

HOUSE BILL NO. 231

INTRODUCED BY BRAND, HEMSTAD

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT DIVISION

IN THE HOUSE

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| January 14, 1983 | Introduced and referred to Committee on State Administration. |
| January 28, 1983 | Committee recommend bill do pass as amended. Report adopted. |
| January 29, 1983 | Bill printed and placed on members' desks. |
| January 31, 1983 | Second reading, pass consideration. |
| February 1, 1983 | Second reading, do pass. |
| February 2, 1983 | Considered correctly engrossed. |
| February 3, 1983 | Third reading, passed. Transmitted to Senate. |

IN THE SENATE

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| February 4, 1983 | Introduced and referred to Committee on State Administration. |
| March 12, 1983 | Committee recommend bill be concurred in as amended. Report adopted. |
| March 15, 1983 | Second reading, concurred in. |
| March 17, 1983 | Third reading, concurred in. Ayes, 40; Noes, 7. |

IN THE HOUSE

March 17, 1983

Returned to House with
amendments.

March 30, 1983

Second reading, amendments
concurred in.

March 31, 1983

Third reading, amendments
concurred in.

Sent to enrolling.

Reported correctly enrolled.

HOUSE BILL NO. 231

INTRODUCED BY Brand Hemstad
BY REQUEST OF THE PUBLIC EMPLOYEES'
RETIREMENT DIVISION

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE METHOD FOR CALCULATING THE COST-OF-LIVING ADJUSTMENT TO A RETIREMENT ALLOWANCE FOR A MEMBER OF THE FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM; TO ENSURE PAYMENT OF A RETIREMENT ALLOWANCE TO A FIREFIGHTER WHOSE EMPLOYMENT IS TERMINATED BECAUSE OF THE DISSOLUTION OF A FIRE DEPARTMENT; TO PROVIDE AN ALTERNATIVE METHOD FOR CALCULATING THE COST-OF-LIVING ADJUSTMENT FOR A RETIREE FROM A DISSOLVED FIRE DEPARTMENT; AMENDING SECTIONS 19-13-102, 19-13-1006, AND 19-13-1007, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 19-13-102, MCA, is amended to read:

"19-13-102. Purpose — application of prior law. (1)

Because cities other than those of the first or second class currently have fire department relief associations, the legislature finds and declares that the law regarding these associations cannot be repealed. It is the express intention of the legislature to allow two separate and distinct retirement systems to exist. The first, which includes fire

department relief associations, applies to cities other than those of the first or second class that wish to adopt it. The second, created by this chapter, applies to cities of the first or second class and those other cities that wish to adopt it. The purpose of the second system is to provide equity and security for retired firefighters who served cities of the first and second class and other cities electing to join the plan by creating a centrally administered system responsible for continuing all retirement payments from the assets of the system, including payments to firefighters with vested rights whose employment is terminated because of the dissolution of a fire department within a city that was a participant in the plan.

(2) Title 19, chapter 11, may not be applied in any way to a city operating under the plan created by this chapter except as otherwise provided."

Section 2. Section 19-13-1006, MCA, is amended to read:

"19-13-1006. Supplement to certain retirement allowances. (1) The plan shall pay to each firefighter retired before July 1, 1973, or his surviving spouse and or children a monthly retirement allowance of not less than one-half the regular monthly salary paid to a confirmed active firefighter of the city that last employed him as a firefighter, as provided each year in the budget of that

INTRODUCED BILL
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1 city. If the fire department that last employed him as a
 2 firefighter dissolves, the firefighter's or his
 3 beneficiary's allowance may not be less than one-half the
 4 average regular monthly salary paid to all newly confirmed
 5 active firefighters, as provided each year in the budgets of
 6 those cities that participate in the plan. In the case of
 7 volunteer firefighters, the retirement allowance may not
 8 exceed \$75 per month. Distribution of the funds money
 9 provided for this purpose under 19-11-606(1) shall be made
 10 as follows according to subsection (2):

11 (1)(2) At the beginning of each fiscal year the
 12 administrator shall request and the state auditor shall
 13 issue from the earmarked revenue fund and deliver to the
 14 administrator an amount certified to be equal to the total
 15 annual dollar difference between what the retirees or their
 16 surviving spouses and children received from the fund and
 17 one-half of the salary paid by the respective city or town
 18 to a confirmed active firefighter for the fiscal year just
 19 preceding the total retirement allowances paid to all
 20 retirees or their surviving spouses or children in the
 21 previous fiscal year and the total benefits payable on June
 22 30, 1973.

23 (2) The administrator shall use the funds to increase
 24 the monthly retirement allowances of the retirees or their
 25 surviving spouses and children to an amount equal to

1 one-half of the salary that was paid to a confirmed active
 2 firefighter in the respective city or town for the preceding
 3 year deposit this money into the fund."

