

HOUSE BILL NO. 531

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

IN THE HOUSE

January 27, 1983	Introduced and referred to Committee on State Administration.
February 10, 1983	Committee recommend bill do pass. Report adopted.
February 11, 1983	Bill printed and placed on members' desks.
February 12, 1983	Second reading, do pass.
February 14, 1983	Considered correctly engrossed.
February 15, 1983	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 16, 1983	Introduced and referred to Committee on State Administration.
March 1, 1983	Rereferred to Committee on Judiciary.
March 14, 1983	Committee recommend bill be concurred in. Report adopted.
March 16, 1983	Second reading, concurred in.
March 18, 1983	Third reading, concurred in. Ayes, 50; Noes, 0.

IN THE HOUSE

March 18, 1983

Returned to House.

March 19, 1983

Sent to enrolling.

Reported correctly enrolled.

1 House BILL NO. 531
 2 INTRODUCED BY Balderson
 3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE
 6 LANGUAGE IN CODE SECTIONS DEALING WITH THE RETIREMENT
 7 SYSTEMS IN ORDER THAT REFERENCES TO THE TREASURY FUND
 8 STRUCTURE CONFORM TO CHAPTER 28, LAWS OF 1981, AS REQUIRED
 9 BY CHAPTER 28, SECTION 5, LAWS OF 1981; AMENDING SECTIONS
 10 19-1-202, 19-3-104, 19-4-501, 19-5-101, 19-5-202, 19-6-101,
 11 19-6-203, 19-6-401, 19-7-101, 19-7-202, 19-8-101, 19-8-203,
 12 19-8-401, 19-8-405, 19-9-104, 19-9-203, 19-9-501, 19-9-706,
 13 19-12-102, 19-12-407, 19-13-104, 19-13-204, AND 19-13-501,
 14 MCA; INSTRUCTING THE CODE COMMISSIONER TO MAKE THE NECESSARY
 15 CHANGES; AND PROVIDING AN EFFECTIVE DATE."
 16

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

18 Section 1. Section 19-1-202, MCA, is amended to read:

19 "19-1-202. Costs of administration. All costs
 20 allocable to the administration of this chapter shall be
 21 charged to the ~~earmarked-revenue-fund~~ retirement division
 22 ~~account~~ pension trust fund. So much of the costs as are not
 23 defrayed by interest and income earned upon the contribution
 24 account, which has been credited to the ~~earmarked-revenue~~
 25 ~~fund~~, retirement division ~~account~~ pension trust fund, as

1 provided in 19-1-602, shall be paid to the state agency for
 2 deposit to the ~~earmarked-revenue-fund~~ retirement division
 3 ~~account~~, pension trust fund by each department of the state
 4 and by the participating divisions, instrumentalities, and
 5 political subdivisions of the state pro rata according to
 6 their respective contributions."

7 Section 2. Section 19-3-104, MCA, is amended to read:

8 "19-3-104. Definitions. Unless the context requires
 9 otherwise, in this chapter the following definitions apply:

10 (1) "Accumulated contributions" means the sum of all
 11 the contributions standing to the credit of a member's
 12 individual account, together with the regular interest
 13 thereon.

14 (2) "Actuarial equivalent" means a benefit of equal
 15 value when computed upon the basis of the actuarial tables
 16 in use by the system.

17 (3) "Actuary" means the actuary retained by the board
 18 in accordance with 19-3-305.

19 (4) "Additional contributions" means contributions by
 20 members under the provisions of 19-3-702.

21 (5) "Annuity" means payments for life derived from
 22 contributions made by a member as provided in this chapter.

23 (6) "Beneficiary" means the person so designated
 24 pursuant to part 13 of this chapter.

25 (7) "Benefit" means the retirement allowance.

1 survivorship allowance, death benefit, or refund of
2 accumulated contributions provided by this chapter.

3 (8) "Board" means the public employees' retirement
4 board provided for in 2-15-1009.

5 (9) "Compensation" means remuneration paid out of
6 funds controlled by an employer. The compensation of each
7 member of the legislature of Montana for any year shall be
8 considered to be that portion of the product of the daily
9 compensation for such position multiplied by 360 upon which
10 such member elects to pay normal contributions during the
11 year.

12 (10) "Contracting employer" means any political
13 subdivision or governmental entity which has contracted to
14 come into the system.

15 (11) "Creditable service" means the aggregate of
16 membership service and prior service.

17 (12) "Disability" and "incapacity for performance of
18 duty", referred to herein as a basis of retirement, mean
19 disability of permanent duration or disability of extended
20 and uncertain duration, as determined by the board on the
21 basis of competent medical opinion.

22 (13) "Employee" means any person who is employed by an
23 employer in any capacity whatever and whose salary is paid
24 either by warrant of the employer or from the fees or income
25 of any department or agency of the employer. "Employee"

1 means further any person considered such pursuant to
2 19-3-402.

3 (14) "Employer" means the state of Montana, its
4 university system or any of the colleges, schools,
5 components, or units thereof for the purposes of this
6 chapter, or any political subdivision or governmental entity
7 which has contracted to come into the system.

8 (15) "Employer contributions" means payments to the
9 retirement fund from appropriations of the state of Montana
10 pursuant to 19-3-801 and from contracting employers pursuant
11 to the contracts between them and the board.

12 (16) "Final compensation" means a member's highest
13 average annual compensation during any 3 consecutive years
14 of membership service. Lump-sum payments for sick leave and
15 annual leave paid to the employee upon termination of
16 employment may be used in the calculation of a retirement
17 allowance only to the extent that they are used to replace,
18 on a month for month basis, the normal compensation for a
19 month or months included in the calculation of the final
20 salary. A lump-sum payment may not be added to a single
21 month's compensation.

22 (17) "Fiscal year" means any year commencing with July
23 1 and ending June 30 next following.

24 (18) "Head of department" means the head of any
25 department, institution, or branch of the state service

1 which directly pays salaries out of its income or which
2 prepares, approves, and submits salary statements of its
3 employees to the department of administration, state
4 auditor, and state treasurer for payment.

5 (19) "Member" means any person included in the
6 membership of the retirement system set forth in 19-3-401
7 and not excluded in 19-3-402, 19-3-403, or 19-3-406.

8 (20) "Membership service" means service with respect to
9 which normal contributions and employer contributions are
10 paid. A member of the legislature of Montana shall be
11 credited with membership service for that portion of each
12 year for which he pays normal contributions pursuant to
13 subsection [(9)] of this section.

14 (21) "Normal contributions" means contributions
15 required from members under this chapter and any optional
16 contributions made under the provisions of 19-3-502 and
17 19-3-704.

18 (22) "Pension" means payments for life derived from
19 contributions made from the state controlled funds or, in
20 the case of members from contracting employers, from the
21 funds of such contracting employers, as provided in this
22 chapter.

23 (23) "Prior service" means all service rendered as an
24 employee of the state before July 1, 1945, and all service
25 rendered as an employee of a contracting employer before

1 July 1, 1947. Prior service includes all service rendered
2 prior to July 1, 1945, as a member of the legislative
3 assembly or lieutenant governor of Montana.

4 (24) "Regular interest" means interest at the rate set
5 from time to time by the board.

6 (25) "Retirement" means withdrawal from active service
7 with a retirement allowance granted under the provisions of
8 this chapter.

9 (26) "Retirement allowance" means the periodic benefit
10 payable following service, early, or disability retirement.

11 (27) "Retirement fund" means the public employees'
12 retirement ~~account in the agency system pension trust~~ fund.

13 (28) "Retirement system" means the public employees'
14 retirement system created by this chapter.

15 (29) "Service" means employment of an employee, except
16 as provided in 19-3-501 and 19-3-502.

17 (30) "Survivorship allowance" means payments for life
18 to the beneficiary of a deceased member as provided in part
19 12 of this chapter.

20 (31) "Written application" means a written instrument
21 duly executed and filed with the board and containing all
22 information required by the board, including such proofs of
23 age as the board considers necessary."

24 Section 3. Section 19-4-501, MCA, is amended to read:
25 "19-4-501. Financial administration of moneys. The

1 members of the retirement board are the trustees of all
2 moneys collected for the retirement system, and as such
3 trustees, they shall provide for the financial
4 administration of the moneys in the following manner:

5 (1) The moneys shall be invested and reinvested by the
6 state board of investments.

7 (2) The retirement board annually shall establish the
8 rate of regular interest.

9 (3) The retirement board annually shall divide among
10 the several funds reserves of the retirement system an
11 amount equal to the average balance of the funds reserves
12 during the preceding fiscal year multiplied by the rate of
13 regular interest. In accordance with the provisions of
14 19-4-605(5), the amount to be credited to each fund reserve
15 shall be allocated from the interest and other earnings on
16 the moneys of the retirement system actually realized during
17 the preceding fiscal year, less the amount allocated to the
18 expense fund account under the provisions of 19-4-606.

19 (4) The state treasurer is the custodian of the
20 collected retirement system moneys and of the securities in
21 which the moneys are invested. All expenditures from the
22 moneys may be made only upon claims signed by two persons
23 designated by the retirement board. A properly attested copy
24 of a resolution of the retirement board designating such
25 persons and bearing on its face specimen signatures of each

1 person shall be filed with the department of administration
2 as its authority for approving such claims.

3 (5) All the funds reserves established by part 6 of
4 this chapter, ~~except the expense fund,~~ shall be accounts in
5 the agency pension trust fund type of the treasury fund
6 structure of the state. ~~The expense fund shall be an account~~
7 ~~in the earmarked revenue fund of the same treasury fund~~
8 ~~structures."~~

9 Section 4. Section 19-5-101, MCA, is amended to read:

10 "19-5-101. Definitions. Unless a different meaning is
11 plainly implied by the context, the following definitions
12 apply in this chapter:

13 (1) "Accumulated deductions" means the total of the
14 amounts deducted from the salary of a contributor, paid into
15 the fund, and standing to his credit in the fund, together
16 with the regular interest thereon.

17 (2) "Actuarial equivalent" means a benefit of equal
18 value when computed upon the basis of the actuarial tables
19 in use by the system.

20 (3) "Beneficiary" means the person whom the
21 contributor nominates by written designation, duly
22 acknowledged and filed with the board.

23 (4) "Board" means the public employees' retirement
24 board.

25 (5) "Contributor" means any person who has accumulated

deductions in the fund standing to his credit.

