

SENATE BILL NO. 188

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

Received from House.

March 27, 1985

Sent to enrolling.

Reported correctly enrolled.

1 Senate BILL NO. 188
 2 INTRODUCED BY Doc
 3 BY REQUEST OF THE PUBLIC EMPLOYEES'
 4 RETIREMENT BOARD

6 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE MANNER
 7 IN WHICH BENEFITS ARE PAID TO A POLICE OFFICER'S SURVIVING
 8 SPOUSE OR DEPENDENT CHILD UNDER THE MUNICIPAL POLICE
 9 OFFICERS' RETIREMENT SYSTEM; AMENDING SECTIONS 19-9-104,
 10 19-9-804, 19-9-903, AND 19-9-911, MCA; AND PROVIDING AN
 11 IMMEDIATE EFFECTIVE DATE."

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

14 Section 1. Section 19-9-104, MCA, is amended to read:
 15 "19-9-104. Definitions. Unless the context requires
 16 otherwise, the following definitions apply in this chapter:

- 17 (1) "Administrator" means the public employees'
 18 retirement division of the department of administration.
- 19 (2) "Base salary" means the sum of the monthly
 20 compensations for each month in a given calendar year.
- 21 (3) "Board" means the retirement board described in
 22 2-15-1009.
- 23 (4) "Credited service" means the aggregate of a
 24 member's prior service and membership service.
- 25 (5) "Death benefit" means a monthly annuity paid to a

1 surviving spouse or dependent child or a lump-sum payment
 2 made to a beneficiary on behalf of a member who dies before
 3 retirement.

4 ~~(5)~~(6) "Dependent child" means a child of a deceased
 5 member:

- 6 (a) who is unmarried and under 18 years of age; or
- 7 (b) who is unmarried, under 24 years of age, and
 8 attending an accredited postsecondary educational
 9 institution as a full-time student in anticipation of
 10 receiving a certificate or degree.

11 ~~(6)~~(7) "Employer" means any city which participated in
 12 a prior plan or which elects to join this plan under
 13 19-9-107.

14 ~~(7)~~(8) "Employer annuity" means monthly payments for
 15 life derived from employer and state contributions.

16 ~~(8)~~(9) "Final average salary" means the monthly
 17 compensation of a member, averaged over the last 36 months
 18 of his active service or, in the event he has not been a
 19 member that long, over the period of his membership.

20 ~~(9)~~(10) "Fund" means the pension trust fund in the
 21 treasury system designated for the use of the plan.

22 ~~(10)~~(11) "Mandatory retirement date" means the first
 23 day of the month coinciding with or immediately following,
 24 if none coincides, the date on which a member attains age
 25 65.



1 ~~11~~12 "Member" means a person who is employed by an
2 employer as a police officer or who is entitled to a
3 retirement allowance by virtue of his service to an employer
4 as a police officer.

5 ~~12~~13 "Member contributions" means the total of the
6 deductions from the compensation of a member, either made
7 during a period of active membership hereunder or made under
8 a prior plan and transferred to this plan, standing to his
9 credit, together with the interest thereon.

10 ~~13~~14 "Member's annuity" means monthly payments for
11 life derived from member contributions.

12 ~~14~~15 "Membership service" means a period of
13 employment with an employer occurring after June 30, 1977,
14 during which the withholdings required by this chapter have
15 been made from a member's monthly compensation and credited
16 to his member contributions account. Pro rata credit shall
17 be granted for employment on a part-time basis or for
18 employment over a period of less than a complete fiscal
19 year.

20 ~~15~~16 "Minimum retirement date" or "normal
21 retirement date" means the first day of the month coinciding
22 with or immediately following, if none coincides, the date
23 on which a member becomes both age 50 or older and completes
24 20 or more years of credited service.

25 ~~16~~17 "Monthly compensation" means the wage,

1 excluding overtime, holiday payments, shift differential
2 payments, compensation time payments, and payments in lieu
3 of sick leave and annual leave, a member receives as an
4 active police officer.

5 ~~17~~18 Any reference to "municipality", "city", or
6 "town" includes those jurisdictions which, prior to the
7 effective date of a county-municipal consolidation, were
8 incorporated municipalities, subsequent districts created
9 for urban law enforcement services, or the entire county
10 included in the county-municipal consolidation.

11 ~~18~~19 "Plan" means the municipal police officers'
12 retirement system created by this chapter.

13 ~~19~~20 "Police officer" means a law enforcement
14 officer employed by an employer.

15 ~~20~~21 "Prior plan" means the local police reserve or
16 retirement fund of a city which elects to join the plan
17 under 19-9-107 or the statewide police reserve fund
18 administered by the department of administration in
19 accordance with Chapter 335, Laws of 1974.