4 Section 3. Section 19-13-1007, MCA, is amended to
 5 read:

6 "19-13-1007. Allowance adjustment. (1) For a member
 7 hired retiring on or after July 1, 1973, but who was hired
 8 before July 1, 1981, and or his surviving spouse or
 9 dependent children, the service retirement allowance
 10 provided in 19-13-704(1)(a), the disability retirement
 11 allowance provided in 19-13-803(1), and the survivorship
 12 allowance provided in 19-13-902(1) may not be less than
 13 one-half the monthly compensation paid to a newly confirmed,
 14 active firefighter of a city that last employed him as a
 15 firefighter, as provided each year in the budget of that
 16 city. If the fire department that last employed him as a
 17 firefighter dissolves, the member's or his beneficiary's
 18 allowance may not be less than one-half the average monthly
 19 compensation paid to all newly confirmed active
 20 firefighters, as provided each year in the budgets of those
 21 cities that participate in the plan.

22 (2) For a member hired on or after July 1, 1981, and
 23 or his surviving spouse or dependent children, the
 24 disability retirement allowance provided in 19-13-803(2) and
 25 the survivorship allowance provided in 19-13-902(2) may not

1 be less than one-half the monthly compensation paid to a
2 newly confirmed, active firefighter of a city that last
3 employed him as a firefighter, as provided each year in the
4 budget of that city. If the fire department that last
5 employed him as a firefighter dissolves, the member's or his
6 beneficiary's allowance may not be less than one-half the
7 average monthly compensation paid to all newly confirmed
8 active firefighters, as provided each year by the budgets of
9 those cities that participate in the plan."

10 NEW SECTION. Section 4. Effective date. This act is
11 effective July 1, 1983.

-End-

Approved by Committee
on State Administration

HOUSE BILL NO. 231

INTRODUCED BY BRAND, HEMSTAD

BY REQUEST OF THE PUBLIC EMPLOYEES'

RETIREMENT DIVISION

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE METHOD FOR CALCULATING THE COST-OF-LIVING ADJUSTMENT TO A RETIREMENT ALLOWANCE FOR A MEMBER OF THE FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM; TO ENSURE PAYMENT OF A RETIREMENT ALLOWANCE TO A FIREFIGHTER CERTAIN FIREFIGHTERS WHOSE EMPLOYMENT IS INVOLUNTARILY TERMINATED BECAUSE--OF--THE DISSOLUTION--OF-A-FIRE-DEPARTMENT; TO PROVIDE AN ALTERNATIVE METHOD FOR CALCULATING THE COST-OF-LIVING ADJUSTMENT FOR A RETIREE FROM A DISSOLVED--FIRE--DEPARTMENT CITY NO LONGER EMPLOYING A NEWLY CONFIRMED FULL-PAID FIREFIGHTER; AMENDING SECTIONS 19-13-102, 19-13-1006, AND 19-13-1007, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section ~~19-13-102, MCA~~ is amended to read:~~"19-13-102. Purpose--application of prior law--(1)~~

~~Because cities other than those of the first or second class currently have fire department relief associations, the legislature finds and declares that the law regarding these associations cannot be repealed. It is the express intention~~

~~of the legislature to allow two separate and distinct retirement systems to exist. The first, which includes fire department relief associations, applies to cities other than those of the first or second class that wish to adopt it. The second, created by this chapter, applies to cities of the first or second class and those other cities that wish to adopt it. The purpose of the second system is to provide equity and security for retired firefighters who served cities of the first and second class and other cities electing to join the plan by creating a centrally administered system responsible for continuing all retirement payments from the assets of the system, including payments to firefighters with vested rights whose employment is terminated because of the dissolution of a fire department within a city that was a participant in the plan.~~

~~(2) Title 19, chapter 12, may not be applied in any way to a city operating under the plan created by this chapter except as otherwise provided."~~

THERE IS A NEW MCA SECTION THAT READS:

NEW SECTION. Section 1. Termination of participation in plan or reduction of employer contributions. (1) If a city voluntarily terminates its contributions in the plan or significantly reduces the number of full-paid firefighters it employs to a degree that, in the board's opinion, inadequately funds the accrued or accruing benefits of plan

members; the board shall request as part of the actuarial valuation required in 19-13-504 an actuarial investigation of the funding status of the city.

(2) Based on the actuarial investigation, the board may request and the city shall pay annually an amount needed to provide adequate funding for the city. This amount must be in addition to any other contributions required by the retirement act.

(3) Six years after the actuarial investigation is conducted, a city making payments as provided in subsection (2) may request the board to review the city's funding status relative to the annual payments. As a result of the review, the board may adjust the payments.

