

HOUSE BILL NO. 298

INTRODUCED BY EUDAILY, LORY, SCHULTZ, PECK

IN THE HOUSE

January 21, 1985 Introduced and referred to
 Committee on State
 Administration.

February 1, 1985 Committee recommend bill do pass.
 Report adopted.

 Bill printed and placed on
 members' desks.

February 2, 1985 Second reading, do pass.

 Considered correctly engrossed.

February 4, 1985 Third reading, passed.
 Ayes, 94; Noes, 5.

 Transmitted to Senate.

IN THE SENATE

February 7, 1985 Introduced and referred to
 Committee on Education and
 Cultural Resources.

March 7, 1985 Committee recommend bill be
 concurred in as amended. Report
 adopted.

March 9, 1985 Second reading, concurred in.

March 12, 1985 Third reading, concurred in.
 Ayes, 50; Noes, 0.

 Returned to House with
 amendments.

IN THE HOUSE

March 13, 1985

Received from Senate.

April 4, 1985

Second reading, amendments
concurrent in.

April 5, 1985

Third reading, amendments
concurrent in.

Sent to enrolling.

Reported correctly enrolled.

1 House BILL NO. 298
 2 INTRODUCED BY Adairly Jay Reddy, Peck
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A RETIRED
 5 MEMBER OF THE TEACHERS' RETIREMENT SYSTEM WHO IS RECEIVING
 6 AN OPTIONAL RETIREMENT ALLOWANCE TO DESIGNATE A DIFFERENT
 7 BENEFICIARY, SELECT A DIFFERENT OPTION, OR CONVERT HIS
 8 OPTIONAL RETIREMENT ALLOWANCE TO A REGULAR RETIREMENT OR
 9 DISABILITY ALLOWANCE UNDER CERTAIN CIRCUMSTANCES; AMENDING
 10 SECTION 19-4-702, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
 11 DATE."
 12

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

14 Section 1. Section 19-4-702, MCA, is amended to read:
 15 "19-4-702. Optional allowances. (1) Until the first
 16 payment on account of any benefit becomes normally due, any
 17 member may elect to receive one of the optional allowances
 18 described in subsection (2) in lieu of the normal form of
 19 retirement allowance, which is provided for in part 8 of
 20 this chapter and 19-4-902. If a beneficiary dies within 30
 21 days after retirement, his election to receive an optional
 22 allowance is void and his death will be considered as that
 23 of an active member.
 24 (2) An optional allowance is the actuarial equivalent
 25 of the member's retirement or disability allowance at the

1 time of his retirement and provides an allowance payable to
 2 him throughout his lifetime and, upon his death, an
 3 allowance payable to the person that he nominated by written
 4 designation, duly acknowledged and filed with the retirement
 5 board at the time of his retirement, in accordance with one
 6 of the following options:

7 (a) Option A--the optional allowance will be paid to
 8 the member throughout his lifetime and, upon his death,
 9 continue throughout the lifetime of his designated
 10 beneficiary.

11 (b) Option B--the optional allowance will be paid to
 12 the member throughout his lifetime, and upon his death,
 13 one-half of the optional allowance will be continued
 14 throughout the lifetime of his designated beneficiary.

15 (c) Option C--the optional allowance will be paid to
 16 the member throughout his lifetime, and upon his death,
 17 two-thirds of the optional allowance will be continued
 18 throughout the lifetime of his designated beneficiary.

19 (d) Option D--the optional allowance will be paid to
 20 the member while both the member and his designated
 21 beneficiary are living, and upon the death of either,
 22 one-half of the optional allowance will be continued
 23 throughout the lifetime of the survivor.

24 (e) Option E--the optional allowance will be paid to
 25 the member while both the member and his designated

1 beneficiary are living, and upon the death of either,
2 two-thirds of the optional allowance will be continued
3 throughout the lifetime of the survivor.

4 (f) Option F--some other benefit will be paid either
5 to the member or his surviving designated beneficiary in
6 accordance with provisions approved by the retirement board.

