

HOUSE BILL NO. 98

INTRODUCED BY FEBA

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

IN THE HOUSE

January 7, 1981	Introduced and referred to Committee on State Administration.
January 9, 1981	Fiscal note requested.
January 13, 1981	Fiscal note returned.
January 14, 1981	Committee recommend bill do pass as amended. Report adopted.
January 15, 1981	Bill printed and placed on members' desks.
January 16, 1981	Second reading, do pass.
January 17, 1981	Considered correctly engrossed. Third reading, passed. Transmitted to Senate.

IN THE SENATE

January 19, 1981	Introduced and referred to Committee on State Administration.
March 18, 1981	Committee recommend bill be concurred in. Report adopted.
March 20, 1981	Second reading, concurred in.
March 23, 1981	Third reading, concurred in. Ayes, 47; Noes, 0.

IN THE HOUSE

March 24, 1981	Returned from Senate. Concurred in. Sent to enrolling. Reported correctly enrolled.
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5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING AND REVISING
6 THE DEFINITION AND INVOLUNTARY RETIREMENT PROVISIONS
7 CONCERNING THE HIGHWAY PATROLMEN'S RETIREMENT SYSTEM;
8 EXTENDING BENEFITS TO CERTAIN SURVIVING SPOUSES; AND
9 ELIMINATING SUBROGATION OF BENEFITS; AMENDING SECTIONS
10 19-6-101 AND 19-6-503, MCA; REPEALING SECTION 19-6-105,
11 MCA."

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

14 Section 1. Section 19-6-101, MCA, is amended to read:

15 "19-6-101. Definitions. Unless the context requires
16 otherwise, the following definitions apply in this chapter:

17 (1) "Account" means the Montana highway patrolmen's
18 retirement account in the agency fund.

19 (2) "Accumulated deductions" means the total of the
20 amounts deducted from the salary of a member, paid into the
21 account, and standing to his credit in the account, together
22 with the regular interest thereon.

23 (3) "Actuarial equivalent" means a benefit of equal
24 value when computed on the basis of the actuarial tables in
25 use by the system.

1 (4) "Beneficiary" means a person nominated to receive
2 benefits under this chapter by a member's written
3 designation, duly acknowledged and filed with the
4 department.

5 (5) "Board" means the public employees' retirement
6 board provided for in 2-15-1009.

7 (6) "Compulsory retirement age" means 60 years of age.

8 (7) "Department" means the public employees'
9 retirement division of the department of administration.

10 (8) "Final salary" means the average annual
11 compensation received by a member, before any deductions
12 have been made and exclusive of maintenance, allowances, and
13 expenses, for any 3 years of continuous service upon which
14 contributions have been made or, in the event a member has
15 not served 3 years, the total compensation earned divided by
16 the number of years served. Lump-sum payments for sick leave
17 and annual leave paid to an employee upon termination of
18 employment may be used in the calculation of a retirement
19 allowance only to the extent that they are used to replace,
20 on a month for month basis, the normal compensation for a
21 month or months included in the calculation of the final
22 salary. A lump-sum payment may not be added to a single
23 month's compensation.

24 ~~(9) "Involuntary retirement" means a retirement not~~
25 ~~for-cause-and-before-retirement-age.~~

1 ~~(10)~~(9) "Member" means a person who has accumulated
2 deductions in the account standing to his credit.

3 ~~(11)~~(10) "Member's annuity" means payments for life
4 derived from contributions made by the member.

5 ~~(12) "Optional retirement age" means the age at which a~~
6 ~~member may retire after 26 years of service.~~

7 ~~(13)~~(11) "Retired patrolman" means a person in receipt
8 of a retirement allowance under this chapter.

9 ~~(14)~~(12) "Retirement age" means the age at which a
10 member retires after 25 years of creditable service with the
11 Montana highway patrol, or 60 years of age, whichever occurs
12 first.

13 ~~(15)~~(13) "Retirement allowance" means the state annuity
14 plus the member's annuity.

15 ~~(16)~~(14) "State annuity" means payments for life
16 derived from contributions made by the state of Montana."

17 Section 2. Section 19-6-503, MCA, is amended to read:

18 "19-6-503. Involuntary retirement allowance. If a
19 member is involuntarily discontinued from service after
20 having completed 10 years of total service but before
21 reaching retirement age, he shall, upon filing a written
22 application with the department, be paid whichever of the
23 following allowances that he elects:

- 24 (1) the full amount of his accumulated deductions; or
25 (2) a member's annuity of equivalent actuarial value

1 to his accumulated deductions plus an annuity which is the
2 actuarial equivalent of the present value of the state
3 annuity based on a retirement age of 60."

4 **NEW SECTION.** Section 3. Extension of benefits. If no
5 retirement allowance was payable on January 1, 1980, to the
6 surviving spouse of a member of the Montana highway patrol
7 under subsections (2) through (5) of section 1, Chapter 349,
8 Laws of 1975, because of the exhaustion of benefits prior to
9 that date, a retirement allowance of \$300 per month shall be
10 paid to the surviving spouse.

11 Section 4. Repealer. Section 19-6-105, MCA, is
12 repealed.

-End-

STATE OF MONTANA

REQUEST NO. 62-81

FISCAL NOTE

Form BD-15

In compliance with a written request received 1-9, 19 81, there is hereby submitted a Fiscal Note for H.B. 98 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:

H.B. 98 intends to provide for a minimum benefit to the widow of a Highway Patrolman due to the exhaustion of benefits.

