

HOUSE BILL NO. 487

INTRODUCED BY O'CONNELL

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

IN THE HOUSE

January 25, 1983	Introduced and referred to Committee on State Administration.
January 31, 1983	Committee recommend bill do pass. Report adopted.
February 1, 1983	Bill printed and placed on members' desks.
February 2, 1983	Second reading, do pass.
February 3, 1983	Considered correctly engrossed.
February 4, 1983	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 5, 1983	Introduced and referred to Committee on State Administration.
March 2, 1983	Committee recommend bill be concurred in. Report adopted.
March 4, 1983	Second reading, concurred in.
March 7, 1983	Third reading, concurred in. Ayes, 48; Noes, 0.

IN THE HOUSE

March 7, 1983

Returned to House.

March 8, 1983

Sent to enrolling.

Reported correctly
enrolled.

1 House BILL NO. 487
 2 INTRODUCED BY O'Connell
 3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD
 4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE PAYMENT
 6 OF DEATH BENEFITS UNDER THE MUNICIPAL POLICE OFFICERS' AND
 7 THE MONTANA FIREFIGHTERS' UNIFIED RETIREMENT ACTS; DEFINING
 8 SURVIVING SPOUSE AND DEPENDENT CHILD; AMENDING SECTIONS
 9 19-9-104, 19-9-911, 19-9-1007, 19-13-104, AND 19-13-903,
 10 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
 11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 13 Section 1. Section 19-9-104, MCA, is amended to read:
 14 "19-9-104. Definitions. Unless the context requires
 15 otherwise, the following definitions apply in this chapter:
 16 (1) "Administrator" means the public employees'
 17 retirement division of the department of administration.
 18 (2) "Base salary" means the sum of the monthly
 19 compensations for each month in a given calendar year.
 20 (3) "Board" means the retirement board described in
 21 2-15-1009.
 22 (4) "Credited service" means the aggregate of a
 23 member's prior service and membership service.
 24 (5) "Dependent child" means a child of a deceased
 25 member:

1 (a) who is unmarried and under 18 years of age; or
 2 (b) who is unmarried, under 24 years of age, and
 3 attending an accredited postsecondary educational
 4 institution as a full-time student in anticipation of
 5 receiving a certificate or degree.
 6 ~~(5)(6)~~ "Employer" means any city which participated in
 7 a prior plan or which elects to join this plan under
 8 19-9-107.
 9 ~~(6)(7)~~ "Employer annuity" means monthly payments for
 10 life derived from employer and state contributions.
 11 ~~(7)(8)~~ "Final average salary" means the monthly
 12 compensation of a member, averaged over the last 36 months
 13 of his active service or, in the event he has not been a
 14 member that long, over the period of his membership.
 15 ~~(8)(9)~~ "Fund" means the agency account in the treasury
 16 system designated for the use of the plan.
 17 ~~(9)(10)~~ "Mandatory retirement date" means the first day
 18 of the month coinciding with or immediately following, if
 19 none coincides, the date on which a member attains age 65.
 20 ~~(10)(11)~~ "Member" means a person who is employed by an
 21 employer as a police officer or who is entitled to a
 22 retirement allowance by virtue of his service to an employer
 23 as a police officer.
 24 ~~(11)(12)~~ "Member contributions" means the total of the
 25 deductions from the compensation of a member, either made

during a period of active membership hereunder or made under a prior plan and transferred to this plan, standing to his credit, together with the interest thereon.

~~(12)~~(13) "Member's annuity" means monthly payments for life derived from member contributions.

~~(13)~~(14) "Membership service" means a period of employment with an employer occurring after June 30, 1977, during which the withholdings required by this chapter have been made from a member's monthly compensation and credited to his member contributions account. Pro rata credit shall be granted for employment on a part-time basis or for employment over a period of less than a complete fiscal year.

~~(14)~~(15) "Minimum retirement date" or "normal retirement date" means the first day of the month coinciding with or immediately following, if none coincides, the date on which a member becomes both age 50 or older and completes 20 or more years of credited service.

~~(15)~~(16) "Monthly compensation" means the wage, excluding overtime, holiday payments, shift differential payments, compensation time payments, and payments in lieu of sick leave and annual leave, a member receives as an active police officer.

~~(16)~~(17) Any reference to "municipality", "city", or "town" includes those jurisdictions which, prior to the

effective date of a county-municipal consolidation, were incorporated municipalities, subsequent districts created for urban law enforcement services, or the entire county included in the county-municipal consolidation.

~~(17)~~(18) "Plan" means the municipal police officers' retirement system created by this chapter.

~~(18)~~(19) "Police officer" means a law enforcement officer employed by an employer.

~~(19)~~(20) "Prior plan" means the local police reserve or retirement fund of a city which elects to join the plan under 19-9-107 or the statewide police reserve fund administered by the department of administration in accordance with Chapter 335, Laws of 1974.

~~(20)~~(21) "Prior service" means a period of employment as a police officer for which credit was granted to a member under a prior plan and has been transferred to this plan.

~~(21)~~(22) "Retirement allowance" means the employer annuity plus the member's annuity.

~~(22)~~(23) "Retirement date" means the date on which the first payment of the retirement, disability, or survivor benefits of a member or a beneficiary is payable.

(24) "Surviving spouse" means the spouse married to a member at the time of the member's death.

~~(23)~~(25) "Totally and permanently disabled" means that the board, upon certification by a licensed and practicing

1 physician, has determined that a member's disability is of
2 such a nature as to permanently impair his ability to
3 discharge his normal duties as a police officer."

4 NEW SECTION. Section 2. Payment of death benefits in
5 absence of spouse or child. If a member dies without leaving
6 a surviving spouse or dependent child and if the member had
7 designated a beneficiary in writing to the administrator,
8 the administrator shall pay to the designated beneficiary an
9 amount equal to the member's contributions less any
10 retirement benefits paid to the member before his death. If
11 the deceased member did not designate a beneficiary or the
12 beneficiary predeceased the member, this amount must be paid
13 to the member's estate.

14 Section 3. Section 19-9-911, MCA, is amended to read:

15 "19-9-911. Death benefits. (1) A member's retirement
16 allowance shall be paid first to the member during his
17 lifetime and, upon his death, in the manner and to the
18 persons designated in subsection (2).

19 (2) Upon the death of a police officer before or after
20 retirement, his surviving spouse, if there is one, shall, as
21 long as such spouse remains ~~the surviving spouse~~ unmarried,
22 be paid from the fund a sum equal to one-half of the
23 officer's final average salary. If the officer leaves one or
24 more dependent ~~minor~~ children, then, upon his death if he
25 leaves no surviving spouse or upon the death or remarriage

1 of the surviving spouse, his surviving dependent ~~minor~~
2 ~~children~~ child, collectively if there is more than one,
3 shall receive the same monthly payments a surviving spouse
4 would receive--~~until they reach the age of 18 years or are~~
5 ~~married as long as the child or one of the children remains~~
6 ~~dependent as defined in 19-9-104.~~ The payments shall be made
7 to ~~their~~ the child's duly appointed, qualified, and acting
8 guardian for ~~their~~ the child's use. If there is more than
9 one such child, upon each child ~~reaching the age of 18 years~~
10 ~~or--marrying no longer qualifying as dependent under~~
11 ~~19-9-104,~~ the pro rata payments to that child shall cease
12 and shall be made to the remaining children until all the
13 children ~~have reached the age of 18 years or are married are~~
14 no longer dependent."

