

HOUSE BILL NO. 135

INTRODUCED BY KESSLER, TEAGUE, MENAHAN

IN THE HOUSE

January 9, 1981	Introduced and referred to Committee on Education.
January 22, 1981	Committee recommend bill do pass as amended. Report adopted.
January 23, 1981	Bill printed and placed on members' desks.
January 24, 1981	Motion pass consideration.
January 26, 1981	Second reading, do pass.
January 27, 1981	Correctly engrossed.
	Third reading, passed. Transmitted to Senate.

IN THE SENATE

January 28, 1981	Introduced and referred to Committee on State Administration.
March 20, 1981	Committee recommend bill be concurred in as amended. Report adopted.
March 23, 1981	Second reading, pass consideration.
March 24, 1981	Second reading, concurred in as amended.
March 26, 1981	Third reading, concurred in as amended. Ayes, 44; Noes, 1.

IN THE HOUSE

March 27, 1981

Returned from Senate with amendments.

April 8, 1981

Second reading, amendments not concurred in.

On motion Free Conference Committee requested.

Free Conference Committee appointed.

April 13, 1981

Free Conference Committee reported and dissolved.

April 17, 1981

Second reading, Free Conference Committee report adopted.

On motion rules suspended and bill placed on third reading this day.

Third reading, Free Conference Committee report adopted. Ayes, 95; Noes, 0. Transmitted to Senate.

IN THE SENATE

April 17, 1981

Free Conference Committee report adopted.

IN THE HOUSE

April 20, 1981

Returned from Senate. Concurred in. Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 135
2 INTRODUCED BY Kessler Eugene Menahan

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A MEMBER OF
5 THE TEACHERS' RETIREMENT SYSTEM TO PURCHASE SERVICE CREDITS
6 FOR INSTATE EMPLOYMENT IN PRIVATE SCHOOLS; AMENDING SECTION
7 19-4-401, MCA."

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

10 NEW SECTION. Section 1. Creditable service for
11 instate employment in private schools. A person applying for
12 membership may also apply for creditable service in the
13 retirement system for employment service in a private
14 elementary, secondary, or postsecondary educational
15 institution in Montana. The person shall be awarded
16 creditable service, conditional upon his completing 5 years
17 of active membership in the retirement system for the number
18 of years, not exceeding 5, that the retirement board
19 determines to be creditable service, if he contributes to
20 the retirement system an amount equal to the combined
21 employer and employee contribution for his first full year's
22 teaching salary earned after becoming a member of the
23 retirement system for each year of creditable service plus
24 interest at the rate the contribution would have earned had
25 the contribution been in his account upon the completion of

1 5 years of membership service. The contribution rate shall
2 be that rate in effect at the time he is eligible for such
3 service. The contributions may be made in lump-sum payment
4 or in installments as agreed between the person and the
5 retirement board.

6 Section 2. Section 19-4-401, MCA, is amended to read:
7 "19-4-401. Creditable service. (1) The creditable
8 service of a member begins on the date of his employment in
9 a capacity prescribed for his eligibility in 19-4-302 and
10 accumulates to the member's credit on the basis of the
11 retirement board's policy governing creditable service.

12 (2) The creditable service of a member includes the
13 following:

14 (a) each year of service for which contributions to
15 the retirement system were deducted from his compensation
16 under the provisions of Chapter 37, Laws of 1937, Chapter
17 215, Laws of 1939, this chapter, and their subsequent
18 amendments, except that no credit may be awarded for those
19 years of service for which the contributions have been
20 withdrawn and not replaced;

21 (b) any service awarded by a prior service certificate
22 issued under the provisions of Chapter 87, Laws of 1937,
23 Chapter 215, Laws of 1939, and their subsequent amendments
24 or under the provisions of 19-4-406;

25 (c) any out-of-state employment service awarded by the

1 retirement board under the provisions of 19-4-402;

2 (d) any service awarded for employment while on leave
3 under 19-4-403; and

4 (e) any service in the military, red cross, or
5 merchant marine awarded by the retirement board under
6 19-4-404; and

7 ~~(f) any instate employment service awarded by the~~
8 ~~retirement board under the provisions of [section 1].~~

9 (3) The retirement board's determination of creditable
10 service under this section is final and conclusive for the
11 purposes of the retirement system unless, at any time, the
12 board discovers an error or fraud in the establishment of
13 creditable service, in which case the board shall
14 redetermine the creditable service."

