HOUSE BILL NO. 389

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INTRODUCED BY EUDAILY

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

IN THE HOUSE

January 23, 1	1985	Introduced and referred to Committee on State Administration.
February 1, 1	1985	Committee recommend bill do pass. Report adopted.
		Bill printed and placed on members, desks.
February 2, 1	1985	Second reading, do pass.
		Considered correctly engrossed.
February 4, 1	1985	Third reading, passed. Ayes, 96; Noes, 4.
		Transmitted to Senate.
	IN THE S	SENATE
February 7, 1	1985	Introduced and referred to Committee on State Administration.
March 13, 198	85	Committee recommend bill be concurred in as amended. Report adopted.
March 15, 198	85	Second reading, concurred in.
March 18, 198	85	Third reading, concurred in. Ayes, 49; Noes, 0.
		Returned to House with amendments.

IN THE HOUSE

March 19, 1985

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April 5, 1985

April 8, 1985

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Received from Senate.

Second reading, amendments concurred in.

Third reading, amendments concurred in.

Sent to enrolling.

Reported correctly enrolled.

INTRODUCED BY Lufaily 2 BY REQUEST OF THE PUBLIC EMPLOYEES' 3 RETIREMENT BOARD 4 5 A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A RETIRED 6 MEMBER OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO IS 7 RECEIVING AN OPTIONAL RETIREMENT ALLOWANCE TO DESIGNATE A 8 DIFFERENT CONTINGENT ANNUITANT, SELECT A DIFFERENT OPTION, 9 OR CONVERT HIS OPTIONAL RETIREMENT ALLOWANCE TO A REGULAR 10 RETIREMENT ALLOWANCE UNDER CERTAIN CIRCUMSTANCES; AMENDING 11 SECTION 19-3-1101, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE 12 13 DATE."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 15

Section 1. Section 19-3-1101, MCA, is amended to read: 16 "19-3-1101. Optional retirement allowance. (1) The 17 retirement allowance of a member who so elects shall be 18 converted, in lieu of all other benefits under this chapter, 19 into an optional retirement allowance which is the actuarial 20 equivalent of the regular retirement allowance. The optional 21 retirement allowance is a reduced amount payable during the 22 member's lifetime with a subsequent benefit as follows: 23

(a) option 2--a continuation of the reduced retirement 24 allowance during the lifetime of his named contingent 25



annuitant: 1 2 (b) option 3--a continuation of one-half of the 3 reduced retirement allowance during the lifetime of his named contingent annuitant; 4 5 (c) option 4--such other actuarially equivalent б benefit as may be approved by the board. 7 (2) Election of an optional retirement allowance must 8 be by written application filed prior to the first payment 9 of the regular retirement allowance. (3) If either the member or his contingent annuitant 10 11 dies before the member has received the first payment under option 2 or 3, the election of the option is automatically 12 13 canceled. (4) If a member dies after retirement and within 30 14 15 days from the date his election or changed election of an optional retirement allowance is received by the board, then 16 the election is void and the death is considered as that of 17 18 a member before retirement. (5) (a) Upon written request to the board, a retired 19 member who is receiving an optional retirement allowance may 20 on a one-time basis designate a different contingent 21 annuitant, select a different option, or convert his 22 optional retirement allowance to a regular retirement 23 24 allowance if:

25 (i) the original contingent annuitant has died; or

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(ii) the member has been divorced from the original 1 contingent annuitant and the member submits with his request 2 a sworn statement that the original contingent annuitant has 3 not been granted the right to receive the optional 4 retirement allowance as part of the divorce settlement. 5 6 (b) Upon receipt of the request, the board shall 7 actuarially adjust the member's monthly retirement allowance to reflect the change." 8 NEW SECTION. Section 2. Extension of authority. Any 9 existing authority of the public employees' retirement board 10 11 to make rules on the subject of the provisions of this act .

12 is extended to the provisions of this act.

13 <u>NEW SECTION.</u> Section 3. Effective date. This act is
14 effective on passage and approval'.