Section 2. Section 19-13-1006, MCA, is amended to read:

"19-13-1006. Supplement to certain retirement allowances. (1) The plan shall pay to each firefighter retired before July 1, 1973, or his surviving spouse and or children a monthly retirement allowance of not less than one-half the regular monthly salary paid to a confirmed active firefighter of the city that last employed him as a firefighter, as provided each year in the budget of that city. ~~If the fire-department CITY that last employed him as a firefighter disallows NO LONGER EMPLOYS A FULL-PAID FIREFIGHTER, the firefighter's or his beneficiary's~~

~~allowance may not be less than one-half the average regular monthly salary paid to all newly confirmed active FULL-PAID firefighters, as provided each year in the budgets of those cities that participate in the plan AND EMPLOY A FULL-PAID FIREFIGHTER.~~ In the case of volunteer firefighters, the retirement allowance may not exceed \$75 per month. Distribution of the funds ~~may~~ provided for this purpose under 19-11-606(1) shall be made ~~as follows~~ according to subsection (2):

(1) At the beginning of each fiscal year the administrator shall request and the state auditor shall issue from the earmarked revenue fund and deliver to the administrator an amount certified to be equal to the total annual dollar difference between ~~what the retirees or their surviving spouses and children received from the fund and one-half of the salary paid by the respective city or town to a confirmed active firefighter for the fiscal year just preceding the total retirement allowances paid to all retirees or their surviving spouses or children in the previous fiscal year and the total benefits payable on June 30, 1973.~~

(2) The administrator shall ~~use the funds to increase the monthly retirement allowances of the retirees or their surviving spouses and children to an amount equal to one-half of the salary that was paid to a confirmed active~~

1 firefighter-in-the-respective-city-or-town-for-the-preceding
2 year deposit this money into the fund."

3 Section 3. Section 19-13-1007, MCA, is amended to
4 read:

5 "19-13-1007. Allowance adjustment. (1) For a member
6 hired retiring on or after July 1, 1973, but who was hired
7 before July 1, 1981, and or his surviving spouse or
8 dependent children, the service retirement allowance
9 provided in 19-13-704(1)(a), the disability retirement
10 allowance provided in 19-13-803(1), and the survivorship
11 allowance provided in 19-13-902(1) may not be less than
12 one-half the monthly compensation paid to a newly confirmed,
13 active firefighter of a city that last employed him as a
14 firefighter, as provided each year in the budget of that
15 city. ~~if-the-fire-department-that-last-employed-him-as-a~~
16 ~~firefighter--disallows--the--member's--or--his--beneficiary's~~
17 ~~allowance--may--not--be--less--than--one-half--the--average--monthly~~
18 ~~compensation---paid---to---all---newly---confirmed---active~~
19 ~~firefighters--as--provided--each--year--in--the--budgets--of--those~~
20 ~~cities--that--participate--in--the--plan~~

21 (2) For a member hired on or after July 1, 1981, and
22 or his surviving spouse or dependent children, the
23 disability retirement allowance provided in 19-13-803(2) and
24 the survivorship allowance provided in 19-13-902(2) may not
25 be less than one-half the monthly compensation paid to a

1 newly confirmed, active firefighter of a city that last
2 employed him as a firefighter, as provided each year in the
3 budget of that city. ~~if-the-fire-department-that-last~~
4 ~~employed-him-as-a-firefighter-disallows-the-member's-or-his~~
5 ~~beneficiary's-allowance-may-not-be-less-than-one-half-the~~
6 ~~average---monthly---compensation---paid---to---all---newly---confirmed~~
7 ~~active-firefighters--as--provided--each--year--by--the--budgets--of~~
8 ~~those-cities-that-participate-in-the-plan~~

9 (3) IF AFTER A MEMBER RETIRES, THE CITY THAT LAST
10 EMPLOYED HIM NO LONGER EMPLOYS A FULL-PAID FIREFIGHTER, THE
11 MEMBER'S OR HIS BENEFICIARY'S ALLOWANCE UNDER SUBSECTIONS
12 (1) AND (2) MUST BE ADJUSTED ON THE BASIS OF THE AVERAGE
13 MONTHLY COMPENSATION PAID TO ALL NEWLY CONFIRMED FULL-PAID
14 FIREFIGHTERS, AS PROVIDED EACH YEAR IN THE BUDGETS OF THOSE
15 CITIES THAT PARTICIPATE IN THE PLAN AND EMPLOY A FULL-PAID
16 FIREFIGHTER.

