SENATE BILL NO. 187

INTRODUCED BY TOWE

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

IN THE SENATE

January 22, 1985	Introduced and referred to Committee on Local Government.
February 13, 1985	Committee recommend bill do pass as amended. Report adopted.
February 14, 1985	Bill printed and placed on members' desks.
February 15, 1985	Second reading, do pass.
February 16, 1985	Considered correctly engrossed.
February 18, 1985	Third reading, passed. Ayes, 48; Noes, 0.
	Transmitted to House.

IN THE HOUSE

February 27, 1985	Introduced and referred to Committee on Local Government.
March 22, 1985	Committee recommend bill be concurred in. Report adopted.
March 23, 1985	Second reading, concurred in.
March 26, 1985	Third reading, concurred in.
	Returned to Senate.

IN THE SENATE

March 26, 1985

March 27, 1985

Received from House.

Sent to enrolling.

Reported correctly enrolled.

1	INTRODUCED BY			BILL NO	81
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3	BY REQUEST	OF THE	PUBLIC	EMPLOYEES'	RET

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

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A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE AMOUNT AND PAYMENT OF RETIREMENT BENEFITS TO A LAW ENFORCEMENT OFFICER WHO HAS SERVICE CREDITS IN BOTH THE SHERIFFS' AND MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEMS: REVISING THE METHOD OF CALCULATING A SERVICE RETIREMENT ALLOWANCE BASED ON MORE THAN 25 YEARS OF SERVICE; AND DEFINING THE BENEFIT AVAILABLE TO BENEFICIARIES UPON THE DEATH OF CERTAIN MEMBERS UNDER THE SHERIFFS' RETIREMENT SYSTEM; AMENDING SECTIONS 19-7-101, 19-7-308, AND 19-7-503, MCA; REPEALING SECTION 19-7-603. MCA: AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 19-7-101, MCA, is amended to read: 17 18 "19-7-101. Definitions. Unless the context requires otherwise, the following definitions apply in this chapter: 19 20

- (1) "Account" means the Montana sheriffs' retirement pension trust fund administered by the sheriffs' retirement board.
- (2) "Accumulated contributions" or "accumulated 23 deductions" means the total amount deducted from the salary 24 of a member during a period of membership service plus the 25



total amount deducted during a period of prior service and 1 transferred from the public employees' retirement system standing to the member's credit in the account, together with the accrued interest.

- (3) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of the actuarial tables in use by the system.
- (4) "Beneficiary" means a person who is nominated by the member in an acknowledged document which is filed with 9 the board. 10
- (5) "Board" means the sheriffs -- retirement-board -- -- The 11 12 board -- shall -- consist -- of -five-persons - who - shall - be - the - same persons--that--comprise--the public employees' retirement 13 board. 14
- (6) "Creditable service" means the aggregate of all of 15 a member's current and prior service. 16
- (7) "Death benefit" means a monthly annuity or 17 18 lump-sum payment made to a beneficiary on behalf of a member who dies before retirement. 19
- (7)(8) "Final salary" means the average annual salary 20 21 received by a member, before any deductions are made and exclusive of maintenance, allowances, and expenses, for any 22 3 years of continuous service from which contributions were 23 24 deducted or, in the event that a member has not served 3 years, the total salary earned divided by the number of

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- 1 years served. Lump-sum payments for sick leave and annual
- 2 leave paid to an employee upon termination of employment may
- be used in the calculation of a retirement allowance only to
- the extent that they are used to replace, on a month for
- month basis, the normal compensation for a month or months
- included in the calculation of the final salary. A lump-sum
- payment may not be added to a single month's compensation. 7
- (8)(9) "Member" means any person who has accumulated 8
- deductions in the account to his credit.
- 10 (9)(10) "Member's annuity" means payments for life
- 11 derived from contributions made by the member while
- employed. 12
- 13 ti0)(11) "Membership service" means service for which
- an amount is deducted from the salary of a member and paid 14
- into the account. 15
- (11) "Prior service" means service for which credit 16
- 17 was granted by the public employees' retirement system of
- the state of Montana. 18
- 19 +12+(13) "Retired sheriff" means a person receiving a
- retirement allowance under this chapter. 20
- 21 (14) "Retirement allowance" means the state annuity
- 22 plus the member's annuity.
- (14)(15) "Service" means employment as a sheriff. 23
- 24 ti5;(16) "Sheriff" means any elected or appointed
- county sheriff, undersheriff, or regularly appointed and 25