FISCAL IMPACT:

Due to a technical defect in the bill no cost can be ascribed to this measure. The date of January 1, 1981 in this bill does not change the status of those widows that presently do not have the benefit protection.

TECHNICAL NOTE:

This bill should be revised by removing the January 1, 1981 date and replacing it with "prior to July, 1975". This would enable certain widows who currently are excluded from the benefits to begin receiving those benefits.

	<u>FY 82</u>	<u>FY 83</u>	<u>Total</u>
Estimated Cost:	\$ 18,000	\$ 18,000	\$36,000

COMMENT: Amendments to the bill are being prepared that will correct the defect.

David M Lewis

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____

Approved by Committee
on State Administration

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9 ELIMINATING SUBROGATION OF BENEFITS; AMENDING SECTIONS
10 19-6-101, ~~19-6-501~~ AND 19-6-503, MCA; REPEALING SECTION
11 19-6-105, MCA."
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16 otherwise, the following definitions apply in this chapter:

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18 retirement account in the agency fund.

19 (2) "Accumulated deductions" means the total of the
20 amounts deducted from the salary of a member, paid into the
21 account, and standing to his credit in the account, together
22 with the regular interest thereon.

23 (3) "Actuarial equivalent" means a benefit of equal
24 value when computed on the basis of the actuarial tables in
25 use by the system.

1 (4) "Beneficiary" means a person nominated to receive
2 benefits under this chapter by a member's written
3 designation, duly acknowledged and filed with the
4 department.

5 (5) "Board" means the public employees' retirement
6 board provided for in 2-15-1009.

7 (6) "Compulsory retirement age" means 60 years of age.

8 (7) "Department" means the public employees'
9 retirement division of the department of administration.

10 (8) "Final salary" means the average annual
11 compensation received by a member, before any deductions
12 have been made and exclusive of maintenance, allowances, and
13 expenses, for any 3 years of continuous service upon which
14 contributions have been made or, in the event a member has
15 not served 3 years, the total compensation earned divided by
16 the number of years served. Lump-sum payments for sick leave
17 and annual leave paid to an employee upon termination of
18 employment may be used in the calculation of a retirement
19 allowance only to the extent that they are used to replace,
20 on a month for month basis, the normal compensation for a
21 month or months included in the calculation of the final
22 salary. A lump-sum payment may not be added to a single
23 month's compensation.

24 ~~(9) "Involutary retirement" means a retirement not~~
25 ~~for cause and before retirement ages~~

1 ~~(10)~~(11) "Member" means a person who has accumulated
2 deductions in the account standing to his credit.

3 ~~(11)~~(10) "Member's annuity" means payments for life
4 derived from contributions made by the member.

5 ~~(12) "Optional retirement age" means the age at which a~~
6 ~~member may retire after 20 years of service.~~

7 ~~(13)~~(11) "Retired patrolman" means a person in receipt
8 of a retirement allowance under this chapter.

9 ~~(14)~~(12) "Retirement age" means the age at which a
10 member retires after 25 years of creditable service with the
11 Montana highway patrol or 60 years of age, whichever occurs
12 first.

13 ~~(15)~~(13) "Retirement allowance" means the state annuity
14 plus the member's annuity.

15 ~~(16)~~(14) "State annuity" means payments for life
16 derived from contributions made by the state of Montana."

17 SECTION 2. SECTION 19-6-501, MCA, IS AMENDED TO READ:

18 "19-6-501. Eligibility and application for service
19 retirement allowance. A member in service who has completed
20 at least 25 20 years of creditable service may retire on a
21 service retirement allowance upon written application to the
22 department setting forth at what time he desires to be
23 retired, not less than 30 days or more than 90 days
24 subsequent to the filing thereof."

25 Section 3. Section 19-6-503, MCA, is amended to read:

1 "19-6-503. Involuntary retirement allowance. If a
2 member is involuntarily discontinued from service after
3 having completed 10 years of total service but before
4 reaching retirement age, he shall, upon filing a written
5 application with the department, be paid whichever of the
6 following allowances that he elects:

7 (1) the full amount of his accumulated deductions; or

8 (2) a member's annuity of equivalent actuarial value
9 to his accumulated deductions plus an annuity which is the
10 actuarial equivalent of the present value of the state
11 annuity based on a retirement age of 60."

12 NEW SECTION. Section 4. Extension of benefits. ~~if no~~
13 ~~retirement allowance was payable on January 1, 1980, to the~~
14 ~~surviving spouse of a member of the Montana highway patrol~~
15 ~~under subsections (2) through (5) of section 19-6-349~~
16 ~~laws of 1975, because of the exhaustion of benefits prior to~~
17 ~~that date, a retirement allowance of \$300 per month shall be~~
18 ~~paid to the surviving spouse.~~ THE SURVIVING SPOUSE OF A
19 HIGHWAY PATROLMAN WHO RETIRED PRIOR TO JULY 1ST, 1974, SHALL
20 RECEIVE A MINIMUM RETIREMENT ALLOWANCE OF NO LESS THAN \$300
21 PER MONTH BEGINNING JANUARY 1, 1981, OR THE FIRST DAY OF THE
22 MONTH FOLLOWING THE PATROLMAN'S DEATH, WHICHEVER IS LATER.

23 Section 5. Repealer. Section 19-6-105, MCA, is
24 repealed.

-End-

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