

HOUSE BILL NO. 291

INTRODUCED BY O'CONNELL, JACK MOORE, KEYSER, PISTORIA,  
HARRINGTON, BERGENE, BRANDEWIE, MILLER, MANNING, GARCIA,  
CHRISTIAENS, VAN VALKENBURG, LORY, PECK, J. HAMMOND,  
REAM, HARP, HARBIN, HART, MENAHAN, JONES, MCCORMICK,  
BACHINI, O'HARA, KOEHNKE, BRADLEY, SPAETH, FRITZ, MANUEL,  
DRISCOLL, NISBET, HOLLIDAY, ADDY, QUILICI, KRUEGER,  
D. BROWN, SCHYE, SWIFT, MONTAYNE, PAVLOVICH, LYNCH,  
HARDING, E. SMITH, HIRSCH, B. WILLIAMS, BOYLAN, JACOBSON,  
HAND, J. BROWN, KADAS, HOWE, KENNERLY, VINCENT, KEENAN,  
MILES, ABRAMS, DONALDSON, CONNELLY, C. SMITH,  
BLAYLOCK, LYBECK, ZABROCKI

IN THE HOUSE

January 21, 1985	Introduced and referred to Committee on State Administration.
January 23, 1985	Fiscal Note requested.
January 25, 1985	Fiscal Note returned.
February 1, 1985	Committee recommend bill do pass. Report adopted.  Bill printed and placed on members' desks.
February 2, 1985	Second reading, pass consideration.
February 4, 1985	Second reading, do pass.  Considered correctly engrossed.
February 5, 1985	Third reading, passed. Ayes, 95; Noes, 2.  Transmitted to Senate.

IN THE SENATE

February 7, 1985	Introduced and referred to Committee on State Administration.
March 21, 1985	Committee recommend bill be concurring in. Report adopted.
March 23, 1985	Second reading, concurring in.
March 26, 1985	Third reading, concurring in. Ayes, 48; Noes, 2.
	Returned to House.

IN THE HOUSE

March 27, 1985	Received from Senate.
	Sent to enrolling.
	Reported correctly enrolled.

*Montana*  
*Park*  
*Snyder*  
*Harris*  
*Evans*  
*McIntosh*  
*Boyer*  
*Jackson*  
*St. Louis*  
*Brown*  
*Winters*  
*Vincent*  
*Keenan*  
*Albright*  
*Quinn*

*Smith*  
**HOUSE BILL NO. 291**  
 INTRODUCED BY *Connelly*  
 A BILL FOR AN ACT ENTITLED: *Ream* "AN ACT REVISING PROVISIONS  
 CONCERNING THE HIGHWAY PATROLMEN'S RETIREMENT SYSTEM;  
 DEFINING RETIREMENT BENEFITS AVAILABLE UPON THE DEATH OF A  
 PATROLMAN TO HIS SURVIVING SPOUSE, DEPENDENT CHILD,  
 DESIGNATED BENEFICIARY, OR ESTATE; DEFINING THE REFUND  
 AVAILABLE TO CERTAIN PATROLMEN UPON RESIGNATION; INCREASING  
 THE SERVICE RETIREMENT ALLOWANCE FOR CERTAIN MEMBERS;  
 INCREASING THE EMPLOYEE'S AND STATE'S CONTRIBUTIONS TO THE  
 RETIREMENT SYSTEM; DEFINING THE ELIGIBILITY REQUIREMENTS FOR  
 SERVICE RETIREMENT FOR A PATROLMAN HIRED AFTER JULY 1, 1985;  
 PROVIDING PAYMENT OF A RETIREMENT ALLOWANCE TO CERTAIN  
 HIGHWAY PATROLMEN WHO HAVE BEEN DISCONTINUED FROM SERVICE  
 AFTER COMPLETING 5 YEARS OR MORE OF SERVICE; AMENDING  
 SECTIONS 19-6-101, 19-6-402 THROUGH 19-6-404, 19-6-501  
 THROUGH 19-6-503, AND 19-6-601 THROUGH 19-6-604, MCA;  
 REPEALING SECTION 19-6-701, MCA; AND PROVIDING AN EFFECTIVE  
 DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 Section 1. 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 (1) "Account" means the Montana highway patrolmen's
- 2 retirement pension trust fund.
- 3 (2) "Accumulated deductions" means the total of the
- 4 amounts deducted from the salary of a member, paid into the
- 5 account, and standing to his credit in the account, together
- 6 with the regular interest thereon.
- 7 (3) "Actuarial equivalent" means a benefit of equal
- 8 value when computed on the basis of the actuarial tables in
- 9 use by the system.
- 10 (4) "Beneficiary" means a surviving spouse or
- 11 dependent child or, if there is no surviving spouse or
- 12 dependent child, a person nominated to receive benefits
- 13 under this--chapter-by-a-member's-written-designation,-duly
- 14 acknowledged-and-filed-with-the-department 19-6-602.
- 15 (5) "Board" means the public employees' retirement
- 16 board provided for in 2-15-1009.
- 17 (6) "Compulsory retirement age" means 60 years of age.
- 18 (7) "Department" means the public employees'
- 19 retirement division of the department of administration.
- 20 (8) "Dependent child" means an unmarried child of a
- 21 deceased retired patrolman, who is:
- 22 (a) under 18 years of age; or
- 23 (b) under 24 years of age and attending an accredited
- 24 postsecondary educational institution as a full-time student
- 25 in anticipation of receiving a certificate or degree.



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

15       †9†(10) "Member" means a person who has accumulated  
 16 deductions in the account standing to his credit.

17       †10†(11) "Member's annuity" means payments for life  
 18 derived from contributions made by the member.

19       †11†(12) "Retired patrolman" means a person in receipt  
 20 of a retirement allowance under this chapter.

21       †12†(13) "Retirement age" means the age at which a  
 22 member retires after 25 years of creditable service with the  
 23 Montana highway patrol or 60 years of age, whichever occurs  
 24 first.

25       †13†(14) "Retirement allowance" means the state annuity

1 plus the member's annuity.

2       †14†(15) "State annuity" means payments for life  
 3 derived from contributions made by the state of Montana.

4       (16) "Surviving spouse" means the spouse married to a  
 5 retired patrolman at the time of the retired patrolman's  
 6 death."

7       Section 2. Section 19-6-402, MCA, is amended to read:

8       "19-6-402. Member's contribution. Every member shall  
 9 be required to contribute into the account a sum equal to  
 10 ~~6-1/2%~~ 6.59% of his monthly salary, which sum shall be  
 11 deducted from his salary and deposited to his credit in the  
 12 account."

13       Section 3. Section 19-6-403, MCA, is amended to read:

14       "19-6-403. Refund of member's contribution. (1) Where  
 15 If a member resigns-of-his-own-voition-or is discharged for  
 16 cause before becoming entitled to a retirement allowance,  
 17 ~~then~~ the deductions standing to his credit shall be paid to  
 18 him.