(6) "Final salary" means the annual current salary for the office retired from.

(7) "Fund" means the Montana judges' retirement system ~~agency-account pension trust fund.~~

(8) "Involuntary retirement" means a retirement not for cause and before retirement age.

(9) "Member's annuity" means payments for life derived from contributions made by the contributor.

(10) "Penalty retirement age" means 70 years of age.

(11) "Retired judge" means any judge or justice in receipt of a retirement allowance under this chapter.

(12) "Retirement allowance" means the state annuity plus the member's annuity.

(13) "State annuity" means payments for life derived from contributions made by the state of Montana.

Section 5. Section 19-5-202, MCA, is amended to read:

"19-5-202. Administrative expenses. (1) The expense of the administration of this chapter, exclusive of the payment of retirement allowances and other benefits, may be paid from the fund.

(2) Before July 15 of each year, the board may compute the administrative costs for the immediately preceding fiscal year and transfer that amount from the fund to the public employees' retirement system ~~account--in--the--agency~~

pension trust fund."

Section 6. Section 19-6-101, MCA, is amended to read:

"19-6-101. Definitions. Unless the context requires otherwise, the following definitions apply in this chapter:

(1) "Account" means the Montana highway patrolmen's retirement ~~account--in--the--agency pension trust fund.~~

(2) "Accumulated deductions" means the total of the amounts deducted from the salary of a member, paid into the account, and standing to his credit in the account, together with the regular interest thereon.

(3) "Actuarial equivalent" means a benefit of equal value when computed on the basis of the actuarial tables in use by the system.

(4) "Beneficiary" means a person nominated to receive benefits under this chapter by a member's written designation, duly acknowledged and filed with the department.

(5) "Board" means the public employees' retirement board provided for in 2-15-1009.

(6) "Compulsory retirement age" means 60 years of age.

(7) "Department" means the public employees' retirement division of the department of administration.

(8) "Final salary" means the average annual compensation received by a member, before any deductions have been made and exclusive of maintenance, allowances, and

1 expenses, for any 3 years of continuous service upon which
 2 contributions have been made or, in the event a member has
 3 not served 3 years, the total compensation earned divided by
 4 the number of years served. Lump-sum payments for sick leave
 5 and annual leave paid to an employee upon termination of
 6 employment may be used in the calculation of a retirement
 7 allowance only to the extent that they are used to replace,
 8 on a month for month basis, the normal compensation for a
 9 month or months included in the calculation of the final
 10 salary. A lump-sum payment may not be added to a single
 11 month's compensation.

12 (9) "Member" means a person who has accumulated
 13 deductions in the account standing to his credit.

14 (10) "Member's annuity" means payments for life derived
 15 from contributions made by the member.

16 (11) "Retired patrolman" means a person in receipt of a
 17 retirement allowance under this chapter.

18 (12) "Retirement age" means the age at which a member
 19 retires after 25 years of creditable service with the
 20 Montana highway patrol or 60 years of age, whichever occurs
 21 first.

22 (13) "Retirement allowance" means the state annuity
 23 plus the member's annuity.

24 (14) "State annuity" means payments for life derived
 25 from contributions made by the state of Montana."

1 Section 7. Section 19-6-203, MCA, is amended to read:
 2 "19-6-203. Administrative expenses. (1) The expense of
 3 the administration of this chapter, exclusive of the payment
 4 of retirement allowances and other benefits, may be paid
 5 from the fund account.

6 (2) Before July 15 of each year, the board may compute
 7 the administrative costs for the immediately preceding
 8 fiscal year and transfer that amount from the fund account
 9 to the public employees' retirement system account--in--the
 10 agency pension trust fund."

11 Section 8. Section 19-6-401, MCA, is amended to read:

12 "19-6-401. Payments into retirement account fund. All
 13 appropriations made by the state, all contributions by
 14 members of the Montana highway patrol, in the amount
 15 hereinafter specified, and all interest on and increase of
 16 the investments and moneys under this account shall be paid
 17 to the state treasurer, who shall credit the payments to the
 18 Montana highway patrolmen's retirement account--in--the--agency
 19 pension trust fund."

20 Section 9. Section 19-7-101, MCA, is amended to read:

21 "19-7-101. Definitions. Unless the context requires
 22 otherwise, the following definitions apply in this chapter:

23 (1) "Account" means the Montana sheriffs' retirement
 24 account pension trust fund administered by the sheriffs'
 25 retirement board.

1 (2) "Accumulated contributions" or "accumulated
2 deductions" means the total amount deducted from the salary
3 of a member during a period of membership service plus the
4 total amount deducted during a period of prior service and
5 transferred from the public employees' retirement system
6 standing to the member's credit in the account, together
7 with the accrued interest.

8 (3) "Actuarial equivalent" means a benefit of equal
9 value when computed upon the basis of the actuarial tables
10 in use by the system.

11 (4) "Beneficiary" means a person who is nominated by
12 the member in an acknowledged document which is filed with
13 the board.

14 (5) "Board" means the sheriffs' retirement board. The
15 board shall consist of five persons who shall be the same
16 persons that comprise the public employees' retirement
17 board.

18 (6) "Creditable service" means the aggregate of all of
19 a member's current and prior service.

20 (7) "Final salary" means the average annual salary
21 received by a member, before any deductions are made and
22 exclusive of maintenance, allowances, and expenses, for any
23 3 years of continuous service from which contributions were
24 deducted or, in the event that a member has not served 3
25 years, the total salary earned divided by the number of

1 years served. Lump-sum payments for sick leave and annual
2 leave paid to an employee upon termination of employment may
3 be used in the calculation of a retirement allowance only to
4 the extent that they are used to replace, on a month for
5 month basis, the normal compensation for a month or months
6 included in the calculation of the final salary. A lump-sum
7 payment may not be added to a single month's compensation.

8 (8) "Member" means any person who has accumulated
9 deductions in the account to his credit.

10 (9) "Member's annuity" means payments for life derived
11 from contributions made by the member while employed.

12 (10) "Membership service" means service for which an
13 amount is deducted from the salary of a member and paid into
14 the account.

15 (11) "Prior service" means service for which credit was
16 granted by the public employees' retirement system of the
17 state of Montana.

18 (12) "Retired sheriff" means a person receiving a
19 retirement allowance under this chapter.

20 (13) "Retirement allowance" means the state annuity
21 plus the member's annuity.

22 (14) "Service" means employment as a sheriff.

23 (15) "Sheriff" means any elected or appointed county
24 sheriff, undersheriff, or regularly appointed and acting
25 deputy sheriff.

(16) "State annuity" means payments for life derived from county contributions into the sheriffs' retirement account, together with any supplemental legislative appropriations to the account.

(17) "Vested retirement" means a retirement not for cause and before retirement age."

Section 10. Section 19-7-202, MCA, is amended to read:

"19-7-202. Expenses of administration. (1) The expense of the administration of this chapter, exclusive of the payment of retirement allowances and other benefits, may be paid from the fund account.

(2) Before July 15 of each year, the board may compute the administrative costs for the immediately preceding fiscal year and transfer that amount from the fund account to the public employees' retirement system ~~account in the agency pension trust fund.~~"

Section 11. Section 19-8-101, MCA, is amended to read:

"19-8-101. Definitions. Unless the context requires otherwise, the following definitions apply in this chapter:

(1) "Account" means the Montana state game wardens' retirement ~~account in the agency pension trust fund.~~

(2) "Accumulated deductions" or "accumulated contributions" means the sum of all contributions standing to the credit of a member's individual account together with the regular interest thereon.

(3) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of the actuarial tables in use by the system.

(4) "Beneficiary" means a person nominated to receive benefits under this chapter by a member's written designation, duly acknowledged and filed with the board.

(5) "Board" means the public employees' retirement board.

(6) "Contributor" means any person who has accumulated deductions in the account standing to his credit.

(7) "Final salary" means the average annual compensation received by a contributor, before any deductions have been made and exclusive of maintenance allowances, and expenses, for any 3 years of continuous service upon which contributions have been made or, in the event a member has not served 3 years, the total retirement compensation earned divided by the number of years served. Lump-sum payments for sick leave and annual leave paid to an employee upon termination of employment may be used in the calculation of a retirement allowance only to the extent that they are used to replace, on a month for month basis, the normal compensation for a month or months included in the calculation of the final salary. A lump-sum payment may not be added to a single month's compensation.

(8) "Member's annuity" means payments for life derived

from contributions made by the contributor.

(9) "Retired state game warden" means any person in receipt of a retirement allowance under this chapter.

(10) "Retirement allowance" means the state annuity plus the member's annuity.

(11) "State annuity" means payments for life derived from contributions made by the state from department of fish, wildlife, and parks moneys.

(12) "State game warden" means all state fish and game wardens hired by the department of fish, wildlife, and parks and includes all warden supervisory personnel whose salaries or compensation is paid out of the department of fish, wildlife, and parks moneys."

Section 12. Section 19-8-203, MCA, is amended to read:

"19-8-203. Expenses of administration. (1) The expense of the administration of this chapter, exclusive of the payment of retirement allowances and other benefits, may be paid from the fund account.

(2) Before July 15 of each year, the board may compute the administrative costs for the immediately preceding fiscal year and transfer that amount from the fund account to the public employees' retirement system ~~account in the~~ agency pension trust fund.

(3) In addition to the amount provided in subsection (2), the board may assess and the department of

administration may collect a fee from the department of fish, wildlife, and parks for the purpose of defraying the expenses of administering this chapter."

Section 13. Section 19-8-401, MCA, is amended to read:

"19-8-401. Creation of state game wardens' retirement ~~account fund~~. There is a state game wardens' retirement ~~account in the agency pension trust~~ fund, and all moneys received under the provisions of this chapter shall be credited to that account."

Section 14. Section 19-8-405, MCA, is amended to read:

"19-8-405. Transfer of dormant accounts. The board may, in its discretion, transfer the accumulated deductions of a member to the employer's account in the Montana state game wardens' retirement ~~account in the agency pension trust~~ fund if the member's account has been dormant for a period of 10 years, provided that no right of the member shall be jeopardized by such transfer. The accumulated deductions shall be transferred to the member's name upon subsequent reentry to membership."

Section 15. 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

1 compensations for each month in a given calendar year.

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

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

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

8 (6) "Employer annuity" means monthly payments for life
9 derived from employer and state contributions.