15 Section 4. Section 19-9-1007, MCA, is amended to read:

16 "19-9-1007. Supplement to certain pensions. (1) The
17 payment for each fiscal year to the police officers,
18 surviving spouses, or ~~minor dependent~~ children described in
19 subsections (2)(a) through (2)(c) may be not less than
20 one-half of the base salary paid in the previous calendar
21 year in the appropriate city or town to newly confirmed
22 police officers, except that for the fiscal year beginning
23 July 1, 1979, all retirees and their beneficiaries who
24 received a supplement to their retirement allowance on July
25 1, 1978, and are receiving an allowance on July 1, 1979,

shall receive a 3% increase in their retirement allowance in lieu of any other increase.

(2) On or before April 1 of each year, the department of administration shall make a report including the following information:

(a) the names of all police officers who are receiving payments from the plan as of the date of the report and were receiving payments from a prior plan before July 1, 1975;

(b) the names of all surviving spouses or minor dependent children who are receiving payments from the plan because of the death of a police officer who was receiving payments from a prior plan before July 1, 1975;

(c) the names of all surviving spouses or minor dependent children who are receiving payments from the plan and who were receiving payments from a prior plan before July 1, 1975, or in the case of minor dependent children, whose parent, the spouse of a police officer, was receiving payments from a prior plan before July 1, 1975;

(d) for the purpose of determining the base figure for the computations set forth in subsection (3), the following information relating to the base fiscal year commencing July 1, 1976:

(i) the amount of the payments made in the base fiscal year to each police officer described in subsection (2)(a);

(ii) the amount of the payments made in the base fiscal

year to each surviving spouse or minor dependent child (or children) described in subsection (2)(b) or (2)(c);

(iii) upon the death after April 18, 1977, of any police officer on the retired list who was receiving payments from a prior plan before July 1, 1975, ~~and who is survived by~~ his surviving spouse or minor dependent children are entitled to receive payments from the plan, the amount which would have been paid to an eligible surviving spouse of such police officer had that spouse been receiving payments in the base fiscal year;

(e) the base salary for the previous calendar year of a newly confirmed police officer of each city or town participating in the plan.

(3) The department of administration shall compute the difference between each amount reported under subsections (2)(d)(i) through (2)(d)(iii) and one-half the base salary for the previous calendar year of a newly confirmed police officer of the appropriate city or town. The difference shall be reported to and paid by the state auditor out of the premium tax collected on insurance sold in this state to insure against the risks enumerated in 19-11-512(3) to the administrator after the end of each fiscal year, but no later than September 1. This payment is in addition to the payment to be made by the state auditor under 19-9-702. The administrator shall use the funds received under this

subsection to supplement the monthly payments to persons described in subsections (2)(a) through (2)(c) so that the requirements of subsection (1) are met.

(4) In addition to the payments made by the auditor as provided in subsection (3), the auditor shall make annual payments of \$100,000 after the end of each fiscal year but no later than September 1, until the sum of \$500,000 has been paid to the administrator for deposit in the retirement account. These payments are to be made to reimburse the retirement account for funds advanced to implement this section.

(5) If more than one ~~minor dependent~~ child is entitled to supplementary payments under this section by virtue of the death of a common parent police officer, the minimum payment to such ~~minor dependent~~ children under this section shall be determined as if there were one such ~~minor dependent~~ child and the supplementary payment shall be made to the ~~minor dependent~~ children collectively."

Section 5. Section 19-13-104, MCA, is amended to read:

"19-13-104. Definitions. Unless the context requires otherwise, the following definitions apply in this chapter:

(1) "Administrator" means the public employees' retirement division of the department of administration.

(2) "Board" means the retirement board described in 2-15-1009.

(3) "Credited service" means the aggregate of a member's prior service and membership service.

(4) "Dependent child" means a child of a deceased member who is:

(a) unmarried and under age 18; or

(b) unmarried, under age 24, and attending an accredited postsecondary educational institution as a full-time student in anticipation of receiving a certificate or degree.

(5) "Employer" means any city that is of the first or second class or that elects to join this plan under 19-13-108.

(6) "Final average salary" means the monthly compensation of a member hired on or after July 1, 1981, averaged over the last 36 months of his active service or, if he has not been a member that long, over the period of his membership.

(7) "Firefighter" means a person employed as a full- or part-paid firefighter by an employer.

(8) "Full-paid firefighter" means a person appointed as a firefighter under 7-33-4106.

(9) "Fund" means the agency account in the state treasury system designated for the use of the plan.

(10) "Member" means a person who is employed by an employer as a full- or part-paid firefighter or who is

entitled to a retirement allowance by virtue of his service to an employer as a firefighter.

(11) "Member contributions" means the total of the deductions from a member's compensation made during a period of active membership under this chapter or made under a prior plan and transferred to this plan, standing to his credit, together with the interest thereon.

(12) "Membership service" means a period of employment with an employer occurring after July 1, 1981, during which the withholdings required by this chapter have been made from a member's monthly compensation and credited to his member contributions account. Pro rata credit shall be granted for employment on a part-time basis or for employment over a period of less than a complete fiscal year.

(13) "Minimum retirement date" means the first day of the month coinciding with or immediately following, if none coincides, the date on which a member becomes both age 50 or older and completes 10 or more years of credited service.

(14) "Monthly compensation" means:

(a) for a full-paid firefighter, the regular monthly compensation, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid by an employer for his service as a firefighter;

(b) for a part-paid firefighter employed by a city of the second class, 15% of the average regular monthly compensation, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid to all newly confirmed, active firefighters employed by cities of the second class on July 1 of each year.

(15) Any reference to "municipality", "city", or "town" includes those jurisdictions which, prior to the effective date of a county-municipal consolidation, were incorporated municipalities, subsequent districts created for urban firefighting services, or the entire county included in the county-municipal consolidation.

(16) "Part-paid firefighter" means a person employed under 7-33-4109 who receives compensation in excess of \$300 a year for his service as a firefighter.

(17) "Plan" means the municipal firefighters' retirement system created by this chapter.

(18) "Prior plan" means the fire department relief association plan of a city that elects to join the plan under 19-13-108 or the fire department relief association plan of a city of the first or second class.

(19) "Prior service" means a period of employment as a firefighter for which credit was granted to a member under a prior plan and has been transferred to this plan.

1 (20) "Retirement allowance" means the monthly benefit
2 payable after service or disability retirement.

3 (21) "Retirement date" means the date on which the
4 first payment of the retirement or disability benefits of a
5 member or a beneficiary is payable.

6 (22) "Surviving spouse" means the spouse married to a
7 member at the time of the member's death.

8 ~~(22)~~(23) "Totally and permanently disabled" means that
9 the board, upon certification by a licensed and practicing
10 physician, has determined that a member's disability is of
11 such a nature as to permanently impair his ability to
12 discharge his normal duties as a firefighter."

13 Section 6. Section 19-13-903, MCA, is amended to read:

14 "19-13-903. Payment of death benefits in absence of
15 spouse or child. If a member dies without leaving a
16 surviving spouse or ~~children~~ child, ~~the administrator shall~~
17 ~~compute the total contributions made to the fund by the~~
18 ~~deceased member~~ and if the deceased member had designated a
19 beneficiary in writing to the administrator, the
20 administrator shall ~~issue a warrant for the amount of the~~
21 ~~total contributions payable to that beneficiary~~ pay to the
22 designated beneficiary an amount equal to the member's
23 contributions less any retirement benefits paid to the
24 member before his death. If the deceased member ~~had~~ did not
25 nominated designate a beneficiary or the beneficiary

1 ~~predeceased the member, the contributions shall this amount~~
2 ~~must~~ be paid to ~~his~~ the member's estate."

