

HOUSE BILL NO. 158  
INTRODUCED BY NATHE

IN THE HOUSE

JANUARY 13, 1987                   INTRODUCED AND REFERRED TO COMMITTEE  
ON STATE ADMINISTRATION.

JANUARY 16, 1987                   COMMITTEE RECOMMEND BILL  
DO PASS AS AMENDED. REPORT ADOPTED.

JANUARY 17, 1987                   PRINTING REPORT.

JANUARY 20, 1987                   SECOND READING, DO PASS.

JANUARY 21, 1987                   ENGROSSING REPORT.

                                     THIRD READING, PASSED.

                                     TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 22, 1987                   INTRODUCED AND REFERRED TO COMMITTEE  
ON STATE ADMINISTRATION.

JANUARY 29, 1987                   COMMITTEE RECOMMEND BILL BE  
CONCURRED IN. REPORT ADOPTED.

FEBRUARY 2, 1987                   ON MOTION, TAKEN FROM SECOND READING  
AND REREFERRED TO COMMITTEE  
ON STATE ADMINISTRATION.

FEBRUARY 7, 1987                   COMMITTEE RECOMMEND BILL BE  
CONCURRED IN. REPORT ADOPTED.

FEBRUARY 11, 1987                  SECOND READING, CONCURRED IN.

FEBRUARY 13, 1987                  THIRD READING, CONCURRED IN.  
AYES, 50; NOES, 0.

                                     RETURNED TO HOUSE.

IN THE HOUSE

FEBRUARY 16, 1987

RECEIVED FROM SENATE.

SENT TO ENROLLING.

1                    HB BILL NO. 152  
 2 INTRODUCED BY NATHAN

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A MEMBER OF  
 5 THE SHERIFFS' RETIREMENT SYSTEM TO QUALIFY PREVIOUS MILITARY  
 6 SERVICE FOR THE PURPOSE OF CALCULATING RETIREMENT BENEFITS;  
 7 AND PROVIDING A RETROACTIVE APPLICABILITY DATE AND AN  
 8 IMMEDIATE EFFECTIVE DATE."  
 9

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

11        Section 1. Election to qualify previous military  
 12 service. (1) A member with 15 years or more of service may,  
 13 at any time prior to his retirement, make a written election  
 14 with the board to qualify all or any portion of his active  
 15 service in the armed forces of the United States for the  
 16 purpose of calculating retirement benefits, up to a maximum  
 17 of 5 years, if he is not otherwise eligible to receive  
 18 credit. To qualify military service, he must contribute to  
 19 the account the actuarial cost of granting the service, to  
 20 be determined by the board based on his compensation and  
 21 normal contribution rate as of his 16th year and as many  
 22 succeeding years as are required to qualify this service,  
 23 with interest from the date he becomes eligible for this  
 24 benefit to the date he contributes. He may not qualify more  
 25 of his military service than he has service in the sheriffs'

1 retirement system in excess of 15 years. Military service  
 2 purchased under this section may not be used in determining  
 3 eligibility for a service retirement.

4        (2) If a member has retired from active duty in the  
 5 armed forces of the United States with normal service  
 6 retirement benefits, he may not qualify his military service  
 7 under subsection (1). However, a member who is serving or  
 8 has served in the military reserves with the expectation of  
 9 receiving a military service pension may qualify his active  
 10 military service under subsection (1) if his active duty in  
 11 the armed forces of the United States is not more than 25%  
 12 of the total of all his years of military service, including  
 13 reserve and active duty time.

14        Section 2. Extension of authority. Any existing  
 15 authority of the public employees' retirement board to make  
 16 rules on the subject of the provisions of this act is  
 17 extended to the provisions of this act.

18        Section 3. Codification instruction. Section 1 is  
 19 intended to be codified as an integral part of Title 19,  
 20 chapter 7, and the provisions of Title 19, chapter 7, apply  
 21 to section 1.

22        Section 4. Applicability. This act applies  
 23 retroactively, within the meaning of 1-2-109, to persons  
 24 retiring after January 1, 1986.

25        Section 5. Payments for military service made by

1 retired sheriffs -- commencement of allowance increase. For  
2 a retired sheriff who has retired before the effective date  
3 of this act:

4 (1) payments to qualify military service under section  
5 1 must be made within 60 days of the effective date of this  
6 act; and

7 (2) the increase in the retired sheriff's retirement  
8 allowance resulting from qualifying service under section 1  
9 must commence on the first day of the month after the total  
10 payment for the service is received by the board.

11 Section 6. Effective date. This act is effective on  
12 passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB158, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act permitting a member of the Sheriff's Retirement System to qualify previous military service for the purpose of calculating retirement benefits; and providing a retroactive applicability date and an immediate effective date.

ASSUMPTIONS:

1. The actuarial cost, with interest, paid by the member will fund the cost of the military service purchased by the member.
2. Increased liabilities of the system caused by the purchase of military service will be offset by the cost paid by the member for that service, with no net effect.

FISCAL IMPACT:

N/A

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

N/A

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

N/A

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

N/A

*David L. Hunter*

DATE

*1/19/87*

DAVID L. HUNTER, BUDGET DIRECTOR  
Office of Budget and Program Planning

*Dennis G. Nathe*

DATE

*1/17/86*

DENNIS G. NATHE, PRIMARY SPONSOR

Fiscal Note for HB158, as introduced.

*HB-158*

APPROVED BY COMMITTEE  
ON STATE ADMINISTRATION

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 19 the account the actuarial cost of granting the service, to  
 20 be determined by the board based on his compensation and  
 21 normal contribution rate as of his 16th year and as many  
 22 succeeding years as are required to qualify this service,  
 23 with PLUS ACCRUED interest. INTEREST ACCRUES from the date  
 24 ~~he becomes eligible for this benefit~~ ON WHICH THE MEMBER HAS  
 25 COMPLETED THE NUMBER OF SERVICE YEARS IN EXCESS OF 15 NEEDED

1 TO QUALIFY THE MILITARY SERVICE to the date he contributes.  
 2 He may not qualify more of his military service than he has  
 3 service in the sheriffs' retirement system in excess of 15  
 4 years. Military service purchased under this section may not  
 5 be used in determining eligibility for a service retirement.

6 (2) If a member has retired from active duty in the  
 7 armed forces of the United States with normal service  
 8 retirement benefits, he may not qualify his military service  
 9 under subsection (1). However, a member who is serving or  
 10 has served in the military reserves with the expectation of  
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 14 of the total of all his years of military service, including  
 15 reserve and active duty time.

16 Section 2. Extension of authority. Any existing  
 17 authority of the public employees' retirement board to make  
 18 rules on the subject of the provisions of this act is  
 19 extended to the provisions of this act.

20 Section 3. Codification instruction. Section 1 is  
 21 intended to be codified as an integral part of Title 19,  
 22 chapter 7, and the provisions of Title 19, chapter 7, apply  
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24 Section 4. Applicability. This act applies  
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2 Section 5. Payments for military service made by  
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5 of this act:

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