7 (3) (a) Upon written request to the retirement board,
8 a retired member who is receiving an optional retirement
9 allowance may on a one-time basis designate a different
10 beneficiary, select a different option, or convert his
11 optional retirement allowance to a regular retirement or
12 disability allowance if:

- 13 (i) the original beneficiary has died; or
- 14 (ii) the member has been divorced from the original
15 beneficiary and the member submits with his request a sworn
16 statement that the original beneficiary has not been granted
17 the right to receive the optional retirement allowance as
18 part of the divorce settlement.

19 (b) Upon receipt of the request, the board shall
20 actuarially adjust the member's monthly retirement or
21 disability allowance to reflect the change."

22 NEW SECTION. Section 2. Extension of authority. Any
23 existing authority of the teachers' retirement board to make
24 rules on the subject of the provisions of this act is
25 extended to the provisions of this act.

1 NEW SECTION. Section 3. Effective date. This act is
2 effective on passage and approval.

-End-

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19 retirement allowance, which is provided for in part 8 of
20 this chapter and 19-4-902. If a beneficiary dies within 30
21 days after retirement, his election to receive an optional
22 allowance is void and his death will be considered as that
23 of an active member.

24 (2) An optional allowance is the actuarial equivalent
25 of the member's retirement or disability allowance at the

1 time of his retirement and provides an allowance payable to
2 him throughout his lifetime and, upon his death, an
3 allowance payable to the person that he nominated by written
4 designation, duly acknowledged and filed with the retirement
5 board at the time of his retirement, in accordance with one
6 of the following options:

7 (a) Option A--the optional allowance will be paid to
8 the member throughout his lifetime and, upon his death,
9 continue throughout the lifetime of his designated
10 beneficiary.

11 (b) Option B--the optional allowance will be paid to
12 the member throughout his lifetime, and upon his death,
13 one-half of the optional allowance will be continued
14 throughout the lifetime of his designated beneficiary.

15 (c) Option C--the optional allowance will be paid to
16 the member throughout his lifetime, and upon his death,
17 two-thirds of the optional allowance will be continued
18 throughout the lifetime of his designated beneficiary.

19 (d) Option D--the optional allowance will be paid to
20 the member while both the member and his designated
21 beneficiary are living, and upon the death of either,
22 one-half of the optional allowance will be continued
23 throughout the lifetime of the survivor.

24 (e) Option E--the optional allowance will be paid to
25 the member while both the member and his designated

1 beneficiary are living, and upon the death of either,
 2 two-thirds of the optional allowance will be continued
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4 (f) Option F--some other benefit will be paid either
 5 to the member or his surviving designated beneficiary in
 6 accordance with provisions approved by the retirement board.

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 8 a retired member who is receiving an optional retirement
 9 allowance may on a one-time basis designate a different
 10 beneficiary, select a different option, or convert his
 11 optional retirement allowance to a regular retirement or
 12 disability allowance if:

13 (i) the original beneficiary has died; or

14 (ii) the member has been divorced from the original
 15 beneficiary and the member submits with his request a sworn
 16 statement that the original beneficiary has not been granted
 17 the right to receive the optional retirement allowance as
 18 part of the divorce settlement.

19 (b) Upon receipt of the request, the board shall
 20 actuarially adjust the member's monthly retirement or
 21 disability allowance to reflect the change."

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21 days after retirement, his election to receive an optional
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23 of an active member.

24 (2) An optional allowance is the actuarial equivalent
25 of the member's retirement or disability allowance at the

1 time of his retirement and provides an allowance payable to
2 him throughout his lifetime and, upon his death, an
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STANDING COMMITTEE REPORT

SENATE

March 6, 1985

MR. PRESIDENT

We, your committee on EDUCATION AND CULTURAL RESOURCES

having had under consideration HOUSE BILL No. 298

third reading copy (blue)
color

(Regan will carry the bill.)

PERMITTING CHANGES IN OPTIONAL RETIREMENT ALLOWANCES UNDER TEACHERS' SYSTEM

Respectfully report as follows: That HOUSE BILL No. 298

be amended as follows:

1. Page 3, line 9.

Following: "may"

Strike: "on a one-time basis"

2. Page 3, lines 15 and 16.

Following: "and" on line 15

Strike: the remainder of line 15 through "that" on line 16

AND AS AMENDED
BE CONCURRED IN

~~XXXXXXXX~~

~~XXXXXXXX~~

Chet Blaylock
Senator Chet Blaylock,

Chairman.

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