17 (4) IF THE EMPLOYMENT OF A VESTED MEMBER HIRED BEFORE
18 JULY 1, 1981, IS INVOLUNTARILY DISCONTINUED BEFORE HE
19 REACHES AGE 50 BECAUSE OF THE TERMINATION OF EMPLOYMENT OF
20 ALL FULL-PAID FIREFIGHTERS IN THE CITY THAT EMPLOYED HIM,
21 HIS SERVICE RETIREMENT ALLOWANCE PROVIDED IN 19-13-704(1)(B)
22 AND HIS SPOUSE'S OR DEPENDENT CHILD'S SURVIVORSHIP ALLOWANCE
23 PROVIDED IN 19-13-902(1) MAY NOT BE LESS THAN:

24 (A) IF THE MEMBER HAS COMPLETED 20 YEARS OR MORE OF
25 SERVICE, ONE-HALF THE AVERAGE MONTHLY COMPENSATION PAID TO

1 ALL NEWLY CONFIRMED, FULL-PAID FIREFIGHTERS, AS PROVIDED
 2 EACH YEAR IN THE BUDGETS OF THOSE CITIES THAT PARTICIPATE IN
 3 THE PLAN AND EMPLOY A FULL-PAID FIREFIGHTER; OR

4 (B) IF THE MEMBER HAS COMPLETED MORE THAN 10 BUT LESS
 5 THAN 20 YEARS OF SERVICE, 2% OF THE AVERAGE MONTHLY
 6 COMPENSATION PAID TO ALL NEWLY CONFIRMED, FULL-PAID
 7 FIREFIGHTERS, AS PROVIDED EACH YEAR IN THE BUDGETS OF THOSE
 8 CITIES THAT PARTICIPATE IN THE PLAN AND EMPLOY A FULL-PAID
 9 FIREFIGHTER, FOR EACH YEAR OF THE MEMBER'S SERVICE.

10 (5) IN LIEU OF THE BENEFIT ADJUSTMENT PROVIDED IN
 11 SUBSECTION (4), A MEMBER MAY ELECT TO RECEIVE AN EARLY
 12 RETIREMENT ALLOWANCE BEGINNING UPON TERMINATION OF
 13 EMPLOYMENT THAT IS THE ACTUARIAL EQUIVALENT OF THE ACCRUED
 14 PORTION OF THE SERVICE RETIREMENT ALLOWANCE THAT WOULD HAVE
 15 BEEN PAYABLE TO HIM BEGINNING AT AGE 50."

16 NEW SECTION. SECTION 4. CODIFICATION INSTRUCTION.
 17 SECTION 1 IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF
 18 TITLE 19, CHAPTER 13, AND THE PROVISIONS OF TITLE 19,
 19 CHAPTER 13, APPLY TO SECTION 1.

20 NEW SECTION. Section 5. Effective date. This act is
 21 effective July 1, 1963.

-End-

HOUSE BILL NO. 231

INTRODUCED BY BRAND, HEMSTAD

BY REQUEST OF THE PUBLIC EMPLOYEES'

RETIREMENT DIVISION

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE METHOD FOR CALCULATING THE COST-OF-LIVING ADJUSTMENT TO A RETIREMENT ALLOWANCE FOR A MEMBER OF THE FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM; TO ENSURE PAYMENT OF A RETIREMENT ALLOWANCE TO A FIREFIGHTER CERTAIN FIREFIGHTERS WHOSE EMPLOYMENT IS INVOLUNTARILY TERMINATED BECAUSE--OF--THE DISSOLUTION--OF-A-FIRE-DEPARTMENT; TO PROVIDE AN ALTERNATIVE METHOD FOR CALCULATING THE COST-OF-LIVING ADJUSTMENT FOR A RETIREE FROM A DISSOLVED--FIRE--DEPARTMENT CITY NO LONGER EMPLOYING A NEWLY CONFIRMED FULL-PAID FIREFIGHTER; AMENDING SECTIONS 19-13-102, 19-13-1006, AND 19-13-1007, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. ~~Section 19-13-102, MCA, is amended to read:~~~~"19-13-102. Purpose--application of prior law--(1)~~

~~Because cities other than those of the first or second class currently have fire department relief associations, the legislature finds and declares that the law regarding these associations cannot be repealed. It is the express intention~~

~~of the legislature to allow two separate and distinct retirement systems to exist. The first, which includes fire department relief associations, applies to cities other than those of the first or second class that wish to adopt it. The second, created by this chapter, applies to cities of the first or second class and those other cities that wish to adopt it. The purpose of the second system is to provide equity and security for retired firefighters who served cities of the first and second class and other cities electing to join the plan by creating a centrally administered system responsible for continuing all retirement payments from the assets of the systems, including payments to firefighters with vested rights whose employment is terminated because of the dissolution of a fire department within a city that was a participant in the plan.~~

~~(2) Title 19, chapter 13, may not be applied in any way to a city operating under the plan created by this chapter except as otherwise provided."~~

THERE IS A NEW MCA SECTION THAT READS:

NEW SECTION. Section 1. Termination of participation in plan or reduction of employer contributions. (1) If a city voluntarily terminates its contributions in the plan or significantly reduces the number of full-paid firefighters it employs to a degree that, in the board's opinion, inadequately funds the accrued or accruing benefits of plan

members, the board shall request as part of the actuarial valuation required in 19-13-504 an actuarial investigation of the funding status of the city.

