HOUSE BILL NO. 785

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- 2/11 Referred to State Administration
- 2/11 Fiscal Note Requested
- 2/16 Fiscal Note Received 2/20 Hearing

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INTRODUCED BY	HOUSE	BILL NO. 785	Mare
Richard Mann	dong /	· · · · · · · · · · · · · · · · · · ·	

A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE
COMMENCEMENT DATE FOR PAYMENT OF RETIREMENT ALLOWANCES TO
MEMBERS OF THE PUBLIC EMPLOYEES', HIGHWAY PATROLMEN'S,
SHERIFFS', GAME WARDENS', MUNICIPAL POLICE OFFICERS', AND
FIREFIGHTERS' UNIFIED RETIREMENT SYSTEMS; AMENDING SECTIONS
19-3-903, 19-6-501, 19-7-501, 19-8-601, 19-9-801, AND
10 19-13-701, MCA: AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 19-3-903, MCA, is amended to read:
"19-3-903. Time of commencement of allowance. The
board shall grant a retirement allowance to any member who
has fulfilled the eligibility requirements of 19-3-901 or
19-3-902 and filed the appropriate written application. The
retirement allowance must commence on the first day ef--the
month following the member's last day of membership
service."

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

"19-6-501. Eligibility and application for service
retirement allowance -- commencement of allowance. (1) A
member in service who has completed at least 20 years of
creditable service may retire on a service retirement

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2	30 days	or	more	than	90	daue	gube	amar	. + +	- +h	- F	ilina

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

· thereof.

Section 3. Section 19-7-501, MCA, is amended to read: 8 9 "19-7-501. Eligibility and application for service retirement -- commencement of allowance. (1) A sheriff in 10 11 service who has completed at least 25 years of service and 12 who has reached the age of 55 years may retire on a service retirement allowance upon written application to the board. 13 14 submitted not less than 30 days or more than 90 days from the desired date of retirement. 15

- 16 (2) Retirement is compulsory for any nonelected 17 sheriff at age 65, except in the case of undersheriffs.
- 18 (3) The retirement allowance must commence on the

 19 first day of-the-month following the member's last day of

 20 membership service."
- 21 Section 4. Section 19-8-601, MCA, is amended to read:
- 22 "19-8-601. Time of retirement -- commencement of
- 23 allowance. (1) Any member in service who has completed at
- 24 least 20 years of creditable service and who has reached the
- 25 age of 55 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.

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- 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:
 - (1) A member who was employed by an employer as a police officer on July 1, 1975, is eligible to receive a service retirement allowance when he has completed 20 years or more in the aggregate as a probationary officer, a regular officer, or a special officer, in any capacity or rank.
 - (2) A member who was or is first employed by an employer as a police officer after July 1, 1975, is eligible to receive a service retirement allowance when he has reached the age of 50 and has completed 20 years or more in the aggregate as a probationary officer, a regular officer, 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."
- Section 6. Section 19-13-701, MCA, is amended to read:

 "19-13-701. Eligibility for service retirement -
 commencement of allowance. (1) The following members are
 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."
- NEW SECTION. Section 7. Extension of authority. Any existing authority of the public employees' retirement board to make rules on the subject of the provisions of this act is extended to the provisions of this act.
- 22 <u>NEW SECTION.</u> Section 8. Effective date. This act is

23 effective on passage and approval.

-End-

STATE OF MONTANA

FISCAL NOTE

REQUEST NO. FNN393-85

Form BD-15

In compliance with a writte	n request received Februa	ry 11, 1	19 <u>85</u> , 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	f 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:	FY1986	FY1987		
Expenditures:				
Current Law	\$ 579,691	\$ 582,781		
Proposed Law	597,475	599,772		
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:

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15, 1984

IB 785

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