19       (2) If a member resigns of his own volition before  
 20 becoming entitled to a retirement allowance, his accumulated  
 21 deductions shall be paid to him."

22       Section 4. Section 19-6-404, MCA, is amended to read:

23       "19-6-404. State's contribution. The state of Montana  
 24 shall annually contribute to the account an amount equal to  
 25 ~~16.57%~~ 18.58% of the salaries paid to the highway patrolmen

1 who are covered by this account from the general fund."

2 Section 5. Section 19-6-501, MCA, is amended to read:

3 "19-6-501. Eligibility and application for service  
4 retirement allowance -- commencement of allowance.

5 (1) (a) A member in-service--who--has--completed--at--least  
6 first employed by the Montana highway patrol on or before  
7 July 1, 1985, is eligible to receive a service retirement  
8 allowance after completing 20 years or more of creditable  
9 service. may retire on a service retirement--allowance--upon  
10 written application

11 (b) A member first employed by the Montana highway  
12 patrol after July 1, 1985, is eligible to receive a service  
13 retirement allowance when he has reached age 50 and has  
14 completed 20 years or more of creditable service.

15 (2) A member eligible to receive a retirement  
16 allowance as provided in subsection (1) must apply in  
17 writing to the department setting forth at what time he  
18 desires to be retired, which may not be less than 30 days or  
19 more than 90 days subsequent to the filing thereof.

20 ~~(2)~~(3) The retirement allowance must commence on the  
21 first day of the month following the member's last day of  
22 covered employment."

23 Section 6. Section 19-6-502, MCA, is amended to read:

24 "19-6-502. Service retirement allowance. (1) Upon  
25 retirement from service a member shall receive a service

1 retirement allowance which shall consist of the state  
2 annuity plus the member's annuity.

3 (2) The amount of the service retirement allowance  
4 shall be computed as follows:

5 ~~(a)~~--20 through 25 years, equal 2% of his final salary  
6 for each year of creditable service;

7 ~~(b)~~--over 25 years, 2% of his final salary for each  
8 year of service through the 25th plus 1% of his final salary  
9 for each year of service past 25."

10 NEW SECTION. Section 7. Payment of retirement  
11 allowance. (1) The department shall pay the service  
12 retirement allowance provided for in 19-6-502 to the retired  
13 patrolman for the remainder of his life.

14 (2) Upon the retired patrolman's death, the department  
15 shall pay the retirement allowance to the patrolman's  
16 surviving spouse, if there is one, for as long as the spouse  
17 remains unmarried.

18 (3) (a) If upon the retired patrolman's death there is  
19 no surviving spouse or if the spouse remarries or dies, the  
20 department shall pay the retirement allowance as provided in  
21 subsection (3)(c) to the retired patrolman's child, if there  
22 is one, for as long as the child remains dependent as  
23 defined in 19-6-101.

24 (b) If there is more than one dependent child, the  
25 retirement allowance must be paid as provided in subsection

1 (3)(c) to the children collectively. When a child no  
 2 longer qualifies as dependent as defined in 19-6-101, the  
 3 pro rata payments to that child must cease and be made to  
 4 the remaining child or children until all the children are  
 5 no longer dependent.

6 (c) Payments to a dependent child must be made to the  
 7 child's appointed guardian for the child's use.

8 (4) If upon the retired patrolman's death there is no  
 9 surviving spouse or dependent child and if the member had  
 10 designated a beneficiary as provided in 19-6-602, the  
 11 department shall pay to the designated beneficiary an amount  
 12 equal to the retired patrolman's accumulated deductions less  
 13 any retirement benefits paid to the member before his death.

14 (5) If the retired patrolman did not designate a  
 15 beneficiary or if the beneficiary predeceased the retired  
 16 patrolman, the amount provided in subsection (4) must be  
 17 paid to the patrolman's estate.

18 Section 8. Section 19-6-503, MCA, is amended to read:

19 "19-6-503. ~~Involuntary-retirement~~ Retirement allowance  
 20 for member discontinued from service other than for cause.  
 21 If a member is ~~involuntarily~~ discontinued from service other  
 22 than for cause after having completed ~~at~~ 5 years of total  
 23 service but before reaching retirement age, he shall, upon  
 24 filing a written application with the department, be paid  
 25 whichever of the following allowances that he elects:

1 (1) the full amount of his accumulated deductions; or

2 (2) a member's annuity of equivalent actuarial value  
 3 to his accumulated deductions plus an annuity which is the  
 4 actuarial equivalent of the present value of the state  
 5 annuity based on a retirement age of 60."

6 Section 9. Section 19-6-601, MCA, is amended to read:

7 "19-6-601. Disability retirement allowance. (1) In  
 8 case of the total disability of a member, permanent in  
 9 character, regardless of the length of service of the  
 10 member, a disability retirement allowance shall be granted  
 11 the member in an amount calculated on the actuarial  
 12 equivalent of the member's annuity and the state annuity  
 13 standing to his credit at the time of his disability  
 14 retirement. If such total disability is a direct result of  
 15 any service to the Montana highway patrol in line of duty,  
 16 then such patrolman who is totally and permanently disabled  
 17 shall be retired on total retirement allowance of one-half  
 18 his average final salary regardless of his length of  
 19 service.

20 (2) Upon the death of a retired patrolman receiving a  
 21 disability retirement allowance as provided in subsection  
 22 (1), the allowance must be paid to his surviving spouse or  
 23 dependent child, if there is a spouse or child, in the same  
 24 manner as provided for in [subsections (2) and (3) of  
 25 section 7]."

1 Section 10. Section 19-6-602, MCA, is amended to read:

2 "19-6-602. Nomination of beneficiary. (1) Every  
3 member may name his a beneficiary who is eligible to receive  
4 a retirement allowance if there is no surviving spouse or  
5 dependent child. Nomination is by written designation, duly  
6 acknowledged and filed with the department, and may change  
7 ~~the-beneficiary be changed~~ in like manner.

8 (2) Nothing in this section affects the right of a  
9 surviving spouse or dependent child to receive a retirement  
10 allowance."

11 Section 11. Section 19-6-603, MCA, is amended to read:

12 "19-6-603. Payments upon employment-related death. (1)  
13 If the board shall find that a member died as a direct and  
14 proximate result of injury received in the course of his  
15 employment, a retirement allowance shall be paid to his  
16 surviving spouse, dependent child, or designated beneficiary  
17 in the same manner as provided for in [subsections (2)  
18 through (4) of section 7].

19 (2) Such retirement allowance shall consist of:

20 (a) a member's annuity, which shall be the actuarial  
21 equivalent of the member's accumulated deductions standing  
22 to his credit; and

23 (b) the actuarial equivalent of a state annuity which,  
24 when added to the member's annuity, will provide a total  
25 annuity equal to 50% of the final salary of the member, less

1 the amount which is paid to any--such a surviving spouse,  
2 dependent child, or designated beneficiary under the  
3 Workers' Compensation Act of the state of Montana during the  
4 period such compensation is paid or payable."