(2) Based on the actuarial investigation, the board may request and the city shall pay annually an amount needed to provide adequate funding for the city. This amount must be in addition to any other contributions required by the retirement act.

(3) Six years after the actuarial investigation is conducted, a city making payments as provided in subsection (2) may request the board to review the city's funding status relative to the annual payments. As a result of the review, the board may adjust the payments.

Section 2. Section 19-13-1006, MCA, is amended to read:

"19-13-1006. Supplement to certain retirement allowances. (1) The plan shall pay to each firefighter retired before July 1, 1973, or his surviving spouse and or children a monthly retirement allowance of not less than one-half the regular monthly salary paid to a confirmed active firefighter of the city that last employed him as a firefighter, as provided each year in the budget of that city. ~~If the fire department CITY that last employed him as a firefighter determines NO LONGER EMPLOYS A FULL-PAID FIREFIGHTER, the firefighter's or his beneficiary's~~

~~allowance may not be less than one-half the average regular monthly salary paid to all newly confirmed active FULL-PAID firefighters, as provided each year in the budgets of those cities that participate in the plan AND EMPLOY A FULL-PAID FIREFIGHTER.~~ In the case of volunteer firefighters, the retirement allowance may not exceed \$75 per month. Distribution of the funds ~~may~~ provided for this purpose under 19-11-606(1) shall be made ~~as follows~~ according to subsection (2):

(2) At the beginning of each fiscal year the administrator shall request and the state auditor shall issue from the earmarked revenue fund and deliver to the administrator an amount certified to be equal to the total annual dollar difference between ~~what the retirees or their surviving spouses and children received from the fund and one-half of the salary paid by the respective city or town to a confirmed active firefighter for the fiscal year just preceding the total retirement allowances paid to all retirees or their surviving spouses or children in the previous fiscal year and the total benefits payable on June 30, 1973.~~

(2) The administrator shall ~~use the funds to increase the monthly retirement allowances of the retirees or their surviving spouses and children to an amount equal to one-half of the salary that was paid to a confirmed active~~

1 firefighter in the respective city or town for the preceding
2 year deposit this money into the fund."

3 Section 3. Section 19-13-1007, MCA, is amended to
4 read:

5 "19-13-1007. Allowance adjustment. (1) For a member
6 hired ~~retiring~~ on or after July 1, 1973, but who was hired
7 before July 1, 1981, and ~~or~~ his surviving spouse or
8 dependent children, the service retirement allowance
9 provided in 19-13-704(1)(a), the disability retirement
10 allowance provided in 19-13-803(1), and the survivorship
11 allowance provided in 19-13-902(1) may not be less than
12 one-half the monthly compensation paid to a newly confirmed,
13 active firefighter of a city that last employed him as a
14 firefighter, as provided each year in the budget of that
15 city. ~~if the fire department that last employed him as a~~
16 ~~firefighter dissolves the member's or his beneficiary's~~
17 ~~allowance may not be less than one-half the average monthly~~
18 ~~compensation paid to all newly confirmed active~~
19 ~~firefighters as provided each year in the budgets of those~~
20 ~~cities that participate in the plan~~

21 (2) For a member hired on or after July 1, 1981, and
22 ~~or~~ his surviving spouse or dependent children, the
23 disability retirement allowance provided in 19-13-803(2) and
24 the survivorship allowance provided in 19-13-902(2) may not
25 be less than one-half the monthly compensation paid to a

1 newly confirmed, active firefighter of a city that last
2 employed him as a firefighter, as provided each year in the
3 budget of that city. ~~if the fire department that last~~
4 ~~employed him as a firefighter dissolves the member's or his~~
5 ~~beneficiary's allowance may not be less than one-half the~~
6 ~~average monthly compensation paid to all newly confirmed~~
7 ~~active firefighters as provided each year in the budgets of~~
8 ~~those cities that participate in the plan~~

9 (3) ~~IF AFTER A MEMBER RETIRES, THE CITY THAT LAST~~
10 ~~EMPLOYED HIM NO LONGER EMPLOYS A FULL-PAID FIREFIGHTER, THE~~
11 ~~MEMBER'S OR HIS BENEFICIARY'S ALLOWANCE UNDER SUBSECTIONS~~
12 ~~(1) AND (2) MUST BE ADJUSTED ON THE BASIS OF THE AVERAGE~~
13 ~~MONTHLY COMPENSATION PAID TO ALL NEWLY CONFIRMED FULL-PAID~~
14 ~~FIREFIGHTERS, AS PROVIDED EACH YEAR IN THE BUDGETS OF THOSE~~
15 ~~CITIES THAT PARTICIPATE IN THE PLAN AND EMPLOY A FULL-PAID~~
16 ~~FIREFIGHTER.~~

