

HOUSE BILL NO. 55

INTRODUCED BY DAVIS
BY REQUEST OF THE TEACHERS' RETIREMENT BOARD

IN THE HOUSE

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| DECEMBER 23, 1992 | INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION. |
| JANUARY 4, 1993 | FIRST READING. |
| JANUARY 6, 1993 | COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED. |
| JANUARY 7, 1993 | PRINTING REPORT. |
| | SECOND READING, DO PASS. |
| JANUARY 8, 1993 | ENGROSSING REPORT. |
| | THIRD READING, PASSED. AYES, 96; NOES, 0. |
| | TRANSMITTED TO SENATE. |

IN THE SENATE

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| JANUARY 11, 1993 | INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION. |
| | FIRST READING. |
| JANUARY 19, 1993 | COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED. |
| JANUARY 22, 1993 | SECOND READING, CONCURRED IN. |
| JANUARY 23, 1993 | THIRD READING, CONCURRED IN. AYES, 43; NOES, 3. |
| | RETURNED TO HOUSE. |

IN THE HOUSE

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| JANUARY 25, 1993 | RECEIVED FROM SENATE. |
| | SENT TO ENROLLING. |
| | REPORTED CORRECTLY ENROLLED. |

1 HOUSE BILL NO. 55

2 INTRODUCED BY DAVIS

3 BY REQUEST OF THE TEACHERS' RETIREMENT BOARD

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT RESTORING TO A RETIRED
6 MEMBER OF THE TEACHERS' RETIREMENT SYSTEM THE MEMBER'S FULL
7 NORMAL FORM OF RETIREMENT ALLOWANCE IF THE BENEFICIARY
8 DESIGNATED AT THE TIME OF RETIREMENT FOR CERTAIN OPTIONAL
9 RETIREMENT ALLOWANCES PRECEDES THE MEMBER IN DEATH; AND
10 AMENDING SECTION 19-4-702, MCA."

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

13 Section 1. Section 19-4-702, MCA, is amended to read:

14 "19-4-702. Optional allowances. (1) Until the first
15 payment on account of any benefit becomes normally due, any
16 member may elect to receive one of the optional allowances
17 described in subsection (2) in lieu of the normal form of
18 retirement allowance, which is provided for in part 8 of
19 this chapter and 19-4-902. If a beneficiary member dies
20 within 30 days after retirement, his the member's election
21 to receive an optional allowance is void and his the
22 member's death will be considered as that of an active
23 member.

24 (2) An optional allowance is the actuarial equivalent
25 of the member's retirement or disability allowance at the

1 time of his the member's retirement and provides an
2 allowance payable to him the member throughout his the
3 member's lifetime and, upon his the member's death, an
4 allowance payable to the person that he the member nominated
5 by written designation, duly acknowledged and filed with the
6 retirement board at the time of his the member's retirement,
7 in accordance with one of the following options:

8 (a) Option A--the optional allowance will be paid to
9 the member throughout his the member's lifetime and, upon
10 his the member's death, continue throughout the lifetime of
11 his the member's designated beneficiary.

12 (b) Option B--the optional allowance will be paid to
13 the member throughout his the member's lifetime, and upon
14 his the member's death, one-half of the optional allowance
15 will be continued throughout the lifetime of his the
16 member's designated beneficiary.

17 (c) Option C--the optional allowance will be paid to
18 the member throughout his the member's lifetime, and upon
19 his the member's death, two-thirds of the optional allowance
20 will be continued throughout the lifetime of his the
21 member's designated beneficiary.

22 (d) Option D--the--optional--allowance--will--be--paid--to
23 the--member--while--both--the--member--and--his--designated
24 beneficiary--are--living,--and--upon--the--death--of--either,
25 one-half--of--the--optional--allowance--will--be--continued

1 throughout the lifetime of the survivor;

2 (e) -- Option E -- the optional allowance will be paid to
3 the member while both the member and his designated
4 beneficiary are living; and upon the death of either,
5 two-thirds of the optional allowance will be continued
6 throughout the lifetime of the survivor.

7 (f) -- Option F -- some other benefit will be paid either to
8 the member or his the member's surviving designated
9 beneficiary in accordance with provisions approved by the
10 retirement board.

