknowledged and filed with the

2	(4) "Retired patrolman" means a person in receipt of a
3	retirement allowance under this act.
4	(5) "Board" means the board of administration provided
5	for in section 82A-210.
6	(6) "Compulsory retirement age" means sixty <u>60</u> years
7	of age.
8	(7) "Contributor" means a person who has accumulated
9	deductions in the fund $_{\Psi}$ standing to his credit.
10	(8) "Final salary" means the average annual
11	compensation received by a contributors before any
12	deductions have been madew and exclusive of maintenance
13	allowances, and expenses, for any three(3) years of
14	continuous service upon which contributions have been wades
15	or, in the event a member has not served three{3} years
16	the total retirement compensation earned, divided by the
17	number of years served.
18	(9)™Actuaria}- <del>-equiv</del> al <del>ent"meanstheaccumul</del> ste
19	contributionsandthepresent-value-of-the-member*s-state
20	service-based-on-length-of-service-and-member-s-attained-ago
21	used-to-provide-a-lifeortemporarylifeincometothe
22	legallydesignatedpersonybased-on-the-person*s-attained
23	<pre>sgc-and-sex-at-the-time-the-option-becomes-availablew</pre>
24	(9) "Actuarial equivalent" means a benefit of equal

value when computed on the basis of the actuarial tables in

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l use by the system.

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- 2 (10) "Account" means the Montana highway patrolmen's retirement account in the agency fund.
- 4 (11) "Involuntary retirement" means a retirement not 5 for cause and before retirement age.
- 6 (12) "Member's annuity" means payments for life 7 derived from contributions made by the contributor.
- 8 (13) "Optional retirement age" means the age at which
  9 a contributor may retire after twenty-{20} years\* service or
  10 more.
- 11 (14) "Retirement age" means the age at which a member
  12 retires after twenty-five-{25} years of creditable service
  13 with the Montana highway patrol.
- 14 (15) "Retirement allowance" means the state annuity
  15 plus the member's annuity.
- 16 (16) "State annuity" means payments for life derived 17 from contributions made by the state of Montana."
- 18 Section 2. There is a new R.C.M. section numbered 19 31-201.1 that reads as follows:
  - 31-201.1. Retirement system. There is a retirement system known as the Montana highway patrolmen's retirement system, which is governed by the provisions of this chapter.
- system, which is governed by the provisions of this chapter.

  Section 3. Section 31-207, R.C.M. 1947, is amended to

  read as follows:
- 25 #31-207. Membership. Every-member All members of the

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

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

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

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purposes: except service-with-the-braced-forces-of-the-United

5tates-in-time-of-war as provided in 31-223 in regard to

service with the armed forces of the United States.\*

Section 5. Section 31-213, R.C.M. 1947, is amended to

read as follows:

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

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

m31-215. Involuntary retirement allowance. Should if a contributor be is involuntarily discontinued from services not-voluntarily after having completed ten-(10) years of total services but before reaching retirement age, he shall, upon filing of a written application in-the-monner-herein provided-for-retirement with the department, be paid whichever of the following allowances that he elects as-he

l may-elect-as-follows:

2 (a)(1) the full amount of his accumulated deductions

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standing-to-his-credit; or

4 tbt121 a member's annuity of equivalent actuarial
 5 value to his accumulated deductions standing-to-his--credit,

5 plus an annuity which is the actuarial equivalent of a-state

7 annuity--having--a-value-equal-to the present value of a the

8 state annuity then-standing-to-his-credit."