3 NEW SECTION. Section 7. Codification instruction.
4 Section 2 is intended to be codified as an integral part of
5 Title 19, chapter 9, part 9, and the provisions of Title 19,
6 chapter 9, apply to section 2.

7 NEW SECTION. Section 8. Effective date. This act is
8 effective on passage and approval.

-End-

Approved by Committee
on State Administration

1 House BILL NO. 487
2 INTRODUCED BY O'Connell
3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE PAYMENT
6 OF DEATH BENEFITS UNDER THE MUNICIPAL POLICE OFFICERS' AND
7 THE MONTANA FIREFIGHTERS' UNIFIED RETIREMENT ACTS; DEFINING
8 SURVIVING SPOUSE AND DEPENDENT CHILD; AMENDING SECTIONS
9 19-9-104, 19-9-911, 19-9-1007, 19-13-104, AND 19-13-903,
10 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13 Section 1. Section 19-9-104, MCA, is amended to read:
14 "19-9-104. Definitions. Unless the context requires
15 otherwise, the following definitions apply in this chapter:
16 (1) "Administrator" means the public employees'
17 retirement division of the department of administration.
18 (2) "Base salary" means the sum of the monthly
19 compensations for each month in a given calendar year.
20 (3) "Board" means the retirement board described in
21 2-15-1009.
22 (4) "Credited service" means the aggregate of a
23 member's prior service and membership service.
24 (5) "Dependent child" means a child of a deceased
25 member:

1 (a) who is unmarried and under 18 years of age; or
2 (b) who is unmarried, under 24 years of age, and
3 attending an accredited postsecondary educational
4 institution as a full-time student in anticipation of
5 receiving a certificate or degree.
6 ~~(5)(6)~~ "Employer" means any city which participated in
7 a prior plan or which elects to join this plan under
8 19-9-107.
9 ~~(6)(7)~~ "Employer annuity" means monthly payments for
10 life derived from employer and state contributions.
11 ~~(7)(8)~~ "Final average salary" means the monthly
12 compensation of a member, averaged over the last 36 months
13 of his active service or, in the event he has not been a
14 member that long, over the period of his membership.
15 ~~(8)(9)~~ "Fund" means the agency account in the treasury
16 system designated for the use of the plan.
17 ~~(9)(10)~~ "Mandatory retirement date" means the first day
18 of the month coinciding with or immediately following, if
19 none coincides, the date on which a member attains age 65.
20 ~~(10)(11)~~ "Member" means a person who is employed by an
21 employer as a police officer or who is entitled to a
22 retirement allowance by virtue of his service to an employer
23 as a police officer.
24 ~~(11)(12)~~ "Member contributions" means the total of the
25 deductions from the compensation of a member, either made

during a period of active membership hereunder or made under a prior plan and transferred to this plan, standing to his credit, together with the interest thereon.

~~(12)~~(13) "Member's annuity" means monthly payments for life derived from member contributions.

~~(13)~~(14) "Membership service" means a period of employment with an employer occurring after June 30, 1977, during which the withholdings required by this chapter have been made from a member's monthly compensation and credited to his member contributions account. Pro rata credit shall be granted for employment on a part-time basis or for employment over a period of less than a complete fiscal year.

~~(14)~~(15) "Minimum retirement date" or "normal retirement date" means the first day of the month coinciding with or immediately following, if none coincides, the date on which a member becomes both age 50 or older and completes 20 or more years of credited service.

~~(15)~~(16) "Monthly compensation" means the wage, excluding overtime, holiday payments, shift differential payments, compensation time payments, and payments in lieu of sick leave and annual leave, a member receives as an active police officer.

~~(16)~~(17) Any reference to "municipality", "city", or "town" includes those jurisdictions which, prior to the

effective date of a county-municipal consolidation, were incorporated municipalities, subsequent districts created for urban law enforcement services, or the entire county included in the county-municipal consolidation.

~~(17)~~(18) "Plan" means the municipal police officers' retirement system created by this chapter.

~~(18)~~(19) "Police officer" means a law enforcement officer employed by an employer.

~~(19)~~(20) "Prior plan" means the local police reserve or retirement fund of a city which elects to join the plan under 19-9-107 or the statewide police reserve fund administered by the department of administration in accordance with Chapter 335, Laws of 1974.

~~(20)~~(21) "Prior service" means a period of employment as a police officer for which credit was granted to a member under a prior plan and has been transferred to this plan.

~~(21)~~(22) "Retirement allowance" means the employer annuity plus the member's annuity.

~~(22)~~(23) "Retirement date" means the date on which the first payment of the retirement, disability, or survivor benefits of a member or a beneficiary is payable.

~~(24)~~ "Surviving spouse" means the spouse married to a member at the time of the member's death.

~~(23)~~(25) "Totally and permanently disabled" means that the board, upon certification by a licensed and practicing

1 physician, has determined that a member's disability is of
2 such a nature as to permanently impair his ability to
3 discharge his normal duties as a police officer."

4 NEW SECTION. Section 2. Payment of death benefits in
5 absence of spouse or child. If a member dies without leaving
6 a surviving spouse or dependent child and if the member had
7 designated a beneficiary in writing to the administrator,
8 the administrator shall pay to the designated beneficiary an
9 amount equal to the member's contributions less any
10 retirement benefits paid to the member before his death. If
11 the deceased member did not designate a beneficiary or the
12 beneficiary predeceased the member, this amount must be paid
13 to the member's estate.

14 Section 3. Section 19-9-911, MCA, is amended to read:

15 "19-9-911. Death benefits. (1) A member's retirement
16 allowance shall be paid first to the member during his
17 lifetime and, upon his death, in the manner and to the
18 persons designated in subsection (2).

19 (2) Upon the death of a police officer before or after
20 retirement, his surviving spouse, if there is one, shall, as
21 long as such spouse remains ~~the surviving spouse~~ unmarried,
22 be paid from the fund a sum equal to one-half of the
23 officer's final average salary. If the officer leaves one or
24 more dependent ~~minor~~ children, then, upon his death if he
25 leaves no surviving spouse or upon the death or remarriage

1 of the surviving spouse, his surviving dependent ~~minor~~
2 ~~children~~ child, collectively if there is more than one,
3 shall receive the same monthly payments a surviving spouse
4 would receiver--~~until they reach the age of 18 years or are~~
5 ~~married as long as the child or one of the children remains~~
6 dependent as defined in 19-9-104. The payments shall be made
7 to their ~~the child's~~ the child's duly appointed, qualified, and acting
8 guardian for ~~their the child's~~ the child's use. If there is more than
9 one such child, upon each child ~~reaching the age of 18 years~~
10 ~~or--marrying no longer qualifying as dependent under~~
11 19-9-104, the pro rata payments to that child shall cease
12 and shall be made to the remaining children until all the
13 children ~~have reached the age of 18 years or are married~~ are
14 no longer dependent."

15 Section 4. Section 19-9-1007, MCA, is amended to read:

16 "19-9-1007. Supplement to certain pensions. (1) The
17 payment for each fiscal year to the police officers,
18 surviving spouses, or ~~minor dependent~~ children described in
19 subsections (2)(a) through (2)(c) may be not less than
20 one-half of the base salary paid in the previous calendar
21 year in the appropriate city or town to newly confirmed
22 police officers, except that for the fiscal year beginning
23 July 1, 1979, all retirees and their beneficiaries who
24 received a supplement to their retirement allowance on July
25 1, 1978, and are receiving an allowance on July 1, 1979,

1 shall receive a 3% increase in their retirement allowance in
2 lieu of any other increase.

