

HOUSE BILL NO. 553

INTRODUCED BY O'CONNELL, QUILICI, DAILY,
FABREGA, HARRINGTON, MOORE, TROPILA

IN THE HOUSE

February 3, 1979	Introduced and referred to Committee on State Administration.
February 17, 1979	Committee recommend bill do pass. Report adopted.
February 20, 1979	Second reading, do pass.
February 21, 1979	Considered correctly engrossed. Third reading, passed. Transmitted to second house.

IN THE SENATE

February 22, 1979	Introduced and referred to Committee on Local Government.
March 16, 1979	Committee recommend bill be concurred in. Report adopted.
March 19, 1979	Motion pass consideration.
March 20, 1979	Second reading, concurred in.
March 23, 1979	Third reading, concurred in.

IN THE HOUSE

March 24, 1979	Returned from second house. Concurred in. Sent to enrolling. Reported correctly enrolled.
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1 *House* BILL NO. *553* *Change*
 2 INTRODUCED BY *Donnell Lulien's Draft*
 3 *Harrington*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE REPAYMENT TO
 5 THE MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM OF FUNDS
 6 ADVANCED TO IMPLEMENT SECTION 19-9-1007, MCA, AND TO PROVIDE
 7 CHANGES IN CALCULATING AND REPORTING PROCEDURES UNDER THAT
 8 SECTION; AMENDING SECTIONS 19-9-104 AND 19-9-1007, MCA."

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

11 Section 1. Section 19-9-104, MCA, is amended to read:
 12 "19-9-104. Definitions. Unless the context requires
 13 otherwise, the following definitions apply in this chapter:

14 (1) "Administrator" means the public employees'
 15 retirement division of the department of administration.

16 (2) "Base salary" means the sum of the monthly
 17 compensations for each month in a given calendar year.

18 ~~(3)~~(3) "Board" means the retirement board described in
 19 2-15-1009.

20 ~~(4)~~(4) "Credited service" means the aggregate of a
 21 member's prior service and membership service.

22 ~~(5)~~(5) "Employer" means any city which participated in
 23 a prior plan or which elects to join this plan under
 24 19-9-107.

25 ~~(6)~~(6) "Employer annuity" means monthly payments for

1 life derived from employer and state contributions.

2 ~~(7)~~(7) "Final average salary" means the monthly
 3 compensation of a member, averaged over the last 36 months
 4 of his active service or, in the event he has not been a
 5 member that long, over the period of his membership.

6 ~~(8)~~(8) "Fund" means the agency account in the treasury
 7 system designated for the use of the plan.

8 ~~(9)~~(9) "Mandatory retirement date" means the first day
 9 of the month coinciding with or immediately following, if
 10 none coincides, the date on which a member attains age 65.

11 ~~(10)~~(10) "Member" means a person who is employed by an
 12 employer as a police officer or who is entitled to a
 13 retirement allowance by virtue of his service to an employer
 14 as a police officer.

15 ~~(11)~~(11) "Member contributions" means the total of the
 16 deductions from the compensation of a member, either made
 17 during a period of active membership hereunder or made under
 18 a prior plan and transferred to this plan, standing to his
 19 credit, together with the interest thereon.

20 ~~(12)~~(12) "Member's annuity" means monthly payments for
 21 life derived from member contributions.

22 ~~(13)~~(13) "Membership service" means a period of
 23 employment with an employer occurring after June 30, 1977,
 24 during which the withholdings required by this chapter have
 25 been made from a member's monthly compensation and credited

1 to his member contributions account. Pro rata credit shall
2 be granted for employment on a part-time basis or for
3 employment over a period of less than a complete fiscal
4 year.

5 ~~(13)~~(14) "Minimum retirement date" or "normal
6 retirement date" means the first day of the month coinciding
7 with or immediately following, if none coincides, the date
8 on which a member becomes both age 50 or older and completes
9 20 or more years of credited service.

10 ~~(14)~~(15) "Monthly compensation" means the wage,
11 excluding overtime, holiday payments, shift differential
12 payments, compensation time payments, and payments in lieu
13 of sick leave and annual leave, a member receives as an
14 active police officer.

15 ~~(15)~~(16) Any reference to "municipality", "city", or
16 "town" includes those jurisdictions which, prior to the
17 effective date of a county-municipal consolidation, were
18 incorporated municipalities, subsequent districts created
19 for urban law enforcement services, or the entire county
20 included in the county-municipal consolidation.

21 ~~(16)~~(17) "Plan" means the municipal police officers'
22 retirement system created by this chapter.

