

Senate Bill 135

In The Senate

January 15, 1981	Introduced and referred to Committee on State Administration.
	Fiscal note requested.
January 21, 1981	Fiscal note returned.
January 29, 1981	Committee recommend bill do pass as amended.
January 30, 1981	Bill printed and placed on members' desks.
January 31, 1981	Second reading pass consideration.
February 2, 1981	Second reading do pass as amended.
February 3, 1981	Correctly engrossed.
February 4, 1981	Third reading passed.

In The House

February 5, 1981	Introduced and referred to Committee on State Administration.
March 11, 1981	Committee recommend bill not concurred.

In The Senate

March 12, 1981	Returned from House not concurred.
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INTRODUCED BY *Senate* ~~Thomas Berg Bob Brown~~ *135* *Keating*  
*Hoyer*

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 19-4-403, MCA, REDUCING THE AMOUNT A TEACHER MUST CONTRIBUTE TO THE RETIREMENT SYSTEM TO EARN SERVICE CREDITS FOR EMPLOYMENT WHILE ON LEAVE."

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

Section 1. Section 19-4-403, MCA, is amended to read:

"19-4-403. Creditable service for employment while on leave. A person applying for membership may also apply for creditable service in the retirement system for employment while on leave. The person shall be awarded creditable service, conditional upon his having been a member prior to his leave and upon his completing 5 years of active membership in Montana subsequent to his return, if his employment while on leave enhanced his teaching experience as determined by the board. The person shall be awarded creditable service as determined by the board in an amount not exceeding 2 years, if he contributes to the retirement system an amount equal to the combined employer and employee contributions ~~for his first full year's teaching salary earned in Montana after his return from leave for each year of creditable service~~ that would have been made to the

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~~system had the member not taken leave~~ 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 in Montana. ~~The contribution rate shall be that rate in effect at the time he is eligible for such service. The compensation used in computing the combined employee and employer contributions may not be less than the annual compensation received by the member immediately before taking leave.~~ The contribution may be made in a lump-sum payment or in installments as agreed between the person and the retirement board."

-End-

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STATE OF MONTANA

REQUEST NO. 107-81

FISCAL NOTE

Form BD-15

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In compliance with a written request received January 16, 19 81, there is hereby submitted a Fiscal Note for Senate Bill 135 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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.

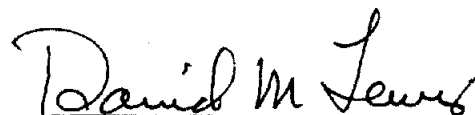
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Description of Proposed Legislation

Senate Bill 135 is an act to reduce the cost to purchase service credit for employment while on leave.

Fiscal Impact

The long range effect of the passage of this bill will be a cost impact to the retirement system. However, it is impossible to determine the magnitude of the impact, because the number of members eligible to buy creditable service under the leave provision or who would be eligible in the future cannot be determined.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-21-81

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Approved by Committee  
on State Administration

SENATE BILL NO. 135

INTRODUCED BY REGAN, THOMAS, BERG,

B. BROWN, KEATING, HAGER

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION  
19-4-403, MCA, REDUCING THE AMOUNT A TEACHER MUST CONTRIBUTE  
TO THE RETIREMENT SYSTEM TO EARN SERVICE CREDITS FOR  
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service, conditional upon his having been a member prior to  
his leave and upon his completing 5 years of active  
membership in Montana subsequent to his return, if his  
employment while on leave enhanced his teaching experience  
as determined by the board. The person shall be awarded  
creditable service as determined by the board in an amount  
not exceeding 2 years, if he contributes to the retirement  
system an amount equal to the combined employer and employee  
contributions for his first full year's teaching salary  
earned in Montana after his return from leave for each year

~~of creditable service that would have been made to the  
system had the member not taken leave FOR HIS FIRST FULL  
YEAR'S TEACHING SALARY EARNED IN MONTANA AFTER HIS RETURN  
FROM LEAVE 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 in Montana. The contribution  
rate shall be that rate in effect at the time he is eligible  
for such service. The CONTRIBUTION RATE SHALL BE THAT RATE  
IN EFFECT AT THE TIME HE IS ELIGIBLE FOR SUCH SERVICE. IF  
THE PERSON IS ON LEAVE 2 YEARS OR LESS, THE compensation  
used in computing the combined employee and employer  
contributions may not be less than MUST BE the annual  
compensation received by the member immediately before  
taking leave. The contribution may be made in a lump-sum  
payment or in installments as agreed between the person and  
the retirement board."~~

-End-

SECOND READING

1 SENATE BILL NO. 135  
 2 INTRODUCED BY RECAN, THOMAS, BERG,  
 3 B. BROWN, KEATING, HAGER  
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 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION  
 6 19-4-403, MCA, REDUCING THE AMOUNT A TEACHER MUST CONTRIBUTE  
 7 TO THE RETIREMENT SYSTEM TO EARN SERVICE CREDITS FOR  
 8 EMPLOYMENT WHILE ON LEAVE."  
 9  
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 11 Section 1. Section 19-4-403, MCA, is amended to read:  
 12 "19-4-403. Creditable service for employment while on  
 13 leave. A person applying for membership may also apply for  
 14 creditable service in the retirement system for employment  
 15 while on leave. The person shall be awarded creditable  
 16 service, conditional upon his having been a member prior to  
 17 his leave and upon his completing 5 years of active  
 18 membership in Montana subsequent to his return, if his  
 19 employment while on leave enhanced his teaching experience  
 20 as determined by the board. The person shall be awarded  
 21 creditable service as determined by the board in an amount  
 22 not exceeding 2 years, if he contributes to the retirement  
 23 system an amount equal to the combined employer and employee  
 24 contributions for his--first--full--year's--teaching--salary  
 25 earned--in-Montana-after-his-return-from-leave-for-each-year

1 ~~of creditable service that would have been made to the~~  
 2 ~~system had the member not taken leave FOR HIS FIRST FULL~~  
 3 ~~YEAR'S TEACHING SALARY EARNED IN MONTANA AFTER HIS RETURN~~  
 4 ~~FROM LEAVE FOR EACH YEAR OF CREDITABLE SERVICE~~ plus interest  
 5 at the rate the contribution would have earned had the  
 6 contribution been in his account upon the completion of 5  
 7 years of membership service in Montana. ~~The contribution~~  
 8 ~~rate shall be that rate in effect at the time he is eligible~~  
 9 ~~for such service. The CONTRIBUTION RATE SHALL BE THAT RATE~~  
 10 ~~IN EFFECT AT THE TIME HE IS ELIGIBLE FOR SUCH SERVICE. IF~~  
 11 ~~THE PERSON IS ON LEAVE 2 YEARS OR LESS, THE compensation~~  
 12 ~~used in computing the combined employee and employer~~  
 13 ~~contributions may not be less than MUST BE the annual~~  
 14 ~~compensation received by the member immediately before~~  
 15 ~~taking leave. IN ALL OTHER CASES THE COMPENSATION USED IN~~  
 16 ~~COMPUTING THE COMBINED EMPLOYEE AND EMPLOYER CONTRIBUTIONS~~  
 17 ~~MUST BE THE ANNUAL COMPENSATION RECEIVED DURING HIS FIRST~~  
 18 ~~FULL YEAR'S TEACHING SALARY EARNED IN MONTANA AFTER HIS~~  
 19 ~~RETURN FROM LEAVE. The contribution may be made in a~~  
 20 lump-sum payment or in installments as agreed between the  
 21 person and the retirement board."

-End-

THIRD READING