5 Section 12. Section 19-6-604, MCA, is amended to read:

6 "19-6-604. Payments upon death from other causes. ~~(1)~~  
7 ~~if--the--retired-patrolman-dies-before-receiving-in-payments~~  
8 ~~the-present-value-of-his--member's--annuity--and--the--state~~  
9 ~~annuity-as-it-was-at-the-time-of-his-retirement,--the-balance~~  
10 ~~shall-be-paid-to-his-beneficiary:~~

11 (2) If a member dies before reaching retirement age,  
12 the department shall pay to his surviving spouse, dependent  
13 child, or designated beneficiary in the same manner as  
14 provided for in [subsections (2) through (4) of section 7]  
15 ~~shall-be-entitled-to~~ the actuarial equivalent of the options  
16 as provided in 19-6-503."

17 NEW SECTION. Section 13. Extension of authority. Any  
18 existing authority of the public employees' retirement board  
19 to make rules on the subject of the provisions of this act  
20 is extended to the provisions of this act.

21 NEW SECTION. Section 14. Repealer. Section 19-6-701,  
22 MCA, is repealed.

23 NEW SECTION. Section 15. Codification instruction.  
24 Section 7 is intended to be codified as an integral part of  
25 Title 19, chapter 6, and the provisions of Title 19, chapter

LC 0547/01

1 6, apply to section 7.

2 NEW SECTION. Section 16. Effective date. This act is  
3 effective July 1, 1985.

-End-



STATE OF MONTANA  
FISCAL NOTE

REQUEST NO. FNN 169-85

Form BD-15

In compliance with a written request received January 23, 19 85, there is hereby submitted a Fiscal Note for House Bill 291 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 291 is an act revising provisions concerning the Highway Patrolmen's retirement system; defining retirement benefits available upon death; defining the refund available upon resignation; increasing service retirement allowance; increasing the employer's and state's contribution to the retirement system; defining the eligibility requirements after July 1, 1985; and providing payment of a retirement allowance to certain Highway Patrolmen who have been discontinued from service after completing 5 years or more of service.

ASSUMPTIONS:

1. Assume that salaries will increase 2% in FY 1986 and FY 1987.
2. Although 19-6-404 directs the employer's contribution to be paid from the general fund, it is assumed that the impact will be against the state special revenue fund since this has been and presumably will be the funding source from Patrol salaries.
3. The number of Highway Patrol Officers and federal funding for the Patrol will remain constant.

FISCAL IMPACT:

	<u>FY 1986</u>	<u>FY 1987</u>
Expenditure Impact:		
State Special Revenue (Highway)	\$105,854	\$107,971
Federal Special Revenue	1,598	1,630

LONG-RANGE IMPACT:

The proposed legislation will permanently increase employer contributions by 2.01% of all future salaries.

TECHNICAL NOTES:

1. There is no coordination section with HB 292 which also increases employer contributions by 8.17%.
2. Contributions from the employer are funded from the state special revenue fund not the general fund as stated in 19-6-404.

*David L Hunter*

BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: Jan 25, 1985

HB 291

*Montgomery*  
*Winkler*  
*Speck*  
*Smith*  
*Heav*  
*Boyer*  
*Faberson*  
*Brown*  
*Vincent*  
*Keenan*

*Smith*

HOUSE BILL NO. 291

INTRODUCED BY *Connelly*

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING PROVISIONS CONCERNING THE HIGHWAY PATROLMEN'S RETIREMENT SYSTEM;

DEFINING RETIREMENT BENEFITS AVAILABLE UPON THE DEATH OF A PATROLMAN TO HIS SURVIVING SPOUSE, DEPENDENT CHILD,

DESIGNATED BENEFICIARY, OR ESTATE; DEFINING THE REFUND AVAILABLE TO CERTAIN PATROLMEN UPON RESIGNATION; INCREASING

THE SERVICE RETIREMENT ALLOWANCE FOR CERTAIN MEMBERS; INCREASING THE EMPLOYEE'S AND STATE'S CONTRIBUTIONS TO THE

RETIREMENT SYSTEM; DEFINING THE ELIGIBILITY REQUIREMENTS FOR SERVICE RETIREMENT FOR A PATROLMAN HIRED AFTER JULY 1, 1985;

PROVIDING PAYMENT OF A RETIREMENT ALLOWANCE TO CERTAIN HIGHWAY PATROLMEN WHO HAVE BEEN DISCONTINUED FROM SERVICE

AFTER COMPLETING 5 YEARS OR MORE OF SERVICE; AMENDING SECTIONS 19-6-101, 19-6-402 THROUGH 19-6-404, 19-6-501

THROUGH 19-6-503, AND 19-6-601 THROUGH 19-6-604, MCA; REPEALING SECTION 19-6-701, MCA; AND PROVIDING AN EFFECTIVE

DATE."

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2 retirement pension trust fund.

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

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

10 (4) "Beneficiary" means a surviving spouse or  
11 dependent child or, if there is no surviving spouse or  
12 dependent child, a person nominated to receive benefits  
13 under this chapter by a member's written designation, duly  
14 acknowledged and filed with the department 19-6-602.

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

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

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

20 (8) "Dependent child" means an unmarried child of a  
21 deceased retired patrolman, who is:

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24 postsecondary educational institution as a full-time student

25 in anticipation of receiving a certificate or degree.

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 3 have been made and exclusive of maintenance, allowances, and  
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 5 contributions have been made or, in the event a member has  
 6 not served 3 years, the total compensation earned divided by  
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 8 and annual leave paid to an employee upon termination of  
 9 employment may be used in the calculation of a retirement  
 10 allowance only to the extent that they are used to replace,  
 11 on a month for month basis, the normal compensation for a  
 12 month or months included in the calculation of the final  
 13 salary. A lump-sum payment may not be added to a single  
 14 month's compensation.

15        {9}(10) "Member" means a person who has accumulated  
 16 deductions in the account standing to his credit.

17        {10}(11) "Member's annuity" means payments for life  
 18 derived from contributions made by the member.

19        {11}(12) "Retired patrolman" means a person in receipt  
 20 of a retirement allowance under this chapter.

21        {12}(13) "Retirement age" means the age at which a  
 22 member retires after 25 years of creditable service with the  
 23 Montana highway patrol or 60 years of age, whichever occurs  
 24 first.

25        {13}(14) "Retirement allowance" means the state annuity

1 plus the member's annuity.

2        {14}(15) "State annuity" means payments for life  
 3 derived from contributions made by the state of Montana.

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 5 retired patrolman at the time of the retired patrolman's  
 6 death."

