HOUSE BILL NO. 231

INTRODUCED BY BRAND, HEMSTAD

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT DIVISION

IN THE HOUSE

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.
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IN THE SENATE

	" -
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

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 1 INTRODUCED BY Brand Henrich 7 3

BY REQUEST OF THE PUBLIC EMPLOYEES*

RETIREMENT DIVISION

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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."

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

18 Section 1. Section 19-13-102, MCA, is amended to read: 19 #19-13-102. Purpose -- application of prior law. (1) Because cities other than those of the first or second class 20 21 currently have fire department relief associations, the 22 legislature finds and declares that the law regarding these 23 associations cannot be repealed. It is the express intention of the legislature to allow two separate and distinct 24

retirement systems to exist. The first, which includes fire

. 1 department relief associations, applies to cities other than 2 those of the first or second class that wish to adont it-3 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 7 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 9 10 retirement payments from the assets of the systems including 11 payments to firefighters with vested rights whose employment 12 is terminated because of the dissolution of a fire 13 department within a city that was a participant in the plan-14

(2) Title 19, chapter il, 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 17 18 read:

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#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 that last employed him as a firefighter dissolves, 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 firefighters, as provided each year in the budgets of those cities that participate in the plan. In the case of volunteer firefighters, the retirement allowance may not exceed \$75 per month. Distribution of the funds money provided for this purpose under 19-11-606(1) shall be made as-follows according to subsection (2):

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- distrator 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 apounes and children received from the fund and one half of the salary poid by the respective city or town to 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.
- the monthly retirement allowances of the retires or thair surviving spouses and children to an empant equal to

- one-half-ef-the-salary-that-was-paid-to-a-confirmed-octive
 firefighter-in-the-respective-city-or-town-for-the-preceding
 georgic this money into the fund-"
- 4 Section 3. Section 19-13-1007, MCA, is amended to 5 read:
- *19-13-1007. Allowance adjustment. (1) For a member 7 hired retiring on or after July 1, 1973, but who was hired before July 1, 1981, and or his surviving spouse or 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 hudgets of those 21 cities that participate in the plan-
- 22 (2) For a member hired on or after July 1, 1981, end
 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

be less than one-half the monthly compensation paid to a . 1 newly confirmed, active firefighter of a city that last 3 employed him as a firefighter, as provided each year in the budget of that city. If the fire department that last 5 smoloved him as a firefighter dissolves, the member's or his beneficiary's allowance may not be less than one half the 7 average monthly compensation paid to all newly confirmed active firefighters, as provided each year by the budgets of those cities that participate in the plan-" 10 NEW SECTION. Section 4. Effective date. This act is effective July 1, 1983. 11

-End-

Approved by Committee on State Administration

1	HOUSE BILL NO. 231
2	INTRODUCED BY BRAND, HEMSTAD
3	BY REQUEST OF THE PUBLIC EMPLOYEES*
4	RETIREMENT DIVISION
5	
6	A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE METHOD
7	FOR CALCULATING THE COST-OF-LIVING ADJUSTMENT TO A
8	RETIREMENT ALLOWANCE FOR A MEMBER OF THE FIREFIGHTERS*
9	UNIFIED RETIREMENT SYSTEM; TO ENSURE PAYMENT OF A RETIREMENT
10	ALLOWANCE TO AFEREFEGHTER CERTAIN FIREFIGHTERS WHOSE
11	EMPLOYMENT IS INVOLUMIABILY TERMINATED BECAUSEOFTHE
12	84558EUTION8F-A-FIRE-BEPARTMENT; TO PROVIDE AN ALTERNATIVE
13	METHOD FOR CALCULATING THE COST-OF-LIVING ADJUSTMENT FOR A
14	RETIREE FROM A DISSOLVEDFIREDEPARTMENT CITY NO LONGER
15	EMPLOYING A NEWLY CONFIRMED FULL-PAID FIREFIGHTER; AMENDING
16	SECTIONS 19-13-102y 19-13-1006y AND 19-13-1007, MCA; AND
17	PROVIDING AN EFFECTIVE DATE.
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19	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
20	Section-lwSection-19-13-102MEAy-is-amended-to-read+
21	#19-13-102Purposeapplication-of-prior-lew(1)
22	Because-cities-other-than-those-of-the-first-or-second-class
23	currentlyhavefiredepartmentreliefassociations,-the
24	legislature-finds-and-declares-that-the-law-regardingthese
25	passociations-connot-be-repealed-it-is-the-express-intention