23 ~~(17)~~(18) "Police officer" means a law enforcement
24 officer employed by an employer.

25 ~~(18)~~(19) "Prior plan" means the local police reserve or

1 retirement fund of a city which elects to join the plan
2 under 19-9-107 or the statewide police reserve fund
3 administered by the department of administration in
4 accordance with Chapter 335, Laws of 1974.

5 ~~(19)~~(20) "Prior service" means a period of employment
6 as a police officer for which credit was granted to a member
7 under a prior plan and has been transferred to this plan.

8 ~~(20)~~(21) "Retirement allowance" means the employer
9 annuity plus the member's annuity.

10 ~~(21)~~(22) "Retirement date" means the date on which the
11 first payment of the retirement, disability, or survivor
12 benefits of a member or a beneficiary is payable.

13 ~~(22)~~(23) "Totally and permanently disabled" means that
14 the board, upon certification by a licensed and practicing
15 physician, has determined that a member's disability is of
16 such a nature as to permanently impair his ability to
17 discharge his normal duties as a police officer."

18 Section 2. Section 19-9-1007, MCA, is amended to read:

19 "19-9-1007. Supplement to certain pensions. (1) The
20 payment for each fiscal year, commencing with the fiscal
21 year beginning July 1, 1977, to the police officers,
22 spouses, or minor children described in subsections (2)(a)
23 through (2)(c) may be not less than one-half of the base
24 salary paid in ~~that fiscal~~ the previous calendar year in the
25 appropriate city or town to newly confirmed police officers.

1 ~~except that for the fiscal year beginning July 1, 1979, all~~
 2 ~~retirees and their beneficiaries who received a supplement~~
 3 ~~to their retirement allowance on July 1, 1978, and are~~
 4 ~~receiving an allowance on July 1, 1979, shall receive a 3%~~
 5 ~~increase in their retirement allowance in lieu of any other~~
 6 ~~increase.~~

7 (2) On or before April 1 of each year, the department
 8 of administration shall make a report to the state auditor
 9 including the following information:

10 (a) the names of all police officers who are receiving
 11 payments from the ~~police-reserve-fund-of-the-city-or-town~~
 12 ~~plan~~ as of the date of the report and were receiving such
 13 payments ~~from~~ a prior to ~~plan before~~ July 1, 1975;

14 (b) the names of all spouses or minor children who are
 15 receiving payments from the ~~police-reserve-fund plan~~ because
 16 of the death of a police officer who was receiving such
 17 payments ~~from~~ a prior to ~~plan before~~ July 1, 1975;

18 (c) the names of all spouses or minor children who are
 19 receiving payments from the ~~police-reserve-fund plan~~ and who
 20 were receiving such payments ~~from~~ a prior to ~~plan before~~
 21 July 1, 1975, or in the case of minor children, whose
 22 parent, the spouse of a police officer, was receiving such
 23 payments ~~from~~ a prior to ~~plan before~~ July 1, 1975;

24 (d) for the purpose of determining the base figure for
 25 the computations set forth in subsection ~~(4)~~ (3), the

1 following information relating to the base fiscal year
 2 commencing July 1, 1976:

3 (i) the amount of the payments made in the base fiscal
 4 year to each police officer described in subsection (2)(a);

5 (ii) the amount of the payments made in the base fiscal
 6 year to each spouse or minor child (or children) described
 7 in subsection (2)(b) or (2)(c);

8 (iii) upon the death after April 18, 1977, of any
 9 police officer on the retired list who was receiving
 10 payments from the ~~police-reserve-fund~~ a prior to ~~plan before~~
 11 July 1, 1975, and who is survived by a spouse or minor
 12 children entitled to receive payments ~~therefrom~~ ~~from the~~
 13 ~~plan~~, the amount which would have been paid to an eligible
 14 spouse of such police officer had that spouse been receiving
 15 payments in the base fiscal year;

16 ~~(e) the base salary for the previous calendar year of~~
 17 ~~a newly confirmed police officer of each city or town~~
 18 ~~participating in the plan.~~

19 ~~(3) Each fiscal year commencing with the fiscal year~~
 20 ~~beginning July 1, 1977, immediately after the adoption by a~~
 21 ~~city or town having a police-reserve-fund of its budget for~~
 22 ~~that fiscal year, each such city or town shall report to the~~
 23 ~~state auditor the salary for that fiscal year of a newly~~
 24 ~~confirmed police officer of that city or town.~~