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 10 ~~6-1/2%~~ 6.59% of his monthly salary, which sum shall be  
 11 deducted from his salary and deposited to his credit in the  
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 15 If a member resigns-of-his-own-voition-or is discharged for  
 16 cause before becoming entitled to a retirement allowance,  
 17 then the deductions standing to his credit shall be paid to  
 18 him.

19        (2) If a member resigns of his own volition before  
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 21 deductions shall be paid to him."

22        Section 4. Section 19-6-404, MCA, is amended to read:  
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 25 ~~6-57%~~ 18.58% of the salaries paid to the highway patrolmen

1 who are covered by this account from the general fund."

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3 "19-6-501. Eligibility and application for service  
4 retirement allowance -- commencement of allowance.

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8 allowance after completing 20 years or more of creditable  
9 service. may retire on a service retirement--allowance--upon  
10 written application

11 (b) A member first employed by the Montana highway  
12 patrol after July 1, 1985, is eligible to receive a service  
13 retirement allowance when he has reached age 50 and has  
14 completed 20 years or more of creditable service.

15 (2) A member eligible to receive a retirement  
16 allowance as provided in subsection (1) must apply in  
17 writing to the department setting forth at what time he  
18 desires to be retired, which may not be less than 30 days or  
19 more than 90 days subsequent to the filing thereof.

20 ~~(2)(3)~~ The retirement allowance must commence on the  
21 first day of the month following the member's last day of  
22 covered employment."

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1 retirement allowance which shall consist of the state  
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3 (2) The amount of the service retirement allowance  
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5 ~~(a) --20 through 25 years, equal~~ 2% of his final salary  
6 for each year of creditable service;

7 ~~(b) --over--25--years,--2%--of--his--final--salary--for--each~~  
8 ~~year--of--service--through--the--25th--plus--1%--of--his--final--salary~~  
9 ~~for--each--year--of--service--past--25."~~

10 NEW SECTION. Section 7. Payment of retirement  
11 allowance. (1) The department shall pay the service  
12 retirement allowance provided for in 19-6-502 to the retired  
13 patrolman for the remainder of his life.

14 (2) Upon the retired patrolman's death, the department  
15 shall pay the retirement allowance to the patrolman's  
16 surviving spouse, if there is one, for as long as the spouse  
17 remains unmarried.

18 (3) (a) If upon the retired patrolman's death there is  
19 no surviving spouse or if the spouse remarries or dies, the  
20 department shall pay the retirement allowance as provided in  
21 subsection (3)(c) to the retired patrolman's child, if there  
22 is one, for as long as the child remains dependent as  
23 defined in 19-6-101.

24 (b) If there is more than one dependent child, the  
25 retirement allowance must be paid as provided in subsection

1 (3)(c) to the children collectively. When a child no  
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5 no longer dependent.

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8 (4) If upon the retired patrolman's death there is no  
9 surviving spouse or dependent child and if the member had  
10 designated a beneficiary as provided in 19-6-602, the  
11 department shall pay to the designated beneficiary an amount  
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21 If a member is ~~involuntarily~~ discontinued from service other  
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24 filing a written application with the department, be paid  
25 whichever of the following allowances that he elects:

1 (1) the full amount of his accumulated deductions; or  
2 (2) a member's annuity of equivalent actuarial value  
3 to his accumulated deductions plus an annuity which is the  
4 actuarial equivalent of the present value of the state  
5 annuity based on a retirement age of 60."

6 Section 9. Section 19-6-601, MCA, is amended to read:

7 "19-6-601. Disability retirement allowance. (1) In  
8 case of the total disability of a member, permanent in  
9 character, regardless of the length of service of the  
10 member, a disability retirement allowance shall be granted  
11 the member in an amount calculated on the actuarial  
12 equivalent of the member's annuity and the state annuity  
13 standing to his credit at the time of his disability  
14 retirement. If such total disability is a direct result of  
15 any service to the Montana highway patrol in line of duty,  
16 then such patrolman who is totally and permanently disabled  
17 shall be retired on total retirement allowance of one-half  
18 his average final salary regardless of his length of  
19 service.

20 (2) Upon the death of a retired patrolman receiving a  
21 disability retirement allowance as provided in subsection  
22 (1), the allowance must be paid to his surviving spouse or  
23 dependent child, if there is a spouse or child, in the same  
24 manner as provided for in [subsections (2) and (3) of  
25 section 7]."

1 Section 10. Section 19-6-602, MCA, is amended to read:

2 "19-6-602. Nomination of beneficiary. (1) Every  
3 member may name his a beneficiary who is eligible to receive  
4 a retirement allowance if there is no surviving spouse or  
5 dependent child. Nomination is by written designation, duly  
6 acknowledged and filed with the department, and may change  
7 ~~the beneficiary be changed~~ in like manner.

8 (2) Nothing in this section affects the right of a  
9 surviving spouse or dependent child to receive a retirement  
10 allowance."

11 Section 11. Section 19-6-603, MCA, is amended to read:

12 "19-6-603. Payments upon employment-related death. (1)  
13 If the board shall find that a member died as a direct and  
14 proximate result of injury received in the course of his  
15 employment, a retirement allowance shall be paid to his  
16 surviving spouse, dependent child, or designated beneficiary  
17 in the same manner as provided for in [subsections (2)  
18 through (4) of section 7].

19 (2) Such retirement allowance shall consist of:

20 (a) a member's annuity, which shall be the actuarial  
21 equivalent of the member's accumulated deductions standing  
22 to his credit; and

23 (b) the actuarial equivalent of a state annuity which,  
24 when added to the member's annuity, will provide a total  
25 annuity equal to 50% of the final salary of the member, less

1 the amount which is paid to ~~any--such~~ a surviving spouse,  
2 dependent child, or designated beneficiary under the  
3 Workers' Compensation Act of the state of Montana during the  
4 period such compensation is paid or payable."

5 Section 12. Section 19-6-604, MCA, is amended to read:

6 "19-6-604. Payments upon death from other causes. (1)  
7 ~~if--the--retired-patroiman-dies-before-receiving-in-payments~~  
8 ~~the-present-value-of-his--member's--annuity--and--the--state~~  
9 ~~annuity-as-it-was-at-the-time-of-his-retirement--the-balance~~  
10 ~~shall-be-paid-to-his-beneficiary-~~

11 (2) If a member dies before reaching retirement age,  
12 the department shall pay to his surviving spouse, dependent  
13 child, or designated beneficiary in the same manner as  
14 provided for in [subsections (2) through (4) of section 7]  
15 ~~shall-be-entitled-to~~ the actuarial equivalent of the options  
16 as provided in 19-6-503."

17 NEW SECTION. Section 13. Extension of authority. Any  
18 existing authority of the public employees' retirement board  
19 to make rules on the subject of the provisions of this act  
20 is extended to the provisions of this act.