1	ofthelegislaturetoallowtwoseparateand-distinct
2	retirement-systems-to-exista-The-firsty-which-includesfire
3	department-relief-associations,-applies-to-cities-other-than
4	thoseofthefirst-or-second-class-that-wish-to-adopt-it=
5	The-secondy-created-by-this-chaptery-appliestocitiesof
6	thefirstor-second-class-and-those-other-cities-thet-wish
7	to-adopt-itu-The-purpose-of-the-second-system-is-toprovide
8	equityandsecurityforretiredfirefighters-who-served
9	cities-of-thefirstandsecondclassandothercities
10	electingtojointheplanbycreatingacentrally
11	edministeredsystemresponsibleforcontinuingall
12	retirement-payments-from-the-assets-of-the-system <u>e-including</u>
13	payments-to-firefighters-with-vested-rights-whose-employment
14	iaterminotedbecomeofthedissolutionofe_fire
15	department_within_a_city_that-was-a-participant-in-the-plan*
16	(2)Title-19*-chapter-11*-may-not-beappliedinany
17	waytoacftyoperatingunderthe-plan-created-by-this
18	chapter-except-as-otherwise-provided.
19	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

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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.

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- (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.
- 14 Section 2. Section 19-13-1006, MCA. is amended to 15 read:
 - "19-13-1006. Supplement to retirement certain 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-deportment CITY that last employed him as a firefighter dississed NO LUNGER EMPLOYS & EVIL PAID FIREFIGHIER. the firefighter's or his beneficiaty's

- allowance may not be less than one-half the average regular 2 monthly salary paid to all newly confirmed active EULL-PAID 3 firefighters, as provided each year in the hudgets of those cities that participate in the plan AND EMPLOY A FULL-PAID <u>FIREFIGHTER</u> In the case of volunteer fireflighters, the retirement allowance may not exceed \$75 per month. 7 Distribution of the funds goney provided for this purpose under 19-11-606(1) shall be made as--follows according to subsection_121:
- f11/21 At the beginning of each fiscal year the administrator shall request and the state auditor shall 12 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-speases-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 maid to all retirees or their surviving shouses or children in the gravious fiscal year and the total benefits navable on June 30. 1973.
- 22 12) The administrator shall use-the-funds-to-increase 23 the--acathly--retirement-silówances-of-the-retireds-or-their šúřýlyfna--sacaseš--and--childřen--to--an--amount--edbal--tö 24 25 one-haif--of--the-selary-that-was-said-to-s-confirmed-active

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

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

*19-13-1007. Allowance adjustment. (1) For a member hired retiring on or after July 1, 1973, but who was bired before July 1, 1981, and or his surviving spouse or dependent children, the service retirement allowance in 19-13-704(1)(a), the disability retirement pativoro allowance provided in 19-13-803(1), and the survivorship allowance provided in 19-13-902(1) may not be less than one-half the monthly compensation paid to a newly confirmed, active firefighter of a city that last employed him as a firefighter, as provided each year in the budget of that city. If-the-fire-department-that-last-smoloxed-bim-salis firefronter==diasolves===the==member=a==oc=bia=bsocficiory=a ellowence-mey-not-be-less-theo-cos-belfstbs-eyes-secthly compensation --- -- coid --- to -- -- collected to -- collective firefichteray-na-proxided-speb-yeoc-in-ths:budgeth-of--thoas cities-that-participate-in-the-plone

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

newly confirmed, active firefighter of a city that last
employed him as a firefighter, as provided each year in the
budget of that city. If—the—fire—department—ther—lest
employed—him as a firefighter—dissolves withe measure—theretas
beneficiary is allowed and may not the less than one half—the
exempes—southly—compensation—paid—to all newly confirmed
entire—firefighter ax as provided—such—year—by—the budgets—of
those cities that porticion to include the plant

(3) IE AFTER A MEMBER RETIRES. THE CITY THAT LAST EMPLOYED HIM NO LONGER EMPLOYS A FULL-PAID ETREFIGHTER. THE MEMBER'S OR HIS BENEFICIARY'S ALLOWANCE UNDER SUBSECTIONS

(1) AND (2) MUST BE ADJUSTED ON THE BASIS OF THE AVERAGE MONTHLY COMPENSATION PAID TO ALL MEMLY CONFIRMED FULL-PAID ETREFIGHTERS. AS PROVIDED EACH YEAR IN THE BUDGETS OF THOSE CITIES THAT PARTICIPATE IN THE PLAN AND EMPLOY. A FULL-PAID ETREFIGHTER.