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

11 #31-222. Nomination of beneficiary. Every contributor
12 may name his beneficiary by written designation, duly
13 acknowledged and filed with the department, and to may
14 change the beneficiary in like manner. Such-designation—and

15 all-changes-must-be-filed-with-the-department.\*

16 Section 3. Section 31-223, R.C.M. 1947, is amended to

17 read as follows:

18 #31-223. Service-in-the-ormed--forces--of--the--United
19 States <u>Military Service</u>. (1)[a] A member of the Montana

20 highway patrol inducted into the armed forces of the United

21 Statesy-shall-have has the option to:

22 totil to continue his payments into the fund; or

 $\frac{1}{2}$   $\frac{1}{2}$  allow the department to make his payments for

24 him during his military service, in which event he shall

25 <u>must</u> repay the fund the full amount of the payments upon

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within 2 years after his return to the Montana highway patroly\_ and-these-repayments-must-be-made-within-two-f2} years-ofter-his-return-to-the-patroly--howevery--s--member\*s service--in--the--armed-forces-of-the-United-States-shall-be credited--to--and--made--a--part--of--the--member\*s--service allowances

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- (b) If a member chooses one of the options in subsection (1)(a) 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 Montana highway patrol.
- (2) A member with fifteen--(15) years or more of service with the Montana highway patrol may at any time prior to his retirement make a written election with the department to qualify all or any portion of his active service in the armed forces of the United States for the purpose of calculating retirement benefits, up to a maximum of five-f5; years, if he is not otherwise eligible to receive credit for this same service pursuant to subsection (1). To qualify this service he must contribute to the account the amount determined by the department due based on his compensation and normal contribution rate as of his sixteenth loth year and as many succeeding years as are required to qualify this services with interest from the date he becomes eligible for this benefit to the date he

contributes. He may not qualify more of this service than he 1 has service with the Montana highway patrol in excess of fifteen-f15t vears."

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

#31-228. Optional retirement allowance. Until 111 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 allowance is made, and-subject-to-the-conditions-thoty-if-he die If a member\_dies after retirement and within thirty-(30) days from the date upon which his election or changed election is was received at-the-office-of by the department. them the election is voidy and the death shall will be considered as that of a member before retirement.

(2) A member or a beneficiary may electy or prior to the approvat of a previous election, revokey or change a the previous election prior-to-the-approval-of-the-previous election and elect to receive the actuarial equivalent of his retirement allowance as of the date of retirementy in a lesser retirement allowance, payable throughout life with one of the following options:

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

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1 in-his-lifer-es that he nominates nominated by written 2 designation: duly executed and filed with the department at 3 the time of his retirement. 4 (2)(b) Option 2\*--Upon -- upon his death, one-half of 5 his lesser retirement allowance shall will be continued throughout the life of and paid to the person-having-an insurable--interest--in-his--lifey--as that he nominates 7 8 nominated by written designations duly executed and filed with the department at the time of his retirement. (3)(c) Option 3w--Such -- such other benefit---or 10 penefits shall will be paid, either to the beneficiary or to 11 12 the any other person or-persons—as that he nominates nominated, as, together with such the lesser retirement 13 allowance, are the actuarial equivalent of his retirement 14 allowancev and shall-be have been approved by the board." 15

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1	HOUSE BILL NO. 37
2	INTRODUCED BYBARDANOUVE
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4	A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
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11	Section 1. Section 31-201, R.C.M. 1947, is amended to
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16	amounts deducted from the salary of a contributors and paid
17	into the fund, and standing to his credit in the fund,
18	together with the regular interest thereon.
19	(2) "Bepartment" means the <u>public employees</u> "
20	retirement division of the department of administration
21	provided-for-in-Title-02Ay-chapter-2.
22	(3) "Beneficiary" means a person or-persons-havingan
23	insurable-interest-in-his-life nominated to receive benefits
24	under this chapter as he shall nominate by a member's
25	written designation, duly acknowledged and filed with the

1	department.
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- 2 (4) "Retired patrolman" means a person in receipt of a 3 retirement allowance under this act.
- (5) "Board" means the board of administration provided for in section 82A-210.
- 6 (6) "Compulsory retirement age" means sixty 60 years
  7 of age.
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   deductions in the fundy standing to his credit.
- 10 (8) "final salary" means the average annual
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  12 deductions have been madey and exclusive of maintenance,
  13 allowances, and expenses, for any three—(3) years of
  14 continuous service upon which contributions have been madey
  15 or, in the event a member has not served three—(3) years,
  16 the total retirement compensation earnedy divided by the
  17 number of years served.
  - (9)--"Actuarial--equivalant"--means---tha---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--persony--based-on-the-person\*s-attained age-and-sex-at-the-time-the-option-becomes-avdilabley
- 24 (9) "Actuarial equivalent" means a benefit of equal
  25 value when computed on the basis of the actuarial tables in