3 (2) On or before April 1 of each year, the department
4 of administration shall make a report including the
5 following information:

6 (a) the names of all police officers who are receiving
7 payments from the plan as of the date of the report and were
8 receiving payments from a prior plan before July 1, 1975;

9 (b) the names of all surviving spouses or minor
10 dependent children who are receiving payments from the plan
11 because of the death of a police officer who was receiving
12 payments from a prior plan before July 1, 1975;

13 (c) the names of all surviving spouses or minor
14 dependent children who are receiving payments from the plan
15 and who were receiving payments from a prior plan before
16 July 1, 1975, or in the case of minor dependent children,
17 whose parent, the spouse of a police officer, was receiving
18 payments from a prior plan before July 1, 1975;

19 (d) for the purpose of determining the base figure for
20 the computations set forth in subsection (3), the following
21 information relating to the base fiscal year commencing July
22 1, 1976:

23 (i) the amount of the payments made in the base fiscal
24 year to each police officer described in subsection (2)(a);

25 (ii) the amount of the payments made in the base fiscal

1 year to each surviving spouse or minor dependent child (or
2 children) described in subsection (2)(b) or (2)(c);

3 (iii) upon the death after April 18, 1977, of any
4 police officer on the retired list who was receiving
5 payments from a prior plan before July 1, 1975, ~~and who is~~
6 ~~survived by--a~~ his surviving spouse or minor dependent
7 children are entitled to receive payments from the plan, the
8 amount which would have been paid to an eligible surviving
9 spouse of such police officer had that spouse been receiving
10 payments in the base fiscal year;

11 (e) the base salary for the previous calendar year of
12 a newly confirmed police officer of each city or town
13 participating in the plan.

14 (3) The department of administration shall compute the
15 difference between each amount reported under subsections
16 (2)(d)(i) through (2)(d)(iii) and one-half the base salary
17 for the previous calendar year of a newly confirmed police
18 officer of the appropriate city or town. The difference
19 shall be reported to and paid by the state auditor out of
20 the premium tax collected on insurance sold in this state to
21 insure against the risks enumerated in 19-11-512(3) to the
22 administrator after the end of each fiscal year, but no
23 later than September 1. This payment is in addition to the
24 payment to be made by the state auditor under 19-9-702. The
25 administrator shall use the funds received under this

1 subsection to supplement the monthly payments to persons
2 described in subsections (2)(a) through (2)(c) so that the
3 requirements of subsection (1) are met.

4 (4) In addition to the payments made by the auditor as
5 provided in subsection (3), the auditor shall make annual
6 payments of \$100,000 after the end of each fiscal year but
7 no later than September 1, until the sum of \$500,000 has
8 been paid to the administrator for deposit in the retirement
9 account. These payments are to be made to reimburse the
10 retirement account for funds advanced to implement this
11 section.

12 (5) If more than one ~~minor dependent~~ child is entitled
13 to supplementary payments under this section by virtue of
14 the death of a common parent police officer, the minimum
15 payment to such ~~minor dependent~~ children under this section
16 shall be determined as if there were one such ~~minor~~
17 ~~dependent~~ child and the supplementary payment shall be made
18 to the ~~minor dependent~~ children collectively."

19 Section 5. Section 19-13-104, MCA, is amended to read:

20 "19-13-104. Definitions. Unless the context requires
21 otherwise, the following definitions apply in this chapter:

22 (1) "Administrator" means the public employees'
23 retirement division of the department of administration.

24 (2) "Board" means the retirement board described in
25 2-15-1009.

1 (3) "Credited service" means the aggregate of a
2 member's prior service and membership service.

3 (4) "Dependent child" means a child of a deceased
4 member who is:

5 (a) unmarried and under age 18; or

6 (b) unmarried, under age 24, and attending an
7 accredited postsecondary educational institution as a
8 full-time student in anticipation of receiving a certificate
9 or degree.

10 (5) "Employer" means any city that is of the first or
11 second class or that elects to join this plan under
12 19-13-108.

13 (6) "Final average salary" means the monthly
14 compensation of a member hired on or after July 1, 1981,
15 averaged over the last 36 months of his active service or,
16 if he has not been a member that long, over the period of
17 his membership.

18 (7) "Firefighter" means a person employed as a full-
19 or part-paid firefighter by an employer.

20 (8) "Full-paid firefighter" means a person appointed
21 as a firefighter under 7-33-4106.

22 (9) "Fund" means the agency account in the state
23 treasury system designated for the use of the plan.

24 (10) "Member" means a person who is employed by an
25 employer as a full- or part-paid firefighter or who is

1 entitled to a retirement allowance by virtue of his service
2 to an employer as a firefighter.

3 (11) "Member contributions" means the total of the
4 deductions from a member's compensation made during a period
5 of active membership under this chapter or made under a
6 prior plan and transferred to this plan, standing to his
7 credit, together with the interest thereon.

8 (12) "Membership service" means a period of employment
9 with an employer occurring after July 1, 1981, during which
10 the withholdings required by this chapter have been made
11 from a member's monthly compensation and credited to his
12 member contributions account. Pro rata credit shall be
13 granted for employment on a part-time basis or for
14 employment over a period of less than a complete fiscal
15 year.

16 (13) "Minimum retirement date" means the first day of
17 the month coinciding with or immediately following, if none
18 coincides, the date on which a member becomes both age 50 or
19 older and completes 10 or more years of credited service.

20 (14) "Monthly compensation" means:

21 (a) for a full-paid firefighter, the regular monthly
22 compensation, excluding overtime, holiday payments, shift
23 differential payments, compensatory time payments, and
24 payments in lieu of sick leave, paid by an employer for his
25 service as a firefighter;

1 (b) for a part-paid firefighter employed by a city of
2 the second class, 15% of the average regular monthly
3 compensation, excluding overtime, holiday payments, shift
4 differential payments, compensatory time payments, and
5 payments in lieu of sick leave, paid to all newly confirmed,
6 active firefighters employed by cities of the second class
7 on July 1 of each year.

8 (15) Any reference to "municipality", "city", or "town"
9 includes those jurisdictions which, prior to the effective
10 date of a county-municipal consolidation, were incorporated
11 municipalities, subsequent districts created for urban
12 firefighting services, or the entire county included in the
13 county-municipal consolidation.

14 (16) "Part-paid firefighter" means a person employed
15 under 7-33-4109 who receives compensation in excess of \$300
16 a year for his service as a firefighter.

17 (17) "Plan" means the municipal firefighters'
18 retirement system created by this chapter.

19 (18) "Prior plan" means the fire department relief
20 association plan of a city that elects to join the plan
21 under 19-13-108 or the fire department relief association
22 plan of a city of the first or second class.

23 (19) "Prior service" means a period of employment as a
24 firefighter for which credit was granted to a member under a
25 prior plan and has been transferred to this plan.

(20) "Retirement allowance" means the monthly benefit payable after service or disability retirement.

(21) "Retirement date" means the date on which the first payment of the retirement or disability benefits of a member or a beneficiary is payable.

(22) "Surviving spouse" means the spouse married to a member at the time of the member's death.

~~(22)~~(23) "Totally and permanently disabled" means that the board, upon certification by a licensed and practicing physician, has determined that a member's disability is of such a nature as to permanently impair his ability to discharge his normal duties as a firefighter."

Section 6. Section 19-13-903, MCA, is amended to read:

"19-13-903. Payment of death benefits in absence of spouse or child. If a member dies without leaving a surviving spouse or children child, ~~the administrator shall compute the total contributions made to the fund by the deceased member~~ and if the deceased member had designated a beneficiary in writing to the administrator, the administrator shall ~~issue a warrant for the amount of the total contributions payable to that beneficiary~~ pay to the designated beneficiary an amount equal to the member's contributions less any retirement benefits paid to the member before his death. If the deceased member had ~~did~~ not nominated designate a beneficiary or the beneficiary

~~predeceased the member, the contributions shall this amount must be paid to his the member's estate."~~

NEW SECTION. Section 7. Codification instruction. Section 2 is intended to be codified as an integral part of Title 19, chapter 9, part 9, and the provisions of Title 19, chapter 9, apply to section 2.