17 (4) ~~IF THE EMPLOYMENT OF A VESTED MEMBER HIRED BEFORE~~
18 ~~JULY 1, 1981, IS INVOLUNTARILY DISCONTINUED BEFORE HE~~
19 ~~REACHES AGE 50 BECAUSE OF THE TERMINATION OF EMPLOYMENT OF~~
20 ~~ALL FULL-PAID FIREFIGHTERS IN THE CITY THAT EMPLOYED HIM,~~
21 ~~HIS SERVICE RETIREMENT ALLOWANCE PROVIDED IN 19-13-704(1)(B)~~
22 ~~AND HIS SPOUSE'S OR DEPENDENT CHILD'S SURVIVORSHIP ALLOWANCE~~
23 ~~PROVIDED IN 19-13-902(1) MAY NOT BE LESS THAN:~~

24 (A) ~~IF THE MEMBER HAS COMPLETED 20 YEARS OR MORE OF~~
25 ~~SERVICE, ONE-HALF THE AVERAGE MONTHLY COMPENSATION PAID TO~~

1 ~~ALL NEWLY CONFIRMED, FULL-PAID FIREFIGHTERS, AS PROVIDED~~
2 ~~EACH YEAR IN THE BUDGETS OF THOSE CITIES THAT PARTICIPATE IN~~
3 ~~THE PLAN AND EMPLOY A FULL-PAID FIREFIGHTER; OR~~

4 ~~(B) IF THE MEMBER HAS COMPLETED MORE THAN 10 BUT LESS~~
5 ~~THAN 20 YEARS OF SERVICE, 2% OF THE AVERAGE MONTHLY~~
6 ~~COMPENSATION PAID TO ALL NEWLY CONFIRMED, FULL-PAID~~
7 ~~FIREFIGHTERS, AS PROVIDED EACH YEAR IN THE BUDGETS OF THOSE~~
8 ~~CITIES THAT PARTICIPATE IN THE PLAN AND EMPLOY A FULL-PAID~~
9 ~~FIREFIGHTER, FOR EACH YEAR OF THE MEMBER'S SERVICE.~~

10 ~~(5) IN LIEU OF THE BENEFIT ADJUSTMENT PROVIDED IN~~
11 ~~SUBSECTION (4), A MEMBER MAY ELECT TO RECEIVE AN EARLY~~
12 ~~RETIREMENT ALLOWANCE BEGINNING UPON TERMINATION OF~~
13 ~~EMPLOYMENT THAT IS THE ACTUARIAL EQUIVALENT OF THE ACCRUED~~
14 ~~PORTION OF THE SERVICE RETIREMENT ALLOWANCE THAT WOULD HAVE~~
15 ~~BEEN PAYABLE TO HIM BEGINNING AT AGE 50."~~

16 ~~NEW SECTION. SECTION 4. CODIFICATION INSTRUCTION.~~
17 ~~SECTION 1 IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF~~
18 ~~TITLE 19, CHAPTER 13, AND THE PROVISIONS OF TITLE 19,~~
19 ~~CHAPTER 13, APPLY TO SECTION 1.~~

20 ~~NEW SECTION. Section 5. Effective date. This act is~~
21 ~~effective July 1, 1983.~~

-End-

March 12, 1983

SENATE STANDING COMMITTEE REPORT
(State Administration)

That House Bill No. 231 be amended as follows:

1. Page 6, line 21

Strike: "19-3-704(1)(B)"

Insert: "19-13-704(1)(b)"

HOUSE BILL NO. 231

INTRODUCED BY BRAND, HEMSTAD

BY REQUEST OF THE PUBLIC EMPLOYEES'

RETIREMENT DIVISION

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE METHOD FOR CALCULATING THE COST-OF-LIVING ADJUSTMENT TO A RETIREMENT ALLOWANCE FOR A MEMBER OF THE FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM; TO ENSURE PAYMENT OF A RETIREMENT ALLOWANCE TO ~~A FIREFIGHTER~~ CERTAIN FIREFIGHTERS WHOSE EMPLOYMENT IS INVOLUNTARILY TERMINATED BECAUSE ~~OF THE DISSOLUTION OF A FIRE DEPARTMENT~~; TO PROVIDE AN ALTERNATIVE METHOD FOR CALCULATING THE COST-OF-LIVING ADJUSTMENT FOR A RETIREE FROM A ~~DISSOLVED FIRE DEPARTMENT~~ CITY NO LONGER EMPLOYING A NEWLY CONFIRMED FULL-PAID FIREFIGHTER; AMENDING SECTIONS ~~19-13-102, 19-13-1006, AND 19-13-1007, MCA; AND~~ PROVIDING AN EFFECTIVE DATE."