15 Section 3. Codification instruction. Section 1 is
16 intended to be codified as an integral part of Title 19,
17 chapter 4, part 4, and the provisions of Title 19, chapter
18 4, apply to section 1.

-End-

Approved by Committee
on Education

HOUSE BILL NO. 135

INTRODUCED BY KESSLER, TEAGUE, MENAHAN

A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A MEMBER OF THE TEACHERS' RETIREMENT SYSTEM TO PURCHASE SERVICE CREDITS FOR ~~INSTATE~~ EMPLOYMENT IN PRIVATE SCHOOLS; AMENDING SECTION 19-4-401, MCA."

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

NEW SECTION. Section 1. Creditable service for ~~instate~~ employment in private schools. A person applying for membership may also apply for creditable service in the retirement system for employment service in a private elementary, secondary, or postsecondary educational institution ~~in--Montana~~. The person shall be awarded creditable service, conditional upon his completing 5 years of active membership in the retirement system for the number of years, not exceeding 5, that the retirement board determines to be creditable service, if he contributes to the retirement system an amount equal to the combined employer and employee contribution for his first full year's teaching salary earned after becoming a member of the retirement system for each year of creditable service plus interest at the rate the contribution would have earned had the contribution been in his account upon the completion of

5 years of membership service. The contribution rate shall be that rate in effect at the time he is eligible for such service. The contributions may be made in lump-sum payment or in installments as agreed between the person and the retirement board.

Section 2. Section 19-4-401, MCA, is amended to read:

"19-4-401. Creditable service. (1) The creditable service of a member begins on the date of his employment in a capacity prescribed for his eligibility in 19-4-302 and accumulates to the member's credit on the basis of the retirement board's policy governing creditable service.

(2) The creditable service of a member includes the following:

(a) each year of service for which contributions to the retirement system were deducted from his compensation under the provisions of Chapter 87, Laws of 1937, Chapter 215, Laws of 1939, this chapter, and their subsequent amendments, except that no credit may be awarded for those years of service for which the contributions have been withdrawn and not replaced;

(b) any service awarded by a prior service certificate issued under the provisions of Chapter 87, Laws of 1937, Chapter 215, Laws of 1939, and their subsequent amendments or under the provisions of 19-4-406;

(c) any out-of-state employment service awarded by the

1 retirement board under the provisions of 19-4-402;

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5 merchant marine awarded by the retirement board under
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16 creditable service, conditional upon his completing 5 years
17 of active membership in the retirement system for the number
18 of years, not exceeding 5, that the retirement board
19 determines to be creditable service, if he contributes to
20 the retirement system an amount equal to the combined
21 employer and employee contribution for his first full year's
22 teaching salary earned after becoming a member of the
23 retirement system for each year of creditable service plus
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25 the contribution been in his account upon the completion of

1 5 years of membership service. The contribution rate shall
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5 retirement board.

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13 following:

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15 the retirement system were deducted from his compensation
16 under the provisions of Chapter 87, Laws of 1937, Chapter
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18 amendments, except that no credit may be awarded for those
19 years of service for which the contributions have been
20 withdrawn and not replaced;

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22 issued under the provisions of Chapter 87, Laws of 1937,
23 Chapter 215, Laws of 1939, and their subsequent amendments
24 or under the provisions of 19-4-406;

25 (c) any out-of-state employment service awarded by the

1 retirement board under the provisions of 19-4-402;

2 (d) any service awarded for employment while on leave
3 under 19-4-403; and

4 (e) any service in the military, red cross, or
5 merchant marine awarded by the retirement board under
6 19-4-404; and

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10 service under this section is final and conclusive for the
11 purposes of the retirement system unless, at any time, the
12 board discovers an error or fraud in the establishment of
13 creditable service, in which case the board shall
14 redetermine the creditable service."