-End-

LC 0740/01 APPROVED BY COMMITTEE ON STATE ADMINISTRATION

-N Montana Legislative Council

1	HOUSE BILL NO. 389
2	INTRODUCED BY Cularly
3	BY REQUEST of THE PUBLIC EMPLOYEES'
4	RETIREMENT BOARD
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6	A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A RETIRED
7	MEMBER OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO IS
8	RECEIVING AN OPTIONAL RETIREMENT ALLOWANCE TO DESIGNATE A
9	DIFFERENT CONTINGENT ANNUITANT, SELECT A DIFFERENT OPTION,
10	OR CONVERT HIS OPTIONAL RETIREMENT ALLOWANCE TO A REGULAR
11	RETIREMENT ALLOWANCE UNDER CERTAIN CIRCUMSTANCES; AMENDING
12	SECTION 19-3-1101, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
13	DATE."
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15	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
16	Section 1. Section 19-3-1101, MCA, is amended to read:
17	"19-3-1101. Optional retirement allowance. (1) The
18	retirement allowance of a member who so elects shall be
19	converted, in lieu of all other benefits under this chapter,
20	into an optional retirement allowance which is the actuarial
21	equivalent of the regular retirement allowance. The optional
22	retirement allowance is a reduced amount payable during the
23	member's lifetime with a subsequent benefit as follows:
24	(a) option 2a continuation of the reduced retirement
25	allowance during the lifetime of his named contingent

l annuitant;

2 (b) option 3--a continuation of one-half of the
3 reduced retirement allowance during the lifetime of his
4 named contingent annuitant;

5 (c) option 4--such other actuarially equivalent
6 benefit as may be approved by the board.

7 (2) Election of an optional retirement allowance must
8 be by written application filed prior to the first payment
9 of the regular retirement allowance.

10 (3) If either the member or his contingent annuitant 11 dies before the member has received the first payment under 12 option 2 or 3, the election of the option is automatically 13 canceled.

14 (4) If a member dies after retirement and within 30 15 days from the date his election or changed election of an 16 optional retirement allowance is received by the board, then 17 the election is void and the death is considered as that of 18 a member before retirement.

19 (5) (a) Upon written request to the board, a retired 20 member who is receiving an optional retirement allowance may 21 on a one-time basis designate a different contingent 22 annuitant, select a different option, or convert his 23 optional retirement allowance to a regular retirement 24 allowance if:

25 (i) the original contingent annuitant has died; or

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(ii) the member has been divorced from the original 1 2 contingent annuitant and the member submits with his request a sworn statement that the original contingent annuitant has 3 not been granted the right to receive the optional 4 5 retirement allowance as part of the divorce settlement. (b) Upon receipt of the request, the board shall 6 actuarially adjust the member's monthly retirement allowance 7 8 to reflect the change." 9 NEW SECTION. Section 2. Extension of authority. Any existing authority of the public employees' retirement board 10 to make rules on the subject of the provisions of this act 11 is extended to the provisions of this act. 12 13 NEW SECTION. Section 3. Effective date. This act is

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effective on passage and approval.

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2	INTRODUCED BY Cultury
3	BY REQUEST of THE PUBLIC EMPLOYEES'
4	RETIREMENT BOARD
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6	A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A RETIRED
7	MEMBER OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO IS
8	RECEIVING AN OPTIONAL RETIREMENT ALLOWANCE TO DESIGNATE A
9	DIFFERENT CONTINGENT ANNUITANT, SELECT A DIFFERENT OPTION,
10	OR CONVERT HIS OPTIONAL RETIREMENT ALLOWANCE TO A REGULAR
11	RETIREMENT ALLOWANCE UNDER CERTAIN CIRCUMSTANCES; AMENDING
12	SECTION 19-3-1101, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
13	DATE."
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15	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
16	Section 1. Section 19-3-1101, MCA, is amended to read:
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18	retirement allowance of a member who so elects shall be
19	converted, in lieu of all other benefits under this chapter,

19 converted, in flew of all other benefits under this chapter, 20 into an optional retirement allowance which is the actuarial 21 equivalent of the regular retirement allowance. The optional 22 retirement allowance is a reduced amount payable during the 23 member's lifetime with a subsequent benefit as follows:

24 (a) option 2--a continuation of the reduced retirement
25 allowance during the lifetime of his named contingent

Montana Legislative Council

1 annuitant;

2 (b) option 3--a continuation of one-half of the
3 reduced retirement allowance during the lifetime of his
4 named contingent annuitant;

5 (c) option 4--such other actuarially equivalent
6 benefit as may be approved by the board.

7 (2) Election of an optional retirement allowance must
8 be by written application filed prior to the first payment
9 of the regular retirement allowance.

10 (3) If either the member or his contingent annuitant 11 dies before the member has received the first payment under 12 option 2 or 3, the election of the option is automatically 13 canceled.