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

Section ~~19-13-102~~ 19-13-102 MCA is amended to read:~~"19-13-102. Purpose--application of prior laws--(1)~~

~~Because cities other than those of the first or second class currently have fire department relief associations, the legislature finds and declares that the law regarding these associations cannot be repeated; it is the express intention~~

~~of the legislature to allow two separate and distinct retirement systems to exist: The first, which includes fire department relief associations, applies to cities other than those of the first or second class that wish to adopt it. The second, created by this chapter, applies to cities of the first or second class and those other cities that wish to adopt it. The purpose of the second system is to provide equity and security for retired firefighters who served cities of the first and second class and other cities electing to join the plan by creating a centrally administered system responsible for continuing all retirement payments from the assets of the system, including payments to firefighters with vested rights whose employment is terminated because of the dissolution of a fire department within a city that was a participant in the plan.~~

~~(2) Title 19, chapter 13, may not be applied in any way to a city operating under the plan created by this chapter except as otherwise provided."~~

THERE IS A NEW MCA SECTION THAT READS:

NEW SECTION. Section 1. Termination of participation in plan or reduction of employer contributions. (1) If a city voluntarily terminates its contributions in the plan or significantly reduces the number of full-paid firefighters it employs to a degree that, in the board's opinion, inadequately funds the accrued or accruing benefits of plan

1 members, the board shall request as part of the actuarial
2 valuation required in 19-13-504 an actuarial investigation
3 of the funding status of the city.

4 (2) Based on the actuarial investigation, the board
5 may request and the city shall pay annually an amount needed
6 to provide adequate funding for the city. This amount must
7 be in addition to any other contributions required by the
8 retirement act.

9 (3) Six years after the actuarial investigation is
10 conducted, a city making payments as provided in subsection
11 (2) may request the board to review the city's funding
12 status relative to the annual payments. As a result of the
13 review, the board may adjust the payments.

14 Section 2. Section 19-13-1006, MCA, is amended to
15 read:

16 "19-13-1006. Supplement to certain retirement
17 allowances. (1) The plan shall pay to each firefighter
18 retired before July 1, 1973, or his surviving spouse and or
19 children a monthly retirement allowance of not less than
20 one-half the regular monthly salary paid to a confirmed
21 active firefighter of the city that last employed him as a
22 firefighter, as provided each year in the budget of that
23 city. ~~If the fire department CITY that last employed him as~~
24 ~~a firefighter dissolves NO LONGER EMPLOYS A FULL-PAID~~
25 ~~FIREFIGHTER, the firefighter's or his beneficiary's~~

1 allowance ~~may not be less than one-half the average regular~~
2 ~~monthly salary paid to all newly confirmed active FULL-PAID~~
3 ~~firefighters, as provided each year in the budgets of those~~
4 ~~cities that participate in the plan AND EMPLOY A FULL-PAID~~
5 ~~FIREFIGHTER.~~ In the case of volunteer firefighters, the
6 retirement allowance may not exceed \$75 per month.
7 Distribution of the funds ~~money~~ provided for this purpose
8 under 19-11-606(1) shall be made ~~as follows~~ according to
9 subsection (2):

10 (1)(2) At the beginning of each fiscal year the
11 administrator shall request and the state auditor shall
12 issue from the earmarked revenue fund and deliver to the
13 administrator an amount certified to be equal to the total
14 annual dollar difference between ~~what the retirees or their~~
15 ~~surviving spouses and children received from the fund and~~
16 ~~one-half of the salary paid by the respective city or town~~
17 ~~to a confirmed active firefighter for the fiscal year just~~
18 ~~preceding the total retirement allowances paid to all~~
19 ~~retirees or their surviving spouses or children in the~~
20 ~~previous fiscal year and the total benefits payable on June~~
21 ~~30, 1973.~~

22 (2) The administrator shall ~~use the funds to increase~~
23 ~~the monthly retirement allowances of the retirees or their~~
24 ~~surviving spouses and children to an amount equal to~~
25 ~~one-half of the salary that was paid to a confirmed active~~

1 firefighter-in-the-respective-city-or-town-for-the-preceding
2 year deposit this money into the fund."

