

SENATE BILL NO. 435

INTRODUCED BY FULLER, DONALDSON

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT DIVISION

IN THE SENATE

February 16, 1983	Introduced and referred to Committee on State Administration.
February 18, 1983	Committee recommend bill do pass. Report adopted.
February 19, 1983	Bill printed and placed on members' desks.
February 21, 1983	Second reading, do pass.
February 22, 1983	Correctly engrossed.
February 23, 1983	Third reading, passed. Ayes, 49; Noes, 0. Transmitted to House.

IN THE HOUSE

February 8, 1983	Introduced and referred to Committee on State Administration.
March 11, 1983	Committee recommend bill be concurred in. Report adopted.
March 19, 1983	Second reading, concurred in.
March 21, 1983	Third reading, concurred in.

IN THE SENATE

March 22, 1983	Returned to Senate. Sent to enrolling. Reported correctly enrolled.
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1 *Smith* BILL NO. *435*
 2 INTRODUCED BY *Miller* *Malikson*

3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT DIVISION
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROVISIONS
 6 OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM ACT PERMITTING A
 7 MEMBER TO RECEIVE RETIREMENT BENEFITS FOR AN ABSENCE DUE TO
 8 ILLNESS OR INJURY; PERMITTING CERTAIN MEMBERS WHO ARE
 9 ELIGIBLE FOR SERVICE RETIREMENT TO APPLY FOR A DISABILITY
 10 RETIREMENT; AMENDING SECTIONS 19-3-504 AND 19-3-1002, MCA;
 11 AND PROVIDING AN EFFECTIVE DATE."

12
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Section 19-3-504, MCA, is amended to read:

15 "19-3-504. Absence due to illness or injury. (1) Time,
 16 not to exceed 5 years, during which a member is absent from
 17 service by reason of injury or illness determined within 1
 18 year after the end of such absence as arising out of and in
 19 the course of his employment shall be considered as spent in
 20 service for the purpose of qualification for service
 21 retirement benefits under Title 19, chapter 3, part 2, or
 22 survivorship allowances under Title 19, chapter 3, part 12,
 23 but not for the calculation of such benefits unless the
 24 member complies with subsections (2) through (4) of this
 25 section, in which case the absence shall be considered as

1 time spent in service for both the calculation and
 2 qualification of benefits.

3 (2) (a) Any member absent because of an
 4 employment-related injury which entitles him to workers'
 5 compensation payments may contribute to the retirement
 6 system, upon his return to service, amounts an amount equal
 7 to the contributions which would have been made by him to
 8 the system on the basis of his compensation at the
 9 commencement of his absence plus interest accruing from 1
 10 year from the date after he returns to covered employment to
 11 the date he contributes for his period of absence.

12 (b) Whenever a member elects to ~~continue--his~~
 13 ~~contributions~~ contribute under subsection (2)(a), the
 14 employer shall contribute an amount equal to what its
 15 employer contributions would have been had the member not
 16 been absent from service. In addition, the employer may
 17 contribute an amount equal to the interest accruing on the
 18 employer's contribution calculated in the same manner as
 19 interest on the employee's contribution under subsection
 20 (2)(a). If the employer elects not to pay the interest
 21 costs, this amount must be paid by the employee.

22 (3) * At some time after returning to covered
 23 employment, a member must file with the board, within 6
 24 months after he returns to service, a written notice of his
 25 intent to pay the contributions under subsection (2). The

1 ~~employer shall provide the employee with written notice of~~
 2 ~~the provisions of this section which shall be signed by the~~
 3 ~~employee and returned to the employer, who shall provide a~~
 4 ~~copy to the board.~~

5 (4) Payment of the employee's contributions which are
 6 due because of the period of absence may be made in one sum
 7 at the time of filing the notice or on an installment basis
 8 not to exceed 24 monthly payments.

9 (5) A member so absent loses his right to contribute
 10 under this section if all of his accumulated normal
 11 contributions are refunded pursuant to 19-3-703."

12 Section 2. Section 19-3-1002, MCA, is amended to read:

13 "19-3-1002. Eligibility for disability retirement. (1)
 14 * ~~Except as provided in subsection (2) and 19-3-1004, a~~
 15 member who is not eligible for service or early retirement
 16 but has completed 5 years of creditable service and has
 17 become disabled while in active service, as defined in
 18 19-3-1001, is eligible for disability retirement.

19 ~~(2) A member age 60 or older who has completed 5 years~~
 20 ~~of creditable service and has had a duty-related accident~~
 21 ~~forcing him to terminate his employment but who has not~~
 22 ~~received or is ineligible to receive workers' compensation~~
 23 ~~benefits under Title 39, chapter 11, for the duty-related~~
 24 ~~accident may conditionally waive his eligibility for a~~
 25 ~~service retirement to be eligible for disability retirement.~~

1 ~~The waiver is effective only upon approval by the board of~~
 2 ~~his application for disability retirement. The board shall~~
 3 ~~determine whether a member has become disabled under the~~
 4 ~~provisions of 19-3-1003. The board may request any~~
 5 ~~information on file with the workers' compensation division~~
 6 ~~concerning the duty-related accident. If no information is~~
 7 ~~available, the board may request and the division shall~~
 8 ~~provide an investigative report on the disabling accident."~~

9 ~~NEW SECTION. Section 3. Effective date. This act is~~
 10 ~~effective July 1, 1983.~~