NEW SECTION. Section 8. Effective date. This act is effective on passage and approval.

-End-

1 House BILL NO. 487
 2 INTRODUCED BY O'Connell
 3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD
 4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE PAYMENT
 6 OF DEATH BENEFITS UNDER THE MUNICIPAL POLICE OFFICERS' AND
 7 THE MONTANA FIREFIGHTERS' UNIFIED RETIREMENT ACTS; DEFINING
 8 SURVIVING SPOUSE AND DEPENDENT CHILD; AMENDING SECTIONS
 9 19-9-104, 19-9-911, 19-9-1007, 19-13-104, AND 19-13-903,
 10 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
 11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 13 Section 1. Section 19-9-104, MCA, is amended to read:
 14 "19-9-104. Definitions. Unless the context requires
 15 otherwise, the following definitions apply in this chapter:
 16 (1) "Administrator" means the public employees'
 17 retirement division of the department of administration.
 18 (2) "Base salary" means the sum of the monthly
 19 compensations for each month in a given calendar year.
 20 (3) "Board" means the retirement board described in
 21 2-15-1009.
 22 (4) "Credited service" means the aggregate of a
 23 member's prior service and membership service.
 24 (5) "Dependent child" means a child of a deceased
 25 member:

1 (a) who is unmarried and under 18 years of age; or
 2 (b) who is unmarried, under 24 years of age, and
 3 attending an accredited postsecondary educational
 4 institution as a full-time student in anticipation of
 5 receiving a certificate or degree.
 6 ~~(5)(6)~~ "Employer" means any city which participated in
 7 a prior plan or which elects to join this plan under
 8 19-9-107.
 9 ~~(6)(7)~~ "Employer annuity" means monthly payments for
 10 life derived from employer and state contributions.
 11 ~~(7)(8)~~ "Final average salary" means the monthly
 12 compensation of a member, averaged over the last 36 months
 13 of his active service or, in the event he has not been a
 14 member that long, over the period of his membership.
 15 ~~(8)(9)~~ "Fund" means the agency account in the treasury
 16 system designated for the use of the plan.
 17 ~~(9)(10)~~ "Mandatory retirement date" means the first day
 18 of the month coinciding with or immediately following, if
 19 none coincides, the date on which a member attains age 65.
 20 ~~(10)(11)~~ "Member" means a person who is employed by an
 21 employer as a police officer or who is entitled to a
 22 retirement allowance by virtue of his service to an employer
 23 as a police officer.
 24 ~~(11)(12)~~ "Member contributions" means the total of the
 25 deductions from the compensation of a member, either made

during a period of active membership hereunder or made under a prior plan and transferred to this plan, standing to his credit, together with the interest thereon.

~~(12)~~(13) "Member's annuity" means monthly payments for life derived from member contributions.

~~(13)~~(14) "Membership service" means a period of employment with an employer occurring after June 30, 1977, during which the withholdings required by this chapter have been made from a member's monthly compensation and credited to his member contributions account. Pro rata credit shall be granted for employment on a part-time basis or for employment over a period of less than a complete fiscal year.

~~(14)~~(15) "Minimum retirement date" or "normal retirement date" means the first day of the month coinciding with or immediately following, if none coincides, the date on which a member becomes both age 50 or older and completes 20 or more years of credited service.

~~(15)~~(16) "Monthly compensation" means the wage, excluding overtime, holiday payments, shift differential payments, compensation time payments, and payments in lieu of sick leave and annual leave, a member receives as an active police officer.

~~(16)~~(17) Any reference to "municipality", "city", or "town" includes those jurisdictions which, prior to the

effective date of a county-municipal consolidation, were incorporated municipalities, subsequent districts created for urban law enforcement services, or the entire county included in the county-municipal consolidation.

~~(17)~~(18) "Plan" means the municipal police officers' retirement system created by this chapter.

~~(18)~~(19) "Police officer" means a law enforcement officer employed by an employer.

~~(19)~~(20) "Prior plan" means the local police reserve or retirement fund of a city which elects to join the plan under 19-9-107 or the statewide police reserve fund administered by the department of administration in accordance with Chapter 335, Laws of 1974.

~~(20)~~(21) "Prior service" means a period of employment as a police officer for which credit was granted to a member under a prior plan and has been transferred to this plan.

~~(21)~~(22) "Retirement allowance" means the employer annuity plus the member's annuity.

~~(22)~~(23) "Retirement date" means the date on which the first payment of the retirement, disability, or survivor benefits of a member or a beneficiary is payable.

~~(24)~~ "Surviving spouse" means the spouse married to a member at the time of the member's death.

~~(23)~~(25) "Totally and permanently disabled" means that the board, upon certification by a licensed and practicing

1 physician, has determined that a member's disability is of
2 such a nature as to permanently impair his ability to
3 discharge his normal duties as a police officer."

4 NEW SECTION. Section 2. Payment of death benefits in
5 absence of spouse or child. If a member dies without leaving
6 a surviving spouse or dependent child and if the member had
7 designated a beneficiary in writing to the administrator,
8 the administrator shall pay to the designated beneficiary an
9 amount equal to the member's contributions less any
10 retirement benefits paid to the member before his death. If
11 the deceased member did not designate a beneficiary or the
12 beneficiary predeceased the member, this amount must be paid
13 to the member's estate.

14 Section 3. Section 19-9-911, MCA, is amended to read:

15 "19-9-911. Death benefits. (1) A member's retirement
16 allowance shall be paid first to the member during his
17 lifetime and, upon his death, in the manner and to the
18 persons designated in subsection (2).

19 (2) Upon the death of a police officer before or after
20 retirement, his surviving spouse, if there is one, shall, as
21 long as such spouse remains ~~the surviving spouse~~ unmarried,
22 be paid from the fund a sum equal to one-half of the
23 officer's final average salary. If the officer leaves one or
24 more dependent ~~minor~~ children, then, upon his death if he
25 leaves no surviving spouse or upon the death or remarriage

1 of the surviving spouse, his surviving dependent ~~minor~~
2 ~~children~~ child, collectively if there is more than one,
3 shall receive the same monthly payments a surviving spouse
4 would receive, ~~until they reach the age of 18 years or are~~
5 ~~married as long as the child or one of the children remains~~
6 ~~dependent as defined in 19-9-104.~~ The payments shall be made
7 to their the child's duly appointed, qualified, and acting
8 guardian for ~~their~~ the child's use. If there is more than
9 one such child, upon each child ~~reaching the age of 18 years~~
10 ~~or marrying~~ no longer qualifying as dependent under
11 19-9-104, the pro rata payments to that child shall cease
12 and shall be made to the remaining children until all the
13 children ~~have reached the age of 18 years or are married~~ are
14 no longer dependent."

15 Section 4. Section 19-9-1007, MCA, is amended to read:

16 "19-9-1007. Supplement to certain pensions. (1) The
17 payment for each fiscal year to the police officers,
18 surviving spouses, or minor dependent children described in
19 subsections (2)(a) through (2)(c) may be not less than
20 one-half of the base salary paid in the previous calendar
21 year in the appropriate city or town to newly confirmed
22 police officers, except that for the fiscal year beginning
23 July 1, 1979, all retirees and their beneficiaries who
24 received a supplement to their retirement allowance on July
25 1, 1978, and are receiving an allowance on July 1, 1979,

shall receive a 3% increase in their retirement allowance in lieu of any other increase.