- acting deputy sheriff.
- 2 (16)(17) "State annuity" means payments for life
- derived from county contributions into the sheriffs'
 - retirement account, together with any supplemental
- legislative appropriations to the account.
- (±7)(18) "Vested retirement" means a retirement not for
- 7 cause and before retirement age."
 - Section 2. Section 19-7-308, MCA, is amended to read:
- 9 "19-7-308. Service under municipal police officers'
- 10 retirement system prior to or following city-county
- 11 consolidation. (1) A law enforcement officer who has not
- changed his employment but who has, because of a city-county 12
- 13 consolidation, been transferred either from a city police
- 14 force to a county sheriff's department or from a county
- 15 sheriff's department to a city police force as a law
- 16 enforcement officer is eligible for a service retirement
- benefit if his combined service in the sheriffs' retirement 17
- 18 system and the municipal police officers' retirement system
- satisfies the minimum membership service requirement of the 19
- 20 system to which he last made contributions. A sheriff who

has elected to continue membership in the public employees'

- retirement system under 19-7-301 may continue his election.
- 23 However, credit for service in the PERS which has not been
- 24 transferred prior to January 1, 1979,
- 25 transferred.

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(2) Eligibility for <u>and calculation of</u> disability retirement, death benefits, and a refund of contributions is <u>are</u> governed by the provisions of the retirement system to which the officer last made contributions.

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- described in subsection (1) shall be calculated separately for each system based on the service credited under each system. The calculation for the sheriffs' retirement system portion of the benefit must include the appropriate reduction in the retirement allowance for an optional retirement allowance elected under 19-7-701. The final salary or final average salary for each calculation shall be based on the highest salary earned while a member of either system. Each system shall pay its proportionate share, based on the number of years of service credited, of the combined benefit. The combined benefit may not exceed 60% of the final salary or final average salary.
- (4) Upon the death of an officer receiving a service retirement allowance under this section, the beneficiary and the continued benefit must be determined separately for each system as follows:
- 22 (a) For the municipal police officers' retirement
 23 system portion of the benefit, the officer's surviving
 24 spouse, if there is one, shall, for as long as the spouse
 25 remains unmarried, receive from the fund a sum equal to the

- municipal police officers' retirement system portion of the 2 officer's service retirement allowance as calculated at the 3 time of his retirement. If the officer leaves one or more dependent children, then upon his death, if he leaves no surviving spouse or upon the death or remarriage of the 5 surviving spouse, the officer's surviving dependent child, or children collectively if there are more than one, shall 7 receive the same monthly payments a surviving spouse would 9 receive for as long as the child or one of the children 10 remains dependent as defined in 19-9-104. The payments must be made to the child's appointed quardian for the child's 11 12 use. If there is more than one dependent child, upon each 13 child no longer qualifying as dependent under 19-9-104, the pro rata payments to that child must cease and be made to 14 the remaining children until all the children are no longer 15 16 dependent.
- 17 (b) For the sheriffs' retirement system portion of the

 18 benefit, the officer's beneficiary, designated under

 19 19-7-602, shall receive:
- 20 (i) an annuity as determined under 19-7-701, if the 21 officer elected an optional retirement allowance; or
- 22 (ii) if the officer did not elect an optional
 23 retirement allowance, any payment owed the officer,
 24 including the excess, if any, of his accumulated deductions
 25 standing to his credit at the time of retirement less

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payments made to the officer.	"
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60% of his final salary.

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- Section 3. Section 19-7-503, MCA, is amended to read: 2 "19-7-503. Service retirement allowance. (1) The 3 amount of any member's service retirement allowance granted to a member with 25 years or less of creditable service 5
- 6 shall be 2% of his final salary for each year of creditable service, up to a maximum of 50% of final salary.
 - (2) The member's retirement allowance shall be increased for any member who contributes after 25 years of service by an-annuity--calculated--as--twice--the--actuarial equivalent--of--the--portion--of--the--member's--accumulated deductions-arising-from-contributions-after--the--completion 1.35% of his final salary for each year of creditable service in excess of 25 years of service, up to a maximum of
- (3) If a member dies after retirement and had not 16 elected an optional retirement allowance provided for in 19-7-701, his beneficiary must be paid the excess, if any, of the member's accumulated contributions at the time of retirement less payments made to the retired member." 20
- NEW SECTION. Section 4. Repealer. Section 19-7-603, 21 MCA, is repealed. 22
- NEW SECTION. Section 5. Extension of authority. Any 23 24 existing authority of the sheriffs' retirement board to make rules on the subject of the provisions of this act is 25

- 1 extended to the provisions of this act.
- 2 NEW SECTION. Section 6. Effective date. This act is
- effective on passage and approval.