25 ~~(4)(3)~~ The state auditor shall, upon receipt of the

1 reports ~~report~~ referred to in subsections ~~subsection~~ (2) and
 2 (3), compute the difference between each amount reported
 3 under subsections (2)(d)(i) through (2)(d)(iii) and one-half
 4 the ~~base~~ salary for the ~~current fiscal~~ previous calendar
 5 year of a newly confirmed police officer of the appropriate
 6 city or town. The difference shall be paid by the state
 7 auditor out of the premium tax collected on insurance ~~as~~
 8 ~~provided in 19-10-305(2) or sold in this state to insure~~
 9 against risks enumerated in 19-11-512(5) to the treasurer of
 10 the ~~appropriate city or town at the same time as and~~
 11 administrator no later than May 31 of each year. This
 12 payment is in addition to the payment to be made by the
 13 state auditor under 19-9-702.

14 ~~(5) The treasurer of each city or town receiving funds~~
 15 ~~under subsection (4) shall immediately deposit them with the~~
 16 ~~department of administration. The department administrator~~
 17 shall use the funds to supplement the monthly payments to
 18 persons described in subsections (2)(a) through (2)(c) so
 19 that the requirements of subsection (1) are met.

20 (4) In addition to the payments made by the auditor as
 21 provided in subsection (3), the auditor shall make annual
 22 payments of \$100,000 on or before June 30 of each year until
 23 the sum of \$500,000 has been paid to the administrator for
 24 deposit in the retirement account. These payments are to be
 25 made to reimburse the retirement account for funds advanced

1 to implement this section.

2 ~~(6)(5)~~ If more than one minor child is entitled to
 3 supplementary payments under this section by virtue of the
 4 death of a common parent police officer, the minimum payment
 5 to such minor children under this section shall be
 6 determined as if there were one such minor child and the
 7 supplementary payment shall be made to the minor children
 8 collectively."

-End-

1 *House* BILL NO. *553* *Change*
 2 INTRODUCED BY *O'Connell* *Quilley's* *Salary*
 3 *Harington*

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 19 2-15-1009.

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 23 a prior plan or which elects to join this plan under
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FABREGA, HARRINGTON, MOORE, TROPILA

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(10)(11) "Member contributions" means the total of the deductions from the compensation of a member, either made during a period of active membership hereunder or made under a prior plan and transferred to this plan, standing to his credit, together with the interest thereon.

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 21 ~~beginning July 1, 1977, immediately after the adoption by a~~
 22 ~~city or town having a police-reserve-fund of its budget for~~
 23 ~~that fiscal year, each such city or town shall report to the~~
 24 ~~state auditor the salary for that fiscal year of a newly~~
 25 ~~confirmed police officer of that city or town.~~

1 ~~(4)(3)~~ The state auditor shall, upon receipt of the
 2 reports ~~REPORT~~ referred to in subsections ~~subsection~~ (2) and
 3 ~~(3)~~, compute the difference between each amount reported
 4 under subsections (2)(d)(i) through (2)(d)(iii) and one-half
 5 the ~~base~~ salary for the ~~current fiscal~~ previous calendar
 6 year of a newly confirmed police officer of the appropriate
 7 city or town. The difference shall be paid by the state
 8 auditor out of the premium tax collected on insurance ~~as~~
 9 ~~provided in 19-10-305(2)~~ sold in this state to insure
 10 against risks enumerated in 19-11-512(5) to the treasurer of
 11 ~~the appropriate city or town at the same time as and~~
 12 administrator no later than May 31 of each year. This
 13 payment is in addition to the payment to be made by the
 14 state auditor under 19-9-702.

15 ~~(5) The treasurer of each city or town receiving funds~~
 16 ~~under subsection (4) shall immediately deposit them with the~~
 17 ~~department of administration. The department administrator~~
 18 shall use the funds to supplement the monthly payments to
 19 persons described in subsections (2)(a) through (2)(c) so
 20 that the requirements of subsection (1) are met.

21 (5) In addition to the payments made by the auditor as
 22 provided in subsection (3), the auditor shall make annual
 23 payments of \$100,000 on or before June 30 of each year until
 24 the sum of \$500,000 has been paid to the administrator for
 25 deposit in the retirement accounts. These payments are to be

1 ~~made to reimburse the retirement account for funds advanced~~
 2 ~~to implement this section.~~

3 ~~(6)~~ If more than one minor child is entitled to
 4 supplementary payments under this section by virtue of the
 5 death of a common parent police officer, the minimum payment
 6 to such minor children under this section shall be
 7 determined as if there were one such minor child and the
 8 supplementary payment shall be made to the minor children
 9 collectively."

-End-