(2) On or before April 1 of each year, the department of administration shall make a report including the following information:

(a) the names of all police officers who are receiving payments from the plan as of the date of the report and were receiving payments from a prior plan before July 1, 1975;

(b) the names of all surviving spouses or minor dependent children who are receiving payments from the plan because of the death of a police officer who was receiving payments from a prior plan before July 1, 1975;

(c) the names of all surviving spouses or minor dependent children who are receiving payments from the plan and who were receiving payments from a prior plan before July 1, 1975, or in the case of minor dependent children, whose parent, the spouse of a police officer, was receiving payments from a prior plan before July 1, 1975;

(d) for the purpose of determining the base figure for the computations set forth in subsection (3), the following information relating to the base fiscal year commencing July 1, 1976:

(i) the amount of the payments made in the base fiscal year to each police officer described in subsection (2)(a);

(ii) the amount of the payments made in the base fiscal

year to each surviving spouse or minor dependent child (or children) described in subsection (2)(b) or (2)(c);

(iii) upon the death after April 18, 1977, of any police officer on the retired list who was receiving payments from a prior plan before July 1, 1975, ~~and who is survived by--a~~ his surviving spouse or minor dependent children are entitled to receive payments from the plan, the amount which would have been paid to an eligible surviving spouse of such police officer had that spouse been receiving payments in the base fiscal year;

(e) the base salary for the previous calendar year of a newly confirmed police officer of each city or town participating in the plan.

(3) The department of administration shall compute the difference between each amount reported under subsections (2)(d)(i) through (2)(d)(iii) and one-half the base salary for the previous calendar year of a newly confirmed police officer of the appropriate city or town. The difference shall be reported to and paid by the state auditor out of the premium tax collected on insurance sold in this state to insure against the risks enumerated in 19-11-512(3) to the administrator after the end of each fiscal year, but no later than September 1. This payment is in addition to the payment to be made by the state auditor under 19-9-702. The administrator shall use the funds received under this

1 subsection to supplement the monthly payments to persons
2 described in subsections (2)(a) through (2)(c) so that the
3 requirements of subsection (1) are met.

4 (4) In addition to the payments made by the auditor as
5 provided in subsection (3), the auditor shall make annual
6 payments of \$100,000 after the end of each fiscal year but
7 no later than September 1, until the sum of \$500,000 has
8 been paid to the administrator for deposit in the retirement
9 account. These payments are to be made to reimburse the
10 retirement account for funds advanced to implement this
11 section.

12 (5) If more than one ~~minor dependent~~ child is entitled
13 to supplementary payments under this section by virtue of
14 the death of a common parent police officer, the minimum
15 payment to such ~~minor dependent~~ children under this section
16 shall be determined as if there were one such ~~minor~~
17 ~~dependent~~ child and the supplementary payment shall be made
18 to the ~~minor dependent~~ children collectively."

19 Section 5. Section 19-13-104, MCA, is amended to read:
20 "19-13-104. Definitions. Unless the context requires
21 otherwise, the following definitions apply in this chapter:

22 (1) "Administrator" means the public employees'
23 retirement division of the department of administration.

24 (2) "Board" means the retirement board described in
25 2-15-1009.

1 (3) "Credited service" means the aggregate of a
2 member's prior service and membership service.

3 (4) "Dependent child" means a child of a deceased
4 member who is:

5 (a) unmarried and under age 18; or

6 (b) unmarried, under age 24, and attending an
7 accredited postsecondary educational institution as a
8 full-time student in anticipation of receiving a certificate
9 or degree.

10 (5) "Employer" means any city that is of the first or
11 second class or that elects to join this plan under
12 19-13-108.

13 (6) "Final average salary" means the monthly
14 compensation of a member hired on or after July 1, 1981,
15 averaged over the last 36 months of his active service or,
16 if he has not been a member that long, over the period of
17 his membership.

18 (7) "Firefighter" means a person employed as a full-
19 or part-paid firefighter by an employer.

20 (8) "Full-paid firefighter" means a person appointed
21 as a firefighter under 7-33-4106.

22 (9) "Fund" means the agency account in the state
23 treasury system designated for the use of the plan.

24 (10) "Member" means a person who is employed by an
25 employer as a full- or part-paid firefighter or who is

1 entitled to a retirement allowance by virtue of his service
2 to an employer as a firefighter.

3 (11) "Member contributions" means the total of the
4 deductions from a member's compensation made during a period
5 of active membership under this chapter or made under a
6 prior plan and transferred to this plan, standing to his
7 credit, together with the interest thereon.

8 (12) "Membership service" means a period of employment
9 with an employer occurring after July 1, 1981, during which
10 the withholdings required by this chapter have been made
11 from a member's monthly compensation and credited to his
12 member contributions account. Pro rata credit shall be
13 granted for employment on a part-time basis or for
14 employment over a period of less than a complete fiscal
15 year.

16 (13) "Minimum retirement date" means the first day of
17 the month coinciding with or immediately following, if none
18 coincides, the date on which a member becomes both age 50 or
19 older and completes 10 or more years of credited service.

20 (14) "Monthly compensation" means:

21 (a) for a full-paid firefighter, the regular monthly
22 compensation, excluding overtime, holiday payments, shift
23 differential payments, compensatory time payments, and
24 payments in lieu of sick leave, paid by an employer for his
25 service as a firefighter;

1 (b) for a part-paid firefighter employed by a city of
2 the second class, 15% of the average regular monthly
3 compensation, excluding overtime, holiday payments, shift
4 differential payments, compensatory time payments, and
5 payments in lieu of sick leave, paid to all newly confirmed,
6 active firefighters employed by cities of the second class
7 on July 1 of each year.

8 (15) Any reference to "municipality", "city", or "town"
9 includes those jurisdictions which, prior to the effective
10 date of a county-municipal consolidation, were incorporated
11 municipalities, subsequent districts created for urban
12 firefighting services, or the entire county included in the
13 county-municipal consolidation.

14 (16) "Part-paid firefighter" means a person employed
15 under 7-33-4109 who receives compensation in excess of \$300
16 a year for his service as a firefighter.

17 (17) "Plan" means the municipal firefighters'
18 retirement system created by this chapter.

19 (18) "Prior plan" means the fire department relief
20 association plan of a city that elects to join the plan
21 under 19-13-108 or the fire department relief association
22 plan of a city of the first or second class.

23 (19) "Prior service" means a period of employment as a
24 firefighter for which credit was granted to a member under a
25 prior plan and has been transferred to this plan.

1 (20) "Retirement allowance" means the monthly benefit
2 payable after service or disability retirement.

3 (21) "Retirement date" means the date on which the
4 first payment of the retirement or disability benefits of a
5 member or a beneficiary is payable.

6 (22) "Surviving spouse" means the spouse married to a
7 member at the time of the member's death.

8 ~~(22)~~ (23) "Totally and permanently disabled" means that
9 the board, upon certification by a licensed and practicing
10 physician, has determined that a member's disability is of
11 such a nature as to permanently impair his ability to
12 discharge his normal duties as a firefighter."