## use by the system.

- 2 (10) "Account" means the Montana highway patrolmen's retirement account in the agency fund. 3
- (11) "Involuntary retirement" means a retirement not 4 5 for cause and before retirement age.
- (12) "Member's annuity" means payments for life 6 7 derived from contributions made by the contributor.
- 8 (13) "Optional retirement age" means the age at which 9 a contributor may retire after twenty-f20t years\* service or 10 more.
- 11 (14) "Retirement age" means the age at which a member retires after twenty-five:(25) years of creditable service 12 13 with the Montana highway patrol.
- 14 (15) "Retirement allowance" means the state annuity 15 plus the member's annuity.
- 16 (16) "State annuity" means payments for life derived 17 from contributions made by the state of Montana."
- 18 Section 2. There is a new R.C.M. section numbered 31-201.1 that reads as follows: 19
- 20 31-201-1. Retirement system. There is a retirement
- 21 system known as the Montana highway patrolmen's retirement
- system, which is governed by the provisions of this chapter. 22
- 23 Section 3. Section 31-207, R.C.M. 1947, is amended to
- 24 read as follows:
- 25 \*31-207. Membership. Every-member All members of the

- 1 Montana highway patrol: including the supervisor and 2 assistant supervisors, shall must be a-member members of the 3 retirement system. If-a-person-becomes-a-member-of-the Montana--highway--patrol--after-July-ty-1945y-who-was-at-env time-before July-19-19-19-a-member-of--the--Montana--highway potroly--he--shall-receive-credit-for-any-such-service-prior to-July-iv-1945v-upon-complying-with-the-provisions-of--this 7 act."
- 9 Section 4. Section 31-208, R.C.M. 1947, is amended to 10 read as follows:
- 11 "31-208" Service allowance Computation of the service 12 of a contributor. In computing the length of service of a contributor for retirement purposes, full credit shall be 13 14 given to each contributor for each year of service rendered 15 to the patrol: including service rendered prior to July 1: 1945, upon-complying if there is compliance with the 17 provisions of this act. As soon as practicable, the retirement board shall issue to each original member a 18 certificate certifying the aggregate length of his service 19 prior to July: 1, 1945. Such The certificate sholl will be 21 final and conclusive as to his prior service unless 22 thereafter modified by the board upon application of the 23 contributor. The time during which a contributor is absent 24 from service without pay sholl may not be counted in computing the his service of a contributor for retirement

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may-elect-as-follows:

1 purposes: except service-with-the-armed-forces-of-the-United 2 States in time of wer as provided in 31-223 in regard to 3 service with the armed forces of the United States." Section 5. Section 31-213, R.C.M. 1947, is amended to 4 read as follows: 5 "31-213. Retirement Service retirement allowance. Upon 6 7 retirement from service a member shall receive a service retirement allowance which shall: consist of the state annuity plus the member's annuity. The service retirement 9 allowance shall be computed as follows: twenty-f20; through 10 11 twenty-five-(25) years, two-percent-(2%) of his final salary for each year of service: twenty-six-(25) over 25 years and 12 over, two-percent-12% of his final salary for each year of 13 14 service through the twenty-fifth 25th plus one-percent--(12) of his final salary for each year of service past 15 16 twenty-five-+25+.\* Section 6. Section 31-215, R.C.M. 1947, is amended to 17 read as follows: 13 "31-215. Involuntary retirement allowance. Should If a 19 contributor be is involuntarily discontinued from servicey 20 not-voluntarily, after having completed ten--(10) years of 21 total servicey but before reaching retirement age, he shall, 22 upon filing of a written application in-the-manner-herein 23

