

HOUSE BILL 135

IN THE HOUSE

January 12, 1979	Introduced and referred to Committee on State Administration.
January 23, 1979	Committee recommend bill, do not pass.
January 24, 1979	Report adopted. Objection.
January 25, 1979	Printed and placed on members' desks.
January 26, 1979	On motion taken from second reading and postponed to 38th Legislative day.
February 15, 1979	Second reading, as amended, do not pass.

State Administration

Objection Raised to
Adverse Committee Report

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL NO. 135
INTRODUCED BY Wendell IVERSON Kelly Salvo

1 creditable service."

-End-

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND THE PROVISIONS
IN THE TEACHERS' RETIREMENT SYSTEM OF THE STATE OF MONTANA
RELATING TO EARLY RETIREMENT; REDUCING THE MINIMUM EARLY
RETIREMENT AGE FROM 55 YEARS TO 50 YEARS; REVISING THE
FORMULA FOR CALCULATING THE EARLY RETIREMENT ALLOWANCE; AND
AMENDING SECTION 19-4-802, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
Section 1. Section 19-4-802, MCA, is amended to read:
"19-4-802. Early retirement. (1) A member who has at
least 5 years of creditable service, whose last 5 years of
creditable service were in this state, and who has attained
the age of 55 ~~50~~ may retire from service and be eligible for
an early retirement allowance if he files with the
retirement board his written application setting forth the
fact of his retirement.
(2) The early retirement allowance shall be determined
as prescribed in 19-4-804(1) and (2), with the exception
that the allowance will be reduced by ~~1/2~~ 1/4 of 1%
multiplied by the number of months by which the retirement
date precedes the date on which he would have retired had he
attained 60 years of age or had he completed 30 years of

-2- HB 135
SECOND READING

STATE OF MONTANA

Request No. 100-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 24, 1979, there is hereby submitted a Fiscal Note for House Bill 135 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:

An act to amend the provisions in the Teachers' Retirement System of the State of Montana relating to early retirement; reducing the minimum early retirement age from 55 years to 50 years; revising the formula for calculating the early retirement allowance by reducing the early retirement allowance by 1/4 of 1% rather than 1/2 of the 1% multiplied by the number of months by which the retirement date precedes the date on which he would have retired had he attained 60 years of age or had he completed 30 years of creditable service.

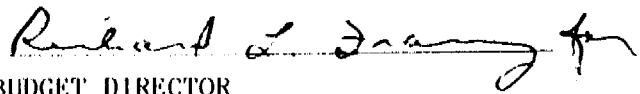
ASSUMPTIONS:

The true financial impact of this bill can only be determined by a complete actuarial valuation of the retirement system, however, based on the past experience of the Teachers' Retirement System, it may be estimated that:

1. 50 members will elect the proposed option each year at an average retirement age of 55 with 25 years of service.
2. The average salary of these members will be \$1,500 per month.

FISCAL IMPACT:

The additional cost to the Teachers' Retirement System due to the proposed legislation will be \$56,250 in FY 1980. The cost will continue to increase each year by \$56,250. (These costs do not include investment earning losses.)


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/29/79