10 (7) "Final average salary" means the monthly
11 compensation of a member, averaged over the last 36 months
12 of his active service or, in the event he has not been a
13 member that long, over the period of his membership.

14 (8) "Fund" means the ~~agency account pension trust fund~~
15 in the treasury system designated for the use of the plan.

16 (9) "Mandatory 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 attains age 65.

19 (10) "Member" means a person who is employed by an
20 employer as a police officer or who is entitled to a
21 retirement allowance by virtue of his service to an employer
22 as a police officer.

23 (11) "Member contributions" means the total of the
24 deductions from the compensation of a member, either made
25 during a period of active membership hereunder or made under

1 a prior plan and transferred to this plan, standing to his
2 credit, together with the interest thereon.

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

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

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

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

23 (16) Any reference to "municipality", "city", or "town"
24 includes those jurisdictions which, prior to the effective
25 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) "Plan" means the municipal police officers' retirement system created by this chapter.

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

(19) "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) "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) "Retirement allowance" means the employer annuity plus the member's annuity.

(22) "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) "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 police officer."

Section 16. Section 19-9-203, MCA, is amended to read:

"19-9-203. Administrative expenses. (1) The expense of administration of this chapter, exclusive of amounts required to be paid as benefits to or on behalf of a member, may be paid from the fund.

(2) Before July 15 of each year, the board may compute the administrative costs for the immediately preceding fiscal year and transfer that amount from the fund to the public employees' retirement system ~~account-in-the-agency~~ pension trust fund."

Section 17. Section 19-9-501, MCA, is amended to read:

"19-9-501. Retirement account. On July 1, 1977, there will be ~~an account-in-the-agency~~ a pension trust fund to be maintained on behalf of the plan. The state treasurer is the custodian of the ~~account~~ fund subject to the exclusive administrative control of the board."

Section 18. Section 19-9-706, MCA, is amended to read:

"19-9-706. Contributions based on disability compensation. (1) When an officer receives compensation under 7-32-4132, the member contributions for retirement required under 19-9-601 will be paid on the total compensation received under 7-32-4132 and the employer contribution paid by the municipalities under 19-9-703 and the state contribution under 19-9-702 shall include as part of the salaries paid to police officers all compensation

received under 7-32-4132. The service represented by these contributions will be credited in the same manner as provided in 19-9-401.

(2) When an injured officer accepts a transfer under 7-32-4136 to a nonpolice position within the municipality covered under 19-3-401, all service and contributions previously credited with the municipal police officers' retirement system shall be transferred from the municipal police officers' retirement system ~~retirement-account-in-the~~ agency pension trust fund along with the interest to the public employees' retirement system agency pension trust fund. The employer contributions and interest transferred will be equal to the amount that would have been contributed had the transferred service been normal employment covered under the public employees' retirement system."

Section 19. Section 19-12-102, MCA, is amended to read:

"19-12-102. Definitions. Unless the context requires otherwise, the following definitions apply in this chapter:

(1) "Board" means the public employees' retirement board of the public employees' retirement system.

(2) "Division" means the division of workers' compensation of the department of labor and industry.

(3) "Fire company" means a fire company organized in an unincorporated area, town, or village under the laws of

the state of Montana.

(4) The fiscal year begins on July 1 and ends on June 30 of each year.

(5) "Fund" or "volunteer firefighters' fund" means the volunteer firefighters' ~~compensation-account-in--the--agency~~ pension trust fund."

Section 20. Section 19-12-407, MCA, is amended to read:

"19-12-407. Payment of pension benefits. All payments under the volunteer firefighters' pension plan must be approved by the public employees' retirement system and paid by warrants drawn upon the agency pension trust fund, payable to the order of the individual qualified volunteer firefighter or the beneficiary as provided in 19-12-405(1)."

Section 21. 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

1 member who is:

2 (a) unmarried and under age 18; or

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

7 (5) "Employer" means any city that is of the first or
8 second class or that elects to join this plan under
9 19-13-108.

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

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

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

19 (9) "Fund" means the ~~agency-account pension trust fund~~
20 in the state treasury system designated for the use of the
21 plan.

22 (10) "Member" means a person who is employed by an
23 employer as a full- or part-paid firefighter or who is
24 entitled to a retirement allowance by virtue of his service
25 to an employer as a firefighter.

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

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

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

18 (14) "Monthly compensation" means:

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

24 (b) for a part-paid firefighter employed by a city of
25 the second class, 15% of the average regular monthly

1 compensation, excluding overtime, holiday payments, shift
2 differential payments, compensatory time payments, and
3 payments in lieu of sick leave, paid to all newly confirmed,
4 active firefighters employed by cities of the second class
5 on July 1 of each year.

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

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

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

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

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

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

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

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

9 Section 22. Section 19-13-204, MCA, is amended to
10 read:

11 "19-13-204. Administrative expenses. (1) The expense
12 of administering this chapter, exclusive of the payment of
13 retirement allowances and other benefits, may be paid from
14 the fund.

15 (2) Before July 15 of each year, the board may compute
16 the administrative costs for the immediately preceding
17 fiscal year and transfer that amount from the fund to the
18 public employees' retirement system ~~account--in--the--agency~~
19 pension trust fund."

20 Section 23. Section 19-13-501, MCA, is amended to
21 read:

22 "19-13-501. Retirement ~~account fund~~. Beginning July 1,
23 1981, ~~an account in the agency a pension trust~~ fund shall be
24 maintained on behalf of the plan. The state treasurer is the
25 custodian of the ~~account~~ fund subject to the exclusive

1 administrative control of the board."

2 NEW SECTION. Section 24. Code commissioner to make
3 changes. Whenever a reference to a treasury fund type, fund,
4 or account appears in any new material enacted by the 48th
5 legislature and approved by the governor, whether in new
6 sections or amended sections, the code commissioner, in
7 consultation with the department of administration and the
8 legislative fiscal analyst, shall change the reference in
9 that material as necessary to reflect the fund structure
10 provided for in 17-2-102. The code commissioner may make
11 other incidental changes to reflect the intent of this act
12 without changing the meaning.

13 NEW SECTION. Section 25. Effective date. This act is
14 effective July 1, 1983.

-End-

Approved by Committee
on State Administration

1 House BILL NO. 531
2 INTRODUCED BY Balentine
3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE
6 LANGUAGE IN CODE SECTIONS DEALING WITH THE RETIREMENT
7 SYSTEMS IN ORDER THAT REFERENCES TO THE TREASURY FUND
8 STRUCTURE CONFORM TO CHAPTER 28, LAWS OF 1981, AS REQUIRED
9 BY CHAPTER 28, SECTION 5, LAWS OF 1981; AMENDING SECTIONS
10 19-1-202, 19-3-104, 19-4-501, 19-5-101, 19-5-202, 19-6-101,
11 19-6-203, 19-6-401, 19-7-101, 19-7-202, 19-8-101, 19-8-203,
12 19-8-401, 19-8-405, 19-9-104, 19-9-203, 19-9-501, 19-9-706,
13 19-12-102, 19-12-407, 19-13-104, 19-13-204, AND 19-13-501,
14 MCA; INSTRUCTING THE CODE COMMISSIONER TO MAKE THE NECESSARY
15 CHANGES; AND PROVIDING AN EFFECTIVE DATE."
16

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

18 Section 1. Section 19-1-202, MCA, is amended to read:

19 "19-1-202. Costs of administration. All costs
20 allocable to the administration of this chapter shall be
21 charged to the ~~earmarked-revenue-fund~~ retirement division
22 ~~account~~ pension trust fund. So much of the costs as are not
23 defrayed by interest and income earned upon the contribution
24 account, which has been credited to the ~~earmarked-revenue~~
25 ~~fund~~, retirement division ~~account~~ pension trust fund, as

1 provided in 19-1-602, shall be paid to the state agency for
2 deposit to the ~~earmarked-revenue-fund~~ retirement division
3 ~~account~~, pension trust fund by each department of the state
4 and by the participating divisions, instrumentalities, and
5 political subdivisions of the state pro rata according to
6 their respective contributions."

7 Section 2. Section 19-3-104, MCA, is amended to read:

8 "19-3-104. Definitions. Unless the context requires
9 otherwise, in this chapter the following definitions apply:

10 (1) "Accumulated contributions" means the sum of all
11 the contributions standing to the credit of a member's
12 individual account, together with the regular interest
13 thereon.

14 (2) "Actuarial equivalent" means a benefit of equal
15 value when computed upon the basis of the actuarial tables
16 in use by the system.

17 (3) "Actuary" means the actuary retained by the board
18 in accordance with 19-3-305.

19 (4) "Additional contributions" means contributions by
20 members under the provisions of 19-3-702.

21 (5) "Annuity" means payments for life derived from
22 contributions made by a member as provided in this chapter.

23 (6) "Beneficiary" means the person so designated
24 pursuant to part 13 of this chapter.

25 (7) "Benefit" means the retirement allowance,

1 survivorship allowance, death benefit, or refund of
2 accumulated contributions provided by this chapter.

3 (8) "Board" means the public employees' retirement
4 board provided for in 2-15-1009.

5 (9) "Compensation" means remuneration paid out of
6 funds controlled by an employer. The compensation of each
7 member of the legislature of Montana for any year shall be
8 considered to be that portion of the product of the daily
9 compensation for such position multiplied by 360 upon which
10 such member elects to pay normal contributions during the
11 year.

12 (10) "Contracting employer" means any political
13 subdivision or governmental entity which has contracted to
14 come into the system.

15 (11) "Creditable service" means the aggregate of
16 membership service and prior service.

17 (12) "Disability" and "incapacity for performance of
18 duty", referred to herein as a basis of retirement, mean
19 disability of permanent duration or disability of extended
20 and uncertain duration, as determined by the board on the
21 basis of competent medical opinion.

22 (13) "Employee" means any person who is employed by an
23 employer in any capacity whatever and whose salary is paid
24 either by warrant of the employer or from the fees or income
25 of any department or agency of the employer. "Employee"

1 means further any person considered such pursuant to
2 19-3-402.

3 (14) "Employer" means the state of Montana, its
4 university system or any of the colleges, schools,
5 components, or units thereof for the purposes of this
6 chapter, or any political subdivision or governmental entity
7 which has contracted to come into the system.

8 (15) "Employer contributions" means payments to the
9 retirement fund from appropriations of the state of Montana
10 pursuant to 19-3-801 and from contracting employers pursuant
11 to the contracts between them and the board.