2 totill the full amount of his accumulated deductions standing-to-his-credit; .or 3 4 th: (2) a member's annuity of equivalent actuarial value to his accumulated deductions standing-to-his--credit; 5 plus an annuity which is the actuarial equivalent of a-state <del>onnuity-having-a-volue equal-to</del> the present value of a <u>the</u> 7 state annuity then-standing-to-his-credit." 9 Section 7. Section 31-222, R.C.M. 1947, is amended to 10 read as follows: \*31-222. Nomination of beneficiary. Every contributor 11 12 may name his beneficiary by written designations duly 13 acknowledged and filed with the department, and to may change the beneficiary in like manner. Such-designation - and 14 15 all-changes-must-be-filed-with-the-deportments". 16 Section 8. Section 31-223, R.C.M. 1947, is amended to 17 read as follows: 18 \*31-223. Service-in-the-armed-forces--of--the--United 19 States Military Service. (1)(a) A member of the Montana highway patrol inducted into the armed forces of the United 20 21 Statesy-shall-have has the option to: 22 tatil to continue his payments into the fund; or 23 thill allow the department to make his payments for 24 him during his military service, in which event he shall

provided - for - retirement with the department, be paid

whichever of the following allowances that he elects as he

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must repay the fund the full amount of the payments upon

within 2 years after his return to the Montana highway patroly\_ and—these—repayments—must—be-made-within-two-(2) years after-his freturn-to-the patroly—howevery—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 allowances

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- (b) If a member chooses one of the options in subsection (1)(a) 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 Hontana highway patrol.
- (2) A member with fifteen—(15) years or more of service with the Montana highway patrol may at any time prior to his retirement make a written election with the department to qualify all or any portion of his active service in the armed forces of the United States for the purpose of calculating retirement benefits, up to a maximum of five—(5) years, if he is not otherwise eligible to receive credit for this same service pursuant to subsection (1). To qualify this service he must contribute to the account the amount determined by the department due based on his compensation and normal contribution rate as of his sixteenth léth year and as many succeeding years as are required to qualify this service, with interest from the date he becomes eligible for this benefit to the date he

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

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

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 allowance is made, and subject to the conditions that if he die If a member dies after retirement and within thirty-(30) days from the date upon which his election or changed election is was received at the office of by the department, then the election is voidy and the death shall will be considered as that of a member before retirement.

the approval of a previous election, revoker or change a the previous election prior—to—the—approval—of—the—previous election prior—to—the—approval—of—the—previous election and elect to receive the actuarial equivalent of his retirement allowance as of the date of retirement in a lesser retirement allowance, payable throughout life with one of the following options:

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

in-his-lifer as that he nominates nominated by written
designation, duly executed and filed with the department at
the time of his retirement.

4 (27(b) Option 2-Upon -- upon his death, one-half of
his lesser retirement allowance shall will be continued

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his lesser retirement allowance shall will be continued throughout the life of and paid to the persons having an insurable interest in his lifes as that he nominates nominated by written designations duly executed and filed with the department at the time of his retirement.

tation of the actuarial equivalent of his retirement allowance, and shall be have been approved by the board."

-End-

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2	INTRODUCED BY BARDANDUVE
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
5	CLARIFY THE LAWS RELATING TO HIGHWAY PATROL RETIREMENT AND
6	DEATH AND DISABILITY BENEFITS; AMENDING SECTIONS 31-201,
7	31-207, 31-208, 31-213, 31-215, 31-222, 31-223, AND 31-228,
8	R.C.M. 1947.M
9	
10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11	Section 1. Section 31-201, R.C.M. 1947, is amended to
12	read as follows:
13	*31-201. Definitions. Unless the context requires
14	otherwise, in this act the following definitions apply:
15	(1) MAccumulated deductions™ means the total of the
16	amounts deducted from the salary of a contributor, and paid
17	into the fund, and standing to his credit in the fund,
18	together with the regular interest thereon.
19	(2) "Department" means the <u>public employees</u> "
20	retirement division of the department of administration
21	provided-for-in-Title-82Av-chapter-2.
22	(3) "Beneficiary" means a person <del>or-persons-havingan</del>
23	insurable-interest-in-his-life nominated to receive benefits
24	under this chapter asheshellnominate by a member's
25	written designation, duly acknowledged and filed with the

HOUSE BILL NO. 37

2	(4)	<b>"</b> Retired	patrolman <sup>m</sup>	means a	person	in	receipt	of
3	retirement	t allowand	e under th	is act.				

department.