11 (3) (a) Upon written request to the retirement board, a
12 retired member who is receiving an optional retirement
13 allowance may designate a different beneficiary, select a
14 different option, or convert his the member's optional
15 retirement allowance to a regular retirement or disability
16 allowance if:

17 (i) the original beneficiary has died; or

18 (ii) the member has been divorced from the original
19 beneficiary and the original beneficiary has not been
20 granted the right to receive the optional retirement
21 allowance as part of the divorce settlement.

22 (b) Upon receipt of the request, the board shall
23 actuarially adjust the member's monthly retirement or
24 disability allowance to reflect the change.

25 (4) Effective on the first of the month following

1 receipt of notification of the death of a person nominated
2 as the designated beneficiary under subsection (2), any
3 optional retirement allowance that is effective after
4 October 1, 1993, will revert to the full normal form of
5 retirement allowance available at the time of retirement.
6 The normal form of retirement allowance available must be
7 increased by the value of any postretirement adjustments
8 received by the member since the effective date of
9 retirement."

-End-

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

HOUSE BILL NO. 55

INTRODUCED BY DAVIS

BY REQUEST OF THE TEACHERS' RETIREMENT BOARD

A BILL FOR AN ACT ENTITLED: "AN ACT RESTORING TO A RETIRED MEMBER OF THE TEACHERS' RETIREMENT SYSTEM THE MEMBER'S FULL NORMAL FORM OF RETIREMENT ALLOWANCE IF THE BENEFICIARY DESIGNATED AT THE TIME OF RETIREMENT FOR CERTAIN OPTIONAL RETIREMENT ALLOWANCES PRECEDES THE MEMBER IN DEATH; AND AMENDING SECTION 19-4-702, MCA."

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

Section 1. Section 19-4-702, MCA, is amended to read:

"19-4-702. Optional allowances. (1) Until the first payment on account of any benefit becomes normally due, any member may elect to receive one of the optional allowances described in subsection (2) in lieu of the normal form of retirement allowance, which is provided for in part 8 of this chapter and 19-4-902. If a beneficiary member dies within 30 days after retirement, his the member's election to receive an optional allowance is void and his the member's death will be considered as that of an active member.

(2) An optional allowance is the actuarial equivalent of the member's retirement or disability allowance at the

time of his the member's retirement and provides an allowance payable to him the member throughout his the member's lifetime and, upon his the member's death, an allowance payable to the person that he the member nominated by written designation, duly acknowledged and filed with the retirement board at the time of his the member's retirement, in accordance with one of the following options:

(a) Option A--the optional allowance will be paid to the member throughout his the member's lifetime and, upon his the member's death, continue throughout the lifetime of his the member's designated beneficiary.

(b) Option B--the optional allowance will be paid to the member throughout his the member's lifetime, and upon his the member's death, one-half of the optional allowance will be continued throughout the lifetime of his the member's designated beneficiary.

(c) Option C--the optional allowance will be paid to the member throughout his the member's lifetime, and upon his the member's death, two-thirds of the optional allowance will be continued throughout the lifetime of his the member's designated beneficiary.

(d) Option D--the optional allowance will be paid to the member while both the member and his designated beneficiary are living, and upon the death of either, one-half of the optional allowance will be continued

1 throughout-the-lifetime-of-the-survivor:

2 {e}--Option-B--the--optional--allowance--will-be-paid-to
3 the--member--while--both--the--member--and--his---designated
4 beneficiary--are--living,--and--upon--the--death--of--either,
5 two-thirds-of--the--optional--allowance--will--be--continued
6 throughout-the-lifetime-of-the-survivor:

7 {f}--Option-F--some other benefit will be paid either to
8 the member or his the member's surviving designated
9 beneficiary in accordance with provisions approved by the
10 retirement board.

11 (3) (a) Upon written request to the retirement board, a
12 retired member who is receiving an optional retirement
13 allowance may designate a different beneficiary, select a
14 different option, or convert his the member's optional
15 retirement allowance to a regular retirement or disability
16 allowance if:

17 (i) the original beneficiary has died; or

18 (ii) the member has been divorced from the original
19 beneficiary and the original beneficiary has not been
20 granted the right to receive the optional retirement
21 allowance as part of the divorce settlement.

22 (b) Upon receipt of the request, the board shall
23 actuarially adjust the member's monthly retirement or
24 disability allowance to reflect the change.

