

HOUSE BILL 781

IN THE HOUSE

February 13, 1979	Introduced and referred to Committee on State Administration.
February 20, 1979	Committee recommend bill, do no pass. Report adopted. Objection.
February 23, 1979	Second reading, as amended. Considered correctly engrossed. On motion, taken from engrossing and referred to Committee on Appropriations.
March 26, 1979	Committee recommend bill, do not pass.
March 27, 1979	Report adopted. Objection. Second reading, as amended, do not pass.

1 House BILL NO. 781
 2 INTRODUCED BY Holmes, Bengtson, Lund, Log
 3 Metcalf, Low, Regan
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE AN INCREASE
 5 IN RETIREMENT ALLOWANCES FOR CERTAIN TEACHERS; AMENDING
 6 SECTION 19-4-707, MCA."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Section 19-4-707, MCA, is amended to read:

10 "19-4-707. Increase in allowances of certain retirees.

11 (1) On July 1, 1977, every beneficiary receiving a
 12 retirement allowance who was receiving such allowance prior
 13 to July 1, 1971, will be entitled to an increase in his
 14 monthly retirement allowance of \$1 per month for each year
 15 of creditable service plus \$2 per month for each year he was
 16 retired prior to July 1, 1971. In the case of beneficiaries
 17 who are receiving an early retirement allowance, the latter
 18 figure of \$2 per month shall be multiplied by a fraction,
 19 the numerator of which is the number of years of his
 20 creditable service and the denominator of which is 30.

21 (2) The funds to pay for the increases in retirement
 22 allowances prescribed in subsection (1) shall be provided as
 23 follows:

24 (a) one-half from an increase, sufficient for the
 25 purpose, in the payroll deduction provided for in

1 19-4-602(1); and
 2 (b) one-half from an increase, sufficient for the
 3 purpose, in the employer's contribution provided for in
 4 19-4-605(1).

5 (3) On July 1, 1979, every beneficiary receiving a
 6 retirement allowance who was receiving such allowance prior
 7 to July 1, 1979, will be entitled to an increase in his
 8 monthly retirement allowance of 50 cents per month for each
 9 year of creditable service not to exceed \$15 a month.

10 (4) The funds to pay for the increases in retirement
 11 allowances prescribed in subsection (3) shall be provided by
 12 an annual legislative appropriation from the general fund
 13 sufficient for the purpose."

-End-

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2 INTRODUCED BY HOLMES, BENGTSOON, LUND, LORY,

3 METCALF, LOWE, REGAN

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-End-

STATE OF MONTANA

Request No. 366-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 14, 1979, there is hereby submitted a Fiscal Note for House Bill 781 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 781 will provide an increase in retirement benefits for those retired before July 1, 1979 of 50 cents per month for each year of service credited at retirement but not to exceed \$15 per month. The funds to pay for the increases shall be provided by an annual legislative appropriation from the general fund.

ASSUMPTIONS:

1. Original annual cost will decrease an average of 3% per year until all current retirees are deceased.
2. An insignificant number of retirees will still be receiving this benefit after 30 years.

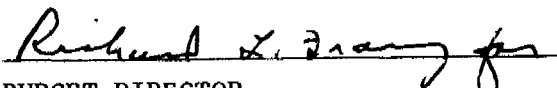
FISCAL IMPACT:

	<u>FY 80</u>	<u>FY 81</u>
Additional cost of proposed legislation	<u>\$600,000</u>	<u>\$582,000</u>

The additional cost would be funded from the State General Fund.

LONG-RANGE IMPACT:

An annual State General Fund appropriation will be required for 30 years with the 30th year appropriation totalling \$60,000.


BUDGET DIRECTOR
Office of Budget and Program Planning
Date: 2/19/79