21 NEW SECTION. Section 14. Repealer. Section 19-6-701,  
22 MCA, is repealed.

23 NEW SECTION. Section 15. Codification instruction.  
24 Section 7 is intended to be codified as an integral part of  
25 Title 19, chapter 6, and the provisions of Title 19, chapter

LC 0547/01

1 6, apply to section 7.  
2 NEW SECTION. Section 16. Effective date. This act is  
3 effective July 1, 1985.

-End-

Montgomery  
 Lambert  
 Lynch  
 Smith  
 Heiser  
 Fabian  
 J. Brown  
 Vincent  
 Kanan  
 Adams

Smith

HOUSE BILL NO. 291

INTRODUCED BY

*Richard E. Manning*  
 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING PROVISIONS  
 CONCERNING THE HIGHWAY PATROLMEN'S RETIREMENT SYSTEM;

DEFINING RETIREMENT BENEFITS AVAILABLE UPON THE DEATH OF A  
 PATROLMAN TO HIS SURVIVING SPOUSE, DEPENDENT CHILD,  
 DESIGNATED BENEFICIARY, OR ESTATE; DEFINING THE REFUND  
 AVAILABLE TO CERTAIN PATROLMEN UPON RESIGNATION; INCREASING  
 THE SERVICE RETIREMENT ALLOWANCE FOR CERTAIN MEMBERS;  
 INCREASING THE EMPLOYEE'S AND STATE'S CONTRIBUTIONS TO THE  
 RETIREMENT SYSTEM; DEFINING THE ELIGIBILITY REQUIREMENTS FOR  
 SERVICE RETIREMENT FOR A PATROLMAN HIRED AFTER JULY 1, 1985;  
 PROVIDING PAYMENT OF A RETIREMENT ALLOWANCE TO CERTAIN  
 HIGHWAY PATROLMEN WHO HAVE BEEN DISCONTINUED FROM SERVICE  
 AFTER COMPLETING 5 YEARS OR MORE OF SERVICE; AMENDING  
 SECTIONS 19-6-101, 19-6-402 THROUGH 19-6-404, 19-6-501  
 THROUGH 19-6-503, AND 19-6-601 THROUGH 19-6-604, MCA;  
 REPEALING SECTION 19-6-701, MCA; AND PROVIDING AN EFFECTIVE  
 DATE."

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

Section 1. 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 (1) "Account" means the Montana highway patrolmen's
- 2 retirement pension trust fund.
- 3 (2) "Accumulated deductions" means the total of the
- 4 amounts deducted from the salary of a member, paid into the
- 5 account, and standing to his credit in the account, together
- 6 with the regular interest thereon.
- 7 (3) "Actuarial equivalent" means a benefit of equal
- 8 value when computed on the basis of the actuarial tables in
- 9 use by the system.
- 10 (4) "Beneficiary" means a surviving spouse or
- 11 dependent child or, if there is no surviving spouse or
- 12 dependent child, a person nominated to receive benefits
- 13 under this chapter by a member's written designation, duly
- 14 acknowledged and filed with the department 19-6-602.
- 15 (5) "Board" means the public employees' retirement
- 16 board provided for in 2-15-1009.
- 17 (6) "Compulsory retirement age" means 60 years of age.
- 18 (7) "Department" means the public employees'
- 19 retirement division of the department of administration.
- 20 (8) "Dependent child" means an unmarried child of a
- 21 deceased retired patrolman, who is:
- 22 (a) under 18 years of age; or
- 23 (b) under 24 years of age and attending an accredited
- 24 postsecondary educational institution as a full-time student
- 25 in anticipation of receiving a certificate or degree.



{8}{9} "Final salary" means the average annual compensation received by a member, 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 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.

{9}{10} "Member" means a person who has accumulated deductions in the account standing to his credit.

{10}{11} "Member's annuity" means payments for life derived from contributions made by the member.

{11}{12} "Retired patrolman" means a person in receipt of a retirement allowance under this chapter.

{12}{13} "Retirement age" means the age at which a member retires after 25 years of creditable service with the Montana highway patrol or 60 years of age, whichever occurs first.

{13}{14} "Retirement allowance" means the state annuity

plus the member's annuity.

{14}{15} "State annuity" means payments for life derived from contributions made by the state of Montana.

{16} "Surviving spouse" means the spouse married to a retired patrolman at the time of the retired patrolman's death."

Section 2. Section 19-6-402, MCA, is amended to read:

"19-6-402. Member's contribution. Every member shall be required to contribute into the account a sum equal to ~~6-1/2%~~ 6.59% of his monthly salary, which sum shall be deducted from his salary and deposited to his credit in the account."

Section 3. Section 19-6-403, MCA, is amended to read:

"19-6-403. Refund of member's contribution. (1) Where If a member resigns-of-his-own-volition-or is discharged for cause before becoming entitled to a retirement allowance, then the deductions standing to his credit shall be paid to him.

(2) If a member resigns of his own volition before becoming entitled to a retirement allowance, his accumulated deductions shall be paid to him."

Section 4. Section 19-6-404, MCA, is amended to read:

"19-6-404. State's contribution. The state of Montana shall annually contribute to the account an amount equal to ~~16-57%~~ 18.58% of the salaries paid to the highway patrolmen

1 who are covered by this account from the general fund."

2 Section 5. Section 19-6-501, MCA, is amended to read:

3 "19-6-501. Eligibility and application for service  
4 retirement allowance -- commencement of allowance.

5 (1) (a) A member in-service--who--has--completed--at--least  
6 first employed by the Montana highway patrol on or before  
7 July 1, 1985, is eligible to receive a service retirement  
8 allowance after completing 20 years or more of creditable  
9 service. may retire on a service retirement--allowance--upon  
10 written application

11 (b) A member first employed by the Montana highway  
12 patrol after July 1, 1985, is eligible to receive a service  
13 retirement allowance when he has reached age 50 and has  
14 completed 20 years or more of creditable service.

15 (2) A member eligible to receive a retirement  
16 allowance as provided in subsection (1) must apply in  
17 writing to the department setting forth at what time he  
18 desires to be retired, which may not be less than 30 days or  
19 more than 90 days subsequent to the filing thereof.

20 (2)(3) The retirement allowance must commence on the  
21 first day of the month following the member's last day of  
22 covered employment."

23 Section 6. Section 19-6-502, MCA, is amended to read:

24 "19-6-502. Service retirement allowance. (1) Upon  
25 retirement from service a member shall receive a service

1 retirement allowance which shall consist of the state  
2 annuity plus the member's annuity.

3 (2) The amount of the service retirement allowance  
4 shall be computed as follows:

5 (a)--20 through 25 years, equal 2% of his final salary  
6 for each year of creditable service;

7 (b)--over--25--years,--2%--of--his--final--salary--for--each  
8 year--of--service--through--the--25th--plus--1%--of--his--final--salary  
9 for--each--year--of--service--past--25."