-End-

APPROVED BY COMM. ON LOCAL GOVERNMENT

1	SENATE BILL NO. 187
2	INTRODUCED BY TOWE
3	BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT. BOARD
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE AMOUNT
6	AND PAYMENT OF RETIREMENT BENEFITS TO A LAW ENFORCEMENT
7	OFFICER WHO HAS SERVICE CREDITS IN BOTH THE SHERIFFS' AND
8	MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEMS; REVISING THE
9	METHOD OF CALCULATING A SERVICE RETIREMENT ALLOWANCE BASED
10	ON MORE THAN 25 YEARS OF SERVICE; AND DEFINING THE BENEFIT
11	AVAILABLE TO BENEFICIARIES UPON THE DEATH OF CERTAIN MEMBERS
12	UNDER THE SHERIFFS' RETIREMENT SYSTEM; AMENDING SECTIONS
13	19-7-101, 19-7-308, AND 19-7-503, MCA; AND REPEALING SECTION
14	19-7-603, MCA;AND-PROVIDING-AN-IMMEDIATE-EPPECTIVE-DATE."
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16	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
17	Section 1. Section 19-7-101, MCA, is amended to read:
18	"19-7-101. Definitions. Unless the context requires
19	otherwise, the following definitions apply in this chapter:
20	(1) "Account" means the Montana sheriffs' retirement
21	pension trust fund administered by the sheriffs' retirement
22	board.
23	(2) "Accumulated contributions" or "accumulated
24	deductions" means the total amount deducted from the salary
25	of a member during a period of membership service plus the

1	total amount deducted during a period of prior service an
2	transferred from the public employees' retirement system
3	standing to the member's credit in the account, togethe
4	with the accrued interest.

- 5 (3) "Actuarial equivalent" means a benefit of equal 6 value when computed upon the basis of the actuarial tables 7 in use by the system.
- 8 (4) "Beneficiary" means a person who is nominated by
 9 the member in an acknowledged document which is filed with
 10 the board.
- 11 (5) "Board" means the sheriffs'-retirement-board. The

 12 board-shall-consist-of-five-persons-who-shall-be-the-same

 13 persons-that-comprise-the public employees' retirement

 14 board.
- 15 (6) "Creditable service" means the aggregate of all of 16 a member's current and prior service.
- 17 (7) "Death benefit" means a monthly annuity or

 18 lump-sum payment made to a beneficiary on behalf of a member

 19 who dies before retirement.
 - (7)(8) "Final salary" means the average annual salary received by a member, before any deductions are made and exclusive of maintenance, allowances, and expenses, for any 3 years of continuous service from which contributions were deducted or, in the event that a member has not served 3

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years served. Lump-sum payments for sick leave and annual leave paid to an employee upon termination of employment may be used in the calculation of a retirement allowance only to the extent that they are used to replace, on a month for month basis, the normal compensation for a month or months included in the calculation of the final salary. A lump-sum payment may not be added to a single month's compensation.

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11 derived from contributions made by the member while
12 employed.

deductions in the account to his credit.

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13 (10)(11) "Membership service" means service for which
14 an amount is deducted from the salary of a member and paid
15 into the account.

16 (11) [12] "Prior service" means service for which credit
17 was granted by the public employees' retirement system of
18 the state of Montana.

19 (12)(13) "Retired sheriff" means a person receiving a
20 retirement allowance under this chapter.

21 (±3)(14) "Retirement allowance" means the state annuity
22 plus the member's annuity.

23 (14)(15) "Service" means employment as a sheriff.

24 (15)(16) "Sheriff" means any elected or appointed
25 county sheriff, undersheriff, or regularly appointed and

l acting deputy sheriff.