20 ~~21~~22 "Prior service" means a period of employment
21 as a police officer for which credit was granted to a member
22 under a prior plan and has been transferred to this plan.

23 ~~22~~23 "Retirement allowance" means the employer
24 annuity plus the member's annuity.

25 ~~23~~24 "Retirement date" means the date on which the

1 first payment of the retirement, disability, or survivor
2 benefits of a member or a beneficiary is payable.

3 ~~{24}~~{25} "Surviving spouse" means the spouse married to
4 a member at the time of the member's death.

5 ~~{25}~~{26} "Totally and permanently disabled" means that
6 the board, upon certification by a licensed and practicing
7 physician, has determined that a member's disability is of
8 such a nature as to permanently impair his ability to
9 discharge his normal duties as a police officer."

10 Section 2. Section 19-9-804, MCA, is amended to read:

11 "19-9-804. Amount of service retirement allowance --
12 continuation of allowance after death of member. (1) A
13 police officer who is eligible under subsection (1) or (2)
14 of 19-9-801 and does not elect to serve any additional years
15 as an active police officer or who is retired under
16 19-9-801(3) prior to reaching 20 years of service shall
17 receive a service retirement allowance equal to one-half his
18 final average salary.

19 (2) A police officer who is eligible for service
20 retirement after 20 years of service and who elects to serve
21 additional years shall receive the allowance provided for in
22 subsection (1) plus an additional 1% of such allowance per
23 year of additional service, up to a maximum of 60% of the
24 final average salary.

25 (3) ~~A police officer who is retired under --19-9-801{3}~~

1 ~~and who was theretofore eligible at his option to be retired~~
2 ~~under subsection {1} or {2} of 19-9-801 but elected to serve~~
3 ~~additional years shall be paid for the additional years over~~
4 ~~his --- original --- eligibility --- at the --- rate --- prescribed --- in~~
5 ~~subsection {2}.~~ Upon the death of a police officer receiving
6 a service retirement allowance under this section, his
7 surviving spouse, if there is one, shall, for as long as the
8 spouse remains unmarried, receive from the fund a sum equal
9 to one-half of the officer's final average salary. If the
10 officer leaves one or more dependent children, then upon his
11 death, if he leaves no surviving spouse or upon the death or
12 remarriage of the surviving spouse, the officer's surviving
13 dependent child, or children collectively if there are more
14 than one, shall receive the same monthly payments a
15 surviving spouse would receive for as long as the child or
16 one of the children remains dependent as defined in
17 19-9-104. The payments must be made to the child's
18 appointed guardian for the child's use. If there is more
19 than one dependent child, upon each child no longer
20 qualifying as dependent under 19-9-104, the pro rata
21 payments to that child must cease and be made to the
22 remaining children until all the children are no longer
23 dependent."

24 Section 3. Section 19-9-903, MCA, is amended to read:

25 "19-9-903. Amount of disability retirement allowance

1 -- continuation of allowance after death of member. (1) A
 2 police officer who is eligible under 19-9-902 before
 3 completing 20 years of service shall receive a disability
 4 retirement allowance equal to one-half his average final
 5 salary.

6 (2) A police officer who is retired under 19-9-902 and
 7 who, at the time of his injury or disability, was eligible
 8 at his option to be retired under subsection (1) or (2) of
 9 19-9-801 but had elected to serve additional years and was
 10 then serving such additional years shall be paid for the
 11 additional years at the rate prescribed in 19-9-804(2).

12 (3) Upon the death of a police officer receiving a
 13 disability allowance under this section, his surviving
 14 spouse or dependent child is eligible for benefits as
 15 provided in 19-9-804(3)."

16 Section 4. Section 19-9-911, MCA, is amended to read:

17 "19-9-911. Death benefits. ~~{1} A member's retirement~~
 18 ~~allowance shall be paid first to the member during his~~
 19 ~~lifetime and, upon his death, in the manner and to the~~
 20 ~~persons designated in subsection (2);~~

21 ~~{2} Upon the death of a police officer before or after~~
 22 ~~retirement, his surviving spouse, if there is one, shall, as~~
 23 ~~long as such spouse remains unmarried, be paid from the fund~~
 24 ~~a sum equal to one-half of the officer's final average~~
 25 ~~salary; if the officer leaves one or more dependent~~

1 ~~children; then, upon his death if he leaves no surviving~~
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 13 ~~dependent or dependent child is eligible for benefits as~~
 14 ~~provided in 19-9-804(3)."~~

15 NEW SECTION. Section 5. Extension of authority. Any
 16 existing authority of the public employees' retirement board
 17 to make rules on the subject of the provisions of this act
 18 is extended to the provisions of this act.

