

HOUSE BILL NO. 274
INTRODUCED BY HOLLIDAY

IN THE HOUSE

January 19, 1985	Introduced and referred to Committee on State Administration.
January 21, 1985	Fiscal Note requested.
January 25, 1985	Fiscal Note returned.
February 12, 1985	Committee recommend bill do pass as amended. Report adopted. Bill printed and placed on members' desks.
February 14, 1985	Second reading, do pass.
February 15, 1985	Considered correctly engrossed.
February 16, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 18, 1985	Introduced and referred to Committee on State Administration.
March 18, 1985	Committee recommend bill be concurrred in. Report adopted.
March 21, 1985	Second reading, concurrred in.
March 23, 1985	Third reading, concurrred in. Ayes, 44; Noes, 5. Returned to House.

IN THE HOUSE

March 25, 1985

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 274
2 INTRODUCED BY Fullin

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A STATE GAME
5 WARDEN TO RETIRE AT AGE 50 RATHER THAN 55; REVISING THE
6 METHOD FOR CALCULATING THE SERVICE RETIREMENT ALLOWANCE FOR
7 A STATE GAME WARDEN WITH OVER 25 YEARS OF SERVICE;
8 INCREASING EMPLOYEE AND EMPLOYER CONTRIBUTIONS TO THE
9 MONTANA STATE GAME WARDENS' RETIREMENT SYSTEM; AMENDING
10 SECTIONS 19-8-502, 19-8-504, 19-8-601, AND 19-8-603, MCA;
11 AND PROVIDING AN EFFECTIVE DATE."

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

14 Section 1. Section 19-8-601, MCA, is amended to read:

15 "19-8-601. Time of retirement -- commencement of
16 allowance. (1) Any member in service who has completed at
17 least 20 years of creditable service and who has reached the
18 age of 55 50 years may retire on service retirement
19 allowance upon written application to the board setting
20 forth at what time, not less than 30 days or more than 90
21 days subsequent to the filing thereof, he desires to be
22 retired.

23 (2) Retirement shall be compulsory at age 60.

24 (3) The retirement allowance must commence on the
25 first day of the month following the member's last day of

1 covered employment."

2 Section 2. Section 19-8-603, MCA, is amended to read:

3 "19-8-603. Service retirement allowance. (1) Upon
4 retirement from service, the service retirement allowance
5 consists of the state annuity plus the member's annuity. ~~The~~
6 ~~member's annuity is the actuarial equivalent of his~~
7 ~~accumulated deductions at the time of his retirement. The~~
8 ~~state annuity is an amount which, when added to the member's~~
9 ~~annuity, will provide a total retirement allowance of~~
10 ~~one-half of his final salary with 25 years of service.~~

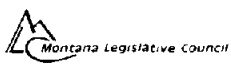
11 (2) The amount of the retirement allowance of ~~any~~
12 ~~member who contributes after 25 years of service shall be~~
13 ~~increased by an amount which is the actuarial equivalent of~~
14 ~~an annuity based on the member's contributions and the state~~
15 ~~contributions made after 25 years of service and standing to~~
16 ~~the member's credit at the time of his retirement must equal~~
17 2% of the member's final salary for each year of creditable
18 service.

19 Section 3. Section 19-8-502, MCA, is amended to read:

20 "19-8-502. Member's contribution. Every member is
21 required to contribute into the account a sum equal to 7%
22 7.9% of his monthly salary, which sum shall be deducted
23 from his salary and deposited to his credit in the account."

24 Section 4. Section 19-8-504, MCA, is amended to read:

25 "19-8-504. State's contribution. Each month the state



1 treasurer shall pay to the account, out of the department of
2 fish, wildlife, and parks moneys, a sum equal to ~~7.15%~~ 7.15%
3 of the total of all members' salaries, and out of the moneys
4 collected as fines and forfeited bonds under the provisions
5 of 87-1-601, all such collections until the unfunded
6 liability in the account is solvent and a verification
7 statement to that effect is given to the state treasurer by
8 the board."

9 NEW SECTION. Section 5. Extension of authority. Any
10 existing authority of the public employees' retirement board
11 to make rules on the subject of the provisions of this act
12 is extended to the provisions of this act.

13 NEW SECTION. Section 6. Coordination instruction. If
14 both this act and Bill No. [LC 728] are passed and
15 approved, the percentage amount contained in 19-8-502 must
16 reflect the sum of the increases in the employee
17 contribution provided in Bill No. [LC 728] and this act,
18 and the percentage amount contained in 19-8-504 must reflect
19 the sum of the increases in the employer contribution
20 provided in Bill No. [LC 728] and this act.

21 NEW SECTION. Section 7. Effective date. This act is
22 effective July 1, 1985.

-End-

STATE OF MONTANA

FISCAL NOTE

REQUEST NO. FNN 149-85Form BD-15

In compliance with a written request received January 21, 19 85, there is hereby submitted a Fiscal Note for H.B. 274 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 No. 274 provides for an earlier retirement age for State Game Wardens and revises the method for calculating the service retirement allowance for a game warden with over 25 years of service.

ASSUMPTIONS:

1. The cost of this legislation will be absorbed in the increased funding period required by this legislation from the current period of 15.57 years to 17.5 years. Fines and forfeitures received will continue to represent approximately 13.14% salary.
2. The contribution rate paid by the Department of Fish, Wildlife and Parks will not change.
3. The employees contribution will fund the changes in the proposed legislation.