13 Section 6. Section 19-13-903, MCA, is amended to read:

14 "19-13-903. Payment of death benefits in absence of
15 spouse or child. If a member dies without leaving a
16 surviving spouse or children ~~child, the administrator shall~~
17 ~~compute the total contributions made to the fund by the~~
18 ~~deceased member, and if the deceased member had designated a~~
19 ~~beneficiary in writing to the administrator, the~~
20 ~~administrator shall issue a warrant for the amount of the~~
21 ~~total contributions payable to that beneficiary pay to the~~
22 designated beneficiary an amount equal to the member's
23 contributions less any retirement benefits paid to the
24 member before his death. If the deceased member had did not
25 nominated designate a beneficiary or the beneficiary

1 ~~predeceased the member, the contributions shall this amount~~
2 ~~must be paid to his the member's estate."~~

3 NEW SECTION. Section 7. Codification instruction.
4 Section 2 is intended to be codified as an integral part of
5 Title 19, chapter 9, part 9, and the provisions of Title 19,
6 chapter 9, apply to section 2.

7 NEW SECTION. Section 8. Effective date. This act is
8 effective on passage and approval.

-End-

HOUSE BILL NO. 487

INTRODUCED BY O'CONNELL

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE PAYMENT OF DEATH BENEFITS UNDER THE MUNICIPAL POLICE OFFICERS' AND THE MONTANA FIREFIGHTERS' UNIFIED RETIREMENT ACTS; DEFINING SURVIVING SPOUSE AND DEPENDENT CHILD; AMENDING SECTIONS 19-9-104, 19-9-911, 19-9-1007, 19-13-104, AND 19-13-903, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 19-9-104, MCA, is amended to read:

"19-9-104. Definitions. Unless the context requires otherwise, the following definitions apply in this chapter:

(1) "Administrator" means the public employees' retirement division of the department of administration.

(2) "Base salary" means the sum of the monthly compensations for each month in a given calendar year.

(3) "Board" means the retirement board described in 2-15-1009.

(4) "Credited service" means the aggregate of a member's prior service and membership service.

~~(5) "Dependent child" means a child of a deceased member;~~

~~(a) who is unmarried and under 18 years of age; or~~
~~(b) who is unmarried, under 24 years of age, and attending an accredited postsecondary educational institution as a full-time student in anticipation of receiving a certificate or degree.~~

~~{5}{6}~~ "Employer" means any city which participated in a prior plan or which elects to join this plan under 19-9-107.

~~{6}{7}~~ "Employer annuity" means monthly payments for life derived from employer and state contributions.

~~{7}{8}~~ "Final average salary" means the monthly compensation of a member, averaged over the last 36 months of his active service or, in the event he has not been a member that long, over the period of his membership.

~~{8}{9}~~ "Fund" means the agency account in the treasury system designated for the use of the plan.

~~{9}{10}~~ "Mandatory retirement date" means the first day of the month coinciding with or immediately following, if none coincides, the date on which a member attains age 65.

~~{10}{11}~~ "Member" means a person who is employed by an employer as a police officer or who is entitled to a retirement allowance by virtue of his service to an employer as a police officer.

~~{11}{12}~~ "Member contributions" means the total of the deductions from the compensation of a member, either made

during a period of active membership hereunder or made under a prior plan and transferred to this plan, standing to his credit, together with the interest thereon.

{12}{111} "Member's annuity" means monthly payments for life derived from member contributions.

{13}{114} "Membership service" means a period of employment with an employer occurring after June 30, 1977, during which the withholdings required by this chapter have been made from a member's monthly compensation and credited to his member contributions account. Pro rata credit shall be granted for employment on a part-time basis or for employment over a period of less than a complete fiscal year.

{14}{115} "Minimum retirement date" or "normal retirement date" means the first day of the month coinciding with or immediately following, if none coincides, the date on which a member becomes both age 50 or older and completes 20 or more years of credited service.

{15}{116} "Monthly compensation" means the wage, excluding overtime, holiday payments, shift differential payments, compensation time payments, and payments in lieu of sick leave and annual leave, a member receives as an active police officer.

{16}{117} Any reference to "Municipality", "city", or "town" includes those jurisdictions which, prior to the

effective date of a county-municipal consolidation, were incorporated municipalities, subsequent districts created for urban law enforcement services, or the entire county included in the county-municipal consolidation.

{17}{118} "Plan" means the municipal police officers' retirement system created by this chapter.

{18}{119} "Police officer" means a law enforcement officer employed by an employer.

{19}{120} "Prior plan" means the local police reserve or retirement fund of a city which elects to join the plan under 19-9-107 or the statewide police reserve fund administered by the department of administration in accordance with Chapter 335, Laws of 1974.

{20}{121} "Prior service" means a period of employment as a police officer for which credit was granted to a member under a prior plan and has been transferred to this plan.

{21}{122} "Retirement allowance" means the employer annuity plus the member's annuity.

{22}{123} "Retirement date" means the date on which the first payment of the retirement, disability, or survivor benefits of a member or a beneficiary is payable.

{23}{124} ~~"Surviving spouse" means the spouse married to a member at the time of the member's death.~~

{24}{125} "Totally and permanently disabled" means that the board, upon certification by a licensed and practicing

1 physician, has determined that a member's disability is of
2 such a nature as to permanently impair his ability to
3 discharge his normal duties as a police officer."

4 NEW SECTION. Section 2. Payment of death benefits in
5 absence of spouse or child. If a member dies without leaving
6 a surviving spouse or dependent child and if the member had
7 designated a beneficiary in writing to the administrator,
8 the administrator shall pay to the designated beneficiary an
9 amount equal to the member's contributions less any
10 retirement benefits paid to the member before his death. If
11 the deceased member did not designate a beneficiary or the
12 beneficiary predeceased the member, this amount must be paid
13 to the member's estate.

14 Section 3. Section 19-9-911, MCA, is amended to read:

15 "19-9-911. Death benefits. (1) A member's retirement
16 allowance shall be paid first to the member during his
17 lifetime and, upon his death, in the manner and to the
18 persons designated in subsection (2).

19 (2) Upon the death of a police officer before or after
20 retirement, his surviving spouse, if there is one, shall, as
21 long as such spouse remains ~~the surviving spouse~~ unmarried,
22 be paid from the fund a sum equal to one-half of the
23 officer's final average salary. If the officer leaves one or
24 more dependent ~~minor~~ children, then, upon his death if he
25 leaves no surviving spouse or upon the death or remarriage

1 of the surviving spouse, his surviving dependent ~~minor~~
2 ~~children~~ child, collectively if there is more than one,
3 shall receive the same monthly payments a surviving spouse
4 would receive--~~until they reach the age of 18 years or are~~
5 ~~married as long as the child or one of the children remains~~
6 ~~dependent as defined in 19-9-104.~~ The payments shall be made
7 to their the child's duly appointed, qualified, and acting
8 guardian for their the child's use. If there is more than
9 one such child, upon each child ~~reaching the age of 18 years~~
10 ~~or--marrying no longer qualifying as dependent under~~
11 ~~19-9-104,~~ the pro rata payments to that child shall cease
12 and shall be made to the remaining children until all the
13 children ~~have reached the age of 18 years or are married~~ are
14 no longer dependent."

15 Section 4. Section 19-9-1007, MCA, is amended to read:

16 "19-9-1007. Supplement to certain pensions. (1) The
17 payment for each fiscal year to the police officers,
18 surviving spouses, or minor dependent children described in
19 subsections (2)(a) through (2)(c) may be not less than
20 one-half of the base salary paid in the previous calendar
21 year in the appropriate city or town to newly confirmed
22 police officers, except that for the fiscal year beginning
23 July 1, 1979, all retirees and their beneficiaries who
24 received a supplement to their retirement allowance on July
25 1, 1978, and are receiving an allowance on July 1, 1979,

1 shall receive a 3% increase in their retirement allowance in
2 lieu of any other increase.