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2 (16)(17) "State annuity" means payments for life
3 derived from county contributions into the sheriffs'
4 retirement account, together with any supplemental
5 legislative appropriations to the account.

(±7)(18) "Vested retirement" means a retirement not for cause and before retirement age."

7 8 Section 2. Section 19-7-308, MCA, is amended to read: 9 "19-7-308. Service under municipal police officers' 10 retirement system prior to or following city-county 1.1 consolidation. (1) A law enforcement officer who has not 12 changed his employment but who has, because of a city-county 13 consolidation, been transferred either from a city police force to a county sheriff's department or from a county 14 15 sheriff's department to a city police force as a law 16 enforcement officer is eligible for a service retirement 17 benefit if his combined service in the sheriffs' retirement 18 system and the municipal police officers' retirement system 19 satisfies the minimum membership service requirement of the system to which he last made contributions. A sheriff who 20

has elected to continue membership in the public employees'
retirement system under 19-7-301 may continue his election.
However, credit for service in the PERS which has not been transferred prior to January 1, 1979, may not be transferred.

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(2) Eligibility for <u>and calculation of disability</u> retirement, death benefits, and a refund of contributions is <u>are</u> governed by the provisions of the retirement system to which the officer last made contributions.

- described in subsection (1) shall be calculated separately for each system based on the service credited under each system. The calculation for the sheriffs' retirement system portion of the benefit must include the appropriate reduction in the retirement allowance for an optional retirement allowance elected under 19-7-701. The final salary or final average salary for each calculation shall be based on the highest salary earned while a member of either system. Each system shall pay its proportionate share, based on the number of years of service credited, of the combined benefit. The combined benefit may not exceed 60% of the final salary or final average salary.
- (4) Upon the death of an officer receiving a service retirement allowance under this section, the beneficiary and the continued benefit must be determined separately for each system as follows:
- (a) For the municipal police officers' retirement system portion of the benefit, the officer's surviving spouse, if there is one, shall, for as long as the spouse remains unmarried, receive from the fund a sum equal to the

1	municipal police officers' retirement system portion of the
2	officer's service retirement allowance as calculated at the
3	time of his retirement. If the officer leaves one or more
4	dependent children, then upon his death, if he leaves no
5	surviving spouse or upon the death or remarriage of the
6	surviving spouse, the officer's surviving dependent child,
7	or children collectively if there are more than one, shall
8	receive the same monthly payments a surviving spouse would
9	receive for as long as the child or one of the children
10	remains dependent as defined in 19-9-104. The payments must
11	be made to the child's appointed guardian for the child's
12	use. If there is more than one dependent child, upon each
13	child no longer qualifying as dependent under 19-9-104, the
14	pro rata payments to that child must cease and be made to
15	the remaining children until all the children are no longer
16	dependent.

- 17 (b) For the sheriffs' retirement system portion of the

 18 benefit, the officer's beneficiary, designated under

 19 19-7-602, shall receive:
- 20 (i) an annuity as determined under 19-7-701, if the officer elected an optional retirement allowance; or
- 22 (ii) if the officer did not elect an optional
 23 retirement allowance, any payment owed the officer,
 24 including the excess, if any, of his accumulated deductions
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payments made to the officer."
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60% of his final salary.

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- Section 3. Section 19-7-503, MCA, is amended to read:

 "19-7-503. Service retirement allowance. (1) The

 amount of any member's service retirement allowance granted

 to a member with 25 years or less of creditable service
- shall be 2% of his final salary for each year of creditable service, up to a maximum of 50% of final salary.

 8 (2) The member's retirement allowance shall be
 - (2) The member's retirement allowance shall be increased for any member who contributes after 25 years of service by an-annuity-calculated-as-twice-the-actual rate equivalent-of-the-portion-of-the-member's-accumulated deductions-arising-from-contributions-after-the-completion 1.35% of his final salary for each year of creditable service in excess of 25 years of service, up to a maximum of
- 16 (3) If a member dies after retirement and had not

 17 elected an optional retirement allowance provided for in

 18 19-7-701, his beneficiary must be paid the excess, if any,

 19 of the member's accumulated contributions at the time of

 20 retirement less payments made to the retired member."
- NEW SECTION. Section 4. Repealer. Section 19-7-603, MCA, is repealed.
- 23 <u>NEW SECTION.</u> Section 5. Extension of authority. Any 24 existing authority of the sheriffs' retirement board to make 25 rules on the subject of the provisions of this act is