15 Section 3. Codification instruction. Section 1 is
16 intended to be codified as an integral part of Title 19,
17 chapter 4, part 4, and the provisions of Title 19, chapter
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13 for membership may also apply for creditable service in the
14 retirement system for employment service in a private
15 elementary, secondary, or postsecondary educational
16 institution ~~in--Montana.~~ EMPLOYMENT SERVICE MUST BE OF AN
17 INSTRUCTIONAL NATURE OR BE EMPLOYMENT AS AN ADMINISTRATIVE
18 OFFICER OR A MEMBER OF THE SCIENTIFIC STAFF. EMPLOYMENT
19 SERVICE DOES NOT INCLUDE STUDENTS EMPLOYED BY A PRIVATE
20 ELEMENTARY, SECONDARY, OR POSTSECONDARY EDUCATIONAL
21 INSTITUTION. The person shall be awarded creditable service,
22 conditional upon his completing 5 years of active membership
23 in the retirement system for the number of years, not
24 exceeding 5, that the retirement board determines to be
25 creditable service, if he contributes to the retirement

1 system an amount equal to the combined employer and employee
2 contribution for his first full year's teaching salary
3 earned after becoming a member of the retirement system OR
4 RETURNING TO THE RETIREMENT SYSTEM, WHICHEVER IS LATER, for
5 each year of creditable service plus interest at the rate
6 the contribution would have earned had the contribution been
7 in his account upon the completion of 5 years of membership
8 service. The contribution rate shall be that rate in effect
9 at the time he is eligible for such service. The
10 contributions may be made in lump-sum payment or in
11 installments as agreed between the person and the retirement
12 board. THE PROVISIONS OF 19-4-405 APPLY TO CREDITABLE
13 SERVICE PURCHASED UNDER THIS SECTION.

14 (2) A MEMBER OF THE PUBLIC EMPLOYEES' RETIREMENT
15 SYSTEM WHO HAS TRANSFERRED HIS CREDITABLE SERVICE FROM THE
16 TEACHERS' RETIREMENT SYSTEM TO THE PUBLIC EMPLOYEES'
17 RETIREMENT SYSTEM AND WHO WOULD OTHERWISE BE ELIGIBLE TO
18 APPLY FOR CREDITABLE SERVICE UNDER SUBSECTION (1), EXCEPT
19 THAT HE IS NOT CURRENTLY A MEMBER OF THE TEACHERS'
20 RETIREMENT SYSTEM, MAY APPLY FOR SUCH CREDITABLE SERVICE IN
21 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM IN A MANNER
22 ESTABLISHED BY THE PUBLIC EMPLOYEES' RETIREMENT BOARD.

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24 "19-4-401. Creditable service. (1) The creditable
25 service of a member begins on the date of his employment in

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 3 retirement board's policy governing creditable service.

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 7 the retirement system were deducted from his compensation
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 8 intended to be codified as an integral part of Title 19,
 9 chapter 4, part 4, and the provisions of Title 19, chapter
 10 4, apply to section 1.

-End-

JOINT CONFERENCE COMMITTEE
ON SENATE AMENDMENTS TO HOUSE BILL NO. 135

(Report No. 1, April 11, 1981)

MR. PRESIDENT AND SPEAKER OF THE HOUSE:

We, your Joint Conference Committee on House Bill No. 135,
met April 11, 1981, and considered:

Senate State Administration Committee Amendments to the third
reading copy, dated March 20, 1981, and;

Senate Committee of the Whole Amendments to the third reading
copy, dated March 24, 1981, and recommend as follows:

That the House accede to Senate State Administration Committee
Amendments nos. 1 through 3;

That the Senate recede from Committee of the Whole Amendments
nos. 1 through 3;

That the reference copy of House Bill No. 135 be read as
specified in the CLERICAL INSTRUCTIONS;

And, that the Joint Conference Committee Report to House Bill
No. 135 be adopted.