EIREFIGHTER.

(4) IE THE EMPLOYMENT OF A VESTED HEMBER HIRED BEFORE

JULY 1. 1981. IS INVOLUNTARILY DISCONTINUED BEFORE HE

REACHES AGE SO BECAUSE DE THE TERMINATION OF EMPLOYMENT OF

ALL FULL-PAID FIREFIGHTERS IN THE CITY THAT EMPLOYED HIM.

HIS SERVICE RETIREMENT ALLOWANCE PROVIDED IN 19-3-704(1)(8)

AND HIS SPOUSE'S OR DEPENDENT CHILD'S SURVIVORSHIP ALLOWANCE

PROVIDED IN 19-13-902(1) MAY NOT RE LESS THAN:

<u>SERVICE. ONE-HALE THE AVERAGE MONTHLY COMPENSATION PAID TO </u>

-6- HB 231

- 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 EIREFIGHTER: OR
- 4 (8) IF THE MEMBER HAS COMPLETED MORE THAN 10 BUT LESS
- 5 IHAN 20 YEARS OF SERVICE. 22 OF THE AVERAGE MONTHLY
- 6 COMPENSATION PAID TO ALL NEWLY CONFIRMED. FULL-PAID
- 7 EIREFIGHTERS. AS PROVIDED FACH YEAR IN THE BUDGETS DE THOSE
- 8 CITIES THAT PARTICIPATE IN THE PLAN AND EMPLOY A FULL-PATO
- 9 EIREELGHTER. FOR EACH YEAR OF THE MEMBER'S SERVICE.
- 10 15) IN LIEU OF THE BENEFIT ADJUSTMENT PROVIDED IN
- 11 SUBSECTION (4). A MEMBER MAY ELECT TO RECEIVE AN EARLY
- 12 RETIREMENT ALLOHANCE BEGINNING UPON TERMINATION OF
- 13 EMPLOYMENT THAT IS THE ACTUARIAL EQUIVALENT OF THE ACCRUED
- 14 PORTION OF THE SERVICE RETIREMENT ALLOWANCE THAT MOULD 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 IIILE 19. CHAPIER 13. AND THE PROVISIONS OF THE 19.
- 19 CHAPTER 13. APPLY TO SECTION 1.
- 20 NEW SECTION. Section 5. Effective date. This act is
- 21 effective July 1, 1963.

-End-

HB 0231/02

1	HOUSE BILL NO. 231
Z	INTRODUCED BY BRAND, HENSTAD
3	BY REQUEST OF THE PUBLIC EMPLOYEES.
4	RETIREMENT DIVISION
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6	A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE METHOD
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11	EMPLOYMENT IS INVOLUNTABILY TERMINATED BEGAUSE OFTHE
12	DISSOLUTIONOF-A-FIRE-DEPARTMENT: TO PROVIDE AN ALTERNATIVE
13	METHOD FOR CALCULATING THE COST-OF-LIVING ADJUSTMENT FOR A
14	RETIREE FROM A BESSOLVESFEREBEPARTMENT CITY NO LONGER
15	EMPLOYING A NEWLY CONFIRMED FULL-PAID FIREFIGHTER; AMENDING
16	SECTIONS 19-13-102+ 19-13-1006+ AND 19-13-1007+ MCA; AND
17	PROVIDING AN EFFECTIVE DATE.
18	
19	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
20	Section-leSection-19-13-182-MEA
21	#19-13-182Purposeapplication-of-prior-law(1)
22	Because-cities-other-than-those-of-the-first-or-second-class
23	currentlyhavefiredepartmentreliefassociationsthe
24	legislature-finds-and-declares-that-the-law-regardingthese

associations-cannot-be-repealeds-it-is-the-express-intention

1	ofthelegisleturetoellowtwoseparateand-distinct
2	retirement-systems-to-exist-The-firsty-which-includesfire
3	department-refief-associationsy-applies-to-cities-other-than
4	those-ofthefirst-or-second-class-that-wish-ta-adopt-ite
5	The-secondy-created-by-this-chaptery-appliestecitiese
6	thefirstor-second-class-and-these-other-cities-that-wis
7	to-adopt-ity-The-purpose-of-the-second-system-is-toprovide
8	equityandsecurityforretiredfirefighters-who-serve
9	cities-of-thefirstendscaondclassandothercitie
10	electingtojointheplan-bycreatingacentrall
11	administaredsystemresponsibleforcontinuingal
12	retirement-payments-from-the-assets-of-the-system <u>s:including</u>
13	pnyments=to=ficefighters_with=xested=tights=whos=s=coploymen
14	istersiooted===bacouse==of==tbe==dissolution==of==o==fir
15	department=within=s=city=that=was=a=participant=in=tha=plan
16	(2)Title-19y-chapter-12y-may-not-beappliedinan
17	waytoaeftyeporatingunderthe-plan-created-by-thi:
18	chapter-except-as-otherwise-provided.
19	THERE IS A NEW MCA SECTION THAT READS:

MEM_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

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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.

