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1 Senate BILL NO. 17/ 2 INTRODUCED BY Simble

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A BILL FOR AN ACT ENTITLED: "AN ACT CONCERNING SERVICE CREDITS AND SURVIVORSHIP ALLOWANCES IN THE PUBLIC EMPLOYEES\*
RETIREMENT SYSTEM; AMENDING SECTIONS 68-1607, 68-1608, AND 68-2304, R.C.M. 1947; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 68-1607, R.C.M. 1947, is amended to read as follows:

Subject to the provisions of this section, any person who has service with an employer which is not creditable service may convert all or a portion of such service to membership service by filing written notice thereof with the board of administration no-later-than-July-ly-1975y-provided-that-any such-person-who--is-not-a-member-on-July-ly-1974y-may-make such-filing-no-later-than-one-(i)--year--after--subsequently becoming-a-member. In-either-eventy-such Ing person must pay to the retirement system the sum of the amount which he and his employer would have contributed during the period of service so converted if the employer had then been an employer and the interest which would have accumulated

thereon to the time of such payment; provided, that the 1 employer may pay the employer's portion including accrued 3 interest. The employer must establish a policy as to the retroactive employer contributions and apoly this policy 5 indiscriminately for all employees and former employees. All employee appeals of discrimination will be subject to 7 the determination of the board of administration. All successful appeals will oblique the employer to pay the employer and employee contributions with accrued interest 10 for that employee filing such appeal with the board of 11 administration. Each appeal will be heard on its individual 12 merits and will not bind the employer to pay all retroactive 13 payments for all former and present employees.

credited by submitting salary information certified by the member's employer or former employer to the board. The coard will determine the eligibility of all service credit requests as prescribed in 64-1803.

(27(3) Payment may be made in one sum at the time of such filing or on an installment basis. Installment payments shall not exceed twenty-four (24) monthly payments. When the monthly payment, exceeds five percent (5%) of compensation in the initial month of payment, the board of administration may allow smaller payments over a period to exceed twenty-four (24) months. Failure to make regular monthly

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payments in any month where the member receives his normal 1 compensation shall thereafter, forfeit such person's right 2 to make any further installment payments, unless permission 3 4 is granted to do so by the board of administration."

5 Section 2. Section 68-1608. R.C.M. 1947. is amended to read as follows: 6

7 #68-1608. Qualification of prior service not previously credited. Credit for any prior service not 8 Q previously granted shall be granted to a member upon his filing written notice thereof with the board of 10 11 administration no--later--than-July-Ly-1975y-providedy-that 12 any-such-person-who-is-not-a-member-on--July--ly--1974y--may 13 make---such---filing--no--later--than--one--(1)--year--after 14 subsequently-becoming--a--member--and--further provided he otherwise has not less than five (5) years of creditable service of which not less than three (3) years have been as a contributing member of the retirement system. Proper certification of such service must be furnished certified by the employer and furnished by the member."

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20 Section 3. Section 68-2304, R.C.M. 1947, is amended to 21 read as follows:

#68-2304. Survivorship 22 allowance elected 23 beneficiary. A beneficiary eligible to receive a death benefit may elect a survivorship allowance instead if all of 24 25 the following conditions are met:

1 (1) the member on behalf of whom the death benefit is payable had completed ten--(10) 5 years of creditable 2 3 service:

(2) the beneficiary is a natural person of legal age 4 with an insurable interest in the deceased at the time of 5 his death:

(3) the beneficiary elects the survivorship allowance within ninety (90) days of receipt of notice from the board that he is eligible to receive the death benefit. Election shall be by written application."

Section 4. Effective date. This act is effective upon 11 12 passage and approval.

-End-

### STATE OF MONTANA

Ř	FO	ш	EST	NO.	131-77

# FISCAL NOTE

Form BD-15

In compliance with a written request received <u>January 20</u> , 19 77, there is hereby submitted a Fiscal Note						
for Senate Bill 171 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:

Senate Bill 171 would allow a state, city or county employee, with previous work credit with a governmental unit not included for retirement purposes, to convert all or a portion of such service for retirement credit.

#### **ASSUMPTIONS:**

- 1. This bill is primarily an administrative consideration. The individual may pay all costs associated with his service, or the employer may elect to cover the employer's share of thes costs.
- 2. There is no additional cost to the retirement system.
- 3. There is no way of determining how many employees would participate under coverage of this act, but it is estimated to be small.

# FISCAL IMPACT:

Fiscal impact to the state would be minimal.

## LOCAL IMPACT:

The cost of this provision to the respective political subdivisions is not measurable as any payments of employer contributions are dependent upon local administrative policy.