- extended to the provisions of this act.
- NEW-SECTION: --Section-6: -- Effective-date: -- This-act--is
- 3 effective-on-passage-and-approvat-

-End-

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~7~ SB 187

49th Legislature SB 0187/02 SB 0187/02

1	SENATE BILL NO. 187
2	INTRODUCED BY TOWE
3	BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD
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16	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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19	otherwise, the following definitions apply in this chapter:
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21	pension trust fund administered by the sheriffs' retirement
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23	(2) "Accumulated contributions" or "accumulated
24	deductions" means the total amount deducted from the salary
25	of a member during a period of membership service plus the

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- 5 (3) "Actuarial equivalent" means a benefit of equal 6 value when computed upon the basis of the actuarial tables 7 in use by the system.

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- 8 (4) "Beneficiary" means a person who is nominated by
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 12 board-shall-consist-of-five-persons-who-shall-be-the-same
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 23 3 years of continuous service from which contributions were
- deducted or, in the event that a member has not served 3 years, the total salary earned divided by the number of

- years served. Lump-sum payments for sick leave and annual leave paid to an employee upon termination of employment may be used in the calculation of a retirement allowance only to the extent that they are used to replace, on a month for month basis, the normal compensation for a month or months included in the calculation of the final salary. A lump-sum payment may not be added to a single month's compensation.
 - (8)(9) "Member" means any person who has accumulated deductions in the account to his credit.
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- 24 (±5)(16) "Sheriff" means any elected or appointed 25 county sheriff, undersheriff, or regularly appointed and

- l acting deputy sheriff.
- 4 retirement account, together with any supplemental
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- 9 "19-7-308. Service under municipal police officers'
- 10 retirement system prior to or following city-county
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- 17 benefit if his combined service in the sheriffs' retirement
- 18 system and the municipal police officers' retirement system
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- 21 has elected to continue membership in the public employees'
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- 23 However, credit for service in the PERS which has not been
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- (3) The service retirement benefit of an officer described in subsection (1) shall be calculated separately for each system based on the service credited under each system. The calculation for the sheriffs' retirement system portion of the benefit must include the appropriate reduction in the retirement allowance for an optional retirement allowance elected under 19-7-701. The final salary or final average salary for each calculation shall be based on the highest salary earned while a member of either system. Each system shall pay its proportionate share, based on the number of years of service credited, of the combined benefit. The combined benefit may not exceed 60% of the final salary or final average salary.
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-5-

- municipal police officers' retirement system portion of the 1 2 officer's service retirement allowance as calculated at the 3 time of his retirement. If the officer leaves one or more dependent children, then upon his death, if he leaves no surviving spouse or upon the death or remarriage of the surviving spouse, the officer's surviving dependent child, 6 or children collectively if there are more than one, shall receive the same monthly payments a surviving spouse would receive for as long as the child or one of the children 10 remains dependent as defined in 19-9-104. The payments must 11 be made to the child's appointed quardian for the child's use. If there is more than one dependent child, upon each 12 13 child no longer qualifying as dependent under 19-9-104, the 14 pro rata payments to that child must cease and be made to 15 the remaining children until all the children are no longer 16 dependent.
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- (2) The member's retirement allowance shall be increased for any member who contributes after 25 years of service by an-annuity-calculated-as-twice-the-actuarial equivalent-of-the-portion-of-the-member's-accumulated deductions-arising-from-contributions-after-the-completion 1.35% of his final salary for each year of creditable service in excess of 25 years of service, up to a maximum of 60% of his final salary.
- (3) If a member dies after retirement and had not elected an optional retirement allowance provided for in 19-7-701, his beneficiary must be paid the excess, if any, of the member's accumulated contributions at the time of retirement less payments made to the retired member."
- NEW SECTION. Section 4. Repealer. Section 19-7-603, MCA, is repealed.
- NEW SECTION. Section 5. Extension of authority. Any existing authority of the sheriffs' retirement board to make rules on the subject of the provisions of this act is

- extended to the provisions of this act.
- 2 NEW-SECTION: -- Section 6: -- Effective date: -- This act: is
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-End-