-End-

Approved by Committee
on State Administration

1 *Senate* BILL NO. *435*
2 INTRODUCED BY *Julia Nelson*
3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT DIVISION
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6 OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM ACT PERMITTING A
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8 ILLNESS OR INJURY; PERMITTING CERTAIN MEMBERS WHO ARE
9 ELIGIBLE FOR SERVICE RETIREMENT TO APPLY FOR A DISABILITY
10 RETIREMENT; AMENDING SECTIONS 19-3-504 AND 19-3-1002, MCA;
11 AND PROVIDING AN EFFECTIVE DATE."
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13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14 Section 1. Section 19-3-504, MCA, is amended to read:
15 "19-3-504. Absence due to illness or injury. (1) Time,
16 not to exceed 5 years, during which a member is absent from
17 service by reason of injury or illness determined within 1
18 year after the end of such absence as arising out of and in
19 the course of his employment shall be considered as spent in
20 service for the purpose of qualification for service
21 retirement benefits under Title 19, chapter 3, part 1, or
22 survivorship allowances under Title 19, chapter 3, part 12,
23 but not for the calculation of such benefits unless the
24 member complies with subsections (2) through (4) of this
25 section, in which case the absence shall be considered as

1 time spent in service for both the calculation and
2 qualification of benefits.
3 (2) (a) Any member absent because of an
4 employment-related injury which entitles him to workers'
5 compensation payments may contribute to the retirement
6 system, upon his return to service, amounts an amount equal
7 to the contributions which would have been made by him to
8 the system on the basis of his compensation at the
9 commencement of his absence plus interest accruing from 1
10 year from the date after he returns to covered employment to
11 the date he contributes for his period of absence.
12 (b) Whenever a member elects to ~~continue his~~
13 contributions contribute under subsection (2)(a), the
14 employer shall contribute an amount equal to what its
15 employer contributions would have been had the member not
16 been absent from service. In addition, the employer may
17 contribute an amount equal to the interest accruing on the
18 employer's contribution calculated in the same manner as
19 interest on the employee's contribution under subsection
20 (2)(a). If the employer elects not to pay the interest
21 costs, this amount must be paid by the employee.
22 (3) * At some time after returning to covered
23 employment, a member must file with the board, within 6
24 months after he returns to service, a written notice of his
25 intent to pay the contributions under subsection (2). The

~~employer shall provide the employee with written notice of the provisions of this section which shall be signed by the employee and returned to the employer, who shall provide a copy to the board.~~

(4) Payment of the employee's contributions which are due because of the period of absence may be made in one sum at the time of filing the notice or on an installment basis not to exceed 24 monthly payments.

(5) A member so absent loses his right to contribute under this section if all of his accumulated normal contributions are refunded pursuant to 19-3-703."

Section 2. Section 19-3-1002, MCA, is amended to read:

"19-3-1002. Eligibility for disability retirement. (1) ~~* Except as provided in subsection (2) and 19-3-1004, a~~ member who is not eligible for service or early retirement but has completed 5 years of creditable service and has become disabled while in active service, as defined in 19-3-1001, is eligible for disability retirement.

~~(2) A member age 60 or older who has completed 5 years of creditable service and has had a duty-related accident forcing him to terminate his employment but who has not received or is ineligible to receive workers' compensation benefits under Title 39, chapter 71, for the duty-related accident may conditionally waive his eligibility for a service retirement to be eligible for disability retirement.~~

~~The waiver is effective only upon approval by the board of his application for disability retirement. The board shall determine whether a member has become disabled under the provisions of 19-3-1003. The board may request any information on file with the workers' compensation division concerning the duty-related accident. If no information is available, the board may request and the division shall provide an investigative report on the disabling accident."~~

~~NEW SECTION. Section 3. Effective date. This act is effective July 1, 1983.~~

~~-End-~~

1 *Senate* BILL NO. *435*
 2 INTRODUCED BY *Julian Timolevsky*
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 19 the course of his employment shall be considered as spent in
 20 service for the purpose of qualification for service
 21 retirement benefits under Title 19, chapter 3, part 9, or
 22 survivorship allowances under Title 19, chapter 3, part 12,
 23 but not for the calculation of such benefits unless the
 24 member complies with subsections (2) through (4) of this
 25 section, in which case the absence shall be considered as

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 2 qualification of benefits.

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 4 employment-related injury which entitles him to workers'
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12 (b) Whenever a member elects to continue--his
 13 contributions contribute under subsection (2)(a), the
 14 employer shall contribute an amount equal to what its
 15 employer contributions would have been had the member not
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 17 contribute an amount equal to the interest accruing on the
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 25 intent to pay the contributions under subsection (2). The

1 employer-shall-provide-the-employee-with-written--notice--of
 2 the--provisions-of-this-section-which-shall-be-signed-by-the
 3 employee-and-retained-to-the-employer-who-shall--provide--a
 4 copy-to-the-board.

5 (4) Payment of the employee's contributions which are
 6 due because of the period of absence may be made in one sum
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19 (2) A member age 60 or older who has completed 5 years
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 23 benefits under Title 39, chapter 11, for the duty-related
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time spent in service for both the calculation and qualification of benefits.

(2) (a) Any member absent because of an employment-related injury which entitles him to workers' compensation payments may contribute to the retirement system, upon his return to service, ~~amounts an amount~~ equal to the contributions which would have been made by him to the system on the basis of his compensation at the commencement of his absence plus interest accruing from 1 year from the date after he returns to covered employment to the date he contributes for his period of absence.

(b) Whenever a member elects to continue--his contributions contribute under subsection (2)(a), the employer shall contribute an amount equal to what its employer contributions would have been had the member not been absent from service. In addition, the employer may contribute an amount equal to the interest accruing on the employer's contribution calculated in the same manner as interest on the employee's contribution under subsection (2)(a). If the employer elects not to pay the interest costs, this amount must be paid by the employee.

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