

HB 418 INTRODUCED BY BACHINI, ET AL.
DEDUCT .5 PERCENT OF POLICE OFFICERS' SALARIES FOR
PREMIUM PAYMENTS AND OTHER EXPENSES

1/23 INTRODUCED
1/23 REFERRED TO STATE ADMINISTRATION
2/10 HEARING
2/11 COMMITTEE REPORT--BILL NOT PASSED AS AMENDED
2/12 ADVERSE COMMITTEE REPORT ADOPTED 58 37

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House BILL NO. 418 *Carroll*
 INTRODUCED BY *Richard Walker, Keith Bradley, O'Connell, Kelly, Beach, Steve, David, John, Vincent, Michael, Daniel, Jargason, Thibet, Hager, Powell, Fuchs, Ram, Long*

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING DEDUCTION FROM A POLICE OFFICER'S MONTHLY COMPENSATION FOR PAYMENT OF LIFE INSURANCE PREMIUMS AND TO DEFRAY CERTAIN EXPENSES; AMENDING SECTIONS 19-9-304, 19-9-601, AND 19-9-602, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 Section 1. Section 19-9-601, MCA, is amended to read:
 "19-9-601. Member Member's contributions -- additional

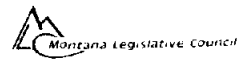
deduction. (1) The normal contribution of each active member is 6% of his monthly compensation or, in the case of a member first employed by an employer as a police officer after June 30, 1979, 7 1/2% of his monthly compensation, excluding overtime, holiday payments, shift differential payments, compensation time payments, and payments in lieu of sick leave and annual leave, for his services as a police officer.

(2) Each employer, pursuant to section 414(h)(2) of the federal Internal Revenue Code of 1954, as amended and applicable on July 1, 1985, shall pick up and pay the contributions which would be payable by the member under subsection (1) for service rendered after June 30, 1985.

1 (3) The member's contributions picked up by the
 2 employer must be designated for all purposes of the
 3 retirement system as the member's contributions, except for
 4 the determination of a tax upon a distribution from the
 5 retirement system. These contributions must become part of
 6 the member's accumulated contributions but must be accounted
 7 for separately from those previously accumulated.

8 (4) The member's contributions picked up by the
 9 employer must be payable from the same source as is used to
 10 pay compensation to the member and must be included in the
 11 member's wages as defined in 19-1-102 and his monthly
 12 compensation as defined in 19-9-104. The employer shall
 13 deduct from the member's compensation an amount equal to the
 14 amount of the member's contributions picked up by the
 15 employer and remit the total of the contributions to the
 16 board.

17 (5) In addition to the member's contribution required
 18 under subsection (1), an employer shall deduct an amount
 19 equal to 0.5% from the monthly compensation, excluding
 20 overtime, holiday payments, shift differential payments,
 21 compensation time payments, and payments in lieu of sick
 22 leave and annual leave, of each active member. The employer
 23 shall pay this amount on a monthly basis to the treasurer of
 24 the Montana police protective association to be used to pay
 25 premiums on a group life insurance policy for members and to



1 defray expenses incurred by the association when
 2 representing members of the plan."

3 Section 2. Section 19-9-304, MCA, is amended to read:

4 "19-9-304. Termination of employment prior to
 5 retirement. Upon termination of the employment of an active
 6 member prior to his retirement date, he shall withdraw the
 7 amount of his ~~member~~ member's contributions in lieu of all
 8 other benefits under the plan. If he has 10 years or more of
 9 service, the amount paid shall include regular interest, at
 10 a rate to be determined by the board, on such amounts. If he
 11 has less than 10 years of service, he shall receive only the
 12 amount paid through salary deductions, without interest. If
 13 an active member's employment terminates by reason of his
 14 death, his beneficiaries are entitled to the benefits
 15 prescribed in 19-9-911."

16 Section 3. Section 19-9-602, MCA, is amended to read:

17 "19-9-602. Vesting and withdrawal of contributions. A
 18 member is at all times fully vested in the deductions made
 19 from his compensation as a member and paid to the board or
 20 made as a member of a prior plan standing to his credit and
 21 may, at his discretion, withdraw the full amount of these
 22 deductions upon his termination of employment in accordance
 23 with 19-9-304 and forfeit all rights and interest with
 24 respect to any benefits which would otherwise become payable
 25 under the plan."

1 NEW SECTION. Section 4. Extension of authority. Any
 2 existing authority of the public employees' retirement board
 3 to make rules on the subject of the provisions of this act
 4 is extended to the provisions of this act.

5 NEW SECTION. Section 5. Effective date. This act is
 6 effective July 1, 1987.

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