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- 4 (5) "Board" means the board of administration provided
  5 for in section 82A-210.
- 6 (6) "Compulsory retirement age" means \*\*\*\*\*\*\*\*\*\*\* 60 years
  7 of age.
- 8 (7) "Contributor" means a person who has accumulated
  9 deductions in the fundy standing to his credit.
- 10 (8) "Final salary\* means the average annual 11 compensation received by a contributor, before any 12 deductions have been madey and exclusive of maintenance, 13 allowances, and expenses, for any three--(3) years of 14 continuous service upon which contributions have been madey 15 or, in the event a member has not served three--f3; years, 16 the total retirement compensation earnedy divided by the 17 number of years served.
  - (9)--\*Actuarial--equivalent\*--means---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--persony--based-on-the-person\*s-attained age-and-sex-at-the-time-the-option-becomes-availables
- 24 [9] "Actuarial equivalent" means a benefit of equal
  25 yalue when computed on the basis of the actuarial tables in

- 1 use by the system.
- 2 (10) "Account" means the Montana highway patrolmen's
  3 retirement account in the agency fund.
- 4 (11) "Involuntary retirement" means a retirement not
- 5 for cause and before retirement age.
- 6 (12) "Member's annuity" means payments for life derived
- 7 from contributions made by the contributor.
- 8 (13) "Optional retirement age" means the age at which a
- 9 contributor may retire after twenty-{20} years\* service or
- 10 more.
- 11 (14) "Retirement age" means the age at which a member
- 12 retires after twenty-five-(25) years of creditable service
- 13 with the Montana highway patrol.
- 14 (15) "Retirement allowance" means the state annuity
- 15 plus the member's annuity.
- 16 (16) "State annuity" means payments for life derived
- 17 from contributions made by the state of Montana.\*
- 18 Section 2. There is a new R.C.M. section numbered
- 19 31-201.1 that reads as follows:
- 20 31-201-1. Retirement system. There is a retirement
- 21 system known as the Montana highway patrolmen's retirement
- 22 system, which is governed by the provisions of this chapter.
- 23 Section 3. Section 31-207. R.C.M. 1947. is amended to
- 24 read as follows:
- 25 \*\*31-207. Membership. Every--member All members of the

- 1 Montana highway patrol, including the supervisor and
- 2 assistant supervisors, shall must be a member members of the
- 3 retirement system. If-o--person--becomes--a--member--of--the
- 4 Montana-highway-patrol-after-duly-ly-1945y-who-was-at-any
- 5 time-before-duly-ly-1945y-a-member-of--the--Montana--highway
- 6 patroly--he--shall-receive-credit-for-any-such-service-prior
- 7 to-duly-ly-1945y-upon-complying-with-the-provisions-of--this
- 8 actu
- 9 Section 4. Section 31-208, R.C.M. 1947, is amended to
- 10 read as follows:
- 11 #31-208. Service-allowance Computation of the service
- 12 of a contributor. In computing the length of service of a
- 13 contributor for retirement purposes, full credit shall be
- 14 given to each contributor for each year of service rendered
- 15 to the patrol, including service rendered prior to July 1,
- 16 1945, upon--complying if there is compliance with the
- 17 provisions of this act. As soon as practicable, the
- lò retirement board shall issue to each original member a
- 19 certificate certifying the aggregate length of his service
- 20 prior to July 1, 1945, Such The certificate shall will be
- 21 final and conclusive as to his prior service unless
- 22 thereafter modified by the board upon application of the
- 23 contributor. The time during which a contributor is absent
- 4 from service without pay shall may not be counted in
- 25 computing the <u>his</u> service of a contributor for retirement

