

HOUSE BILL NO. 748

Introduced: 02/12/83

Referred to Committee on State Administration: 02/12/83

Hearing: 2/16/83

Died in Committee

1 *House* BILL NO. *748*
2 INTRODUCED BY *Dennis Fuller*
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A MEMBER OF
5 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHOSE EMPLOYMENT IS
6 INVOLUNTARILY TERMINATED TO PURCHASE ADDITIONAL YEARS OF
7 SERVICE IN THE RETIREMENT SYSTEM; PROVIDING AN IMMEDIATE
8 EFFECTIVE DATE."
9

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

11 Section 1. Qualification of service when employment
12 involuntarily terminated. (1) If the employment of a member
13 with 5 years or more of creditable service is involuntarily
14 terminated through no action of his own, the member may
15 qualify additional years of service in the retirement
16 system, not to exceed 2 years or the number of years equal
17 to the difference between the member's years of service at
18 the time his employment is terminated and 30 years,
19 whichever is less.

20 (2) To qualify this service, the member shall, at
21 least 30 days before the date his employment is terminated,
22 contribute to the retirement system a sum equal to the
23 employer and employee contributions that would have been
24 made for each year of service qualified had the member
25 remained employed, based on the employer and employee

1 contribution rates and the member's compensation at the time
2 his employment was terminated.

3 (3) The years of service qualified under this section
4 may not be used in the calculation of a member's final
5 compensation as defined in 19-3-104.

6 (4) If a member qualifying service under this section
7 returns to covered employment, he forfeits this credited
8 service and is entitled to receive a refund of the
9 contributions made to the retirement system to qualify this
10 service.

11 Section 2. Codification instruction. Section 1 is
12 intended to be codified as an integral part of Title 19,
13 chapter 3, part 5, and the provisions of Title 19, chapter
14 3, apply to section 1.

15 Section 3. Effective date. This act is effective on
16 passage and approval.

-End-

STATE OF MONTANA

REQUEST NO. 398-83

FISCAL NOTE

Form BD-15

In compliance with a written request received February 16, , 19 83 , there is hereby submitted a Fiscal Note for House Bill 748 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 748 is an act to permit employees who are terminated involuntarily to purchase two years of service credit.

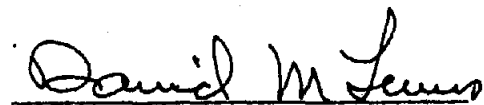
ASSUMPTIONS: (Based on 1982 Actuarial Valuation)

- 1) There will be 25 employees each year eligible to purchase 1.9 years of service which would require an increase of .134% of total salary to fund provisions of this bill.
- 2) Cost would increase or decrease proportionately if more or less employees exercise purchase provisions in any given year.

FISCAL IMPACT:

	<u>FY 84</u>	<u>FY 85</u>
Under Current Law	\$ -0-	\$ -0-
Under Proposed Law	<u>562,456</u>	<u>593,392</u>
Required Funding	<u>\$ 562,456</u>	<u>\$ 593,392</u>

FISCAL NOTE 14:M/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-18-83