

1 H BILL NO. 545
 2 INTRODUCED BY Barrett Kuhl

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO AWARDING OF
 5 CREDITABLE SERVICE FOR TEACHERS SERVING IN PUBLIC OFFICE;
 6 RELATING TO THE RIGHTS AND BENEFITS OF TEACHERS WHO SEEK AND
 7 SERVE IN PUBLIC OFFICE; AMENDING SECTION 75-6205, R.C.M.
 8 1947."

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

11 Section 1. Section 75-6205, R.C.M. 1947, is amended to
 12 read as follows:

13 "75-6205. Powers and duties. The retirement board
 14 shall have the power and it shall be its duty to administer
 15 and operate the retirement system within the limitations
 16 prescribed by this Title. To this end, it shall be the duty
 17 of the retirement board to:

- 18 (1) establish rules and regulations necessary for the
- 19 proper administration and operation of the retirement
- 20 system;
- 21 (2) elect a chairman from its membership;
- 22 (3) appoint a secretary who may be one (1) of its
- 23 members;
- 24 (4) employ technical or administrative employees who
- 25 are necessary for the transaction of the business of the

- 1 retirement system;
- 2 (5) approve or disapprove all expenditures necessary
- 3 for the proper operation of the retirement system;
- 4 (6) keep a record of all its proceedings which shall
- 5 be open to public inspection;
- 6 (7) publish a biennial report by the first day of
- 7 January of each year the legislative assembly meets that
- 8 shall report in detail the fiscal transactions for the two
- 9 (2) fiscal years immediately preceding the report due date,
- 10 the amount of the accumulated cash and securities of the
- 11 retirement system and the last fiscal year balance sheet
- 12 showing the assets and liabilities of the retirement system,
- 13 and submit such biennial report to the governor and furnish
- 14 copies to the legislative assembly;
- 15 (8) when the retirement board deems it necessary,
- 16 designate a medical board to be composed of three
- 17 physicians, who are not eligible to participate in the
- 18 retirement system to investigate and report to the
- 19 retirement board on all medical matters related to the
- 20 administration of the retirement system;
- 21 (9) keep in convenient form that data which is
- 22 necessary for actuarial valuation of the various funds of
- 23 the retirement system and for checking the experience of the
- 24 retirement system;
- 25 (10) designate an actuary to assist the retirement

1 board with the technical actuarial aspects of the operation
 2 of the retirement system, which shall include establishing
 3 mortality and service tables and making an actuarial
 4 investigation at least once every five (5) years into the
 5 mortality, service, and compensation experience of the
 6 members and beneficiaries of the retirement system;

7 (11) prepare an annual valuation of the assets and
 8 liabilities of the retirement system;

9 (12) determine the eligibility of a person to become a
 10 member of the retirement system in accordance with the
 11 provisions of section 75-6209;

12 (13) prescribe a form for membership application which
 13 will provide adequate and necessary information for the
 14 proper operation of the retirement system;

15 (14) adopt policies for the determination of creditable
 16 service in the retirement system implementing the following
 17 guidelines:

18 (a) One (1) year's creditable service shall be awarded
 19 for each year of full-time service, outside of vacation
 20 periods, but no more than one (1) year's creditable service
 21 shall be awarded for service during the same school fiscal
 22 year.

23 (b) A proportion of a year's creditable service shall
 24 be allowed for part-time service. An equitable proration of
 25 a year's creditable service shall be awarded for part-time

1 service.

2 (c) Not more than one (1) month's creditable service
 3 shall be awarded for one (1) or more continuous months of
 4 absence without pay. However, if a teacher elects to remain
 5 a member while serving in an elected or appointed public
 6 office, creditable service shall be awarded for the time
 7 served in public office.

8 (15) grant retirement, disability, and other benefits
 9 under the provisions of section 75-6208;

10 (16) annually determine the rate of regular interest as
 11 prescribed in section 75-6206;

12 (17) establish and maintain the funds of the retirement
 13 system in accordance with the provisions of section 75-6207;
 14 and

15 (18) perform such other duties and functions as are
 16 required to properly administer and operate the retirement
 17 system."

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

20 Right of teachers to serve in public office -- benefits
 21 not lost. It is the right of a teacher to seek and serve in
 22 an elected or appointed public office. The board of trustees
 23 of a school district shall assure that teachers who serve in
 24 public office do not lose rights to annual increments of
 25 salary or tenure, retirement benefits as provided by law, or

1 other benefits that may be contracted with the school
2 district.

3 Section 3. There is a new R.C.M. section that reads as
4 follows:

5 Teacher serving in public office not to receive pay for
6 days missed. A teacher serving in public office shall be
7 granted the necessary leave without pay for the time
8 required to be absent from regular teaching duties as a
9 result of service in public office. Loss of pay shall be
10 computed on the number of days absent from the regular
11 teaching assignment. Nothing in this section prohibits a
12 local board of trustees from contracting or agreeing to pay
13 a salary to a teacher who serves in the state legislature.

14 Section 4. There is a new R.C.M. section that reads as
15 follows:

16 Teacher to notify board of trustees of intention to
17 serve in public office. A teacher who intends to serve in an
18 elected or appointed public office shall provide the board
19 of trustees with reasonable notice of that intention. When
20 so notified, the board shall allow the teacher the
21 opportunity to make arrangements with it for continuation of
22 employee benefits to which the teacher may be entitled. For
23 the purpose of benefit eligibility, the teacher is
24 considered a fully qualified school district employee when
25 on leave to serve in public office.

1 Section 5. There is a new R.C.M. section that reads as
2 follows:

3 Election to continue payments to teachers' retirement
4 system optional. For the purpose of retirement deductions
5 under 75-6207, a teacher who has given notice of his
6 intention to serve in a public office may elect to continue
7 payments to his employer equal to the deductions that would
8 have been made in each pay period had the teacher received
9 his full salary. The employer of any teacher so electing
10 shall make payments as would be required by 75-6207 were the
11 teacher to receive a salary in each pay period missed. A
12 teacher electing to maintain payments to the teachers'
13 retirement system under the provisions of this section is
14 not eligible for concurrent membership in any other
15 retirement system established by the state of Montana.

-End-

STATE OF MONTANA

REQUEST NO. 266-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 27, 19 77, there is hereby submitted a Fiscal Note for House Bill 545 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

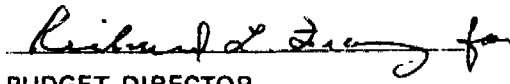
Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 545 allows for awarding of creditable service toward retirement benefits for teachers serving in public office.

CONCLUSION:

Provisions of this bill have no greater fiscal impact than if the individual remained in a teaching position rather than that of public office.


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-2-77