FISCAL IMPACT:

Employee contributions - Game Warden's Retirement System

	FY 86	FY 87
Under Current Law	\$ 153,283	\$ 156,349
Under Proposed Law	<u>172,991</u>	<u>176,451</u>
Estimated Increase	\$ 19,708	\$ 20,102

The balance of the actuarial cost to provide this benefit will increase the funding period by 2.07 years requiring 100% of fines and forfeitures collected to be contributed to the retirement system for a longer period of time.

TECHNICAL NOTE:

19-8-601 (2) MCA (mandatory retirement) was ruled invalid by the Montana Supreme Court. Other legislation being introduced this session would correct this section. The title of HB 274 calls for increased contributions by both employer and employee. The body of the bill only calls for employee changes.

David L. Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: JAN 25, 1985
HB 274

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

HOUSE BILL NO. 274
INTRODUCED BY HOLLIDAY

A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A STATE GAME WARDEN TO RETIRE AT AGE 50 RATHER THAN 55; REMOVING THE COMPULSORY RETIREMENT AGE FOR STATE GAME WARDENS; REVISING THE METHOD FOR CALCULATING THE SERVICE RETIREMENT ALLOWANCE FOR A STATE GAME WARDEN WITH OVER 25 YEARS OF SERVICE; INCREASING EMPLOYEE AND--EMPLOYER CONTRIBUTIONS TO THE MONTANA STATE GAME WARDENS' RETIREMENT SYSTEM; AMENDING SECTIONS 19-8-502, 19-8-504, 19-8-601, AND 19-8-603, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 19-8-601, MCA, is amended to read:
"19-8-601. Time of retirement -- commencement of allowance. (1) Any member in service who has completed at least 20 years of creditable service and who has reached the age of 55 50 years may retire on service retirement allowance upon written application to the board setting forth at what time, not less than 30 days or more than 90 days subsequent to the filing thereof, he desires to be retired.

~~(2) Retirement shall be compulsory at age 60.~~
(3)(2) The retirement allowance must commence on the

first day of the month following the member's last day of covered employment."

Section 2. Section 19-8-603, MCA, is amended to read:
"19-8-603. Service retirement allowance. (1) Upon retirement from service, the service retirement allowance consists of the state annuity plus the member's annuity. ~~The member's annuity is the actuarial equivalent of his accumulated deductions at the time of his retirement. The state annuity is an amount which, when added to the member's annuity, will provide a total retirement allowance of one-half of his final salary with 25 years of service.~~

(2) The amount of the retirement allowance of any member who contributes after 25 years of service shall be increased by an amount which is the actuarial equivalent of an annuity based on the member's contributions and the state contributions made after 25 years of service and standing to the member's credit at the time of his retirement must equal 2% of the member's final salary for each year of creditable service.

Section 3. Section 19-8-502, MCA, is amended to read:
"19-8-502. Member's contribution. Every member is required to contribute into the account a sum equal to 7% ~~7.9%~~ of his monthly salary, which sum shall be deducted from his salary and deposited to his credit in the account."

~~Section 4. Section 19-8-504, MCA, is amended to read:~~



1 ~~"19-8-504,--State's-contribution,--Each-month-the-state~~
2 ~~treasurer-shall-pay-to-the-account,--out-of-the-department-of~~
3 ~~fish,--wildlife,--and-parks-moneys,--a-sum-equal-to-7.15% ----%~~
4 ~~of-the-total-of-all-members'-salaries,--and-out-of-the-moneys~~
5 ~~collected-as-fines-and-forfeited-bonds-under-the--provisions~~
6 ~~of--87-1-601,--all--such--collections--until--the--unfunded~~
7 ~~liability-in-the--account--is--solvent--and--a--verification~~
8 ~~statement--to-that-effect-is-given-to-the-state-treasurer-by~~
9 ~~the-board."~~

10 NEW SECTION. Section 4. Extension of authority. Any
11 existing authority of the public employees' retirement board
12 to make rules on the subject of the provisions of this act
13 is extended to the provisions of this act.

14 ~~NEW SECTION.--Section-6,--Coordination-instruction,--If~~
15 ~~both-this-act-and--Bill--No,---{BE-728}--are--passed--and~~
16 ~~approved,--the--percentage-amount-contained-in-19-8-502-must~~
17 ~~reflect--the--sum--of--the--increases--in--the--employee~~
18 ~~contribution-provided-in--Bill-No,---{BE-728}--and--this-act,~~
19 ~~and-the-percentage-amount-contained-in-19-8-504-must-reflect~~
20 ~~the--sum--of--the--increases--in--the--employer-contribution~~
21 ~~provided-in--Bill-No,---{BE-728}--and--this-act.~~

22 NEW SECTION. Section 5. Effective date. This act is
23 effective July 1, 1985.

-End-

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~~{2}--Retirement shall be compulsory at age 60--~~

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first day of the month following the member's last day of covered employment."

Section 2. Section 19-8-603, MCA, is amended to read:

"19-8-603. Service retirement allowance. (1) Upon retirement from service, the service retirement allowance consists of the state annuity plus the member's annuity. The member's---annuity---is---the---actuarial---equivalent---of---his accumulated deductions at the time of---his---retirement---The state annuity is an amount which, when added to the member's annuity,---will---provide---a---total---retirement---allowance---of one-half of his final salary with 25 years of service.

(2) The amount of the retirement allowance of--any member--who--contributes--after--25--years--of--service--shall--be increased--by--an--amount--which--is--the--actuarial--equivalent--of an annuity based on the member's contributions and the state contributions made after 25 years of service and standing to the member's credit at the time of his retirement must equal 2% of the member's final salary for each year of creditable service."

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3 ~~fish,--wildlife,--and-parks-moneys,--a-sum-equal-to-7.15% ---%~~
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16 contributions made after 25 years of service and standing to
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