14 (4) If a member dies after retirement and within 30 15 days from the date his election or changed election of an 16 optional retirement allowance is received by the board, then 17 the election is void and the death is considered as that of 18 a member before retirement.

19 (5) (a) Upon written request to the board, a retired 20 member who is receiving an optional retirement allowance may 21 on a one-time basis designate a different contingent 22 annuitant, select a different option, or convert his 23 optional retirement allowance to a regular retirement 24 allowance if:

25 (i) the original contingent annuitant has died; or

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

6 (b) Upon receipt of the request, the board shall
7 actuarially adjust the member's monthly retirement allowance
8 to reflect the change."

9 <u>NEW SECTION.</u> Section 2. 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 <u>NEW SECTION.</u> Section 3. Effective date. This act is
14 effective on passage and approval.

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STANDING COMMITTEE REPORT

JENAIE	March	13,	19. ⁸⁵
MR. PRESIDENT			
We, your committee on STATE ADMINISTRATION	•••••	•••••••••••••••••••••••••••••••••••••••	
having had under consideration	HOUSE	BILL No.	389
<u>third</u> reading copy (<u>blue</u>) color (Senator Lynch will carry this)	,		
PERMITTING CHANGES IN OPTIONAL RETI	REMENT ALLOWAN	NCES UNDER	PERS
Respectfully report as follows: That be amended as follows:	HOUSE	.BILL No	389

1. Page 2, line 21. Following: line 20 Strike: "on a one-time basis"

2. Page 3, lines 2 and 3.
Following: "and" on line 2
Strike: the remainder of line 2 through "that" on line 3

AND AS AMENDED BE CONCURRED IN

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Jack Haffey. Chairman.

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HB 0389/02

1	HOUSE BILL NO. 389	1	annuitant;
2	INTRODUCED BY EUDAILY	2	(b) option 3a continuation of one-half of the
3	BY REQUEST OF THE PUBLIC EMPLOYEES'	3	reduced retirement allowance during the lifetime of his
4	RETIREMENT BOARD	4	named contingent annuitant;
5		5	(c) option 4such other actuarially equivalent
6	A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A RETIRED	6	benefit as may be approved by the board.
7	MEMBER OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO IS	7	(2) Election of an optional retirement allowance must
8	RECEIVING AN OPTIONAL RETIREMENT ALLOWANCE TO DESIGNATE A	8	be by written application filed prior to the first payment
9	DIFFERENT CONTINGENT ANNUITANT, SELECT A DIFFERENT OPTION,	9	of the regular retirement allowance.
10	OR CONVERT HIS OPTIONAL RETIREMENT ALLOWANCE TO A REGULAR	10	(3) If either the member or his contingent annuitant
11	RETIREMENT ALLOWANCE UNDER CERTAIN CIRCUMSTANCES; AMENDING	11	dies before the member has received the first payment under
12	SECTION 19-3-1101, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE	12	option 2 or 3, the election of the option is automatically
13	DATE."	13	canceled.
14		14	(4) If a member dies after retirement and within 30
15	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	15	days from the date his election or changed election of an
16	Section 1. Section 19-3-1101, MCA, is amended to read:	16	optional retirement allowance is received by the board, then
17	"19-3-1101. Optional retirement allowance. (1) The	17	the election is void and the death is considered as that of
18	retirement allowance of a member who so elects shall be	18	a member before retirement.
19	converted, in lieu of all other benefits under this chapter,	19	(5) (a) Upon written request to the board, a retired
20	into an optional retirement allowance which is the actuarial	20	member who is receiving an optional retirement allowance may
21	equivalent of the regular retirement allowance. The optional	21	onaone-timebasis designate a different contingent
22	retirement allowance is a reduced amount payable during the	22	annuitant, select a different option, or convert his
23	member's lifetime with a subsequent benefit as follows:	23	optional retirement allowance to a regular retirement
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allowance during the lifetime of his named contingent

HB 0389/02

1 (ii) the member has been divorced from the original contingent annuitant and the-member-submits-with-his-request 2 a-sworn-statement-that the original contingent annuitant has 3 not been granted the right to receive the optional 4 retirement allowance as part of the divorce settlement. 5 (b) Upon receipt of the request, the board shall 6 actuarially adjust the member's monthly retirement allowance 7 to reflect the change." 8 NEW SECTION. Section 2. Extension of authority. Any 9 10 existing authority of the public employees' retirement board to make rules on the subject of the provisions of this act 11

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