19 NEW SECTION. Section 6. Effective date. This act is
 20 effective on passage and approval.

-End-

APPROVED BY COMM.
ON LOCAL GOVERNMENT

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17 final average salary.

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10 additional years at the rate prescribed in 19-9-804(2).

11 (3) Upon the death of a police officer receiving a
12 disability allowance under this section, his surviving
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14 provided in 19-9-804(3)."

15 Section 4. Section 19-9-911, MCA, is amended to read:

16 "19-9-911. Death benefits. ~~{1}~~-A member's retirement
17 allowance shall be paid first to the member during his
18 lifetime and, upon his death, in the manner and to the
19 persons designated in subsection (2):

20 (2) Upon the death of a police officer before or after
21 retirement, his surviving spouse, if there is one, shall, as
22 long as such spouse remains unmarried, be paid from the fund
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24 salary, if the officer leaves one or more dependent
25 children, then, upon his death if he leaves no surviving

1 spouse or upon the death or remarriage of the surviving
2 spouse, his surviving dependent child, collectively if there
3 is more than one, shall receive the same monthly payments a
4 surviving spouse would receive as long as the child or one
5 of the children remains dependent as defined in 19-9-104.
6 The payments shall be made to the child's duly appointed,
7 qualified, and acting guardian for the child's use, if
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3 ~~his --- original --- eligibility --- at --- the --- rate --- prescribed --- in~~
4 ~~subsection (2):~~ Upon the death of a police officer receiving
5 a service retirement allowance under this section, his
6 surviving spouse, if there is one, shall, for as long as the
7 spouse remains unmarried, receive from the fund a sum equal
8 to one-half of the officer's final average salary. If the
9 officer leaves one or more dependent children, then upon his
10 death, if he leaves no surviving spouse or upon the death or
11 remarriage of the surviving spouse, the officer's surviving
12 dependent child, or children collectively if there are more
13 than one, shall receive the same monthly payments a
14 surviving spouse would receive for as long as the child or
15 one of the children remains dependent as defined in
16 19-9-104. The payments must be made to the child's
17 appointed guardian for the child's use. If there is more
18 than one dependent child, upon each child no longer
19 qualifying as dependent under 19-9-104, the pro rata
20 payments to that child must cease and be made to the
21 remaining children until all the children are no longer
22 dependent."

23 Section 3. Section 19-9-903, MCA, is amended to read:

24 "19-9-903. Amount of disability retirement allowance
25 -- continuation of allowance after death of member. (1) A

1 police officer who is eligible under 19-9-902 before
2 completing 20 years of service shall receive a disability
3 retirement allowance equal to one-half his average final
4 salary.

5 (2) A police officer who is retired under 19-9-902 and
6 who, at the time of his injury or disability, was eligible
7 at his option to be retired under subsection (1) or (2) of
8 19-9-801 but had elected to serve additional years and was
9 then serving such additional years shall be paid for the
10 additional years at the rate prescribed in 19-9-804(2).

11 (3) Upon the death of a police officer receiving a
12 disability allowance under this section, his surviving
13 spouse or dependent child is eligible for benefits as
14 provided in 19-9-804(3)."

15 Section 4. Section 19-9-911, MCA, is amended to read:

16 "19-9-911. Death benefits. ~~(1) A member's retirement~~
17 ~~allowance shall be paid first to the member during his~~
18 ~~lifetime and, upon his death, in the manner and to the~~
19 ~~persons designated in subsection (2);~~

20 ~~(2) Upon the death of a police officer before or after~~
21 ~~retirement, his surviving spouse, if there is one, shall, as~~
22 ~~long as such spouse remains unmarried, be paid from the fund~~
23 ~~a sum equal to one-half of the officer's final average~~
24 ~~salary, if the officer leaves one or more dependent~~
25 ~~children, then, upon his death if he leaves no surviving~~

1 ~~spouse or upon the death or remarriage of the surviving~~
2 ~~spouse, his surviving dependent child, collectively if there~~
3 ~~is more than one, shall receive the same monthly payments a~~
4 ~~surviving spouse would receive as long as the child or one~~
5 ~~of the children remains dependent as defined in 19-9-104.~~
6 ~~The payments shall be made to the child's duly appointed,~~
7 ~~qualified, and acting guardian for the child's use. If~~
8 ~~there is more than one such child, upon each child no longer~~
9 ~~qualifying as dependent under 19-9-104, the pro rata~~
10 ~~payments to that child shall cease and shall be made to the~~
11 ~~remaining children until all the children are no longer~~
12 ~~dependent or dependent child is eligible for benefits as~~
13 ~~provided in 19-9-804(3)."~~

14 NEW SECTION. Section 5. Extension of authority. Any
15 existing authority of the public employees' retirement board
16 to make rules on the subject of the provisions of this act
17 is extended to the provisions of this act.