10 NEW SECTION. Section 7. Payment of retirement  
11 allowance. (1) The department shall pay the service  
12 retirement allowance provided for in 19-6-502 to the retired  
13 patrolman for the remainder of his life.

14 (2) Upon the retired patrolman's death, the department  
15 shall pay the retirement allowance to the patrolman's  
16 surviving spouse, if there is one, for as long as the spouse  
17 remains unmarried.

18 (3) (a) If upon the retired patrolman's death there is  
19 no surviving spouse or if the spouse remarries or dies, the  
20 department shall pay the retirement allowance as provided in  
21 subsection (3)(c) to the retired patrolman's child, if there  
22 is one, for as long as the child remains dependent as  
23 defined in 19-6-101.

24 (b) If there is more than one dependent child, the  
25 retirement allowance must be paid as provided in subsection

1 (3)(c) to the children collectively. When a child no  
2 longer qualifies as dependent as defined in 19-6-101, the  
3 pro rata payments to that child must cease and be made to  
4 the remaining child or children until all the children are  
5 no longer dependent.

6 (c) Payments to a dependent child must be made to the  
7 child's appointed guardian for the child's use.

8 (4) If upon the retired patrolman's death there is no  
9 surviving spouse or dependent child and if the member had  
10 designated a beneficiary as provided in 19-6-602, the  
11 department shall pay to the designated beneficiary an amount  
12 equal to the retired patrolman's accumulated deductions less  
13 any retirement benefits paid to the member before his death.

14 (5) If the retired patrolman did not designate a  
15 beneficiary or if the beneficiary predeceased the retired  
16 patrolman, the amount provided in subsection (4) must be  
17 paid to the patrolman's estate.

18 Section 8. Section 19-6-503, MCA, is amended to read:

19 "19-6-503. Involuntary-retirement Retirement allowance  
20 for member discontinued from service other than for cause.

21 If a member is involuntarily discontinued from service other  
22 than for cause after having completed at least 5 years of total  
23 service but before reaching retirement age, he shall, upon  
24 filing a written application with the department, be paid  
25 whichever of the following allowances that he elects:

1 (1) the full amount of his accumulated deductions; or

2 (2) a member's annuity of equivalent actuarial value  
3 to his accumulated deductions plus an annuity which is the  
4 actuarial equivalent of the present value of the state  
5 annuity based on a retirement age of 60."

6 Section 9. Section 19-6-601, MCA, is amended to read:

7 "19-6-601. Disability retirement allowance. (1) In  
8 case of the total disability of a member, permanent in  
9 character, regardless of the length of service of the  
10 member, a disability retirement allowance shall be granted  
11 the member in an amount calculated on the actuarial  
12 equivalent of the member's annuity and the state annuity  
13 standing to his credit at the time of his disability  
14 retirement. If such total disability is a direct result of  
15 any service to the Montana highway patrol in line of duty,  
16 then such patrolman who is totally and permanently disabled  
17 shall be retired on total retirement allowance of one-half  
18 his average final salary regardless of his length of  
19 service.

20 (2) Upon the death of a retired patrolman receiving a  
21 disability retirement allowance as provided in subsection  
22 (1), the allowance must be paid to his surviving spouse or  
23 dependent child, if there is a spouse or child, in the same  
24 manner as provided for in [subsections (2) and (3) of  
25 section 7]."

1 Section 10. Section 19-6-602, MCA, is amended to read:

2 "19-6-602. Nomination of beneficiary. (1) Every  
3 member may name his a beneficiary who is eligible to receive  
4 a retirement allowance if there is no surviving spouse or  
5 dependent child. Nomination is by written designation, duly  
6 acknowledged and filed with the department, and may change  
7 the-beneficiary be changed in like manner.

8 (2) Nothing in this section affects the right of a  
9 surviving spouse or dependent child to receive a retirement  
10 allowance."

11 Section 11. Section 19-6-603, MCA, is amended to read:

12 "19-6-603. Payments upon employment-related death. (1)  
13 If the board shall find that a member died as a direct and  
14 proximate result of injury received in the course of his  
15 employment, a retirement allowance shall be paid to his  
16 surviving spouse, dependent child, or designated beneficiary  
17 in the same manner as provided for in [subsections (2)  
18 through (4) of section 7].

19 (2) Such retirement allowance shall consist of:

20 (a) a member's annuity, which shall be the actuarial  
21 equivalent of the member's accumulated deductions standing  
22 to his credit; and

23 (b) the actuarial equivalent of a state annuity which,  
24 when added to the member's annuity, will provide a total  
25 annuity equal to 50% of the final salary of the member, less

1 the amount which is paid to any--such a surviving spouse,  
2 dependent child, or designated beneficiary under the  
3 Workers' Compensation Act of the state of Montana during the  
4 period such compensation is paid or payable."

5 Section 12. Section 19-6-604, MCA, is amended to read:

6 "19-6-604. Payments upon death from other causes. {1}  
7 ~~If--the--retired-patrolman-dies-before-receiving-in-payments~~  
8 ~~the-present-value-of-his--member's--annuity--and--the--state~~  
9 ~~annuity-as-it-was-at-the-time-of-his-retirement,--the-balance~~  
10 ~~shall-be-paid-to-his-beneficiary-~~

11 {2} If a member dies before reaching retirement age,  
12 the department shall pay to his surviving spouse, dependent  
13 child, or designated beneficiary in the same manner as  
14 provided for in [subsections (2) through (4) of section 7]  
15 ~~shall-be-entitled-to~~ the actuarial equivalent of the options  
16 as provided in 19-6-503."

17 NEW SECTION. Section 13. Extension of authority. Any  
18 existing authority of the public employees' retirement board  
19 to make rules on the subject of the provisions of this act  
20 is extended to the provisions of this act.

21 NEW SECTION. Section 14. Repealer. Section 19-6-701,  
22 MCA, is repealed.

23 NEW SECTION. Section 15. Codification instruction.  
24 Section 7 is intended to be codified as an integral part of  
25 Title 19, chapter 6, and the provisions of Title 19, chapter

LC 0547/01

1 6, apply to section 7.  
2 NEW SECTION. Section 16. Effective date. This act is  
3 effective July 1, 1985.