14 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 dissalars NO LONGER EMPLOYS A FULL-PAID EIREFIGHTER, the firefighter's or his beneficiary's

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

the-manthly-retirement-allowances-of-the-retires-or-their
surviving-spaces--and--children--to--an--amount--equal---to
one-half--ef--the-salary-that-was-paid-to-a-confirmed-active

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

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

hired ratiring on or after July 1, 1973, but who was hired before July 1, 1981, and or his surviving spouse or dependent children, the service retirement allowance provided in 19-13-704(1)(a), the disability retirement allowance provided in 19-13-803(1), and the survivorship allowance provided in 19-13-803(1), and the survivorship allowance provided in 19-13-902(1) may not be less than one-half the monthly compensation paid to a newly confirmed, active firefighter of a city that last employed him as a firefighter, as provided each year in the budget of that city. If the fire deportment that last employed him as a firefighter disadvant the seather archimeter has beneficiary allowance may not be less than eacher according to the budget of that city. If the fire deportment that last employed him as a firefighter disadvant the seather archimeter has beneficiary allowance are not be less than eacher according to the budget of that componential and the seather according to the budget of these firefighters are not be less than eacher according to the budget of the componential according to the budget of these firefighters are not be less than eacher according to the budget of the componential according to the budget of these firefighters are not be less than eacher according to the budget of the componential according to the budget of the budget

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

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9 (3) IF AFTER A MEMBER RETIRES. THE CITY THAT LAST ENPLOYED HIM NO LONGER EMPLOYS A FULL-PAID FIREFIGHTER. THE 10 MEMBER'S OR HIS GENEFICIARY'S ALLOWANCE UNDER SUBSECTIONS 11 12 111 AND 121 MUST BE ADJUSTED ON THE BASIS OF THE AVERAGE MONTHLY COMPENSATION PAID TO ALL NEWLY CONFIRMED FULL-PAID 13 EIREFIGHTERS. AS PROVIDED EACH YEAR IN THE BUDGETS OF THOSE 14 15 CITIES THAT PARTICIPATE IN THE PLAN AND EMPLOY _A FULL-PAID EIREEIGHIER. 16

17 (4) IE THE EMPLOYMENT OF A YESTED HEMBER HIRED BEFORE
18 JULY 1. 1981. IS INVOLUNTABILY 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 19-3-704(1)(B)
22 AND HIS SPOUSE'S OR DEPENDENT CHILD'S SURVIVORSHIP ALLOWANCE
23 PROVIDED IN 19-13-902(1) NAY NOT BE LESS THANS

24 (A) IE THE MEMBER HAS COMPLETED 20 YEARS OR MORE DE
25 SERVICE: ONE-MALE THE AVERAGE MONTHLY COMPENSATION PAID TO

ALL MENLY 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 181 IF THE MEMBER HAS COMPLETED MORE THAN 10 BUT LESS THAN 20 YEARS OF SERVICE. 21 OF THE AVERAGE MONTHLY COMPENSATION PAID TO ALL NEWLY CONFIRMED. FULL-PAID EIREFIGHTERS. AS PROVIDED EACH YEAR IN THE BUDGETS OF THOSE CITIES THAT PARTICIPATE IN THE PLAN AND EMPLOY A FULL-PAID EIREFIGHTER. FOR EACH YEAR OF THE NEMBER'S SERVICE. 10 151 IN LIEU OF THE BENEFIT ADJUSTMENT PROVIDED IN SUBSECTION 14). A MEMBER MAY ELECT TO RECEIVE AN EARLY 11 RETIREMENT ALLOWANCE BEGINNING UPON TERMINATION OF 12 13 ENPLOYMENT THAT IS THE ACTUARIAL FOULVALENT OF THE ACCRUED PORTION OF THE SERVICE RETIREMENT ALLOWANCE THAT WORLD HAVE 14 15 BEEN PAYABLE TO HIM BEGINNING AT AGE 50." MEM_SECTION. SECTION 4. CODIFICATION INSTRUCTION. 16 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-