Rulad & Dan F

Office of Budget and Program Planning

Date: 1-26-77

Approved by Committee on State Administration

INTRODUCED BY Semble

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A BILL FOR AN ACT ENTITLED: "AN ACT CONCERNING SERVICE CREDITS AND SURVIVORSHIP ALLOWANCES IN THE PUBLIC EMPLOYEES"

RETIREMENT SYSTEM; AMENDING SECTIONS 68-1607, 68-1608, AND 68-2304, R.C.M. 1947; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 68-1607, R.C.M. 1947, is amended to read as follows:

"68-1607. Qualification of service with employer. (1) Subject to the provisions of this section, any person who has service with an employer which is not creditable service may convert all or a portion of such service to membership service by filing written notice thereof with the board of administration no-later-then-July-ty-1975y-provided-that-any such-person-who-is-not-a-member-on-July-ty-1974y-may-make such-filing-no-later-than-one-(1)-year-after-subsequently becoming-a-member. In-either-eventy-such Ihe person must pay to the retirement system the sum of the amount which he and his employer would have contributed during the period of service so converted if the employer had then been an employer and the interest which would have accumulated

thereon to the time of such payment; provided, that the 2 employer may pay the employer's portion including accrued 3 interest. The employer must establish a policy as to the retroactive employer contributions and apply this policy indiscriminately for all employees and former employees. All employee appeals of discrimination will be subject to 7 the determination of the board of administration. All successful appeals will opligate the employer to pay the R 9 employer and employee contributions with accrued interest 10 for that employee filing such appeal with the board of 11 administration. Each appeal will be heard on its individual 12 merits and will not bind the employer to pay all retroactive 13 payments for all former and present employees.

121 A member may secure service credit not previously credited by submitting salary information certified by the member's employer or former employer to the board. The board will determine the eligibility of all service credit requests as prescribed in 68-1803.

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(2)(3) Payment may be made in one sum at the time of such filing or on an installment basis. Installment payments shall not exceed twenty-four (24) monthly payments. When the monthly payment, exceeds five percent (5%) of compensation in the initial month of payment, the board of administration may allow smaller payments over a period to exceed twenty-four (24) months. Failure to make regular monthly

payments in any month where the member receives his normal compensation shall thereafter, forfeit such person's right to make any further installment payments, unless permission is granted to do so by the board of administration."

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5 Section 2. Section 68-1608, R.C.M. 1947, is amended to 6 read as follows:

"68-1608. Qualification of prior service not previously credited. Credit for any prior service not previously granted shall be granted to a member upon his filing written notice thereof with the board of administration no later than July to 1775, provided that one such person who is not a member on July 1, 1971, any works such person who is not a member on the subsequently becoming a member and further provided he otherwise has not less than five (5) years of creditable service of which not less than three (3) years have been as a contributing member of the retirement system. Proper certification of such service must be furnished certified by the employer and furnished by the member."

Section 3. Section 68-2304, R.C.M. 1947, is amended to read as follows:

beneficiary. A beneficiary eligible to receive a death benefit may elect a survivorship allowance instead if all of the following conditions are met:

1 (1) the member on behalf of whom the death benefit is
2 payable had completed ten-(10) 5 years of creditable
3 service;

4 (2) the beneficiary is a natural person of legal age
5 with an insurable interest in the deceased at the time of
6 his death:

7 (3) the beneficiary elects the survivorship allowance 8 within minety (90) days of receipt of notice from the board 9 that he is eligible to receive the death benefit. Election 10 shall be by written application.

Section 4. Effective date. This act is effective upon passage and approval.

-End-

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1 Senete BILL NO. 17/

2 INTRODUCED B

A BILL FOR AN ACT ENTITLED: "AN ACT CONCERNING SERVICE CREDITS AND SURVIVORSHIP ALLOWANCES IN THE PUBLIC EMPLOYEES\*
RETIREMENT SYSTEM; AMENDING SECTIONS 68-1607, 68-1608, AND 68-2304, R.C.M. 1947; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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thereon to the time of such payment; provided, that the employer may pay the employer's portion including accrued interest. The employer must establish a policy as to the retroactive employer contributions and apply this policy indiscriminately for all employees and former employees. All employee appeals of discrimination will be subject to 7 the determination of the board of administration. All successful appeals will obligate the employer to pay the employer and employee contributions with accrued interest 10 for that employee filing such appeal with the board of 11 administration. Each appeal will be heard on its individual merits and will not bind the employer to pay all retroactive 12 · 13 payments for all former and present employees.