12 (16) "Final compensation" means a member's highest
13 average annual compensation during any 3 consecutive years
14 of membership service. Lump-sum payments for sick leave and
15 annual leave paid to the employee upon termination of
16 employment may be used in the calculation of a retirement
17 allowance only to the extent that they are used to replace,
18 on a month for month basis, the normal compensation for a
19 month or months included in the calculation of the final
20 salary. A lump-sum payment may not be added to a single
21 month's compensation.

22 (17) "Fiscal year" means any year commencing with July
23 1 and ending June 30 next following.

24 (18) "Head of department" means the head of any
25 department, institution, or branch of the state service

1 which directly pays salaries out of its income or which
2 prepares, approves, and submits salary statements of its
3 employees to the department of administration, state
4 auditor, and state treasurer for payment.

5 (19) "Member" means any person included in the
6 membership of the retirement system set forth in 19-3-401
7 and not excluded in 19-3-402, 19-3-403, or 19-3-406.

8 (20) "Membership service" means service with respect to
9 which normal contributions and employer contributions are
10 paid. A member of the legislature of Montana shall be
11 credited with membership service for that portion of each
12 year for which he pays normal contributions pursuant to
13 subsection [(9)] of this section.

14 (21) "Normal contributions" means contributions
15 required from members under this chapter and any optional
16 contributions made under the provisions of 19-3-502 and
17 19-3-704.

18 (22) "Pension" means payments for life derived from
19 contributions made from the state controlled funds or, in
20 the case of members from contracting employers, from the
21 funds of such contracting employers, as provided in this
22 chapter.

23 (23) "Prior service" means all service rendered as an
24 employee of the state before July 1, 1945, and all service
25 rendered as an employee of a contracting employer before

1 July 1, 1947. Prior service includes all service rendered
2 prior to July 1, 1945, as a member of the legislative
3 assembly or lieutenant governor of Montana.

4 (24) "Regular interest" means interest at the rate set
5 from time to time by the board.

6 (25) "Retirement" means withdrawal from active service
7 with a retirement allowance granted under the provisions of
8 this chapter.

9 (26) "Retirement allowance" means the periodic benefit
10 payable following service, early, or disability retirement.

11 (27) "Retirement fund" means the public employees'
12 retirement account in the agency system pension trust fund.

13 (28) "Retirement system" means the public employees'
14 retirement system created by this chapter.

15 (29) "Service" means employment of an employee, except
16 as provided in 19-3-501 and 19-3-502.

17 (30) "Survivorship allowance" means payments for life
18 to the beneficiary of a deceased member as provided in part
19 12 of this chapter.

20 (31) "Written application" means a written instrument
21 duly executed and filed with the board and containing all
22 information required by the board, including such proofs of
23 age as the board considers necessary."

24 Section 3. Section 19-4-501, MCA, is amended to read:
25 "19-4-501. Financial administration of moneys. The

1 members of the retirement board are the trustees of all
2 moneys collected for the retirement system, and as such
3 trustees, they shall provide for the financial
4 administration of the moneys in the following manner:

5 (1) The moneys shall be invested and reinvested by the
6 state board of investments.

7 (2) The retirement board annually shall establish the
8 rate of regular interest.

9 (3) The retirement board annually shall divide among
10 the several funds reserves of the retirement system an
11 amount equal to the average balance of the funds reserves
12 during the preceding fiscal year multiplied by the rate of
13 regular interest. In accordance with the provisions of
14 19-4-605(5), the amount to be credited to each fund reserve
15 shall be allocated from the interest and other earnings on
16 the moneys of the retirement system actually realized during
17 the preceding fiscal year, less the amount allocated to the
18 expense fund account under the provisions of 19-4-606.

19 (4) The state treasurer is the custodian of the
20 collected retirement system moneys and of the securities in
21 which the moneys are invested. All expenditures from the
22 moneys may be made only upon claims signed by two persons
23 designated by the retirement board. A properly attested copy
24 of a resolution of the retirement board designating such
25 persons and bearing on its face specimen signatures of each

1 person shall be filed with the department of administration
2 as its authority for approving such claims.

3 (5) All the funds reserves established by part 6 of
4 this chapter, ~~except the expense fund,~~ shall be accounts in
5 the agency pension trust fund type of the treasury fund
6 structure of the state. ~~The expense fund shall be on account~~
7 ~~in the earmarked revenue fund of the same treasury fund~~
8 ~~structures."~~

9 Section 4. Section 19-5-101, MCA, is amended to read:
10 "19-5-101. Definitions. Unless a different meaning is
11 plainly implied by the context, the following definitions
12 apply in this chapter:

13 (1) "Accumulated deductions" means the total of the
14 amounts deducted from the salary of a contributor, paid into
15 the fund, and standing to his credit in the fund, together
16 with the regular interest thereon.

17 (2) "Actuarial equivalent" means a benefit of equal
18 value when computed upon the basis of the actuarial tables
19 in use by the system.

20 (3) "Beneficiary" means the person whom the
21 contributor nominates by written designation, duly
22 acknowledged and filed with the board.

23 (4) "Board" means the public employees' retirement
24 board.

25 (5) "Contributor" means any person who has accumulated

1 deductions in the fund standing to his credit.

2 (6) "Final salary" means the annual current salary for
3 the office retired from.

4 (7) "Fund" means the Montana judges' retirement system
5 ~~agency-account pension trust fund.~~

6 (8) "Involuntary retirement" means a retirement not
7 for cause and before retirement age.

8 (9) "Member's annuity" means payments for life derived
9 from contributions made by the contributor.

10 (10) "Penalty retirement age" means 70 years of age.

11 (11) "Retired judge" means any judge or justice in
12 receipt of a retirement allowance under this chapter.

13 (12) "Retirement allowance" means the state annuity
14 plus the member's annuity.

15 (13) "State annuity" means payments for life derived
16 from contributions made by the state of Montana."

17 Section 5. Section 19-5-202, MCA, is amended to read:

18 "19-5-202. Administrative expenses. (1) The expense of
19 the administration of this chapter, exclusive of the payment
20 of retirement allowances and other benefits, may be paid
21 from the fund.

22 (2) Before July 15 of each year, the board may compute
23 the administrative costs for the immediately preceding
24 fiscal year and transfer that amount from the fund to the
25 public employees' retirement system ~~account in the agency~~

1 ~~pension trust fund."~~

2 Section 6. Section 19-6-101, MCA, is amended to read:

3 "19-6-101. Definitions. Unless the context requires
4 otherwise, the following definitions apply in this chapter:

5 (1) "Account" means the Montana highway patrolmen's
6 retirement ~~account in the agency pension trust fund.~~

7 (2) "Accumulated deductions" means the total of the
8 amounts deducted from the salary of a member, paid into the
9 account, and standing to his credit in the account, together
10 with the regular interest thereon.

11 (3) "Actuarial equivalent" means a benefit of equal
12 value when computed on the basis of the actuarial tables in
13 use by the system.

14 (4) "Beneficiary" means a person nominated to receive
15 benefits under this chapter by a member's written
16 designation, duly acknowledged and filed with the
17 department.

18 (5) "Board" means the public employees' retirement
19 board provided for in 2-15-1009.

20 (6) "Compulsory retirement age" means 60 years of age.

21 (7) "Department" means the public employees'
22 retirement division of the department of administration.

23 (8) "Final salary" means the average annual
24 compensation received by a member, before any deductions
25 have been made and exclusive of maintenance, allowances, and

1 expenses, for any 3 years of continuous service upon which
 2 contributions have been made or, in the event a member has
 3 not served 3 years, the total compensation earned divided by
 4 the number of years served. Lump-sum payments for sick leave
 5 and annual leave paid to an employee upon termination of
 6 employment may be used in the calculation of a retirement
 7 allowance only to the extent that they are used to replace,
 8 on a month for month basis, the normal compensation for a
 9 month or months included in the calculation of the final
 10 salary. A lump-sum payment may not be added to a single
 11 month's compensation.

12 (9) "Member" means a person who has accumulated
 13 deductions in the account standing to his credit.

14 (10) "Member's annuity" means payments for life derived
 15 from contributions made by the member.

16 (11) "Retired patrolman" means a person in receipt of a
 17 retirement allowance under this chapter.

18 (12) "Retirement age" means the age at which a member
 19 retires after 25 years of creditable service with the
 20 Montana highway patrol or 60 years of age, whichever occurs
 21 first.

22 (13) "Retirement allowance" means the state annuity
 23 plus the member's annuity.

24 (14) "State annuity" means payments for life derived
 25 from contributions made by the state of Montana."

1 Section 7. Section 19-6-203, MCA, is amended to read:
 2 "19-6-203. Administrative expenses. (1) The expense of
 3 the administration of this chapter, exclusive of the payment
 4 of retirement allowances and other benefits, may be paid
 5 from the fund account.

6 (2) Before July 15 of each year, the board may compute
 7 the administrative costs for the immediately preceding
 8 fiscal year and transfer that amount from the fund account
 9 to the public employees' retirement system account--in--the
 10 agency pension trust fund."

11 Section 8. Section 19-6-401, MCA, is amended to read:

12 "19-6-401. Payments into retirement account fund. All
 13 appropriations made by the state, all contributions by
 14 members of the Montana highway patrol, in the amount
 15 hereinafter specified, and all interest on and increase of
 16 the investments and moneys under this account shall be paid
 17 to the state treasurer, who shall credit the payments to the
 18 Montana highway patrolmen's retirement account--in--the agency
 19 pension trust fund."

20 Section 9. Section 19-7-101, MCA, is amended to read:

21 "19-7-101. Definitions. Unless the context requires
 22 otherwise, the following definitions apply in this chapter:

23 (1) "Account" means the Montana sheriffs' retirement
 24 account pension trust fund administered by the sheriffs'
 25 retirement board.

1 (2) "Accumulated contributions" or "accumulated
2 deductions" means the total amount deducted from the salary
3 of a member during a period of membership service plus the
4 total amount deducted during a period of prior service and
5 transferred from the public employees' retirement system
6 standing to the member's credit in the account, together
7 with the accrued interest.

8 (3) "Actuarial equivalent" means a benefit of equal
9 value when computed upon the basis of the actuarial tables
10 in use by the system.

11 (4) "Beneficiary" means a person who is nominated by
12 the member in an acknowledged document which is filed with
13 the board.

14 (5) "Board" means the sheriffs' retirement board. The
15 board shall consist of five persons who shall be the same
16 persons that comprise the public employees' retirement
17 board.

