

HOUSE BILL NO. 785

2/11 Introduced  
2/11 Referred to State Administration  
2/11 Fiscal Note Requested  
2/16 Fiscal Note Received  
2/20 Hearing  
Died in Committee



1 upon written application to the board setting forth at what  
2 time, not less than 30 days or more than 90 days subsequent  
3 to the filing thereof, he desires to be retired.

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

5 (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 5. Section 19-9-801, MCA, is amended to read:

9 "19-9-801. Eligibility for service retirement --  
10 commencement of allowance. Members are eligible for  
11 retirement and shall retire as provided in this section:

12 (1) A member who was employed by an employer as a  
13 police officer on July 1, 1975, is eligible to receive a  
14 service retirement allowance when he has completed 20 years  
15 or more in the aggregate as a probationary officer, a  
16 regular officer, or a special officer, in any capacity or  
17 rank.

18 (2) A member who was or is first employed by an  
19 employer as a police officer after July 1, 1975, is eligible  
20 to receive a service retirement allowance when he has  
21 reached the age of 50 and has completed 20 years or more in  
22 the aggregate as a probationary officer, a regular officer,  
23 or a special officer, in any capacity or rank.

24 (3) Police officers, whether first employed before or  
25 after July 1, 1975, who reach the age of 65 while in active

1 service shall retire.

2 (4) The retirement allowance must commence on the  
3 first day ~~of-the-month~~ following the member's last day of  
4 membership service."

5 Section 6. Section 19-13-701, MCA, is amended to read:

6 "19-13-701. Eligibility for service retirement --  
7 commencement of allowance. (1) The following members are  
8 eligible for service retirement:

9 (a) a member who has reached age 50 and has completed  
10 10 years or more in the aggregate as a firefighter in any  
11 capacity or rank;

12 (b) a member who has reached mandatory retirement age  
13 under 19-13-702 regardless of his number of years of  
14 service.

15 (2) The retirement allowance must commence on the  
16 first day ~~of-the-month~~ following the member's last day of  
17 membership service."

18 NEW SECTION. Section 7. Extension of authority. Any  
19 existing authority of the public employees' retirement board  
20 to make rules on the subject of the provisions of this act  
21 is extended to the provisions of this act.

22 NEW SECTION. Section 8. Effective date. This act is  
23 effective on passage and approval.

-End-

## STATE OF MONTANA

REQUEST NO. FNN393-85

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 11, 19 85, there is hereby submitted a Fiscal Note for H.B. 785 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 785 changes the commencement date for payment of retirement allowances for all members of the Retirement Systems administered by PERD.

ASSUMPTIONS:

1. 2.5 additional work hours per retiree will be necessary to verify effective dates, final compensation and to correct calculation made in error.
2. Approximately 700 new retirees each year.
3. 1.00 FTE grade 8, step 2.

FISCAL IMPACT:Expenditures:

	<u>FY1986</u>	<u>FY1987</u>
Current Law	\$ 579,691	\$ 582,781
Proposed Law	<u>597,475</u>	<u>599,772</u>
Increase	\$ 17,784	\$ 16,991

These additional costs will be paid for out of the various retirement funds administered by PERD. Some of these funds are partially financed by the General Fund.

LONG-RANGE IMPACT:

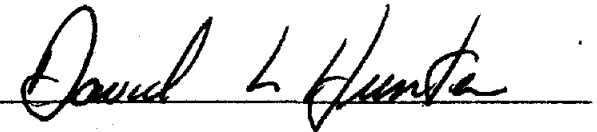
Currently all retirees receive their first monthly benefit within 30 days after the effective date of their retirement. Under this proposal first payments could be delayed an additional 30 days.

LOCAL IMPACT:

None

TECHNICAL NOTE:

None



BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: Feb 15, 1985  
HB 785