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2	INTRODUCED BY TOWE	2	transferred
3	BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD	3	standing to
4		4	with the ac
5	A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE AMOUNT	5	(3) "
6	AND PAYMENT OF RETIREMENT BENEFITS TO A LAW ENFORCEMENT	6	value when
7	OFFICER WHO HAS SERVICE CREDITS IN BOTH THE SHERIFFS' AND	7	in use by t
8	MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEMS; REVISING THE	8	(4) "
9	METHOD OF CALCULATING A SERVICE RETIREMENT ALLOWANCE BASED	9	the member
10	ON MORE THAN 25 YEARS OF SERVICE; AND DEFINING THE BENEFIT	10	the board.
11	AVAILABLE TO BENEFICIARIES UPON THE DEATH OF CERTAIN MEMBERS	11	(5) *
12	UNDER THE SHERIFFS' RETIREMENT SYSTEM; AMENDING SECTIONS	12	board-shall
13	19-7-101, 19-7-308, AND 19-7-503, MCA; AND REPEALING SECTION	13	personsth
14	19-7-603, MCA7AND-PROVIDING-AN-IMMEDIATE-EPPECTIVE-DATE."	14	board.
15		15	(6) "
16	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	16	a member's
17	Section 1. Section 19-7-101, MCA, is amended to read:	17	<u>(7) "</u>
18	"19-7-101. Definitions. Unless the context requires	18	lump-sum pa
19	otherwise, the following definitions apply in this chapter:	19	who dies be
20	(1) "Account" means the Montana sheriffs' retirement	20	(7)
21	pension trust fund administered by the sheriffs' retirement	21	received by
22	board.	22	exclusive
23	(2) "Accumulated contributions" or "accumulated	23	3 years of
24	deductions" means the total amount deducted from the salary	24	deducted o

of a member during a period of membership service plus the

- total amount deducted during a period of prior service and transferred from the public employees' retirement system standing to the member's credit in the account, together with the account interest.
- (3) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of the actuarial tables in use by the system.
- (4) "Beneficiary" means a person who is nominated by the member in an acknowledged document which is filed with the board.
- 1 (5) "Board" means the sheriffs'-retirement-board.—The
 2 board-shall-consist-of-five-persons-who-shall--be--the--same
 3 persons--that--comprise--the public employees' retirement
 4 board.
- .6 (6) "Creditable service" means the aggregate of all of.6 a member's current and prior service.
- 7 (7) "Death benefit" means a monthly annuity or 8 lump-sum payment made to a beneficiary on behalf of a member 9 who dies before retirement.
 - t7†(8) "Final salary" means the average annual salary received by a member, before any deductions are made and exclusive of maintenance, allowances, and expenses, for any 3 years of continuous service from which contributions were deducted or, in the event that a member has not served 3 years, the total salary earned divided by the number of

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- years served. Lump-sum payments for sick leave and annual
 leave paid to an employee upon termination of employment may
 be used in the calculation of a retirement allowance only to
- 4 the extent that they are used to replace, on a month for
- 5 month basis, the normal compensation for a month or months
- 6 included in the calculation of the final salary. A lump-sum
- 7 payment may not be added to a single month's compensation.
- 8 (8)(9) "Member" means any person who has accumulated
 9 deductions in the account to his credit.
- 10 (9)(10) "Member's annuity" means payments for life
 11 derived from contributions made by the member while
 12 employed.
- 13 (±0;(11) "Membership service" means service for which
 14 an amount is deducted from the salary of a member and paid
 15 into the account.
- the state of Montana.

 "Prior service" means service for which credit by the public employees' retirement system of the state of Montana.

- 23 (14)(15) "Service" means employment as a sheriff.
- 24 (16) "Sheriff" means any elected or appointed
- 25 county sheriff, undersheriff, or regularly appointed and

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1 acting deputy sheriff.

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4 retirement account, together with any supplemental

5 legislative appropriations to the account.

(±7)(18) "Vested retirement" means a retirement not for cause and before retirement age."