18 (6) "Creditable service" means the aggregate of all of
19 a member's current and prior service.

20 (7) "Final salary" means the average annual salary
21 received by a member, before any deductions are made and
22 exclusive of maintenance, allowances, and expenses, for any
23 3 years of continuous service from which contributions were
24 deducted or, in the event that a member has not served 3
25 years, the total salary earned divided by the number of

1 years served. Lump-sum payments for sick leave and annual
2 leave paid to an employee upon termination of employment may
3 be used in the calculation of a retirement allowance only to
4 the extent that they are used to replace, on a month for
5 month basis, the normal compensation for a month or months
6 included in the calculation of the final salary. A lump-sum
7 payment may not be added to a single month's compensation.

8 (8) "Member" means any person who has accumulated
9 deductions in the account to his credit.

10 (9) "Member's annuity" means payments for life derived
11 from contributions made by the member while employed.

12 (10) "Membership service" means service for which an
13 amount is deducted from the salary of a member and paid into
14 the account.

15 (11) "Prior service" means service for which credit was
16 granted by the public employees' retirement system of the
17 state of Montana.

18 (12) "Retired sheriff" means a person receiving a
19 retirement allowance under this chapter.

20 (13) "Retirement allowance" means the state annuity
21 plus the member's annuity.

22 (14) "Service" means employment as a sheriff.

23 (15) "Sheriff" means any elected or appointed county
24 sheriff, undersheriff, or regularly appointed and acting
25 deputy sheriff.

1 (16) "State annuity" means payments for life derived
2 from county contributions into the sheriffs' retirement
3 account, together with any supplemental legislative
4 appropriations to the account.

5 (17) "Vested retirement" means a retirement not for
6 cause and before retirement age."

7 Section 10. Section 19-7-202, MCA, is amended to read:

8 "19-7-202. Expenses of administration. (1) The expense
9 of the administration of this chapter, exclusive of the
10 payment of retirement allowances and other benefits, may be
11 paid from the fund account.

12 (2) Before July 15 of each year, the board may compute
13 the administrative costs for the immediately preceding
14 fiscal year and transfer that amount from the fund account
15 to the public employees' retirement system ~~account in the~~
16 agency pension trust fund."

17 Section 11. Section 19-8-101, MCA, is amended to read:

18 "19-8-101. Definitions. Unless the context requires
19 otherwise, the following definitions apply in this chapter:

20 (1) "Account" means the Montana state game wardens'
21 retirement ~~account in the agency pension trust~~ fund.

22 (2) "Accumulated deductions" or "accumulated
23 contributions" means the sum of all contributions standing
24 to the credit of a member's individual account together with
25 the regular interest thereon.

1 (3) "Actuarial equivalent" means a benefit of equal
2 value when computed upon the basis of the actuarial tables
3 in use by the system.

4 (4) "Beneficiary" means a person nominated to receive
5 benefits under this chapter by a member's written
6 designation, duly acknowledged and filed with the board.

7 (5) "Board" means the public employees' retirement
8 board.

9 (6) "Contributor" means any person who has accumulated
10 deductions in the account standing to his credit.

11 (7) "Final salary" means the average annual
12 compensation received by a contributor, before any
13 deductions have been made and exclusive of maintenance,
14 allowances, and expenses, for any 3 years of continuous
15 service upon which contributions have been made or, in the
16 event a member has not served 3 years, the total retirement
17 compensation earned divided by the number of years served.
18 Lump-sum payments for sick leave and annual leave paid to an
19 employee upon termination of employment may be used in the
20 calculation of a retirement allowance only to the extent
21 that they are used to replace, on a month for month basis,
22 the normal compensation for a month or months included in
23 the calculation of the final salary. A lump-sum payment may
24 not be added to a single month's compensation.

25 (8) "Member's annuity" means payments for life derived

1 from contributions made by the contributor.

2 (9) "Retired state game warden" means any person in
3 receipt of a retirement allowance under this chapter.

4 (10) "Retirement allowance" means the state annuity
5 plus the member's annuity.

6 (11) "State annuity" means payments for life derived
7 from contributions made by the state from department of
8 fish, wildlife, and parks moneys.

9 (12) "State game warden" means all state fish and game
10 wardens hired by the department of fish, wildlife, and parks
11 and includes all warden supervisory personnel whose salaries
12 or compensation is paid out of the department of fish,
13 wildlife, and parks moneys."

14 Section 12. Section 19-8-203, MCA, is amended to read:

15 "19-8-203. Expenses of administration. (1) The expense
16 of the administration of this chapter, exclusive of the
17 payment of retirement allowances and other benefits, may be
18 paid from the ~~fund account~~.

19 (2) Before July 15 of each year, the board may compute
20 the administrative costs for the immediately preceding
21 fiscal year and transfer that amount from the ~~fund account~~
22 to the public employees' retirement system ~~account-in-the~~
23 ~~agency pension trust fund~~.

24 (3) In addition to the amount provided in subsection
25 (2), the board may assess and the department of

1 administration may collect a fee from the department of
2 fish, wildlife, and parks for the purpose of defraying the
3 expenses of administering this chapter."

4 Section 13. Section 19-8-401, MCA, is amended to read:

5 "19-8-401. Creation of state game wardens' retirement
6 ~~account fund~~. There is a state game wardens' retirement
7 ~~account-in-the-agency pension trust fund~~, and all moneys
8 received under the provisions of this chapter shall be
9 credited to that account."

10 Section 14. Section 19-8-405, MCA, is amended to read:

11 "19-8-405. Transfer of dormant accounts. The board
12 may, in its discretion, transfer the accumulated deductions
13 of a member to the employer's account in the Montana state
14 game wardens' retirement ~~account-in-the-agency pension trust~~
15 fund if the member's account has been dormant for a period
16 of 10 years, provided that no right of the member shall be
17 jeopardized by such transfer. The accumulated deductions
18 shall be transferred to the member's name upon subsequent
19 reentry to membership."

20 Section 15. Section 19-9-104, MCA, is amended to read:

21 "19-9-104. Definitions. Unless the context requires
22 otherwise, the following definitions apply in this chapter:

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

25 (2) "Base salary" means the sum of the monthly

1 compensations for each month in a given calendar year.

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

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

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

8 (6) "Employer annuity" means monthly payments for life
9 derived from employer and state contributions.

10 (7) "Final average salary" means the monthly
11 compensation of a member, averaged over the last 36 months
12 of his active service or, in the event he has not been a
13 member that long, over the period of his membership.

14 (8) "Fund" means the ~~agency-account pension trust fund~~
15 in the treasury system designated for the use of the plan.

16 (9) "Mandatory 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 attains age 65.

19 (10) "Member" means a person who is employed by an
20 employer as a police officer or who is entitled to a
21 retirement allowance by virtue of his service to an employer
22 as a police officer.

23 (11) "Member contributions" means the total of the
24 deductions from the compensation of a member, either made
25 during a period of active membership hereunder or made under

1 a prior plan and transferred to this plan, standing to his
2 credit, together with the interest thereon.

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

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

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

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

23 (16) Any reference to "municipality", "city", or "town"
24 includes those jurisdictions which, prior to the effective
25 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) "plan" means the municipal police officers' retirement system created by this chapter.

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

(19) "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) "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) "Retirement allowance" means the employer annuity plus the member's annuity.

(22) "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) "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 police officer."

Section 16. Section 19-9-203, MCA, is amended to read:

"19-9-203. Administrative expenses. (1) The expense of administration of this chapter, exclusive of amounts required to be paid as benefits to or on behalf of a member, may be paid from the fund.

(2) Before July 15 of each year, the board may compute the administrative costs for the immediately preceding fiscal year and transfer that amount from the fund to the public employees' retirement system ~~account-in-the-agency~~ pension trust fund."

Section 17. Section 19-9-501, MCA, is amended to read:

"19-9-501. Retirement account. On July 1, 1977, there will be ~~on-account-in-the-agency a pension trust~~ fund to be maintained on behalf of the plan. The state treasurer is the custodian of the ~~account fund~~ subject to the exclusive administrative control of the board."

Section 18. Section 19-9-706, MCA, is amended to read:

"19-9-706. Contributions based on disability compensation. (1) When an officer receives compensation under 7-32-4132, the member contributions for retirement required under 19-9-601 will be paid on the total compensation received under 7-32-4132 and the employer contribution paid by the municipalities under 19-9-703 and the state contribution under 19-9-702 shall include as part of the salaries paid to police officers all compensation

1 received under 7-32-4132. The service represented by these
2 contributions will be credited in the same manner as
3 provided in 19-9-401.

4 (2) When an injured officer accepts a transfer under
5 7-32-4136 to a nonpolice position within the municipality
6 covered under 19-3-401, all service and contributions
7 previously credited with the municipal police officers'
8 retirement system shall be transferred from the municipal
9 police officers' retirement system ~~retirement-account-in-the~~
10 ~~agency pension trust~~ fund along with the interest to the
11 public employees' retirement system ~~agency pension trust~~
12 fund. The employer contributions and interest transferred
13 will be equal to the amount that would have been contributed
14 had the transferred service been normal employment covered
15 under the public employees' retirement system."

16 Section 19. Section 19-12-102, MCA, is amended to
17 read:

18 "19-12-102. Definitions. Unless the context requires
19 otherwise, the following definitions apply in this chapter:

20 (1) "Board" means the public employees' retirement
21 board of the public employees' retirement system.

22 (2) "Division" means the division of workers'
23 compensation of the department of labor and industry.

24 (3) "Fire company" means a fire company organized in
25 an unincorporated area, town, or village under the laws of

1 the state of Montana.

2 (4) The fiscal year begins on July 1 and ends on June
3 30 of each year.

4 (5) "Fund" or "volunteer firefighters' fund" means the
5 volunteer firefighters' ~~compensation-account-in-the-agency~~
6 ~~pension trust~~ fund."

7 Section 20. Section 19-12-407, MCA, is amended to
8 read:

9 "19-12-407. Payment of pension benefits. All payments
10 under the volunteer firefighters' pension plan must be
11 approved by the public employees' retirement system and paid
12 by warrants drawn upon the ~~agency pension trust~~ fund,
13 payable to the order of the individual qualified volunteer
14 firefighter or the beneficiary as provided in 19-12-405(1)."