3 (2) On or before April 1 of each year, the department
4 of administration shall make a report including the
5 following information:

6 (a) the names of all police officers who are receiving
7 payments from the plan as of the date of the report and were
8 receiving payments from a prior plan before July 1, 1975;

9 (b) the names of all surviving spouses or minor
10 dependent children who are receiving payments from the plan
11 because of the death of a police officer who was receiving
12 payments from a prior plan before July 1, 1975;

13 (c) the names of all surviving spouses or minor
14 dependent children who are receiving payments from the plan
15 and who were receiving payments from a prior plan before
16 July 1, 1975, or in the case of minor dependent children,
17 whose parent, the spouse of a police officer, was receiving
18 payments from a prior plan before July 1, 1975;

19 (d) for the purpose of determining the base figure for
20 the computations set forth in subsection (3), the following
21 information relating to the base fiscal year commencing July
22 1, 1976:

23 (i) the amount of the payments made in the base fiscal
24 year to each police officer described in subsection (2)(a);

25 (ii) the amount of the payments made in the base fiscal

1 year to each surviving spouse or minor dependent child (or
2 children) described in subsection (2)(b) or (2)(c);

3 (iii) upon the death after April 18, 1977, of any
4 police officer on the retired list who was receiving
5 payments from a prior plan before July 1, 1975, and ~~who is~~
6 ~~survived by--a~~ his surviving spouse or minor dependent
7 children are entitled to receive payments from the plan, the
8 amount which would have been paid to an eligible surviving
9 spouse of such police officer had that spouse been receiving
10 payments in the base fiscal year;

11 (e) the base salary for the previous calendar year of
12 a newly confirmed police officer of each city or town
13 participating in the plan.

14 (3) The department of administration shall compute the
15 difference between each amount reported under subsections
16 (2)(d)(i) through (2)(d)(iii) and one-half the base salary
17 for the previous calendar year of a newly confirmed police
18 officer of the appropriate city or town. The difference
19 shall be reported to and paid by the state auditor out of
20 the premium tax collected on insurance sold in this state to
21 insure against the risks enumerated in 19-11-512(3) to the
22 administrator after the end of each fiscal year, but no
23 later than September 1. This payment is in addition to the
24 payment to be made by the state auditor under 19-9-702. The
25 administrator shall use the funds received under this

1 subsection to supplement the monthly payments to persons
2 described in subsections (2)(a) through (2)(c) so that the
3 requirements of subsection (1) are met.

4 (4) In addition to the payments made by the auditor as
5 provided in subsection (3), the auditor shall make annual
6 payments of \$100,000 after the end of each fiscal year but
7 no later than September 1, until the sum of \$500,000 has
8 been paid to the administrator for deposit in the retirement
9 account. These payments are to be made to reimburse the
10 retirement account for funds advanced to implement this
11 section.

12 (5) If more than one ~~minor dependent~~ child is entitled
13 to supplementary payments under this section by virtue of
14 the death of a common parent police officer, the minimum
15 payment to such ~~minor dependent~~ children under this section
16 shall be determined as if there were one such ~~minor~~
17 ~~dependent~~ child and the supplementary payment shall be made
18 to the ~~minor dependent~~ children collectively."

19 Section 5. Section 19-13-104, MCA, is amended to read:

20 "19-13-104. Definitions. Unless the context requires
21 otherwise, the following definitions apply in this chapter:

22 (1) "Administrator" means the public employees'
23 retirement division of the department of administration.

24 (2) "Board" means the retirement board described in
25 2-15-1009.

1 (3) "Credited service" means the aggregate of a
2 member's prior service and membership service.

3 (4) "Dependent child" means a child of a deceased
4 member who is:

5 (a) unmarried and under age 18; or

6 (b) unmarried, under age 24, and attending an
7 accredited postsecondary educational institution as a
8 full-time student in anticipation of receiving a certificate
9 or degree.

10 (5) "Employer" means any city that is of the first or
11 second class or that elects to join this plan under
12 19-13-108.

13 (6) "Final average salary" means the monthly
14 compensation of a member hired on or after July 1, 1981,
15 averaged over the last 36 months of his active service or,
16 if he has not been a member that long, over the period of
17 his membership.

18 (7) "Firefighter" means a person employed as a full-
19 or part-paid firefighter by an employer.

20 (8) "Full-paid firefighter" means a person appointed
21 as a firefighter under 7-33-4106.

22 (9) "Fund" means the agency account in the state
23 treasury system designated for the use of the plan.

24 (10) "Member" means a person who is employed by an
25 employer as a full- or part-paid firefighter or who is

entitled to a retirement allowance by virtue of his service to an employer as a firefighter.

(11) "Member contributions" means the total of the deductions from a member's compensation made during a period of active membership under this chapter or made under a prior plan and transferred to this plan, standing to his credit, together with the interest thereon.

(12) "Membership service" means a period of employment with an employer occurring after July 1, 1981, during which the withholdings required by this chapter have been made from a member's monthly compensation and credited to his member contributions account. Pro rata credit shall be granted for employment on a part-time basis or for employment over a period of less than a complete fiscal year.

(13) "Minimum retirement date" means the first day of the month coinciding with or immediately following, if none coincides, the date on which a member becomes both age 50 or older and completes 10 or more years of credited service.

(14) "Monthly compensation" means:

(a) for a full-paid firefighter, the regular monthly compensation, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid by an employer for his service as a firefighter;

(b) for a part-paid firefighter employed by a city of the second class, 15% of the average regular monthly compensation, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid to all newly confirmed, active firefighters employed by cities of the second class on July 1 of each year.

(15) Any reference to "municipality", "city", or "town" includes those jurisdictions which, prior to the effective date of a county-municipal consolidation, were incorporated municipalities, subsequent districts created for urban firefighting services, or the entire county included in the county-municipal consolidation.

(16) "Part-paid firefighter" means a person employed under 7-33-4109 who receives compensation in excess of \$300 a year for his service as a firefighter.

(17) "Plan" means the municipal firefighters' retirement system created by this chapter.

(18) "Prior plan" means the fire department relief association plan of a city that elects to join the plan under 19-13-108 or the fire department relief association plan of a city of the first or second class.

(19) "Prior service" means a period of employment as a firefighter for which credit was granted to a member under a prior plan and has been transferred to this plan.

(20) "Retirement allowance" means the monthly benefit payable after service or disability retirement.

(21) "Retirement date" means the date on which the first payment of the retirement or disability benefits of a member or a beneficiary is payable.

~~(22) "Surviving spouse" means the spouse married to a member at the time of the member's death.~~

~~†22†~~(23) "Totally and permanently disabled" means that the board, upon certification by a licensed and practicing physician, has determined that a member's disability is of such a nature as to permanently impair his ability to discharge his normal duties as a firefighter."

Section 6. Section 19-13-903, MCA, is amended to read:

"19-13-903. Payment of death benefits in absence of spouse or child. If a member dies without leaving a surviving spouse or children ~~child, the administrator shall compute the total contributions made to the fund by the deceased member, and if the deceased member had designated a beneficiary in writing to the administrator, the administrator shall issue a warrant for the amount of the total contributions payable to that beneficiary pay to the designated beneficiary an amount equal to the member's contributions less any retirement benefits paid to the member before his death. If the deceased member had did not nominated designate a beneficiary or the beneficiary~~

~~predeceased the member, the contributions shall this amount must be paid to his the member's estate."~~

NEW SECTION. Section 7. Codification instruction. Section 2 is intended to be codified as an integral part of Title 19, chapter 9, part 9, and the provisions of Title 19, chapter 9, apply to section 2.

NEW SECTION. Section 8. Effective date. This act is effective on passage and approval.

-End-