18 NEW SECTION. Section 6. Effective date. This act is
19 effective on passage and approval.

-End-

1 SENATE BILL NO. 188
 2 INTRODUCED BY TOWE
 3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD
 4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE MANNER
 6 IN WHICH BENEFITS ARE PAID TO A POLICE OFFICER'S SURVIVING
 7 SPOUSE OR DEPENDENT CHILD UNDER THE MUNICIPAL POLICE
 8 OFFICERS' RETIREMENT SYSTEM; AMENDING SECTIONS 19-9-104,
 9 19-9-804, 19-9-903, AND 19-9-911, MCA, ~~AND PROVIDING AN~~
 10 ~~IMMEDIATE-EFFECTIVE-DATE.~~"
 11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 13 Section 1. Section 19-9-104, MCA, is amended to read:
 14 "19-9-104. Definitions. Unless the context requires
 15 otherwise, the following definitions apply in this chapter:
 16 (1) "Administrator" means the public employees'
 17 retirement division of the department of administration.
 18 (2) "Base salary" means the sum of the monthly
 19 compensations for each month in a given calendar year.
 20 (3) "Board" means the retirement board described in
 21 2-15-1009.
 22 (4) "Credited service" means the aggregate of a
 23 member's prior service and membership service.
 24 (5) "Death benefit" means a monthly annuity paid to a
 25 surviving spouse or dependent child or a lump-sum payment

1 made to a beneficiary on behalf of a member who dies before
 2 retirement.
 3 ~~(5)~~(6) "Dependent child" means a child of a deceased
 4 member:
 5 (a) who is unmarried and under 18 years of age; or
 6 (b) who is unmarried, under 24 years of age, and
 7 attending an accredited postsecondary educational
 8 institution as a full-time student in anticipation of
 9 receiving a certificate or degree.
 10 ~~(6)~~(7) "Employer" means any city which participated in
 11 a prior plan or which elects to join this plan under
 12 19-9-107.
 13 ~~(7)~~(8) "Employer annuity" means monthly payments for
 14 life derived from employer and state contributions.
 15 ~~(8)~~(9) "Final average salary" means the monthly
 16 compensation of a member, averaged over the last 36 months
 17 of his active service or, in the event he has not been a
 18 member that long, over the period of his membership.
 19 ~~(9)~~(10) "Fund" means the pension trust fund in the
 20 treasury system designated for the use of the plan.
 21 ~~(10)~~(11) "Mandatory retirement date" means the first
 22 day of the month coinciding with or immediately following,
 23 if none coincides, the date on which a member attains age
 24 65.
 25 ~~(11)~~(12) "Member" means a person who is employed by an

1 employer as a police officer or who is entitled to a
2 retirement allowance by virtue of his service to an employer
3 as a police officer.

4 ~~†2†~~(13) "Member contributions" means the total of the
5 deductions from the compensation of a member, either made
6 during a period of active membership hereunder or made under
7 a prior plan and transferred to this plan, standing to his
8 credit, together with the interest thereon.

9 ~~†3†~~(14) "Member's annuity" means monthly payments for
10 life derived from member contributions.

11 ~~†4†~~(15) "Membership service" means a period of
12 employment with an employer occurring after June 30, 1977,
13 during which the withholdings required by this chapter have
14 been made from a member's monthly compensation and credited
15 to his member contributions account. Pro rata credit shall
16 be granted for employment on a part-time basis or for
17 employment over a period of less than a complete fiscal
18 year.

19 ~~†5†~~(16) "Minimum retirement date" or "normal
20 retirement date" means the first day of the month coinciding
21 with or immediately following, if none coincides, the date
22 on which a member becomes both age 50 or older and completes
23 20 or more years of credited service.

24 ~~†6†~~(17) "Monthly compensation" means the wage,
25 excluding overtime, holiday payments, shift differential

1 payments, compensation time payments, and payments in lieu
2 of sick leave and annual leave, a member receives as an
3 active police officer.

4 ~~†7†~~(18) Any reference to "municipality", "city", or
5 "town" includes those jurisdictions which, prior to the
6 effective date of a county-municipal consolidation, were
7 incorporated municipalities, subsequent districts created
8 for urban law enforcement services, or the entire county
9 included in the county-municipal consolidation.