"19-7-308. Service under municipal police officers'

8 Section 2. Section 19-7-308, MCA, is amended to read:

10 retirement system prior to or following city-county

11 consolidation. (1) A law enforcement officer who has not

12 changed his employment but who has, because of a city-county

13 consolidation, been transferred either from a city police

14 force to a county sheriff's department or from a county

15 sheriff's department to a city police force as a law

16 enforcement officer is eligible for a service retirement

17 benefit if his combined service in the sheriffs' retirement

18 system and the municipal police officers' retirement system

 $19\ \cdot\$ satisfies the minimum membership service requirement of the

20 system to which he last made contributions. A sheriff who

21 has elected to continue membership in the public employees'

retirement system under 19-7-301 may continue his election.

23 However, credit for service in the PERS which has not been

24 transferred prior to January 1, 1979, may not be

25 transferred.

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(2) Eligibility for <u>and calculation of disability</u> retirement, death benefits, and a refund of contributions is <u>are</u> governed by the provisions of the retirement system to which the officer last made contributions.

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- (3) The service retirement benefit of an officer described in subsection (1) shall be calculated separately for each system based on the service credited under each system. The calculation for the sheriffs' retirement system portion of the benefit must include the appropriate reduction in the retirement allowance for an optional retirement allowance elected under 19-7-701. The final salary or final average salary for each calculation shall be based on the highest salary earned while a member of either system. Each system shall pay its proportionate share, based on the number of years of service credited, of the combined benefit. The combined benefit may not exceed 60% of the final salary or final average salary.
- (4) Upon the death of an officer receiving a service retirement allowance under this section, the beneficiary and the continued benefit must be determined separately for each system as follows:
- 22 (a) For the municipal police officers' retirement
 23 system portion of the benefit, the officer's surviving
 24 spouse, if there is one, small, for as long as the spouse
 25 remains unmarried, receive from the fund a sum equal to the

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municipal police officers' retirement system portion of the officer's service retirement allowance as calculated at the time of his retirement. If the officer leaves one or more dependent children, then upon his death, if he leaves no surviving spouse or upon the death or remarriage of the surviving spouse, the officer's surviving dependent child, or children collectively if there are more than one, shall receive the same monthly payments a surviving spouse would 9 receive for as long as the child or one of the children 10 remains dependent as defined in 19-9-104. The payments must be made to the child's appointed quardian for the child's 17 use. If there is more than one dependent child, upon each 13 child no longer qualifying as dependent under 19-9-104, the 14 pro rata payments to that child must cease and be made to 15 the remaining children until all the children are no longer dependent.

- 17 (b) For the sheriffs' retirement system portion of the

 18 benefit, the officer's beneficiary, designated under

 19 19-7-602, shall receive:
- 20 (i) an annuity as determined under 19-7-701, if the
 21 officer elected an optional retirement allowance; or
 22 (ii) if the officer did not elect an optional
- retirement allowance, any payment owed the officer,
 including the excess, if any, of his accumulated deductions
 standing to his credit at the time of retirement less

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1	payments m	ade to	the	officer.	11

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- Section 3. Section 19-7-503, MCA, is amended to read:
- 3 "19-7-503. Service retirement allowance. (1) The
- 4 amount of any member+s service retirement allowance granted
- 5 to a member with 25 years or less of creditable service
 - shall be 2% of his final salary for each year of creditable
- service, up to a maximum of 50% of final salary.
- 8 (2) The member's retirement allowance shall be
- 9 increased for any member who contributes after 25 years of
- 10 service by an--annuity--calculated--as-twice-the-actuarial
- 11 equivalent--of--the--portion--of--the--member's--accumulated
- 12 deductions--arising--from-contributions-after-the-completion
- 13 1.35% of his final salary for each year of creditable
- 14 service in excess of 25 years of service, up to a maximum of
- 15 60% of his final salary.
- 16 (3) If a member dies after retirement and had not
- 17 elected an optional retirement allowance provided for in
- 18 19-7-701, his beneficiary must be paid the excess, if any,
- 19 of the member's accumulated contributions at the time of
- 20 retirement less payments made to the retired member."
- 21 NEW SECTION. Section 4. Repealer. Section 19-7-603,
- 22 MCA, is repealed.
- 23 NEW SECTION. Section 5. Extension of authority. Any
- 24 existing authority of the sheriffs' retirement board to make
- 25 rules on the subject of the provisions of this act is

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- extended to the provisions of this act.
- 2 NEW-SECTION:--Section-6;--Effective-date;--This-act--is
- 3 effective-on-passage-and-approval-

-End-