

HOUSE BILL NO. 244

INTRODUCED BY PETERSON

BY REQUEST OF THE TEACHERS' RETIREMENT BOARD

IN THE HOUSE

JANUARY 16, 1987                   INTRODUCED AND REFERRED TO COMMITTEE  
ON STATE ADMINISTRATION.

JANUARY 28, 1987                   COMMITTEE RECOMMEND BILL  
DO PASS. REPORT ADOPTED.

JANUARY 29, 1987                   PRINTING REPORT.

JANUARY 30, 1987                   SECOND READING, DO PASS.

JANUARY 31, 1987                   ENGROSSING REPORT.

                                      THIRD READING, PASSED.

                                      TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 2, 1987                   INTRODUCED AND REFERRED TO COMMITTEE  
ON STATE ADMINISTRATION.

FEBRUARY 6, 1987                   COMMITTEE RECOMMEND BILL BE  
CONCURRED IN. REPORT ADOPTED.

FEBRUARY 10, 1987                   SECOND READING, CONCURRED IN.

FEBRUARY 12, 1987                   THIRD READING, CONCURRED IN.  
AYES, 50; NOES, 0.

                                      RETURNED TO HOUSE.

IN THE HOUSE

FEBRUARY 17, 1987                   RECEIVED FROM SENATE.

                                      SENT TO ENROLLING.

1 House BILL NO. 244  
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 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW A MEMBER OF  
 6 THE TEACHERS' RETIREMENT SYSTEM TO PURCHASE CREDITABLE  
 7 SERVICE FOR TIME LOST DUE TO AN EMPLOYMENT-RELATED INJURY  
 8 THAT ENTITLED HIM TO WORKERS' COMPENSATION PAYMENTS;  
 9 AMENDING SECTION 19-4-401, MCA; AND PROVIDING AN IMMEDIATE  
 10 EFFECTIVE DATE."

11  
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 NEW SECTION. Section 1. Absence due to  
 14 employment-related injury. (1) (a) Subject to the limitation  
 15 in subsection (5), time during which a member is absent  
 16 because of an injury related to employment covered by the  
 17 retirement system that entitles him to workers' compensation  
 18 payments may be qualified under the retirement system. To  
 19 qualify this service, a member shall contribute to the  
 20 retirement system, upon his return to contributing  
 21 membership service, an amount equal to:

- 22 (i) the contributions which would have been made by
- 23 him had he not been absent, based on his compensation at the
- 24 commencement of his absence;
- 25 (ii) interest, which begins to accrue 1 year from the

1 date he returns to covered employment; and  
 2 (iii) interest not paid by the employer under  
 3 subsection (1)(b).

4 (b) Whenever a member elects to contribute under  
 5 subsection (1)(a), the employer shall contribute an amount  
 6 equal to the contributions which would have been made by the  
 7 employer had the member not been absent, based on the  
 8 member's compensation at the commencement of his absence.  
 9 The employer may contribute an amount equal to the interest  
 10 accruing on the employer's contributions calculated in the  
 11 same manner as interest on the employee's contributions  
 12 under subsection (1)(a). If the employer elects not to pay  
 13 the interest, this amount must be paid by the employee.

14 (2) A member shall file with the retirement board a  
 15 written notice of his intent to pay the contributions under  
 16 subsection (1)(a).

17 (3) Payment of the employee's contributions due  
 18 because of the period of absence may be made in one sum at  
 19 the time of filing the notice or on an installment basis  
 20 before termination of covered employment.

21 (4) A member absent as provided in subsection (1)(a)  
 22 loses his right to contribute under this section if all of  
 23 his accumulated normal contributions are refunded under  
 24 19-4-603.

25 (5) The maximum amount of membership service allowable



1 under this section is 2 years.

2 Section 2. Section 19-4-401, MCA, is amended to read:

3 "19-4-401. Creditable service. (1) The creditable  
4 service of a member begins on the date of his employment in  
5 a capacity prescribed for his eligibility in 19-4-302 and  
6 accumulates to the member's credit on the basis of the  
7 retirement board's policy governing creditable service.

8 (2) The creditable service of a member includes the  
9 following:

10 (a) each year of service for which contributions to  
11 the retirement system were deducted from his compensation  
12 under the provisions of Chapter 87, Laws of 1937, Chapter  
13 215, Laws of 1939, this chapter, and their subsequent  
14 amendments, except that no credit may be awarded for those  
15 years of service for which the contributions have been  
16 withdrawn and not replaced;

17 (b) any service awarded by a prior service certificate  
18 issued under the provisions of Chapter 87, Laws of 1937,  
19 Chapter 215, Laws of 1939, and their subsequent amendments  
20 or under the provisions of 19-4-406;

21 (c) any out-of-state employment service awarded by the  
22 retirement board under the provisions of 19-4-402;

23 (d) any service awarded for employment while on leave  
24 under 19-4-403;

25 (e) any service in the military, red cross, or

1 merchant marine awarded by the retirement board under  
2 19-4-404; and

3 (f) any employment service awarded by the retirement  
4 board under the provisions of 19-4-408; and

5 (g) any service awarded for absence due to  
6 employment-related injury under [section 1].

7 (3) The retirement board's determination of creditable  
8 service under this section is final and conclusive for the  
9 purposes of the retirement system unless, at any time, the  
10 board discovers an error or fraud in the establishment of  
11 creditable service, in which case the board shall  
12 redetermine the creditable service."

13 NEW SECTION. Section 3. Extension of authority. Any  
14 existing authority of the teachers' retirement board to make  
15 rules on the subject of the provisions of this act is  
16 extended to the provisions of this act.

17 NEW SECTION. Section 4. Codification instruction.  
18 Section 1 is intended to be codified as an integral part of  
19 Title 19, chapter 4, and the provisions of Title 19, chapter  
20 4, apply to section 1.

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

-End-



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2 Section 2. Section 19-4-401, MCA, is amended to read:

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17 (3) Payment of the employee's contributions due  
 18 because of the period of absence may be made in one sum at  
 19 the time of filing the notice or on an installment basis  
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21 (4) A member absent as provided in subsection (1)(a)  
 22 loses his right to contribute under this section if all of  
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25 (5) The maximum amount of membership service allowable



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