CLERICAL INSTRUCTIONS:

- 1. Title, line 5.
Following: "SYSTEM"
Strike: "AND QUALIFIED MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT
SYSTEM"
- 2. Page 1, line 12.
Following: "schools."
Strike: "(1)"
- 3. Page 2, lines 14-22.
Following: line 13
Strike: subsection (2)

FOR THE HOUSE:

Bruce Hanson
Hanson, Chairman

Glen Mueller
Mueller

Richard Kennerly
Kennerly

FOR THE SENATE:

Bob Brown
B. Brown, Chairman

Walt Hammond
Hammond

Pat Regan
Regan

.....
Chairman.

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system an amount equal to the combined employer and employee contribution for his first full year's teaching salary earned after becoming a member of the retirement system OR RETURNING TO THE RETIREMENT SYSTEM, WHICHEVER IS LATER, for each year of creditable service plus interest at the rate the contribution would have earned had the contribution been in his account upon the completion of 5 years of membership service. The contribution rate shall be that rate in effect at the time he is eligible for such service. The contributions may be made in lump-sum payment or in installments as agreed between the person and the retirement board. THE PROVISIONS OF 19-4-405 APPLY TO CREDITABLE SERVICE PURCHASED UNDER THIS SECTION.

~~It~~ A MEMBER OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO HAS TRANSFERRED HIS CREDITABLE SERVICE FROM THE TEACHERS' RETIREMENT SYSTEM TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND WHO WOULD OTHERWISE BE ELIGIBLE TO APPLY FOR CREDITABLE SERVICE UNDER SUBSECTION (1), EXCEPT THAT HE IS NOT CURRENTLY A MEMBER OF THE TEACHERS' RETIREMENT SYSTEM, MAY APPLY FOR SUCH CREDITABLE SERVICE IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM IN A MANNER ESTABLISHED BY THE PUBLIC EMPLOYEES' RETIREMENT BOARD.

Section 2. Section 19-4-401, MCA, is amended to read: "19-4-401. Creditable service. (1) The creditable service of a member begins on the date of his employment in

1 a capacity prescribed for his eligibility in 19-4-302 and
 2 accumulates to the member's credit on the basis of the
 3 retirement board's policy governing creditable service.

4 (2) The creditable service of a member includes the
 5 following:

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 7 the retirement system were deducted from his compensation
 8 under the provisions of Chapter 87, Laws of 1937, Chapter
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 10 amendments, except that no credit may be awarded for those
 11 years of service for which the contributions have been
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 2 service under this section is final and conclusive for the
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 4 board discovers an error or fraud in the establishment of
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 6 redetermine the creditable service."

7 Section 3. Codification instruction. Section 1 is
 8 intended to be codified as an integral part of Title 19,
 9 chapter 4, part 4, and the provisions of Title 19, chapter
 10 4, apply to section 1.

-End-

March 20, 1981

SENATE STANDING COMMITTEE REPORT
(State Administration)

That House Bill No. 135 be amended as follows:

1. Page 1, line 15.

Following: "Montana."

Insert: "Employment service must be of an instructional nature or be employment as an administrative officer or a member of the scientific staff. Employment service does not include students employed by a private elementary, secondary, or post-secondary educational institution."

2. Page 1, line 23.

Following: "system"

Insert: "or returning to the retirement system, whichever is later,"

3. Page 2, line 5.

Following: "board."

Insert: "The provisions of 19-4-405 apply to creditable service purchased under this section."

March 24, 1981

SENATE COMMITTEE OF THE WHOLE

Proposed amendments to House Bill 135, third reading copy, as follows:

1. Title, line 5.

Following: "SYSTEM"

Insert: "AND QUALIFIED MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM"

2. Page 1, line 11.

Following: "schools."

Insert: "(1)"

3. Following the Senate Standing Committee Report (State Administration) Amendment 3.

Following: "section."

Insert: "(2) A member of the public employees' retirement system who has transferred his creditable service from the teacher's retirement system to the public employees' retirement system and who would otherwise be eligible to apply for creditable service under subsection (1) except that he is not currently a member of the teacher's retirement system, may apply for such creditable service in the public employees' retirement system in a manner established by the public employees' retirement board."