121 A member may secure service credit not previously credited by submitting salary information certified by the member's employer or former employer to the board. The board will determine the eligibility of all service credit requests as prescribed in 68-1803.

t2)(3) Payment may be made in one sum at the time of such filing or on an installment basis. Installment payments shall not exceed twenty-four (24) monthly payments. When the monthly payment, exceeds five percent (5%) of compensation in the initial month of payment, the board of administration may allow smaller payments over a period to exceed twenty-four (24) months. Failure to make regular monthly

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- payments in any month where the member receives his normal compensation shall thereafter, forfeit such person's right to make any further installment payments, unless permission is granted to do so by the board of administration.
- 5 Section 2. Section 68-1608, R.C.M. 1947, is amended to fead as follows:
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- 20 Section 3. Section 68-2304, R.C.M. 1947, is amended to read as follows:
- 22 m68-2304. Survivorship allowance elected by 23 beneficiary. A beneficiary eligible to receive a death 24 benefit may elect a survivorship allowance instead if all of 25 the following conditions are met:

- 1 (1) the member on behalf of whom the death benefit is
  2 payable had completed ten--(10) 5 years of creditable
  3 service;
- 4 (2) the beneficiary is a natural person of legal age
  5 with an insurable interest in the deceased at the time of
  6 his death;
  - (3) the beneficiary elects the survivorship allowance within ninety (90) days of receipt of notice from the board that he is eligible to receive the death benefit. Election shall be by written application.
- Section 4. Effective date. This act is effective upon passage and approval.

-End-

45th Legislature S8 0171/02 SB 0171/02

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1	SENATE BILL NO. 171
ž	INTRODUCED BY DUNKLE

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A BILL FOR AN ACT ENTITLED: "AN ACT CONCERNING SERVICE CREDITS AND SURVIVORSHIP ALLOWANCES IN THE PUBLIC EMPLOYEES"
RETIREMENT SYSTEM; AMENDING SECTIONS 68-1607, 68-1608, AND
68-2304, R.C.M. 1947; AND PROVIDING AN IMMEDIATE EFFECTIVE
B DATE."

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1 thereon to the time of such payment; provided, that the employer may pay the employer's portion including accrued interest. The employer must establish a policy as to the retroactive employer contributions and apply this policy indiscriminately for all employees and former employees. All employee appeals of discrimination will be subject to the determination of the board of administration. All successful appeals will obligate the employer to pay the employer and employee contributions with accrued interest for that employee filing such appeal with the board of 10 11 administration. Each appeal will be heard on its individual 12 merits and will not bind the employer to pay all retroactive 13 payments for all former and present employees.

(2) A member may secure service credit not previously credited by submitting salary information certified by the member's employer or former employer to the board. The board will determine the eligibility of all service credit requests as prescribed in 68-1803.

f2)(3) Payment may be made in one sum at the time of such filing or on an installment basis. Installment payments shall not exceed twenty-four (24) monthly payments. When the monthly payment, exceeds five percent (5%) of compensation in the initial month of payment, the board of administration may allow smaller payments over a period to exceed twenty-four (24) months, failure to make regular monthly

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ì	payments in any month where the member receives his normal
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3	to make any further installment payments, unless permission
4	is granted to do so by the board of administration."
5	Section 2. Section 68-1608, R.C.M. 1947, is amended to
6	read as follows:
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8	previously credited. Credit for any prior service not
9	previously granted shall be granted to a member upon his
10	filing written notice thereof with the board of
11	administration <del>nolaterthan-July-ly-1975y-providedy-that</del>
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13 14 15 16	makesuchfilingnolaterthanone(l)yearofter subsequently-becomingamemberandfurther provided he otherwise has not less than five (5) years of creditable service of which not less than three (3) years have been as
13 14 15 16 17	makesuchfilingnolaterthanone(1)yearofter subsequently-becomingamemberandfurther provided he otherwise has not less than five (5) years of creditable service of which not less than three (3) years have been as a contributing member of the retirement system. Proper
13 14 15 16 17	makesuchfilingnolaterthanone(1)yearofter subsequently-becomingamemberandfurther provided he otherwise has not less than five (5) years of creditable service of which not less than three (3) years have been as a contributing member of the retirement system. Proper certification of such service must be furnished certified by
13 14 15 16 17 18	makesuchfilingnolaterthanone(1)yearofter subsequently-becomingamemberandfurther provided he otherwise has not less than five (5) years of creditable service of which not less than three (3) years have been as a contributing member of the retirement system. Proper certification of such service must be furnished certified by the employer and furnished by the member.*
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13 14 15 16 17 18 19 20 21	makesuchfilingnolaterthanone(1)yearofter subsequently-becomingamemberandfurther provided he otherwise has not less than five (5) years of creditable service of which not less than three (3) years have been as a contributing member of the retirement system. Proper certification of such service must be furnished certified by the employer and furnished by the member.*  Section 3. Section 68-2304, R.C.M. 1947, is amended to read as follows:

l	(1) the member on behalf of whom the death benefit is
2	payable had completed <del>ten(10)</del> 5 years of creditable
3	service;
4	(2) the beneficiary is a natural person of legal age
5	with an insurable interest in the deceased at the time of
6	his death;
7	(3) the beneficiary elects the survivorship allowance
a	within ninety (90) days of receipt of notice from the board
9	that he is eligible to receive the death benefit. Election
10	shall be by written application."
11	Section 4. Effective date. This act is effective upon
12	passage and approval.

the following conditions are met:

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