15 Section 21. Section 19-13-104, MCA, is amended to
16 read:

17 "19-13-104. Definitions. Unless the context requires
18 otherwise, the following definitions apply in this chapter:

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

21 (2) "Board" means the retirement board described in
22 2-15-1009.

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

25 (4) "Dependent child" means a child of a deceased

1 member who is:

2 (a) unmarried and under age 18; or

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

7 (5) "Employer" means any city that is of the first or
8 second class or that elects to join this plan under
9 19-13-108.

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

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

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

19 (9) "Fund" means the agency-account pension trust fund
20 in the state treasury system designated for the use of the
21 plan.

22 (10) "Member" means a person who is employed by an
23 employer as a full- or part-paid firefighter or who is
24 entitled to a retirement allowance by virtue of his service
25 to an employer as a firefighter.

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

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

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

18 (14) "Monthly compensation" means:

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

24 (b) for a part-paid firefighter employed by a city of
25 the second class, 15% of the average regular monthly

1 compensation, excluding overtime, holiday payments, shift
2 differential payments, compensatory time payments, and
3 payments in lieu of sick leave, paid to all newly confirmed,
4 active firefighters employed by cities of the second class
5 on July 1 of each year.

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

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

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

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

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

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

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

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

9 Section 22. Section 19-13-204, MCA, is amended to
10 read:

11 "19-13-204. Administrative expenses. (1) The expense
12 of administering this chapter, exclusive of the payment of
13 retirement allowances and other benefits, may be paid from
14 the fund.

15 (2) Before July 15 of each year, the board may compute
16 the administrative costs for the immediately preceding
17 fiscal year and transfer that amount from the fund to the
18 public employees' retirement system ~~account in the agency~~
19 pension trust fund."

20 Section 23. Section 19-13-501, MCA, is amended to
21 read:

22 "19-13-501. Retirement ~~account fund~~. Beginning July 1,
23 1981, ~~an account in the agency a pension trust~~ fund shall be
24 maintained on behalf of the plan. The state treasurer is the
25 custodian of the ~~account fund~~ subject to the exclusive

1 administrative control of the board."

2 NEW SECTION. Section 24. Code commissioner to make
3 changes. Whenever a reference to a treasury fund type, fund,
4 or account appears in any new material enacted by the 48th
5 legislature and approved by the governor, whether in new
6 sections or amended sections, the code commissioner, in
7 consultation with the department of administration and the
8 legislative fiscal analyst, shall change the reference in
9 that material as necessary to reflect the fund structure
10 provided for in 17-2-102. The code commissioner may make
11 other incidental changes to reflect the intent of this act
12 without changing the meaning.

13 NEW SECTION. Section 25. Effective date. This act is
14 effective July 1, 1983.

-End-

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INTRODUCED BY

House BILL NO. 531
Bauman

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BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

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A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE LANGUAGE IN CODE SECTIONS DEALING WITH THE RETIREMENT SYSTEMS IN ORDER THAT REFERENCES TO THE TREASURY FUND STRUCTURE CONFORM TO CHAPTER 28, LAWS OF 1981, AS REQUIRED BY CHAPTER 28, SECTION 5, LAWS OF 1981; AMENDING SECTIONS 19-1-202, 19-3-104, 19-4-501, 19-5-101, 19-5-202, 19-6-101, 19-6-203, 19-6-401, 19-7-101, 19-7-202, 19-8-101, 19-8-203, 19-8-401, 19-8-405, 19-9-104, 19-9-203, 19-9-501, 19-9-706, 19-12-102, 19-12-407, 19-13-104, 19-13-204, AND 19-13-501, MCA; INSTRUCTING THE CODE COMMISSIONER TO MAKE THE NECESSARY CHANGES; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 19-1-202, MCA, is amended to read:

"19-1-202. Costs of administration. All costs allocable to the administration of this chapter shall be charged to the ~~earmarked-revenue-fund~~ retirement division ~~account~~ pension trust fund. So much of the costs as are not defrayed by interest and income earned upon the contribution account, which has been credited to the ~~earmarked-revenue fund~~ retirement division ~~account~~ pension trust fund, as

THIRD READING

There are no changes on HB 531. Please refer to introduced (white) or second reading (yellow) for complete text.

HB 531

HOUSE BILL NO. 531

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE LANGUAGE IN CODE SECTIONS DEALING WITH THE RETIREMENT SYSTEMS IN ORDER THAT REFERENCES TO THE TREASURY FUND STRUCTURE CONFORM TO CHAPTER 28, LAWS OF 1981, AS REQUIRED BY CHAPTER 28, SECTION 5, LAWS OF 1981; AMENDING SECTIONS 19-1-202, 19-3-104, 19-4-501, 19-5-101, 19-5-202, 19-6-101, 19-6-203, 19-6-401, 19-7-101, 19-7-202, 19-8-101, 19-8-203, 19-8-401, 19-8-405, 19-9-104, 19-9-203, 19-9-501, 19-9-706, 19-12-102, 19-12-407, 19-13-104, 19-13-204, AND 19-13-501, MCA; INSTRUCTING THE CODE COMMISSIONER TO MAKE THE NECESSARY CHANGES; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 19-1-202, MCA, is amended to read:

"19-1-202. Costs of administration. All costs allocable to the administration of this chapter shall be charged to the ~~earmarked-revenue-fund~~ retirement division ~~account~~ pension-trust-fund. So much of the costs as are not defrayed by interest and income earned upon the contribution account, which has been credited to the ~~earmarked--revenue fund~~ retirement division ~~account~~ pension-trust-fund, as

provided in 19-1-602, shall be paid to the state agency for deposit to the ~~earmarked-revenue-fund~~ retirement division ~~account~~ pension-trust-fund by each department of the state and by the participating divisions, instrumentalities, and political subdivisions of the state pro rata according to their respective contributions."

Section 2. Section 19-3-104, MCA, is amended to read:

"19-3-104. Definitions. Unless the context requires otherwise, in this chapter the following definitions apply:

(1) "Accumulated contributions" means the sum of all the contributions standing to the credit of a member's individual account, together with the regular interest thereon.

(2) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of the actuarial tables in use by the system.

(3) "Actuary" means the actuary retained by the board in accordance with 19-3-305.

(4) "Additional contributions" means contributions by members under the provisions of 19-3-702.

(5) "Annuity" means payments for life derived from contributions made by a member as provided in this chapter.

(6) "Beneficiary" means the person so designated pursuant to part 13 of this chapter.

(7) "Benefit" means the retirement allowance,

1 survivorship allowance, death benefit, or refund of
2 accumulated contributions provided by this chapter.

3 (8) "Board" means the public employees' retirement
4 board provided for in 2-15-1009.

5 (9) "Compensation" means remuneration paid out of
6 funds controlled by an employer. The compensation of each
7 member of the legislature of Montana for any year shall be
8 considered to be that portion of the product of the daily
9 compensation for such position multiplied by 360 upon which
10 such member elects to pay normal contributions during the
11 year.

12 (10) "Contracting employer" means any political
13 subdivision or governmental entity which has contracted to
14 come into the system.

15 (11) "Creditable service" means the aggregate of
16 membership service and prior service.

17 (12) "Disability" and "incapacity for performance of
18 duty", referred to herein as a basis of retirement, mean
19 disability of permanent duration or disability of extended
20 and uncertain duration, as determined by the board on the
21 basis of competent medical opinion.

22 (13) "Employee" means any person who is employed by an
23 employer in any capacity whatever and whose salary is paid
24 either by warrant of the employer or from the fees or income
25 of any department or agency of the employer. "Employee"

1 means further any person considered such pursuant to
2 19-3-402.

3 (14) "Employer" means the state of Montana, its
4 university system or any of the colleges, schools,
5 components, or units thereof for the purposes of this
6 chapter, or any political subdivision or governmental entity
7 which has contracted to come into the system.

8 (15) "Employer contributions" means payments to the
9 retirement fund from appropriations of the state of Montana
10 pursuant to 19-3-801 and from contracting employers pursuant
11 to the contracts between them and the board.

12 (16) "Final compensation" means a member's highest
13 average annual compensation during any 3 consecutive years
14 of membership service. Lump-sum payments for sick leave and
15 annual leave paid to the employee upon termination of
16 employment may be used in the calculation of a retirement
17 allowance only to the extent that they are used to replace,
18 on a month for month basis, the normal compensation for a
19 month or months included in the calculation of the final
20 salary. A lump-sum payment may not be added to a single
21 month's compensation.

22 (17) "Fiscal year" means any year commencing with July
23 1 and ending June 30 next following.

24 (18) "Head of department" means the head of any
25 department, institution, or branch of the state service

1 which directly pays salaries out of its income or which
2 prepares, approves, and submits salary statements of its
3 employees to the department of administration, state
4 auditor, and state treasurer for payment.

5 (19) "Member" means any person included in the
6 membership of the retirement system set forth in 19-3-401
7 and not excluded in 19-3-402, 19-3-403, or 19-3-406.

8 (20) "Membership service" means service with respect to
9 which normal contributions and employer contributions are
10 paid. A member of the legislature of Montana shall be
11 credited with membership service for that portion of each
12 year for which he pays normal contributions pursuant to
13 subsection [(9)] of this section.

14 (21) "Normal contributions" means contributions
15 required from members under this chapter and any optional
16 contributions made under the provisions of 19-3-502 and
17 19-3-704.

18 (22) "Pension" means payments for life derived from
19 contributions made from the state controlled funds or, in
20 the case of members from contracting employers, from the
21 funds of such contracting employers, as provided in this
22 chapter.

23 (23) "Prior service" means all service rendered as an
24 employee of the state before July 1, 1945, and all service
25 rendered as an employee of a contracting employer before

1 July 1, 1947. Prior service includes all service rendered
2 prior to July 1, 1945, as a member of the legislative
3 assembly or lieutenant governor of Montana.

4 (24) "Regular interest" means interest at the rate set
5 from time to time by the board.

6 (25) "Retirement" means withdrawal from active service
7 with a retirement allowance granted under the provisions of
8 this chapter.

9 (26) "Retirement allowance" means the periodic benefit
10 payable following service, early, or disability retirement.

11 (27) "Retirement fund" means the public employees'
12 retirement account-in-the-agency system pension trust fund.

13 (28) "Retirement system" means the public employees'
14 retirement system created by this chapter.

15 (29) "Service" means employment of an employee, except
16 as provided in 19-3-501 and 19-3-502.