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)"

1	HOUSE BILL NO. 231
2	INTRODUCED BY BRAND, HEMSTAD
3	BY REQUEST OF THE PUBLIC EMPLOYEES*
4	RETIREMENT DIVISION
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6	A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE METHOD
7	FOR CALCULATING THE COST-OF-LIVING ADJUSTMENT TO A
8	RETIREMENT ALLOWANCE FOR A MEMBER OF THE FIREFIGHTERS!
9	UNIFIED RETIREMENT SYSTEM; TO ENSURE PAYMENT OF A RETIREMENT
.0	ALLOWANCE TO AFIREFIGHTER CERTAIN_EIREEIGHTERS WHOSE
.1	EMPLOYMENT IS INVOLUNTARILY TERMINATED BECAUSE
.2	### ##################################
.3	METHOD FOR CALCULATING THE COST-OF-LIVING ADJUSTMENT FOR A
4	RETIREE FROM A DISSULVEDFIREBEPARTMENT CITY_NO_LONGER
15	EMPLOYING A NEWLY CONFIRMED EULL-PAID FIREFIGHIER; AMENDING
16	SECTIONS 19-13-182+ 19-13-1006+ AND 19-13-1007+ MCA; AND
17	PROVIDING AN EFFECTIVE DATE."
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19	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
20	Section-twSection-19-13-102y-MCAy-is-amended-to-reads
21	#19-13-102=Purposeapplication-of-prior-laws(1)
22	Because-cities-other-thon-those-of-the-first-or-second-cioss
23	currentlyhavefiredepartmentreliefassociationsy-the
24	legislature-finds-and-declares-that-the-law-regardingthese

associations-cannot-be-repealedw-it-is-the-express-intention

1	ofthelegisloturetoallowtwoseparateand-distinct
2	retirement-systems-to-exist*-The-firsty-which-includesfire
3	department-refief-associationsy-applies-to-cities-other-thon
4	thoseofthefirst-or-second-class-that-wish-to-adopt-itw
5	The-secondy-created-by-this-chaptery-appliestoeitiesof
6	thefirstor-second-class-and-those-other-cities-that-wish
7	to-adopt-it-The-purpose-of-the-second-system-is-toprovide
8	equityandsecurityforretiredfirefighters-who-served
9	cities-of-thefirstandsecondclassandathercities
10	etectingtojointheplanbyereatingaeentrolly
11	administeredsystemresponsibleforcontinuingall
12	retirement-payments-from-the-assets-af-the-system <u>s-including</u>
13	payments.to_firsfigbters_with_yested_rights_whose_employment
14	iaterminatedbecauseofthedissolutionofofire
15	departaent_withio_a_city_that_was_a_participaat_in_the_plan*
16	(2)Title-19,-chapter-11,-may-not-beappliedinany
17	waytoacityoperatingunderthe-plan-created-by-this
18	chapter-except-as-otherwise-provided:"
19	IHERE IS A NEW MCA SECTION THAT READS:
20	NEW_SECTION: Section to Termination of participation
21	in plan or reduction of employer contributions. (1) If a
22	city voluntarily terminates its contributions in the plan or
23	significantly reduces the number of full-paid firefighters
24	it evolves to a degree that, in the heard's opinion.

inadequately funds the accrued or accruing benefits of plan

members, the hoard 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.
- 14 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 dissolves NO LANGER FAPLOYS A FULL-PAID FIREFIGHTER. the firefighter's or his beneficiary's

-3-

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
EIREFIGHIER. In the case of volunteer firefighters, the
retirement allowance may not exceed \$75 per month.
Distribution of the funds manay provided for this purpose
under 19-11-606(1) shall be made es--follows according to
subsection 121:

- diff(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-poid-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, 1972-
- (2) The administrator shall use-the-funds-to--increase

 the--monthly--retirement-allowances-of-the-retirees-or-the-ir

 surviving--spouses--ond--children--to--an-amount--equal--to

 one-half--of--the-salary-that-was-paid-to-a-confirmed-active

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

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

*19-13-1007. Allowance adjustment. (1) For a member hired retiring on or after July 1, 1973, but who was bired before July 1, 1981, and or his surviving spouse or dependent children, the service retirement allowance provided in 19-13-704(1)(a), the disability retirement allowance provided in 19-13-803(1), and the survivorship allowance provided in 19-13-902(1) may not be less than one-half the monthly compensation paid to a newly confirmed, active firefighter of a city that last employed him as a firefighter, as provided each year in the budget of that city. If-the-fire-deportment-that-lost-comployed--bis--09--0 firefighter==dissolvess==the==member=s==er=his=beneficiorxis oliowonee-mor-not-be-less-than-soe-holf-the-overage--monthly firefightersy-astronided_each_wapr_in_the_budgets_of__those xostq:ed::cipqte:in:the:planx