-End-

## 1 HOUSE BILL NO. 291

2 INTRODUCED BY O'CONNELL, JACK MOORE, KEYSER, PISTORIA,  
 3 HARRINGTON, BERGENE, BRANDEWIE, MILLER, MANNING, GARCIA,  
 4 CHRISTIAENS, VAN VALKENBURG, LORY, PECK, J. HAMMOND,  
 5 REAM, HARP, HARBIN, HART, MENAHAN, JONES, MCCORMICK,  
 6 BACHINI, O'HARA, KOEHNKE, BRADLEY, SPAETH, FRITZ, MANUEL,  
 7 DRISCOLL, NISBET, HOLLIDAY, ADDY, QUILICI, KRUEGER,  
 8 D. BROWN, SCHYE, SWIFT, MONTAYNE, PAVLOVICH, LYNCH,  
 9 HARDING, E. SMITH, HIRSCH, B. WILLIAMS, BOYLAN, JACOBSON,  
 10 HAND, J. BROWN, KADAS, HOWE, KENNERLY, VINCENT, KEENAN,  
 11 MILES, ABRAMS, DONALDSON, CONNELLY, C. SMITH,  
 12 BLAYLOCK, LYBECK, ZABROCKI

13  
 14 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING PROVISIONS  
 15 CONCERNING THE HIGHWAY PATROLMEN'S RETIREMENT SYSTEM;  
 16 DEFINING RETIREMENT BENEFITS AVAILABLE UPON THE DEATH OF A  
 17 PATROLMAN TO HIS SURVIVING SPOUSE, DEPENDENT CHILD,  
 18 DESIGNATED BENEFICIARY, OR ESTATE; DEFINING THE REFUND  
 19 AVAILABLE TO CERTAIN PATROLMEN UPON RESIGNATION; INCREASING  
 20 THE SERVICE RETIREMENT ALLOWANCE FOR CERTAIN MEMBERS;  
 21 INCREASING THE EMPLOYEE'S AND STATE'S CONTRIBUTIONS TO THE  
 22 RETIREMENT SYSTEM; DEFINING THE ELIGIBILITY REQUIREMENTS FOR  
 23 SERVICE RETIREMENT FOR A PATROLMAN HIRED AFTER JULY 1, 1985;  
 24 PROVIDING PAYMENT OF A RETIREMENT ALLOWANCE TO CERTAIN  
 25 HIGHWAY PATROLMEN WHO HAVE BEEN DISCONTINUED FROM SERVICE

1 AFTER COMPLETING 5 YEARS OR MORE OF SERVICE; AMENDING  
 2 SECTIONS 19-6-101, 19-6-402 THROUGH 19-6-404, 19-6-501  
 3 THROUGH 19-6-503, AND 19-6-601 THROUGH 19-6-604, MCA;  
 4 REPEALING SECTION 19-6-701, MCA; AND PROVIDING AN EFFECTIVE  
 5 DATE."  
 6

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

8 Section 1. Section 19-6-101, MCA, is amended to read:

9 "19-6-101. Definitions. Unless the context requires  
 10 otherwise, the following definitions apply in this chapter:

11 (1) "Account" means the Montana highway patrolmen's  
 12 retirement pension trust fund.

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

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

20 (4) "Beneficiary" means a surviving spouse or  
 21 dependent child or, if there is no surviving spouse or  
 22 dependent child, a person nominated to receive benefits  
 23 under this--chapter-by-a-member's-written-designation,-duly  
 24 acknowledged-and-filed-with-the-department 19-6-602.

25 (5) "Board" means the public employees' retirement

REFERENCE BILL

1 board provided for in 2-15-1009.

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

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

5 (8) "Dependent child" means an unmarried child of a  
6 deceased retired patrolman, who is:

7 (a) under 18 years of age; or

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

11 ~~(8)~~(9) "Final salary" means the average annual  
12 compensation received by a member, before any deductions  
13 have been made and exclusive of maintenance, allowances, and  
14 expenses, for any 3 years of continuous service upon which  
15 contributions have been made or, in the event a member has  
16 not served 3 years, the total compensation earned divided by  
17 the number of years served. Lump-sum payments for sick leave  
18 and annual leave paid to an employee upon termination of  
19 employment may be used in the calculation of a retirement  
20 allowance only to the extent that they are used to replace,  
21 on a month for month basis, the normal compensation for a  
22 month or months included in the calculation of the final  
23 salary. A lump-sum payment may not be added to a single  
24 month's compensation.

25 ~~(9)~~(10) "Member" means a person who has accumulated

1 deductions in the account standing to his credit.

2 ~~(10)~~(11) "Member's annuity" means payments for life  
3 derived from contributions made by the member.

4 ~~(11)~~(12) "Retired patrolman" means a person in receipt  
5 of a retirement allowance under this chapter.

6 ~~(12)~~(13) "Retirement age" means the age at which a  
7 member retires after 25 years of creditable service with the  
8 Montana highway patrol or 60 years of age, whichever occurs  
9 first.

10 ~~(13)~~(14) "Retirement allowance" means the state annuity  
11 plus the member's annuity.

12 ~~(14)~~(15) "State annuity" means payments for life  
13 derived from contributions made by the state of Montana.

14 (16) "Surviving spouse" means the spouse married to a  
15 retired patrolman at the time of the retired patrolman's  
16 death."

17 Section 2. Section 19-6-402, MCA, is amended to read:  
18 "19-6-402. Member's contribution. Every member shall  
19 be required to contribute into the account a sum equal to  
20 ~~6-1/2%~~ 6.59% of his monthly salary, which sum shall be  
21 deducted from his salary and deposited to his credit in the  
22 account."

23 Section 3. Section 19-6-403, MCA, is amended to read:  
24 "19-6-403. Refund of member's contribution. (1) Where  
25 If a member resigns-of-his-own-velition-or is discharged for

1 cause before becoming entitled to a retirement allowance,  
2 then the deductions standing to his credit shall be paid to  
3 him.

4 (2) If a member resigns of his own volition before  
5 becoming entitled to a retirement allowance, his accumulated  
6 deductions shall be paid to him."

7 Section 4. Section 19-6-404, MCA, is amended to read:  
8 "19-6-404. State's contribution. The state of Montana  
9 shall annually contribute to the account an amount equal to  
10 ~~16.57%~~ 18.58% of the salaries paid to the highway patrolmen  
11 who are covered by this account from the general fund."

12 Section 5. Section 19-6-501, MCA, is amended to read:  
13 "19-6-501. Eligibility and application for service  
14 retirement allowance -- commencement of allowance.

15 (1) ~~(a) A member in-service--who--has--completed--at--least~~  
16 first employed by the Montana highway patrol on or before  
17 July 1, 1985, is eligible to receive a service retirement  
18 allowance after completing 20 years or more of creditable  
19 service. ~~may retire on a service retirement--allowance--upon~~  
20 written application

21 (b) A member first employed by the Montana highway  
22 patrol after July 1, 1985, is eligible to receive a service  
23 retirement allowance when he has reached age 50 and has  
24 completed 20 years or more of creditable service.

25 (2) A member eligible to receive a retirement

1 allowance as provided in subsection (1) must apply in  
2 writing to the department setting forth at what time he  
3 desires to be retired, which may not be less than 30 days or  
4 more than 90 days subsequent to the filing thereof.

5 ~~(2)~~(3) The retirement allowance must commence on the  
6 first day of the month following the member's last day of  
7 covered employment."