17 (30) "Survivorship allowance" means payments for life
18 to the beneficiary of a deceased member as provided in part
19 12 of this chapter.

20 (31) "Written application" means a written instrument
21 duly executed and filed with the board and containing all
22 information required by the board, including such proofs of
23 age as the board considers necessary."

24 Section 3. Section 19-4-501, MCA, is amended to read:
25 "19-4-501. Financial administration of moneys. The

1 members of the retirement board are the trustees of all
2 moneys collected for the retirement system, and as such
3 trustees, they shall provide for the financial
4 administration of the moneys in the following manner:

5 (1) The moneys shall be invested and reinvested by the
6 state board of investments.

7 (2) The retirement board annually shall establish the
8 rate of regular interest.

9 (3) The retirement board annually shall divide among
10 the several funds reserves of the retirement system an
11 amount equal to the average balance of the funds reserves
12 during the preceding fiscal year multiplied by the rate of
13 regular interest. In accordance with the provisions of
14 19-4-605(5), the amount to be credited to each fund reserve
15 shall be allocated from the interest and other earnings on
16 the moneys of the retirement system actually realized during
17 the preceding fiscal year, less the amount allocated to the
18 expense fund account under the provisions of 19-4-606.

19 (4) The state treasurer is the custodian of the
20 collected retirement system moneys and of the securities in
21 which the moneys are invested. All expenditures from the
22 moneys may be made only upon claims signed by two persons
23 designated by the retirement board. A properly attested copy
24 of a resolution of the retirement board designating such
25 persons and bearing on its face specimen signatures of each

1 person shall be filed with the department of administration
2 as its authority for approving such claims.

3 (5) All the funds reserves established by part 6 of
4 this chapter ~~except the expense fund~~ shall be accounts in
5 the agency pension trust fund type of the treasury fund
6 structure of the state. ~~The expense fund shall be an account~~
7 ~~in the earmarked revenue fund of the same treasury fund~~
8 ~~structure~~

9 Section 4. Section 19-5-101, MCA, is amended to read:

10 "19-5-101. Definitions. Unless a different meaning is
11 plainly implied by the context, the following definitions
12 apply in this chapter:

13 (1) "Accumulated deductions" means the total of the
14 amounts deducted from the salary of a contributor, paid into
15 the fund, and standing to his credit in the fund, together
16 with the regular interest thereon.

17 (2) "Actuarial equivalent" means a benefit of equal
18 value when computed upon the basis of the actuarial tables
19 in use by the system.

20 (3) "Beneficiary" means the person whom the
21 contributor nominates by written designation, duly
22 acknowledged and filed with the board.

23 (4) "Board" means the public employees' retirement
24 board.

25 (5) "Contributor" means any person who has accumulated

1 deductions in the fund standing to his credit.

2 (6) "Final salary" means the annual current salary for
3 the office retired from.

4 (7) "Fund" means the Montana judges' retirement system
5 agency-account pension trust fund.

6 (8) "Involuntary retirement" means a retirement not
7 for cause and before retirement age.

8 (9) "Member's annuity" means payments for life derived
9 from contributions made by the contributor.

10 (10) "Penalty retirement age" means 70 years of age.

11 (11) "Retired judge" means any judge or justice in
12 receipt of a retirement allowance under this chapter.

13 (12) "Retirement allowance" means the state annuity
14 plus the member's annuity.

15 (13) "State annuity" means payments for life derived
16 from contributions made by the state of Montana."

17 Section 5. Section 19-5-202, MCA, is amended to read:

18 "19-5-202. Administrative expenses. (1) The expense of
19 the administration of this chapter, exclusive of the payment
20 of retirement allowances and other benefits, may be paid
21 from the fund.

22 (2) Before July 15 of each year, the board may compute
23 the administrative costs for the immediately preceding
24 fiscal year and transfer that amount from the fund to the
25 public employees' retirement system account--in--the--agency

1 pension trust fund."

2 Section 6. Section 19-6-101, MCA, is amended to read:

3 "19-6-101. Definitions. Unless the context requires
4 otherwise, the following definitions apply in this chapter:

5 (1) "Account" means the Montana highway patrolmen's
6 retirement account--in--the--agency pension trust fund.

7 (2) "Accumulated deductions" means the total of the
8 amounts deducted from the salary of a member, paid into the
9 account, and standing to his credit in the account, together
10 with the regular interest thereon.

11 (3) "Actuarial equivalent" means a benefit of equal
12 value when computed on the basis of the actuarial tables in
13 use by the system.

14 (4) "Beneficiary" means a person nominated to receive
15 benefits under this chapter by a member's written
16 designation, duly acknowledged and filed with the
17 department.

18 (5) "Board" means the public employees' retirement
19 board provided for in 2-15-1009.

20 (6) "Compulsory retirement age" means 60 years of age.

21 (7) "Department" means the public employees'
22 retirement division of the department of administration.

23 (8) "Final salary" means the average annual
24 compensation received by a member, before any deductions
25 have been made and exclusive of maintenance, allowances, and

1 expenses, for any 3 years of continuous service upon which
 2 contributions have been made or, in the event a member has
 3 not served 3 years, the total compensation earned divided by
 4 the number of years served. Lump-sum payments for sick leave
 5 and annual leave paid to an employee upon termination of
 6 employment may be used in the calculation of a retirement
 7 allowance only to the extent that they are used to replace,
 8 on a month for month basis, the normal compensation for a
 9 month or months included in the calculation of the final
 10 salary. A lump-sum payment may not be added to a single
 11 month's compensation.

12 (9) "Member" means a person who has accumulated
 13 deductions in the account standing to his credit.

14 (10) "Member's annuity" means payments for life derived
 15 from contributions made by the member.

16 (11) "Retired patrolman" means a person in receipt of a
 17 retirement allowance under this chapter.

18 (12) "Retirement age" means the age at which a member
 19 retires after 25 years of creditable service with the
 20 Montana highway patrol or 60 years of age, whichever occurs
 21 first.

22 (13) "Retirement allowance" means the state annuity
 23 plus the member's annuity.

24 (14) "State annuity" means payments for life derived
 25 from contributions made by the state of Montana."

1 Section 7. Section 19-6-203, MCA, is amended to read:
 2 "19-6-203. Administrative expenses. (1) The expense of
 3 the administration of this chapter, exclusive of the payment
 4 of retirement allowances and other benefits, may be paid
 5 from the fund account.

6 (2) Before July 15 of each year, the board may compute
 7 the administrative costs for the immediately preceding
 8 fiscal year and transfer that amount from the fund account
 9 to the public employees' retirement system ~~account--in--the~~
 10 agency pension trust fund."

11 Section 8. Section 19-6-401, MCA, is amended to read:

12 "19-6-401. Payments into retirement account fund. All
 13 appropriations made by the state, all contributions by
 14 members of the Montana highway patrol, in the amount
 15 hereinafter specified, and all interest on and increase of
 16 the investments and moneys under this account shall be paid
 17 to the state treasurer, who shall credit the payments to the
 18 Montana highway patrolmen's retirement ~~account--in--the--agency~~
 19 pension trust fund."

20 Section 9. Section 19-7-101, MCA, is amended to read:

21 "19-7-101. Definitions. Unless the context requires
 22 otherwise, the following definitions apply in this chapter:

23 (1) "Account" means the Montana sheriffs' retirement
 24 account pension trust fund administered by the sheriffs'
 25 retirement board.

(2) "Accumulated contributions" or "accumulated deductions" means the total amount deducted from the salary of a member during a period of membership service plus the total amount deducted during a period of prior service and transferred from the public employees' retirement system standing to the member's credit in the account, together with the accrued interest.

(3) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of the actuarial tables in use by the system.

(4) "Beneficiary" means a person who is nominated by the member in an acknowledged document which is filed with the board.

(5) "Board" means the sheriffs' retirement board. The board shall consist of five persons who shall be the same persons that comprise the public employees' retirement board.

(6) "Creditable service" means the aggregate of all of a member's current and prior service.

(7) "Final salary" means the average annual salary received by a member, before any deductions are made and exclusive of maintenance, allowances, and expenses, for any 3 years of continuous service from which contributions were deducted or, in the event that a member has not served 3 years, the total salary earned divided by the number of

years served. Lump-sum payments for sick leave and annual leave paid to an employee upon termination of employment may be used in the calculation of a retirement allowance only to the extent that they are used to replace, on a month for month basis, the normal compensation for a month or months included in the calculation of the final salary. A lump-sum payment may not be added to a single month's compensation.

(8) "Member" means any person who has accumulated deductions in the account to his credit.

(9) "Member's annuity" means payments for life derived from contributions made by the member while employed.

(10) "Membership service" means service for which an amount is deducted from the salary of a member and paid into the account.

(11) "Prior service" means service for which credit was granted by the public employees' retirement system of the state of Montana.

(12) "Retired sheriff" means a person receiving a retirement allowance under this chapter.

(13) "Retirement allowance" means the state annuity plus the member's annuity.

(14) "Service" means employment as a sheriff.

(15) "Sheriff" means any elected or appointed county sheriff, undersheriff, or regularly appointed and acting deputy sheriff.

1 (16) "State annuity" means payments for life derived
2 from county contributions into the sheriffs' retirement
3 account, together with any supplemental legislative
4 appropriations to the account.

5 (17) "Vested retirement" means a retirement not for
6 cause and before retirement age."

7 Section 10. Section 19-7-202, MCA, is amended to read:

8 "19-7-202. Expenses of administration. (1) The expense
9 of the administration of this chapter, exclusive of the
10 payment of retirement allowances and other benefits, may be
11 paid from the fund account.

12 (2) Before July 15 of each year, the board may compute
13 the administrative costs for the immediately preceding
14 fiscal year and transfer that amount from the fund account
15 to the public employees' retirement system account-in-the
16 agency pension trust fund."

17 Section 11. Section 19-8-101, MCA, is amended to read:

18 "19-8-101. Definitions. Unless the context requires
19 otherwise, the following definitions apply in this chapter:

20 (1) "Account" means the Montana state game wardens'
21 retirement account-in-the-agency pension trust fund.

22 (2) "Accumulated deductions" or "accumulated
23 contributions" means the sum of all contributions standing
24 to the credit of a member's individual account together with
25 the regular interest thereon.

1 (3) "Actuarial equivalent" means a benefit of equal
2 value when computed upon the basis of the actuarial tables
3 in use by the system.