3 Section 3. Section 19-13-1007, MCA, is amended to
4 read:

5 "19-13-1007. Allowance adjustment. (1) For a member
6 hired retiring on or after July 1, 1973, but who was hired
7 before July 1, 1981, and or his surviving spouse or
8 dependent children, the service retirement allowance
9 provided in 19-13-704(1)(a), the disability retirement
10 allowance provided in 19-13-803(1), and the survivorship
11 allowance provided in 19-13-902(1) may not be less than
12 one-half the monthly compensation paid to a newly confirmed,
13 active firefighter of a city that last employed him as a
14 firefighter, as provided each year in the budget of that
15 city. ~~if-the-fire-department-that-last-employed-him-as-a~~
16 ~~firefighter-dissolves-the-member's-or-his-beneficiary's~~
17 ~~allowance-may-not-be-less-than-one-half-the-average-monthly~~
18 ~~compensation-paid-to-all-newly-confirmed-active~~
19 ~~firefighters-as-provided-each-year-in-the-budgets-of-those~~
20 ~~cities-that-participate-in-the-plan~~

21 (2) For a member hired on or after July 1, 1981, and
22 or his surviving spouse or dependent children, the
23 disability retirement allowance provided in 19-13-803(2) and
24 the survivorship allowance provided in 19-13-902(2) may not
25 be less than one-half the monthly compensation paid to a

1 newly confirmed, active firefighter of a city that last
2 employed him as a firefighter, as provided each year in the
3 budget of that city. ~~if-the-fire-department-that-last~~
4 ~~employed-him-as-a-firefighter-dissolves-the-member's-or-his~~
5 ~~beneficiary's-allowance-may-not-be-less-than-one-half-the~~
6 ~~average-monthly-compensation-paid-to-all-newly-confirmed~~
7 ~~active-firefighters-as-provided-each-year-by-the-budgets-of~~
8 ~~those-cities-that-participate-in-the-plan~~

9 (3) IF AFTER A MEMBER RETIRES, THE CITY THAT LAST
10 EMPLOYED HIM NO LONGER EMPLOYS A FULL-PAID FIREFIGHTER, THE
11 MEMBER'S OR HIS BENEFICIARY'S ALLOWANCE UNDER SUBSECTIONS
12 (1) AND (2) MUST BE ADJUSTED ON THE BASIS OF THE AVERAGE
13 MONTHLY COMPENSATION PAID TO ALL NEWLY CONFIRMED FULL-PAID
14 FIREFIGHTERS, AS PROVIDED EACH YEAR IN THE BUDGETS OF THOSE
15 CITIES THAT PARTICIPATE IN THE PLAN AND EMPLOY A FULL-PAID
16 FIREFIGHTER.

17 (4) IF THE EMPLOYMENT OF A VESTED MEMBER HIRED BEFORE
18 JULY 1, 1981, IS INVOLUNTARILY DISCONTINUED BEFORE HE
19 REACHES AGE 50 BECAUSE OF THE TERMINATION OF EMPLOYMENT OF
20 ALL FULL-PAID FIREFIGHTERS IN THE CITY THAT EMPLOYED HIM,
21 HIS SERVICE RETIREMENT ALLOWANCE PROVIDED IN 19-13-704(1)(B)
22 AND HIS SPOUSE'S OR DEPENDENT CHILD'S
23 SURVIVORSHIP ALLOWANCE PROVIDED IN 19-13-902(1) MAY NOT BE
24 LESS THAN:

25 (A) IF THE MEMBER HAS COMPLETED 20 YEARS OR MORE OF

SERVICE, ONE-HALF THE AVERAGE MONTHLY COMPENSATION PAID TO ALL NEWLY CONFIRMED, FULL-PAID FIREFIGHTERS, AS PROVIDED EACH YEAR IN THE BUDGETS OF THOSE CITIES THAT PARTICIPATE IN THE PLAN AND EMPLOY A FULL-PAID FIREFIGHTER; OR

(81) IF THE MEMBER HAS COMPLETED MORE THAN 10 BUT LESS THAN 20 YEARS OF SERVICE, 2% OF THE AVERAGE MONTHLY COMPENSATION PAID TO ALL NEWLY CONFIRMED, FULL-PAID FIREFIGHTERS, AS PROVIDED EACH YEAR IN THE BUDGETS OF THOSE CITIES THAT PARTICIPATE IN THE PLAN AND EMPLOY A FULL-PAID FIREFIGHTER, FOR EACH YEAR OF THE MEMBER'S SERVICE.

(51) IN LIEU OF THE BENEFIT ADJUSTMENT PROVIDED IN SUBSECTION (4), A MEMBER MAY ELECT TO RECEIVE AN EARLY RETIREMENT ALLOWANCE BEGINNING UPON TERMINATION OF EMPLOYMENT THAT IS THE ACTUARIAL EQUIVALENT OF THE ACCRUED PORTION OF THE SERVICE RETIREMENT ALLOWANCE THAT WOULD HAVE BEEN PAYABLE TO HIM BEGINNING AT AGE 50."

NEW SECTION. SECTION 4. CODIFICATION INSTRUCTION. SECTION 1 IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 19, CHAPTER 13, AND THE PROVISIONS OF TITLE 19, CHAPTER 13, APPLY TO SECTION 1.

NEW SECTION. Section 5. Effective date. This act is effective July 1, 1983.

-End-