8 Section 6. Section 19-6-502, MCA, is amended to read:

9 "19-6-502. Service retirement allowance. (1) Upon  
10 retirement from service a member shall receive a service  
11 retirement allowance which shall consist of the state  
12 annuity plus the member's annuity.

13 (2) The amount of the service retirement allowance  
14 shall be computed as follows:

15 ~~(a)--20-through-25-years,~~ equal 2% of his final salary  
16 for each year of creditable service;

17 ~~(b)--over--25--years,--2%--of-his-final-salary-for-each~~  
18 ~~year-of-service-through-the-25th-plus-1%--of-his-final-salary~~  
19 ~~for-each-year-of-service-past-25."~~

20 NEW SECTION. Section 7. Payment of retirement  
21 allowance. (1) The department shall pay the service  
22 retirement allowance provided for in 19-6-502 to the retired  
23 patrolman for the remainder of his life.

24 (2) Upon the retired patrolman's death, the department  
25 shall pay the retirement allowance to the patrolman's



1 surviving spouse, if there is one, for as long as the spouse  
2 remains unmarried.

3 (3) (a) If upon the retired patrolman's death there is  
4 no surviving spouse or if the spouse remarries or dies, the  
5 department shall pay the retirement allowance as provided in  
6 subsection (3)(c) to the retired patrolman's child, if there  
7 is one, for as long as the child remains dependent as  
8 defined in 19-6-101.

9 (b) If there is more than one dependent child, the  
10 retirement allowance must be paid as provided in subsection  
11 (3)(c) to the children collectively. When a child no  
12 longer qualifies as dependent as defined in 19-6-101, the  
13 pro rata payments to that child must cease and be made to  
14 the remaining child or children until all the children are  
15 no longer dependent.

16 (c) Payments to a dependent child must be made to the  
17 child's appointed guardian for the child's use.

18 (4) If upon the retired patrolman's death there is no  
19 surviving spouse or dependent child and if the member had  
20 designated a beneficiary as provided in 19-6-602, the  
21 department shall pay to the designated beneficiary an amount  
22 equal to the retired patrolman's accumulated deductions less  
23 any retirement benefits paid to the member before his death.

24 (5) If the retired patrolman did not designate a  
25 beneficiary or if the beneficiary predeceased the retired

1 patrolman, the amount provided in subsection (4) must be  
2 paid to the patrolman's estate.

3 Section 8. Section 19-6-503, MCA, is amended to read:  
4 "19-6-503. ~~Involuntary-retirement~~ Retirement allowance  
5 for member discontinued from service other than for cause.

6 If a member is ~~involuntarily~~ discontinued from service other  
7 than for cause after having completed ~~at~~ 5 years of total  
8 service but before reaching retirement age, he shall, upon  
9 filing a written application with the department, be paid  
10 whichever of the following allowances that he elects:

11 (1) the full amount of his accumulated deductions; or  
12 (2) a member's annuity of equivalent actuarial value  
13 to his accumulated deductions plus an annuity which is the  
14 actuarial equivalent of the present value of the state  
15 annuity based on a retirement age of 60."

16 Section 9. Section 19-6-601, MCA, is amended to read:  
17 "19-6-601. Disability retirement allowance. (1) In  
18 case of the total disability of a member, permanent in  
19 character, regardless of the length of service of the  
20 member, a disability retirement allowance shall be granted  
21 the member in an amount calculated on the actuarial  
22 equivalent of the member's annuity and the state annuity  
23 standing to his credit at the time of his disability  
24 retirement. If such total disability is a direct result of  
25 any service to the Montana highway patrol in line of duty,

1 then such patrolman who is totally and permanently disabled  
 2 shall be retired on total retirement allowance of one-half  
 3 his average final salary regardless of his length of  
 4 service.

5 (2) Upon the death of a retired patrolman receiving a  
 6 disability retirement allowance as provided in subsection  
 7 (1), the allowance must be paid to his surviving spouse or  
 8 dependent child, if there is a spouse or child, in the same  
 9 manner as provided for in [subsections (2) and (3) of  
 10 section 7]."

11 Section 10. Section 19-6-602, MCA, is amended to read:

12 "19-6-602. Nomination of beneficiary. (1) Every  
 13 member may name his a beneficiary who is eligible to receive  
 14 a retirement allowance if there is no surviving spouse or  
 15 dependent child. Nomination is by written designation, duly  
 16 acknowledged and filed with the department, and may change  
 17 ~~the beneficiary be changed~~ in like manner.

18 (2) Nothing in this section affects the right of a  
 19 surviving spouse or dependent child to receive a retirement  
 20 allowance."

21 Section 11. Section 19-6-603, MCA, is amended to read:

22 "19-6-603. Payments upon employment-related death. (1)  
 23 If the board shall find that a member died as a direct and  
 24 proximate result of injury received in the course of his  
 25 employment, a retirement allowance shall be paid to his

1 surviving spouse, dependent child, or designated beneficiary  
 2 in the same manner as provided for in [subsections (2)  
 3 through (4) of section 7].

4 (2) Such retirement allowance shall consist of:

5 (a) a member's annuity, which shall be the actuarial  
 6 equivalent of the member's accumulated deductions standing  
 7 to his credit; and

8 (b) the actuarial equivalent of a state annuity which,  
 9 when added to the member's annuity, will provide a total  
 10 annuity equal to 50% of the final salary of the member, less  
 11 the amount which is paid to ~~any--such a~~ surviving spouse,  
 12 dependent child, or designated beneficiary under the  
 13 Workers' Compensation Act of the state of Montana during the  
 14 period such compensation is paid or payable."

15 Section 12. Section 19-6-604, MCA, is amended to read:

16 "19-6-604. Payments upon death from other causes. ~~{1}~~  
 17 ~~if--the--retired-patrolman-dies-before-receiving-in-payments~~  
 18 ~~the-present-value-of-his--member's--annuity--and--the--state~~  
 19 ~~annuity-as-it-was-at-the-time-of-his-retirement, the-balance~~  
 20 ~~shall-be-paid-to-his-beneficiary.~~

21 {2} If a member dies before reaching retirement age,  
 22 the department shall pay to his surviving spouse, dependent  
 23 child, or designated beneficiary in the same manner as  
 24 provided for in [subsections (2) through (4) of section 7]  
 25 ~~shall-be-entitled-to~~ the actuarial equivalent of the options

1 as provided in 19-6-503."

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

6 NEW SECTION. Section 14. Repealer. Section 19-6-701,  
7 MCA, is repealed.

8 NEW SECTION. Section 15. Codification instruction.  
9 Section 7 is intended to be codified as an integral part of  
10 Title 19, chapter 6, and the provisions of Title 19, chapter  
11 6, apply to section 7.

12 NEW SECTION. Section 16. Effective date. This act is  
13 effective July 1, 1985.

-End-