4 (4) "Beneficiary" means a person nominated to receive
5 benefits under this chapter by a member's written
6 designation, duly acknowledged and filed with the board.

7 (5) "Board" means the public employees' retirement
8 board.

9 (6) "Contributor" means any person who has accumulated
10 deductions in the account standing to his credit.

11 (7) "Final salary" means the average annual
12 compensation received by a contributor, before any
13 deductions have been made and exclusive of maintenance,
14 allowances, and expenses, for any 3 years of continuous
15 service upon which contributions have been made or, in the
16 event a member has not served 3 years, the total retirement
17 compensation earned divided by the number of years served.
18 Lump-sum payments for sick leave and annual leave paid to an
19 employee upon termination of employment may be used in the
20 calculation of a retirement allowance only to the extent
21 that they are used to replace, on a month for month basis,
22 the normal compensation for a month or months included in
23 the calculation of the final salary. A lump-sum payment may
24 not be added to a single month's compensation.

25 (8) "Member's annuity" means payments for life derived

1 from contributions made by the contributor.

2 (9) "Retired state game warden" means any person in
3 receipt of a retirement allowance under this chapter.

4 (10) "Retirement allowance" means the state annuity
5 plus the member's annuity.

6 (11) "State annuity" means payments for life derived
7 from contributions made by the state from department of
8 fish, wildlife, and parks moneys.

9 (12) "State game warden" means all state fish and game
10 wardens hired by the department of fish, wildlife, and parks
11 and includes all warden supervisory personnel whose salaries
12 or compensation is paid out of the department of fish,
13 wildlife, and parks moneys."

14 Section 12. Section 19-8-203, MCA, is amended to read:

15 "19-8-203. Expenses of administration. (1) The expense
16 of the administration of this chapter, exclusive of the
17 payment of retirement allowances and other benefits, may be
18 paid from the fund account.

19 (2) Before July 15 of each year, the board may compute
20 the administrative costs for the immediately preceding
21 fiscal year and transfer that amount from the fund account
22 to the public employees' retirement system account--in--the
23 agency pension trust fund.

24 (3) In addition to the amount provided in subsection
25 (2), the board may assess and the department of

1 administration may collect a fee from the department of
2 fish, wildlife, and parks for the purpose of defraying the
3 expenses of administering this chapter."

4 Section 13. Section 19-8-401, MCA, is amended to read:

5 "19-8-401. Creation of state game wardens' retirement
6 account fund. There is a state game wardens' retirement
7 account--in--the--agency pension trust fund, and all moneys
8 received under the provisions of this chapter shall be
9 credited to that account."

10 Section 14. Section 19-8-405, MCA, is amended to read:

11 "19-8-405. Transfer of dormant accounts. The board
12 may, in its discretion, transfer the accumulated deductions
13 of a member to the employer's account in the Montana state
14 game wardens' retirement account-in-the-agency pension trust
15 fund if the member's account has been dormant for a period
16 of 10 years; provided that no right of the member shall be
17 jeopardized by such transfer. The accumulated deductions
18 shall be transferred to the member's name upon subsequent
19 reentry to membership."

20 Section 15. Section 19-9-104, MCA, is amended to read:

21 "19-9-104. Definitions. Unless the context requires
22 otherwise, the following definitions apply in this chapter:

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

25 (2) "Base salary" means the sum of the monthly

1 compensations for each month in a given calendar year.

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

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

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

8 (6) "Employer annuity" means monthly payments for life
9 derived from employer and state contributions.

10 (7) "Final average salary" means the monthly
11 compensation of a member, averaged over the last 36 months
12 of his active service or, in the event he has not been a
13 member that long, over the period of his membership.

14 (8) "Fund" means the agency-account pension trust fund
15 in the treasury system designated for the use of the plan.

16 (9) "Mandatory 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 attains age 65.

19 (10) "Member" means a person who is employed by an
20 employer as a police officer or who is entitled to a
21 retirement allowance by virtue of his service to an employer
22 as a police officer.

23 (11) "Member contributions" means the total of the
24 deductions from the compensation of a member, either made
25 during a period of active membership hereunder or made under

1 a prior plan and transferred to this plan, standing to his
2 credit, together with the interest thereon.

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

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

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

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

23 (16) Any reference to "municipality", "city", or "town"
24 includes those jurisdictions which, prior to the effective
25 date of a county-municipal consolidation, were incorporated

1 municipalities, subsequent districts created for urban law
2 enforcement services, or the entire county included in the
3 county-municipal consolidation.

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

6 (18) "Police officer" means a law enforcement officer
7 employed by an employer.

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

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

16 (21) "Retirement allowance" means the employer annuity
17 plus the member's annuity.

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

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

1 Section 16. Section 19-9-203, MCA, is amended to read:

2 "19-9-203. Administrative expenses. (1) The expense of
3 administration of this chapter, exclusive of amounts
4 required to be paid as benefits to or on behalf of a member,
5 may be paid from the fund.

6 (2) Before July 15 of each year, the board may compute
7 the administrative costs for the immediately preceding
8 fiscal year and transfer that amount from the fund to the
9 public employees' retirement system account-~~in the agency~~
10 pension trust fund."

11 Section 17. Section 19-9-501, MCA, is amended to read:

12 "19-9-501. Retirement account. On July 1, 1977, there
13 will be an ~~account in the agency~~ a pension trust fund to be
14 maintained on behalf of the plan. The state treasurer is the
15 custodian of the account ~~fund~~ subject to the exclusive
16 administrative control of the board."

17 Section 18. Section 19-9-706, MCA, is amended to read:

18 "19-9-706. Contributions based on disability
19 compensation. (1) When an officer receives compensation
20 under 7-32-4132, the member contributions for retirement
21 required under 19-9-601 will be paid on the total
22 compensation received under 7-32-4132 and the employer
23 contribution paid by the municipalities under 19-9-703 and
24 the state contribution under 19-9-702 shall include as part
25 of the salaries paid to police officers all compensation

1 received under 7-32-4132. The service represented by these
2 contributions will be credited in the same manner as
3 provided in 19-9-401.

4 (2) When an injured officer accepts a transfer under
5 7-32-4136 to a nonpolice position within the municipality
6 covered under 19-3-401, all service and contributions
7 previously credited with the municipal police officers'
8 retirement system shall be transferred from the municipal
9 police officers' retirement system ~~retirement-account-in-the~~
10 ~~agency pension-trust~~ fund along with the interest to the
11 public employees' retirement system ~~agency pension-trust~~
12 fund. The employer contributions and interest transferred
13 will be equal to the amount that would have been contributed
14 had the transferred service been normal employment covered
15 under the public employees' retirement system."

16 Section 19. Section 19-12-102, MCA, is amended to
17 read:

18 "19-12-102. Definitions. Unless the context requires
19 otherwise, the following definitions apply in this chapter:

20 (1) "Board" means the public employees' retirement
21 board of the public employees' retirement system.

22 (2) "Division" means the division of workers'
23 compensation of the department of labor and industry.

24 (3) "Fire company" means a fire company organized in
25 an unincorporated area, town, or village under the laws of

1 the state of Montana.

2 (4) The fiscal year begins on July 1 and ends on June
3 30 of each year.

4 (5) "Fund" or "volunteer firefighters' fund" means the
5 volunteer firefighters' ~~compensation-account-in-the--agency~~
6 ~~pension-trust~~ fund."

7 Section 20. Section 19-12-407, MCA, is amended to
8 read:

9 "19-12-407. Payment of pension benefits. All payments
10 under the volunteer firefighters' pension plan must be
11 approved by the public employees' retirement system and paid
12 by warrants drawn upon the ~~agency pension-trust~~ fund,
13 payable to the order of the individual qualified volunteer
14 firefighter or the beneficiary as provided in 19-12-405(1)."

15 Section 21. Section 19-13-104, MCA, is amended to
16 read:

17 "19-13-104. Definitions. Unless the context requires
18 otherwise, the following definitions apply in this chapter:

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

21 (2) "Board" means the retirement board described in
22 2-15-1009.

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

25 (4) "Dependent child" means a child of a deceased

1 member who is:

2 (a) unmarried and under age 18; or

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

7 (5) "Employer" means any city that is of the first or
8 second class or that elects to join this plan under
9 19-13-108.

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

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

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

19 (9) "Fund" means the agency-account ~~pension trust fund~~
20 in the state treasury system designated for the use of the
21 plan.

22 (10) "Member" means a person who is employed by an
23 employer as a full- or part-paid firefighter or who is
24 entitled to a retirement allowance by virtue of his service
25 to an employer as a firefighter.

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

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

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

18 (14) "Monthly compensation" means:

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

24 (b) for a part-paid firefighter employed by a city of
25 the second class, 15% of the average regular monthly

1 compensation, excluding overtime, holiday payments, shift
2 differential payments, compensatory time payments, and
3 payments in lieu of sick leave, paid to all newly confirmed,
4 active firefighters employed by cities of the second class
5 on July 1 of each year.

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

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

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

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

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

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

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

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

9 Section 22. Section 19-13-204, MCA, is amended to
10 read:

11 "19-13-204. Administrative expenses. (1) The expense
12 of administering this chapter, exclusive of the payment of
13 retirement allowances and other benefits, may be paid from
14 the fund.

15 (2) Before July 15 of each year, the board may compute
16 the administrative costs for the immediately preceding
17 fiscal year and transfer that amount from the fund to the
18 public employees' retirement system account--~~in the~~ agency
19 pension trust fund."

20 Section 23. Section 19-13-501, MCA, is amended to
21 read:

22 "19-13-501. Retirement account fund. Beginning July 1,
23 1981, ~~an account in the agency a pension trust~~ fund shall be
24 maintained on behalf of the plan. The state treasurer is the
25 custodian of the account fund subject to the exclusive

1 administrative control of the board."

2 **NEW SECTION.** Section 24. Code commissioner to make
3 changes. Whenever a reference to a treasury fund type, fund,
4 or account appears in any new material enacted by the 48th
5 legislature and approved by the governor, whether in new
6 sections or amended sections, the code commissioner, in
7 consultation with the department of administration and the
8 legislative fiscal analyst, shall change the reference in
9 that material as necessary to reflect the fund structure
10 provided for in 17-2-102. The code commissioner may make
11 other incidental changes to reflect the intent of this act
12 without changing the meaning.

13 **NEW SECTION.** Section 25. Effective date. This act is
14 effective July 1, 1983.

-End-