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- 1 purposes, except service-with-the-ormed-forces-of-the-Hoited States--in--time--of--war as provided in 31-223 in regard to service with the armed forces of the United States."
- 4 Section 5. Section 31-213, R.C.M. 1947, is amended to read as follows:

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- "31-213. Retirement Service retirement allowance. Upon retirement from service a member shall receive a service retirement allowance which shall consist of the state annuity plus the member's annuity. The service retirement allowance shall be computed as follows: twenty-{20} through twenty-five-f25t years, two-percent-f2%t of his final salary for each year of service; twenty-six-(26) over 25 years and over, two-percent-(2%) of his final salary for each year of service through the twenty-fifth 25th plus one-percent-f1% of his final salary for each year of service past twenty-five-(25)."
- 17 Section 6. Section 31-215, R.C.M. 1947, is amended to read as follows: 18
  - "31-215. Involuntary retirement allowance. Should If a contributor be is involuntarily discontinued from servicey not--voluntarilyy after having completed ten-fl0; years of total service, but before reaching retirement age, he shall, upon filing of a written application in-the-manner-herein provided -- for -- retirement with the department, be paid whichever of the following allowances that he elects as he

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- to 111 the full amount of his accumulated deductions 2 standing-to-his-credit: or
- to 121 a member's annuity of equivalent actuarial value to his accumulated deductions standing to-his--credit. plus <u>an annuity which is</u> the actuarial equivalent of <del>a-state</del> 7 annuity--having--a-value-equal-to the present value of a the state annuity then-standing-to-his-credit."
- 9 Section 7. Section 31-222, R.C.M. 1947, is amended to read as follows: 10
- #31-222. Nomination of beneficiary. Every contributor 11 may hame his beneficiary by written designations duly 12 13 acknowledged and filed with the department, and to may 14 change the beneficiary in like manner. Such-designation -- and 15 all-changes-must-be-filed-with-the-departments\*
- 16 Section 8. Section 31-223, R.C.H. 1947, is amended to 17 read as follows:
- 18 "31-223. Service-in-the-ormed--forces--of--the--United 13 States Military service. (1) (a) A member of the Montana 20 highway patrol inducted into the armed forces of the United 21 Statesy-shall-have has the option to:
- 22 fat(i) to continue his payments into the fund; or
- 23 fbf(ii) allow the department to make his payments for him during his military service, in which event he shall 20 must repay the fund the full amount of the payments upon

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within 2 years after his return to the Montana highway patroly and these repayments must be made within two (2) years ofter his return to the patroly howevery 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 allowances

- (b) If a member chooses one of the options in subsection (1)(a) 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 Montana highway patrol.
- service with the Montana highway patrol may at any time prior to his retirement make a written election with the department to qualify all or any portion of his active service in the armed forces of the United States for the purpose of calculating retirement benefits, up to a maximum of five-(5) years, if he is not otherwise eligible to receive credit for this same service pursuant to subsection (1). To qualify this service he must contribute to the account the amount determined by the department due based on his compensation and normal contribution rate as of his sixteenth loth year and as many succeeding years as are required to qualify this service, with interest from the date he becomes eligible for this benefit to the date he

contributes. He may not qualify more of this service than he has service with the Montana highway patrol in excess of fifteen-t15 years.\*\*

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

\*31-228. Optional retirement allowance. Until (1) 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 allowance is made, and-subject-to-the-conditions-thaty-if-he die If a member dies after retirement and within thirty-(30) days from the date upon which his election or changed election is was received at-the-office-of by the department, then the election is voidy and the death shall be considered as that of a member before retirement. 

the approval of a previous election, revoke, or change a the previous election prior to—the—approval—of—the—previous election and elect to receive the actuarial equivalent of his retirement allowance as of the date of retirement, in a lesser retirement allowance, payable throughout life with one of the following options:

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

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1 in-his-lifey-as that he nominates nominated by written
2 designations duly executed and filed with the department at
3 the time of his retirement.

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

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14 15 the 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-