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

newly confirmed, active firefighter of a city that last employed him as a firefighter, as provided each year in the 3 budget of that city. If the first description that the transfer of the transfe employed-bis-os-o-firefighter-dissolvesy-the-sember-s-or-his peneficiary1s_ollowops=mov=not=be-loss=-thon=-one-holf==the awgrage:::Monthly:::compensation::psid::to-all-newly-configued active_firefightersx_ss_provided_each_vear_by_the_budgets_of those:citics:thot-participate-in-the-plane

131 IE AETER A MEMBER RETIRES. THE CITY THAT LAST EMPLOYED __HIM_NO_LONGER_EMPLOYS A FULL-PAID_FIREFIGHTER. THE MEMBER'S DR HIS BENEFICIARY'S ALLOWANCE UNDER SUBSECTIONS (11) AND (21) MUST BE ADJUSTED ON THE BASIS OF THE AVERAGE 12 MONIHLY COMPENSATION PAID TO ALL NEWLY CONFIRMED FULL-PAID 13 14 EIREELGHIERS. AS PROVIDED EACH YEAR IN THE SUGGETS DE THOSE 15 CITIES_IHAT_PARTICIPATE_IN_THE_PLAN_AND_EMPLOY_A_FULL-PAID 16

EIREEIGHIER. 141 IE THE EMPLOYMENT OF A VESTED MEMBER HIRED BEFORE JULY 1. 1981. IS INVOLUNTARILY DISCONTINUED BEFORE HE REACHES AGE 50 BECAUSE OF THE TERMINATION OF EMPLOYMENT OF ALL FULL-PAID FIREFIGHIERS 13 THE CITY THAT EMPLOYED HIH. HIS SERVICE RETIREMENT ALLOWANCE PROVIDED IN 19-3-70411111 19-13-704(1)(B) AND HIS SPOUSE'S OR DEPENDENT CHILD'S SURVIVORSHIP ALLOWANCE PROVIDED IN 19-13-902(1) MAY NOT BE

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

HS 0231/03

1	SERVICE. ONE-HALE THE AVERAGE MONTHLY COMPENSATION PAID TO
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4	IHE_SLAN_AND_EMPLOY_A_EULL=PAID_EIREFIGHIER:_OB
5	181_IE_IHE_MEMBER_HAS_COMPLETED_MORE_THAN_TO_BUT_LESS
6	THAN 20 YEARS DE SERVICE 22 DE THE AVERAGE MONIHLY
7	COMPENSATION PAID TO ALL NEWLY CONFIRMED. FULL-PAID
9	ELREELGHIERS. AS PROVIDED FACH YEAR IN THE BUDGETS DE THOSE
9	CILLES THAT PARTICIPATE IN THE PLAN AND EMPLOY A FULL-PAID
10	FIREFIGHTER. FOR FACH YEAR OF THE MEMBER'S SERVICE.
11	(51 IN_LIEU_OF_IHE_BENEELI_ADJUSTMENT_PROVIDED_IN
12	SUBSECTION 14). A MEMBER MAY ELECT TO RECEIVE AN EARLY
13	RETIREMENT ALLOWANCE BEGINNING UPON TERMINATION DE
14	EMPLOYMENT IMAT IS THE ACTUARIAL EQUIVALENT OF THE ACCRUED
15	PORTION DE THE SERVICE RETTREMENT ALLOWANCE THAT WOULD HAVE
16	BEEN PAYABLE TO HIM BEGINNING AT AGE 50.
17	NEW SECTION. SECTION 4. CODIFICATION INSTRUCTION.
18	SECTION_1_IS_INTENDED_TO_BE_CODIFIED_AS_AN_INTEGRAL_PART_DE
19	TITLE 19. CHAPTER 13. AND THE PROVISIONS OF TITLE 19.
20	CHAPIER 13. APPLY ID SECTION 1.

-End-

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effective July 1, 1983.

NEW SECTION. Section 5. Effective date. This act is