25 (4) Effective on the first of the month following

1 receipt of notification of the death of a person nominated
2 as the designated beneficiary under subsection (2), any
3 optional retirement allowance that is effective after
4 October 1, 1993, will revert to the full normal form of
5 retirement allowance available at the time of retirement.
6 The normal form of retirement allowance available must be
7 increased by the value of any postretirement adjustments
8 received by the member since the effective date of
9 retirement."

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12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:13 **Section 1.** Section 19-4-702, MCA, is amended to read:

14 "19-4-702. Optional allowances. (1) Until the first
15 payment on account of any benefit becomes normally due, any
16 member may elect to receive one of the optional allowances
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18 retirement allowance, which is provided for in part 8 of
19 this chapter and 19-4-902. If a beneficiary member dies
20 within 30 days after retirement, his the member's election
21 to receive an optional allowance is void and his the
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25 of the member's retirement or disability allowance at the

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9 the member throughout his the member's lifetime and, upon
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11 his the member's designated beneficiary.

12 (b) Option B--the optional allowance will be paid to
13 the member throughout his the member's lifetime, and upon
14 his the member's death, one-half of the optional allowance
15 will be continued throughout the lifetime of his the
16 member's designated beneficiary.

17 (c) Option C--the optional allowance will be paid to
18 the member throughout his the member's lifetime, and upon
19 his the member's death, two-thirds of the optional allowance
20 will be continued throughout the lifetime of his the
21 member's designated beneficiary.

22 (d) Option D--~~the--optional--allowance--will--be--paid--to~~
23 ~~the--member--while--both--the--member--and--his--designated~~
24 ~~beneficiary--are--living,--and--upon--the--death--of--either,~~
25 ~~one-half--of--the--optional--allowance--will--be--continued~~

1 throughout-the-lifetime-of-the-survivor;

2 {e}--Option-B--the--optional--allowance--will-be-paid-to
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4 beneficiary--are--living;--and--upon--the--death--of--either,
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7 {f}--Option-F--some other benefit will be paid either to
8 the member or his the member's surviving designated
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10 retirement board.

11 (3) (a) Upon written request to the retirement board, a
12 retired member who is receiving an optional retirement
13 allowance may designate a different beneficiary, select a
14 different option, or convert his the member's optional
15 retirement allowance to a regular retirement or disability
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19 beneficiary and the original beneficiary has not been
20 granted the right to receive the optional retirement
21 allowance as part of the divorce settlement.

22 (b) Upon receipt of the request, the board shall
23 actuarially adjust the member's monthly retirement or
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(c) Option C--the optional allowance will be paid to the member throughout his the member's lifetime, and upon his the member's death, two-thirds of the optional allowance will be continued throughout the lifetime of his the member's designated beneficiary.

(d) Option D--~~the optional allowance will be paid to the member while both the member and his designated beneficiary are living, and upon the death of either, one-half of the optional allowance will be continued~~

~~throughout the lifetime of the survivor;~~

~~{e}--Option-B--the--optional--allowance--will--be--paid--to--the--member--while--both--the--member--and--his--designated--beneficiary--are--living,--and--upon--the--death--of--either,--two-thirds--of--the--optional--allowance--will--be--continued--throughout--the--lifetime--of--the--survivor;~~

~~{f}--Option-P--some other benefit will be paid either to the member or his~~ the member's ~~surviving designated beneficiary in accordance with provisions approved by the retirement board.~~

(3) (a) Upon written request to the retirement board, a retired member who is receiving an optional retirement allowance may designate a different beneficiary, select a different option, or convert ~~his~~ the member's optional retirement allowance to a regular retirement or disability allowance if:

(i) the original beneficiary has died; or

(ii) the member has been divorced from the original beneficiary and the original beneficiary has not been granted the right to receive the optional retirement allowance as part of the divorce settlement.

(b) Upon receipt of the request, the board shall actuarially adjust the member's monthly retirement or disability allowance to reflect the change.

(4) Effective on the first of the month following

receipt of notification of the death of a person nominated as the designated beneficiary under subsection (2), any optional retirement allowance that is effective after October 1, 1993, will revert to the full normal form of retirement allowance available at the time of retirement. The normal form of retirement allowance available must be increased by the value of any postretirement adjustments received by the member since the effective date of retirement."

-End-