10 ~~†8†~~(19) "Plan" means the municipal police officers'
11 retirement system created by this chapter.

12 ~~†9†~~(20) "Police officer" means a law enforcement
13 officer employed by an employer.

14 ~~†10†~~(21) "Prior plan" means the local police reserve or
15 retirement fund of a city which elects to join the plan
16 under 19-9-107 or the statewide police reserve fund
17 administered by the department of administration in
18 accordance with Chapter 335, Laws of 1974.

19 ~~†11†~~(22) "Prior service" means a period of employment
20 as a police officer for which credit was granted to a member
21 under a prior plan and has been transferred to this plan.

22 ~~†12†~~(23) "Retirement allowance" means the employer
23 annuity plus the member's annuity.

24 ~~†13†~~(24) "Retirement date" means the date on which the
25 first payment of the retirement, disability, or survivor

1 benefits of a member or a beneficiary is payable.

2 ~~(24)~~(25) "Surviving spouse" means the spouse married to
3 a member at the time of the member's death.

4 ~~(25)~~(26) "Totally and permanently disabled" means that
5 the board, upon certification by a licensed and practicing
6 physician, has determined that a member's disability is of
7 such a nature as to permanently impair his ability to
8 discharge his normal duties as a police officer."

9 Section 2. Section 19-9-804, MCA, is amended to read:

10 "19-9-804. Amount of service retirement allowance --
11 continuation of allowance after death of member. (1) A
12 police officer who is eligible under subsection (1) or (2)
13 of 19-9-801 and does not elect to serve any additional years
14 as an active police officer or who is retired under
15 19-9-801(3) prior to reaching 20 years of service shall
16 receive a service retirement allowance equal to one-half his
17 final average salary.

18 (2) A police officer who is eligible for service
19 retirement after 20 years of service and who elects to serve
20 additional years shall receive the allowance provided for in
21 subsection (1) plus an additional 1% of such allowance per
22 year of additional service, up to a maximum of 60% of the
23 final average salary.

24 ~~(3) A police officer who is retired under 19-9-801(3)~~
25 ~~and who was theretofore eligible at his option to be retired~~

1 ~~under subsection (1) or (2) of 19-9-801 but elected to serve~~
2 ~~additional years shall be paid for the additional years over~~
3 ~~his original eligibility at the rate prescribed in~~
4 ~~subsection (2). Upon the death of a police officer receiving~~
5 ~~a service retirement allowance under this section, his~~
6 ~~surviving spouse, if there is one, shall, for as long as the~~
7 ~~spouse remains unmarried, receive from the fund a sum equal~~
8 ~~to one-half of the officer's final average salary. If the~~
9 ~~officer leaves one or more dependent children, then upon his~~
10 ~~death, if he leaves no surviving spouse or upon the death or~~
11 ~~remarriage of the surviving spouse, the officer's surviving~~
12 ~~dependent child, or children collectively if there are more~~
13 ~~than one, shall receive the same monthly payments a~~
14 ~~surviving spouse would receive for as long as the child or~~
15 ~~one of the children remains dependent as defined in~~
16 ~~19-9-104. The payments must be made to the child's~~
17 ~~appointed guardian for the child's use. If there is more~~
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4 salary.

5 (2) A police officer who is retired under 19-9-902 and
6 who, at the time of his injury or disability, was eligible
7 at his option to be retired under subsection (1) or (2) of
8 19-9-801 but had elected to serve additional years and was
9 then serving such additional years shall be paid for the
10 additional years at the rate prescribed in 19-9-804(2).

11 (3) Upon the death of a police officer receiving a
12 disability allowance under this section, his surviving
13 spouse or dependent child is eligible for benefits as
14 provided in 19-9-804(3)."

15 Section 4. Section 19-9-911, MCA, is amended to read:

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17 ~~allowance shall be paid first to the member during his~~
18 ~~lifetime and, upon his death, in the manner and to the~~
19 ~~persons designated in subsection (2);~~

20 ~~(2) Upon the death of a police officer before or after~~
21 ~~retirement, his surviving spouse, if there is one, shall, as~~
22 ~~long as such spouse remains unmarried, be paid from the fund~~
23 ~~a sum equal to one-half of the officer's final average~~
24 ~~salary. If the officer leaves one or more dependent~~
25 ~~children, then, upon his death if he leaves no surviving~~

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5 ~~of the children remains dependent as defined in 19-9-104.~~
6 ~~The payments shall be made to the child's duly appointed,~~
7 ~~qualified, and acting guardian for the child's use; if~~
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9 ~~qualifying as dependent under 19-9-104, the pro-rata~~
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-End-