

SENATE BILL NO. 62

1/07 Introduced
1/07 Referred to Local Government
1/08 Fiscal Note Requested
1/14 Fiscal Note Received
1/15 Hearing
1/30 Fiscal Note Requested
2/05 Fiscal Note Received
2/15 Adverse Committee Report
2/15 Bill Killed

1 SENATE BILL NO. 62
2 INTRODUCED BY R. MANNING

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE DISABILITY
5 RETIREMENT BENEFITS FOR POLICE OFFICERS COVERED UNDER THE
6 PUBLIC EMPLOYEES' RETIREMENT SYSTEM REGARDLESS OF YEARS OF
7 SERVICE; AMENDING SECTION 19-3-1002, MCA; AND PROVIDING AN
8 IMMEDIATE EFFECTIVE DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 19-3-1002, MCA, is amended to read:
12 "19-3-1002. Eligibility for disability retirement. (1)
13 Except as provided in subsection subsections (2) and (3) and
14 19-3-1004, a member who is not eligible for service or early
15 retirement but has completed 5 years of creditable service
16 and has become disabled while in active service, as defined
17 in 19-3-1001, is eligible for disability retirement.

18 (2) A member age 60 or older who has completed 5 years
19 of creditable service and has had a duty-related accident
20 forcing him to terminate his employment but who has not
21 received or is ineligible to receive workers' compensation
22 benefits under Title 39, chapter 71, for the duty-related
23 accident may conditionally waive his eligibility for a
24 service retirement to be eligible for disability retirement.
25 The waiver is effective only upon approval by the board of

1 his application for disability retirement. The board shall
2 determine whether a member has become disabled under the
3 provisions of 19-3-1003. The board may request any
4 information on file with the workers' compensation division
5 concerning the duty-related accident. If no information is
6 available, the board may request and the division shall
7 provide an investigative report on the disabling accident.

8 (3) A member or former member who is determined by the
9 board to have become disabled in the active discharge of his
10 duties as a police officer while a member is eligible for a
11 disability retirement allowance regardless of the length of
12 his service."

13 NEW SECTION. Section 2. Applicability to former
14 members who terminated membership because of police
15 disability. A former member eligible for disability
16 retirement under 19-3-1002(3) who terminated membership
17 because of his disability prior to [the effective date of
18 this act] and received a refund of his accumulated normal
19 contributions may reinstate his membership service by
20 redepositing the sum of the contributions refunded to him
21 plus the interest that would have been credited to his
22 account if the refund had not occurred. If he makes a
23 redeposit, his membership shall be the same as if unbroken
24 by the termination.

25 NEW SECTION. Section 3. Extension of authority. Any



LC 0070/01

1 existing authority of the public employees' retirement board
2 to make rules on the subject of the provisions of this act
3 is extended to the provisions of this act.

4 NEW SECTION. Section 4. Effective date. This act is
5 effective on passage and approval.

-End-

STATE OF MONTANA

FISCAL NOTE

REQUEST NO. FNN 029-85

Form BD-15

In compliance with a written request received January 8, 19 85, there is hereby submitted a Fiscal Note for S.B. 62 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:

To provide Disability Retirement Benefits for police officers covered under P.E.R.S. regardless of years of service.

ASSUMPTIONS:

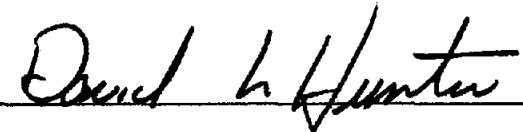
1. There are 60 police officers covered by P.E.R.S.
2. Two retirements will occur within the next three to five years.

FISCAL IMPACT:

Benefits and Claims - \$37,600

TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGISLATION:

Potential Impact of Legislation: To maintain our qualified status with the Internal Revenue Service, P.E.R.S. has to offer the same benefits to the majority of participants. This legislation could possibly take the system from this qualified status which means the system would pay taxes on the interest earnings.



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Jan 14, 1985

STATE OF MONTANA
FISCAL NOTE

AMENDED
REQUEST NO. FNN 029-85

Form BD-15

In compliance with a written request received January 30, 1985, there is hereby submitted a Fiscal Note for Amended S.B. 62 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:

Senate Bill 62 provides for disability benefits for police officers covered under PERS and requires all cities not having a locally administered police retirement fund to participate in the Municipal Police Officers' Retirement System.

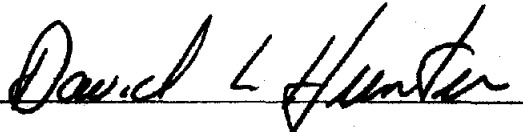
ASSUMPTIONS:

1. There are 106 police officers under PERS.
2. All members will transfer to Municipal Police Officer's Retirement System.
3. The unfunded liability will decrease for PERS and increase for the state or local systems.
4. The unfunded liability will be covered by the premium tax collected by the state auditor.

FISCAL IMPACT: (for 106 people)

	<u>FY 86 Impact</u>	<u>FY 87 Impact</u>	<u>Source of Funds</u>
Employee Contributions Increase from 6% to 7.5%	\$ 26,588	\$ 27,989	Employee
Employer Contributions Increase from 6.417% to 13.02%	\$117,040	\$123,208	City Treasurer
State Contribution From -0- to 15.06%	\$266,944	\$281,012	Premium tax on motor vehicle property and casualty insurance policies.

The unfunded liability will switch from P.E.R.S. and be paid by the Insurance Premium Tax. Without an actuarial review the additional impact on the Insurance Premium Tax is not known. Currently any balance from the Premium Tax goes to the General Fund. Any increase demands put on the Premium Tax will reduce the General Fund revenue by the same amount.


BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 5, 1985
SB 62 Amended